

## EXECUTIVE

Date: Tuesday 8 February 2022  
Time: 5.30 pm  
Venue: Guildhall, High Street, Exeter

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

Due to the current social distancing restrictions brought about by the Corona Virus outbreak, any members of the public wishing to attend the meeting, please contact the [Democratic Services Team](#) in advance as there is limited capacity for public attendance. Priority will be given to those addressing the Committee under the public speaking provisions.

The recording of the meeting will be uploaded onto YouTube the following day.

If you have an enquiry regarding any items on this agenda, please contact Mark Devin, Democratic Services Officer on 01392 265477.

### *Membership -*

Councillors Bialyk (Chair), Wright (Deputy Chair), Foale, Ghusain, Harvey, Morse, Sutton, Williams 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 11 January 2022.

(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**

**RECOMMENDED** that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of items 18 and 19 on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 3 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 Organisational Change Programme: One Exeter**

To consider the report of the Deputy Chief Executive.

(Pages 13  
- 34)

**7 General Fund / HRA Estimates and Capital Programme 2022/23**

To consider the report of the Director Finance.

(Pages 35  
- 80)

**8 Capital Strategy 2022-23**

To consider the report of the Director Finance.

(Pages 81  
- 90)

**9 The Prudential Code for Capital Finance in Local Authorities (Incorporating the Annual Statement of Minimum Revenue Provision)**

To consider the report of the Director Finance.

(Pages 91  
- 112)

**10 Treasury Management Strategy Report 2022/23**

To consider the report of the Director Finance.

(Pages  
113 - 126)

**11 Wonford Health and Wellbeing Centre feasibility proposal**

To consider the report of the Director Culture, Leisure and Tourism.

(Pages  
127 - 136)

**12 Exeter Local Plan: Issues consultation summary report**

To consider the report of the Deputy Chief Executive.

(Pages  
137 - 172)

**13 Annual Pay Policy Statement 2022/23**

|           |                                                                                                                                                          |                      |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
|           | To consider the report of the Director Corporate Services.                                                                                               | (Pages<br>173 - 188) |
| <b>14</b> | <b>Gender Pay Gap Report</b>                                                                                                                             |                      |
|           | To consider the report of the Director Corporate Services.                                                                                               | (Pages<br>189 - 198) |
| <b>15</b> | <b>Review of the Council's Contaminated Land Strategy</b>                                                                                                |                      |
|           | To consider the report of the Director Net Zero and City Management.                                                                                     | (Pages<br>199 - 232) |
| <b>16</b> | <b>Proposed variation of the Public Spaces Protection Order</b>                                                                                          |                      |
|           | To consider the report of the Director Net Zero Exeter & City Management.                                                                                | (Pages<br>233 - 276) |
| <b>17</b> | <b>Authorisation of Legal Services Officers to attend the Magistrates' and County Courts and changes to the Scheme of Delegation for Legal Services.</b> |                      |
|           | To consider the report of the Director Corporate Services.                                                                                               | (Pages<br>277 - 280) |

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

Representations have been received in respect of items 18 and 19, in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, in that the items of business should be determined in the public section of the meeting for the following reasons:

- (1) This item should be heard in public as it relates to proposed development for which the local planning authority may grant itself planning permission or permission in principle pursuant to regulation 3 of the Town and Country Planning General Regulations 1992. As such, this information is not exempt information by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, and should be disclosed to the public.

Any decision taken by Exeter City Council Executive to hear this item in private may mean that subsequent decisions taken in respect of this item would be unlawful and ineffective, may amount to maladministration, and may be subject to challenge through legal proceedings by any person affected by the decision, or by intervention by the external auditor, thereby placing Exeter City Council at risk.

Neither report relates to an application for planning permission. The first report concerns a business plan, with the second concerning a business case. Both reports contain information relating to the financial or business affairs of the respective companies, as described in paragraph 3 of Part 1 of Schedule 12 A to the Local Government Act 1972.

Paragraph 10 of Part 2 Schedule 12A of the Local Government Act 1972, states that information which falls into paragraphs 1-7 of Part 1 Schedule 12A of the Local Government Act 1972 is exempt information if, and so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The proposed reasons for the exemption is that it is in the public interest to maintain the confidentiality of the company's business plan and business case respectively. The recommendation that these items are taken under Part 2, will be maintained.

In accordance with Regulation 5, Paragraph 5, Part 2 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 concerning the procedures prior to private meetings, the details of the representations received have been included on the agenda with the statement of response to the representations. The agenda has been published with five clear working days ahead of the meeting, in line with legislation.

**18 Exeter City Living Business Plan 2022-23**

To consider the report of the Chief Executive & Growth Director.

(Pages  
281 - 484)

**19 A Business Case for the Creation of a Residential Property Company**

To consider the report of the Chief Executive & Growth Director.

(Pages  
485 - 732)

**Date of Next Meeting**

The next scheduled meeting of the Executive will be held on **Monday 28 February 2022** at 5.30 pm at the Guildhall.

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

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## 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.**

## REPORT TO EXECUTIVE

Date of Meeting: 8 February 2022

## REPORT TO COUNCIL

Date of Meeting: 22 February 2022

Report of: Deputy Chief Executive

Title: Organisational Change Programme: One Exeter

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

### 1. What is the report about?

1.1 This report sets out how the council plans to deliver its organisational change programme, One Exeter, in order to deliver a fit for purpose organisation and meet the savings identified in the Medium Term Financial Plan (MTFP).

### 2. Recommendations:

That Executive recommends to Council:

2.1 That the organisational change programme be approved in order to deliver a fit for purpose organisation and meet the requirements of the MTFP;

2.2 That Members note that the overall savings targets for each work stream are indicative; where targets are not met, these will have to be met by compensatory savings in other areas to ensure that the council continues to deliver a balanced budget;

2.3 That Members note the budget requirements for delivering the change programme and agree to receive further reports requesting this funding at the appropriate time.

2.4 That Members agree the following recommendations from the Discretionary Services Review:-

2.4.1 That Members agree operational budget cut proposals that will bring about a recurring reduction in back office spend of £171,180;

2.4.2 Subject to compliance with the provisions of the Community Infrastructure Regulations 2011, Members agree the proposal for £95,370 be transferred from the Neighbourhood CIL to resource the Communities element of the Active and Healthy People service;

2.4.3 Members agree to the business case proposal to remodel the Customer Service Centre, and the permanent deletion of two security and assistance officer posts and one

customer service officer post, generating a proposed saving of £86,945. Members may wish to note that two of the posts are currently vacant; and

2.4.4 Members agree the business case to reduce the opening hours of the underground passages to reduce the operational cost, generating a proposed saving of £45,000.

2.5 In relation to 2.4, members are asked to note that employees will be consulted on the impact of any changes to their roles and jobs. Where the outcome results in any potential redundancies, the consultation will be genuine and meaningful i.e. the consultation will be entered into:

- with a real willingness to listen and
- an honest preparedness to adjust proposals where considered appropriate and
- where there is a sufficient level of detail provided and
- where there is adequate time made available.

2.6 As part of the consultation process, where potentially impacted staff propose alternatives that are reasonable, implementable and deliver the same financial savings required by the business case, members resolve to authorise the relevant Director to consider and agree them.

### **3. Reasons for the recommendation:**

3.1 To deliver the council's ambition to provide value for money services and a well-run council as set out in the Corporate Plan 2018-21. This will include working directly with staff via the Strategic Management Board, the Operational Management Board and Managers.

3.2 To ensure a structured and coordinated approach to delivering a fit for purpose organisation and meeting the requirements of the MTFP.

3.3 To secure adequate resources for delivering the work programme should Members approve its implementation.

### **4. What are the resource implications including non financial resources?**

4.1 Delivering a programme of this magnitude will require additional resources. A Transformation Fund exists which has helped to fund delivery of the work programme. To date, the funding has been spent on resourcing the Programme Steering Group (PSG) through part time secondments for four members of staff. The PSG has been put in place to progress the work programme. This was initially for a period of one year but this has now been extended in line with the agreed temporary arrangements for the Chief Executive and Growth Director and the Interim Deputy Chief Executive until the end of December 2022. Beyond that, proposals will be made for consideration by Members regarding any required on-going resourcing of the One Exeter Programme.

4.2 Further funding will be used to appoint 1.5 FTEs on a fixed term, temporary basis to support the HR elements of the work programme. This will be in place until June 2023.

4.3 Some work within the programme plan will incur up-front costs such as staff development and support, or one-off implementation costs and these will need to be funded from existing resources or earmarked reserves. Such costs (recurring and non-

recurring) will be clearly identified and set out in accordance with the agreed financial monitoring framework. Business Cases for funding this work will be developed and approval sought as appropriate from Members in the usual way.

4.4 The work programme is also dependent on an investment in ICT, for example, the introduction of Microsoft 365 and potential introduction of web chat and Artificial Intelligence. Work is underway to develop detailed plans with Strata to deliver the technological elements of the programme plan and how it will be funded. Work is currently being scoped to identify how this can be done alongside the other two council owners of Strata.

## **5. Section 151 Officer comments:**

5.1 The programme set out identifies a sound methodology for delivering the reductions required in the medium term financial plan. Indeed, the recommendations set out in 2.4 along with other elements of the programme have secured £1.3 million of reductions for the first year of the plan. This is positive and Members should take heart that, if the proposals are approved, they have made the decisions required to help deliver a balanced budget in 2022-23.

5.2 There is still much work to be done and it should be noted that there is currently no identified funding to deliver the IT investment. Further investment in IT is inevitable, but will require compensating reductions to deliver.

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

6.1 Given the requirements of the MTFP, it is clear that there will need to be a reduction in staff costs as these constitute a significant proportion of the overall costs. A range of possible options are being examined through the One Exeter work programme. However, it is clear that the shape and size of the organisation will change and this will inevitably have an impact on roles and jobs.

6.2 Given that the need for potential redundancies is a possibility, due to the challenge of the financial situation, it has been appropriate to already initiate genuine, meaningful and confidential consultation. Hence discussions have been held between the Director of Corporate Services, the Service Lead for Human Resources and the Unison Representative. If or when appropriate, an HR1 form will be completed. This is in compliance with UK employment law. Staff will be involved in this process if or when necessary.

6.3 As stated earlier in this report, there will be a requirement to consult with employees on the impact of any changes to their roles and jobs. Should it be necessary to make staff redundant, a consultation process will be followed which must be genuine and meaningful to meet legal requirements i.e. the consultation exercise must be entered into:

- with a real willingness to listen and
- an honest preparedness to adjust proposals where considered appropriate and
- where there is a sufficient level of detail provided and
- where there is adequate time made available.

Compulsory redundancies will be used as a last resort where other staff cost reductions have been employed.

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

Members will note the content of this report together with the legal aspects above.

With regard to the proposed application of the neighbourhood portion of the Community Infrastructure Levy to resource the Communities element of the Active and Healthy People Service, Officers will need to ensure compliance with the provisions of the Community Infrastructure Levy Regulations 2011 prior to the allocation of these monies.

## **8. Report details:**

### **Background**

8.1 It was set out in March 2021, by the Chief Executive and Growth Director that the council would need to focus on two areas of work.

- 1) Supporting Growth;
- 2) Developing a fit for purpose organisation

8.2 In conjunction with this, the MTFP has identified a need to deliver a combination of reduction in budget and income generation to address a £7.65m budget shortfall by the end of March 2025. Fifteen work streams were originally identified by the Chief Executive & Growth Director in conjunction with the Leader of the Council, Portfolio Holder Transformation and the Director of Finance. These have since been brought together and reduced to 7 work streams which identify the expectations of each work stream to deliver the predicted budget reduction/income required. Rather than look at each of the identified work streams in isolation, it was agreed to consolidate delivery into one work programme that not only addresses the budget challenges but also captures previously identified organisational development work.

8.3 Whilst officers are mindful of the budget challenge the council faces, equally important is work to ensure that staff are supported throughout the change programme. This will require a reset of the culture and expectations of the organisation in terms of not only what it wants to deliver to residents but also how it is delivered.

8.4 The council's Corporate Peer Challenge in December 2017 provides a useful reference point for key areas to address. This identified some major pieces of work that needed attention in order to rebalance council capacity and resources to manage focus between growth and other pressing internal priorities. Work on this was delayed, partly due the pandemic, but the work programme will seek to deliver these internal priorities which are summarised below:

- Development of a Workforce Strategy;
- Promoting organisational values and behaviours;
- New culture with reduction of silo working;
- Enhanced performance management framework;
- Progression of digital transformation plans;
- Progressing the development of commercialisation.

8.5 The pandemic and the resulting acceleration of agile & flexible working has been a significant feature of the organisation and there are lessons to learn from this in shaping the council. A staff survey commissioned in Autumn 2021, points to issues to be addressed in terms of applying the lessons learned during the pandemic to the council's agile and flexible working arrangements as well as supporting staff wellbeing.

8.6 Management of this work under one work programme will ensure that strategic oversight is maintained across the whole work programme and that a co-ordinated change management approach is applied. It will also facilitate effective monitoring and reporting on progress and barriers to the Strategic Management Board (SMB) and Members for consideration and resolution

8.7 In order to aid communication of the programme and to denote the consolidation and prioritisation of this work, the work programme has been titled, 'One Exeter'.

## **9. The Approach**

9.1 Bindu Arjoon, Director of City Development, Strategic Housing and Supporting People, was assigned to the post of interim Deputy Chief Executive in April 2021, to give senior leadership to the change programme. A Programme Steering Group (PSG) was established in May and has scoped the work programme. Regular progress updates on this scoping work have been provided to the Leader, Deputy Leader, Portfolio Holder for Transformation and the Strategic Management Board (SMB). Should Members approve the One Exeter programme, appropriate decisions related to the programme will be made using the council's existing governance framework.

## **10. The One Exeter Work Programme**

10.1 Work has been underway since May 2021, to develop a programme plan to deliver the One Exeter work programme. The work streams are set out below:

| Work stream | Area                                      | Details                                                                                                                                                                 |
|-------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1           | Leisure Service Review                    | Leisure Services to be redesigned to be cost neutral                                                                                                                    |
| 2           | Target Operating Model/Service Reductions | To include Organisational Change Programme, changes to management structure, cessation/reduction in discretionary services and review of statutory and support services |
| 3           | Technical Accounting                      | Review of charges from the General Fund to the following services – Building Control, Land Charges, Visit Exeter, Licensing and Housing Revenue Account (HRA)           |
| 4           | Corporate Property                        | Asset disposal and management/potential additional income and review of Asset Improvement and Maintenance costs                                                         |
| 5           | Seek external funding                     | Seek funding from ring-fenced and externally funded services                                                                                                            |
| 6           | HR                                        | New working patterns                                                                                                                                                    |
| 7           | Income Generation                         | To include commercialisation, return from borrowing on Exeter City Living Group activities and car parking income                                                       |

10.2 The emphasis of the One Exeter work to date has been on building plans for those work streams that will deliver savings/generate income over the next two financial years (2022/23 and 2023/24).

10.3 Additional work will be undertaken in 2022 to further develop the programme plan to include the work streams detailed below.

- a) Corporate Property (Work stream 4): further work scheduled for delivery in 2024/25;
- b) Exeter City Living – return from borrowing (Work stream 7): income is expected during 2024/25; and
- c) Car park income (Work stream 7):– This plan will be developed when post-pandemic, car parking income predictions can be made with more certainty.

## 11. Scope of the One Exeter work programme

11.1 Work has started on scoping the One Exeter work programme and some of the work which needs to feed into the 2022/23 budget setting process has already begun. A summary is provided below.

### ***Leisure Services to be redesigned to be cost neutral (work stream 1)***

11.2 This element of the work programme seeks to create cost- neutral Leisure Service provision. However, it will not be possible to determine whether the predicted income levels can be achieved until St Sidwells' Point opens in Spring 2022. A report will be brought to Executive in June 2022, to outline actual income levels and suggest alternative options if the forecasted income levels are unlikely to be delivered.

#### ***Corporate Property: Asset Disposal and Management (work stream 4)***

11.3 This work stream aims to release capital receipts through asset disposal and management. A saving of £550k has already been identified for 2022/23 by releasing capital receipts to fund the fleet lease contract.

#### ***Technical Accounting (work stream 3)***

11.4 The 'Technical Accounting' work stream aims to review the support service recharges from the General Fund to self-financing services with a view to making a saving of £252k in 2022/23. This saving has been achieved and will be reflected in the budget for 2022/23.

#### ***Seek external funding: Contribution from ring-fenced discretionary services (work stream 5)***

11.5 This work stream aims to increase the contribution from ring-fenced discretionary services. Work is underway with the University to develop the Creative Ark programme. This will enable the council to deliver its cultural offer whilst still achieving the MTFP targets.

#### ***Externally funded services (work stream 5)***

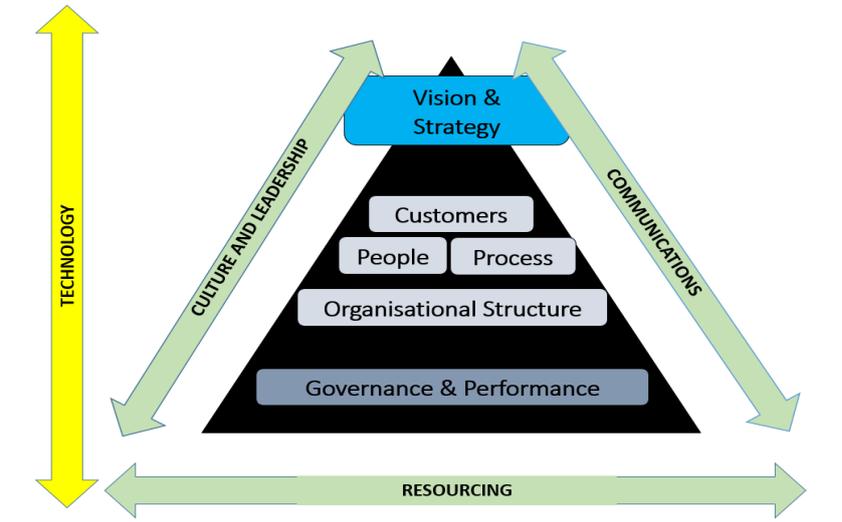
11.6 This work stream aims to identify opportunities for increasing the contribution from externally funded services. Discussions are taking place with external bodies, at which point, it will be possible to determine if this work stream is achievable.

#### ***Commercialisation (work stream 7)***

11.7 A detailed project plan has been developed that sets out how the council intends to generate income through commercialisation. Work to date has focussed on securing commercial waste and recycling disposal contracts with businesses in the city with sales in this area increasing by 20% year on year. Whilst waste will continue to be a key area of focus for generating income, further opportunities will be explored to provide commercial services within Parks and Open Spaces, Cemeteries and Legal Services.

#### ***Target Operating Model (work streams 2 and 6)***

11.8 The TOM provides a framework through which the organisational development elements of the work programme can be structured and aligned. The model adopted for the One Exeter work programme is presented below.



11.9 A vision and strategy has been developed for each element of the TOM as shown in the table below:

| Work Stream              | Work Stream Vision<br>(link to budget area shown in brackets)                                                                       | Work Stream Strategies                                                                                                                                                                                                                                               |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customers                | A cost-effective exceptional customer experience every time (2)                                                                     | <ol style="list-style-type: none"> <li>1. Use customer insight to design services</li> <li>2. Limit costly contact channels</li> <li>3. Embed a single point of contact ethos</li> </ol>                                                                             |
| People                   | The council is a place where staff are supported and developed to deliver quality services and reach their full potential (2 and 6) | <ol style="list-style-type: none"> <li>1. Develop a Workforce Plan</li> <li>2. Develop an Employee Wellbeing framework</li> <li>3. Consider how the work place should be utilised</li> </ol>                                                                         |
| Process                  | Streamlined, automated and efficient customer-facing processes for internal and external customers (2)                              | <ol style="list-style-type: none"> <li>1. Prioritise, analyse and redesign processes and continuously improve them</li> </ol>                                                                                                                                        |
| Organisational Structure | To have an agile and flexible organisational structure that's built on value for money principles (2)                               | <ol style="list-style-type: none"> <li>1. Explore alternative delivery models</li> <li>2. Create a streamlined structure</li> <li>3. Introduce generic roles where it makes sense to do so</li> </ol>                                                                |
| Governance               | A governance framework for the work programme that enables timely and effective decision making and accountability (2)              | <ol style="list-style-type: none"> <li>1. Develop a framework of responsibility and accountability across the organisation (ToR)</li> <li>2. Ensure framework is aligned with council's constitution and policies</li> </ol>                                         |
| Culture and Leadership   | To develop and embed a culture for the organisation that all staff believe in (2)                                                   | <ol style="list-style-type: none"> <li>1. Define and agree values and behaviours</li> <li>2. Develop performance management framework</li> <li>3. Develop support for staff to adapt to new ways of working</li> </ol>                                               |
| Resourcing               | The right people at the right time to successfully deliver One Exeter (2)                                                           | <ol style="list-style-type: none"> <li>1. To identify, secure, develop and support organisational ownership and delivery of One Exeter</li> </ol>                                                                                                                    |
| Communications           | To keep our stakeholders informed in a timely way (2)                                                                               | <ol style="list-style-type: none"> <li>1. Identify stakeholders and methods of communications for each stakeholder group</li> <li>2. Seek and respond to feedback</li> <li>3. Develop a Communications Plan that is aligned with Corporate Communications</li> </ol> |

The outcome of this work will inform the budget setting process for 2023/24 and so as well as scoping the work, some preparatory work has started and is summarised below.

## Customer and Process

11.9.1 A Digital Strategy is currently being developed which sets out how the council will seek to deliver more services online to ensure that customers are able to access services at a time that is convenient to them. The strategy is being developed by Exeter City, East Devon District and Teignbridge District Councils and supported by Strata. This strategy will set the direction for how the council engages with customers, and supports staff, in the future and what technology will be needed, but will need to be informed by the requirements of the One Exeter programme.

11.9.2 An audit has been undertaken to understand how both internal and external customers are contacting services and their reasons why. Initial findings indicate that customers are still calling and emailing officers for services which are now available online. As part of the work programme, it is proposed that there will be a push to encourage customers to access online services where they are available to reduce contact via more expensive and less efficient means of contact, such as telephone and email. Assistance will still be made available to those customers who do not have the skills or technology to access services online or who have complex needs and require more personalised support. Inclusive design principles (such as voice activation) will also be considered if appropriate.

11.9.3 As part of the work programme, it is intended to shift to a new model where customers are dealt with at the first point of contact across multiple channels and services. This will involve the transition of customer facing transactions to the Customer Support team. Work has already started on this transition with both Cleansing transactions and complaints now being dealt with by the Customer Support team rather than the respective service area. This new way of working has brought many benefits, including improved efficiency and cost savings, resolving multi-service enquiries at a single point, shifting multiple email boxes to a reduced number of improved online contact forms and improved customer service reporting.

## Organisational Structure

11.9.4 The outcomes of this work stream will doubtless affect the shape and size of the organisational structure so that changes to the way the organisation looks and operates are likely; both hierarchically (vertically) - through all levels and roles, and via service delivery redesign (horizontally) - across all functions and delivery models.

11.9.5 It is expected that this work will take place between now and November 2022, and will inform a proposed new organisational structure thereafter.

## People

11.9.6 The 'People' element of the plan has been broken down into three distinct areas:

- 1) Development of a Workforce Plan
- 2) Development of an Employee Wellbeing framework
- 3) Consideration of how the workplace should be used in the future

11.9.7 This part of the work programme has been partially hampered due to the difficulties in securing suitable HR support particularly in relation to 1 and 2. In relation to number 3, plans are currently being developed to review the arrangements for agile and flexible working arrangements using learning obtained during the pandemic Culture and Leadership

11.9.8 A working group consisting of members of the Operational Management Board (OMB) has been established to look at drafting a 'Values and Behaviours Framework'. This piece of work will be integral to creating a culture that underpins the future organisation and which all staff feel part of. Members will be invited to input into this framework

## **12. Review of Discretionary Services (work stream 2)**

12.1 Directors have worked with Service Leads and Accountants to identify proposals for changes to Discretionary Services. Directors have identified these proposals as low risk areas taking into account the corporate priorities and overall impacts on service delivery. Significant areas of non-discretionary spend are in member priorities of culture and leisure and there are few areas of "low hanging fruit" given the year on year reductions in core budgets over the last 10 years. The following proposals are for 2022/23 and are designed to give head room for the wider work which will need to reduce core costs by more than £2m by 2025.

12.2 Following the Government's Comprehensive Spending Review announced in October 2021 the target reduction for this project has been reduced due to the softening of the message regarding local authority finances, in particular the further delay to the anticipated Business Rates Review and the setting of a three year budget for local authorities. Overall this does not change the financial position over the next three financial years but it does provide for more strategic work to be undertaken by Members in relation to the on-going funding of discretionary services. It is anticipated that this work will be undertaken during the first part of 2022/23 to inform potential changes and savings for 2023/4 as part of the One Exeter programme.

12.3 To date, the review has identified savings of £399,600 from the 2022/23 budget. If members are minded to agree for officers to take forward these proposals, these savings will be found by:

- Reducing operational budgets that will bring about a recurring reduction in back office spend of £172,180. These reductions will not affect front-line delivery.
- Transferring £95,370 from the Neighbourhood CIL to resource the Communities element of the Active and Healthy People service.
- To remodel the Customer Service Centre, and the permanently delete 3 posts, generating a proposed saving of £86,945. This proposal follows a successful trial period and includes the removal of the corporate reception, facilitation of meetings and appointments, (including public meetings), self-service and assisted self-service provision. Whilst there will be a reduction in posts, staff redundancies will be minimised to one at the most as two posts are vacant. This proposed change has been accelerated due to the pandemic and consultation with internal and external customers has been on-going. The channel shift has been successful and the mitigation proposals allow for face to face and walk-in contact albeit through a

different route therefore, this is a change in the way services are delivered and will not in itself change the services that are delivered. This proposal amounts to an operational change and will not require additional public consultation.

- Members delegate authority to the Director and portfolio holder to work with local partners to reduce operating costs at the Underground Passages.

12.4 In summary, the table below shows the identification of proposed cost reductions for members' consideration against the General Fund of £399,600. These figures have been rounded up or down to the nearest one hundred. Further work will be undertaken during 2022/23 to identify further reductions to Discretionary Services budgets.

| Proposals                 | Democratic & Civic Support | Culture Leisure and Tourism Comms | Active & Healthy People | City Management, Public & Green Spaces | City Development, Housing and Supporting People, Customer Service Centre | Totals  |
|---------------------------|----------------------------|-----------------------------------|-------------------------|----------------------------------------|--------------------------------------------------------------------------|---------|
| Budget Reductions         | 80,100                     | 70,000                            |                         | 22,100                                 |                                                                          | 172,200 |
| Funding Source Change     |                            |                                   | 95,400                  |                                        |                                                                          | 95,400  |
| Service Delivery Change 1 |                            |                                   |                         |                                        | 87,000                                                                   | 87,000  |
| Service Delivery Change 2 |                            | 45,000                            |                         |                                        |                                                                          | 45,000  |
|                           | 80,100                     | 115,000                           | 95,400                  | 22,100                                 | 87,000                                                                   | 399,600 |

### 13. Communications

13.1 Communications to date about the proposed scope of the work programme have taken place with the Leader, Deputy Leader, Chief Executive & Growth Director, Portfolio Holder for Transformation, the Strategic Management Board (SMB) and the Operational Management Board (OMB). A message has also been issued to all staff to inform them about the proposed work programme and advising that a report is going before Executive and Council. Once Members have considered the Programme, more detailed communication will begin with staff.

13.2 A Communications Plan has been developed, in conjunction with the Communications Team, to ensure that all staff and stakeholders, including Members, are kept informed about the work programme as it progresses and what it will mean for them.

13.3 It has been recognised from the outset that the success of any change programme is dependent on buy in and commitment from staff. Resistance to change is a leading factor in why many change programmes fail. It is for this reason that both Managers and staff will be engaged throughout the duration of the work programme through OMB and staff focus groups. A Staff Sounding Board will also be created to discuss and test proposals and ideas before they are implemented. Similarly, a Customer Sounding Board will be formed to discuss and test ideas and proposals that impact on how services are delivered to customers.

### 14. Programme Monitoring and Delivery

14.1 An owner has been assigned to each of the work programme work streams and will provide regular progress reports to the Programme Sponsor and Programme Manager.

The Programme Sponsor will be responsible for providing progress updates to the Strategic Management Board and Members.

14.2 If the organisational change elements of the work programme are to be successfully delivered, the changes required will need to be implemented and sustained at a service level and informed by the knowledge and skills from within the service. This will be especially important in the implementation of online services and the creation of a Customer Single Point Strategy. The OMB will have a pivotal role to play in delivering this work. Work commenced in autumn 2021, with OMB, to familiarise and engage them in the work programme, define and agree their role and understand what help and support they will need to successfully deliver the required elements of the work.

## 15. Delivering and quantifying the budget reductions

15.1 The MTFP aims to deliver a combination of reduction in budget and generation of income to address a £7.65m budget shortfall by the end of March 2025. The current budgetary forecasts are detailed below.

| Year    | Savings | Income | Total  | Comments                                                                                                                                                                                  |
|---------|---------|--------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2022/23 | £1.04m  | £0.26m | £1.3m  | The savings identified for 2022/23 have been achieved.                                                                                                                                    |
| 2023/24 | £2.4m   | £1.35m | £3.75m | It is anticipated that the majority of the 23/24 savings will come from the Organisational Change work (work streams 2 and 6) with leisure services and car parking generating an income. |
| 2024/25 | £0.65m  | £1.95m | £2.6m  | It is anticipated that the 24/25 amount will be generated, predominantly, through additional income.                                                                                      |

15.2 The Deputy Chief Finance Officer sits on the PSG to provide strategic financial support and advice, to help ensure that robust financial analysis and business cases are produced in support of the One Exeter programme and to monitor progress against the savings targets, as required in the MTFP. This arrangement will ensure that any financial implications are fully appraised and that budget reductions or additional income are coordinated at a strategic level and provide early warning if the targeted savings/income are not on track to be achieved.

15.3 A financial monitoring framework has been established to ensure that only cashable savings are counted and that they are only counted once. A One Exeter Financial Monitoring Report will be produced on a monthly basis to monitor progress against financial targets. This will be reviewed by the Programme Sponsor and the Deputy Chief Finance Officer.

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

The One Exeter work programme contributes to the following corporate priorities and plans:

| Priority                                | Plans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Providing Value for Money Services      | <ul style="list-style-type: none"> <li>- Expand our commercial activity and generate more income</li> <li>- Make it as easy as possible for more people to help themselves by providing high quality information and advice through digital and self-help services</li> <li>- Provide accessible, high quality, customer focused, efficient and effective one-stop shop services for people who need our help and advice</li> <li>- Continue to support our staff to shift to agile, mobile and remote working, ensuring we make the best use of the skills and experience of all of our staff</li> </ul> |
| Leading a Well-Run Council              | <ul style="list-style-type: none"> <li>- Develop the capability of our staff to ensure they are highly motivated, well trained and meet our values</li> <li>- Develop a performance management framework</li> <li>- Use data to inform our decisions</li> <li>- Manage and secure our information which will be transparent and accessible</li> <li>- Reduce our carbon and waste production and reduce our energy consumption to help make Exeter a greener place.</li> </ul>                                                                                                                            |
| Tackling congestion and accessibility   | <ul style="list-style-type: none"> <li>- Development of an Active Travel plan for employees</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Promoting Active and Healthy Lifestyles | <ul style="list-style-type: none"> <li>- Development of an Employee Wellbeing framework</li> <li>- Creation of an Active Workforce plan for employees</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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

17.1 A detailed risk register has been developed. The top five risks identified can be found in Appendix A.

## 18. Equality Act 2010 (The Act)

18.1 A high level Equalities Impact Assessment has been undertaken to assess the impact of the overall work programme on people with protected characteristics. This includes any impacts from the review of discretionary services. The initial assessment has identified that the shift to online service provision may have a negative impact on people who are unable, or do not have the skills, to access the internet and that the continuation of agile and flexible working could exacerbate feelings of loneliness and isolation amongst some staff. To mitigate these negative impacts it is proposed that the following actions are taken:

- Development of a Digital Inclusion Strategy; and
- Development of an Employee Wellbeing Framework

The changes to the model of operation for the Customer Service Centre will not have a negative impact on people with protected characteristics. Customers who wish to visit the Civic Centre in person can continue to do so.

18.2 Following Executive Committee, an Equalities Impact Assessment will be undertaken for each of the work streams in the work programme and an action plan will be developed to monitor and manage any mitigations. This plan will be kept under regular review by the PSG to meet the continuing duty to monitor and review.

## 19. Carbon Footprint (Environmental) Implications:

19.1 The implementation of the One Exeter work programme will make a positive impact on the Council's carbon footprint. Specific projects are set out below:

| Programme Activity   | Impact on carbon footprint                                                                                                                                                                                                                                                                       |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Active Travel        | Encouraging staff to walk or cycle to and for work will reduce the need to use cars and consequently positively impact congestion and pollution levels.                                                                                                                                          |
| Agile/hybrid working | The continuation and development of agile and flexible working will reduce the need for office space which will, in turn, reduce the amount of energy needed.                                                                                                                                    |
| Active workforce     | Encouraging staff to become more active at home and at work may result in a reduction in car use.                                                                                                                                                                                                |
| Microsoft 365        | Microsoft 365 will offer the council much more scope to collaborate and share ideas. More meetings can be held remotely reducing the need to travel and information can be shared without the need for emails or printing papers, thereby reducing energy and paper wastage.                     |
| Customer             | More services will be available online which will allow customers to self-serve at times that are convenient to them, rather than during traditional office hours. This will reduce the need for customers to travel to the city centre for face to face services or complete paper based forms. |
| Commercialisation    | Work continues to increase the number of businesses the council contracts with to dispose of their waste and recycling, resulting in increased income as well as reduced mileage and emissions across the city and the wider south west.                                                         |

## 20. Are there any other options?

20.1 Each of the work streams identified in the One Exeter programme could be delivered in isolation by nominated work stream leads. However, without any strategic oversight or coordination, there is a very high possibility that double counting of savings or duplication of work could occur. In addition, adopting a joined up delivery approach, will ensure that any unintended consequences that have an impact on other parts of the organisation, are identified at an early stage.

20.2 Mandating percentage reductions to budgets across all services. This approach has been considered but currently not being followed, in order to ensure the continued delivery of Members' priorities. Should the required savings not be realised from the One Exeter programme, this may need to be revisited.

**Deputy Chief Executive, Bindu Arjoon**

Author: Deputy Chief Executive, Bindu Arjoon

**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

<sup>1</sup> HR 1 - The HR1 form is a **redundancy notification** which must be completed when an employer proposes making twenty or more employees redundant. It is used to inform the Redundancy Payments Service of potential redundancies within the organisation. If the Council does not provide the required information, it will be in contravention of UK employment law.

## One Exeter – Strategic Risks

|   | Risk                                                              | Current Risk Assessment |        |       | Owner              | Mitigated | Mitigation Actions                                                                                                                                                                                                                                                                                                                                                                                          |
|---|-------------------------------------------------------------------|-------------------------|--------|-------|--------------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|   |                                                                   | Likelihood              | Impact | Score |                    |           |                                                                                                                                                                                                                                                                                                                                                                                                             |
| 1 | Capacity to design and deliver at pace                            | 4                       | 4      | 16    | Sponsor            | 8<br>2x4  | <ul style="list-style-type: none"> <li>• Programme communicated to SMB/OMB</li> <li>• Ensure responsibility for delivery is clearly understood by OMB</li> <li>• Establish corporate programme steering group</li> <li>• Re allocate some functions across the Council to create capacity</li> <li>• Set clear goals/constraints &amp; deliverables</li> <li>• Seek buy in from key stakeholders</li> </ul> |
| 2 | Resources diverted to other corporate priorities as they emerge   | 3                       | 4      | 12    | CX/Sponsor         | 8<br>2x4  | <ul style="list-style-type: none"> <li>• Work closely with SMB, Leader and Portfolio Holders to ensure that the work programme is adequately resourced and maintained.</li> <li>• One Exeter has been identified as a strategic priority for the Council</li> </ul>                                                                                                                                         |
| 3 | Insufficient funding to successfully deliver One Exeter           | 3                       | 4      | 12    | CX/Sponsor         | 8<br>2x4  | <ul style="list-style-type: none"> <li>• Chief Finance Officer has identified funding to deliver the programme</li> <li>• Work closely with Finance to Identify and report funding requirements</li> </ul>                                                                                                                                                                                                  |
| 4 | Failure to deliver predicted savings/income                       | 3                       | 4      | 12    | Sponsor/SMB/OMB    | 6<br>2x3  | <ul style="list-style-type: none"> <li>• Seek clarity on what is deliverable within the work programme. Report findings and potential double counting to CX and Chief Finance Officer</li> </ul>                                                                                                                                                                                                            |
| 5 | Insufficient Strata resources to deliver technology requirements. | 3                       | 4      | 12    | Sponsor/L Whitlock | 8<br>2x4  | <ul style="list-style-type: none"> <li>• Early engagement with Strata</li> <li>• Coordinate work via the via the IRB and ensure priorities are aligned to work programme</li> <li>• Strata to review how they can best support the work programme and flag any resourcing issues.</li> </ul>                                                                                                                |

| Likelihood                 | Score | Definition                                                |
|----------------------------|-------|-----------------------------------------------------------|
| Remote (0% to 15%)         | 1     | Rare/may occur in exceptional circumstances               |
| Unlikely 15% to 55%        | 2     | Could occur at some time                                  |
| Likely/possible 55% to 90% | 3     | Will/might occur at some time                             |
| Very Likely 90%+           | 4     | Almost certain/is expected to occur in most circumstances |
| Impact                     | Score | Risk Score (Likelihood x Impact)                          |
| Major                      | 4     | 12- 16 = High                                             |
| Serious                    | 3     | 6-9 =Medium                                               |
| Significant                | 2     | 1-4 + Low                                                 |

|       |   |  |
|-------|---|--|
| Minor | 1 |  |
|-------|---|--|

## Equality Impact Assessment: *One Exeter*

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.

| <b>Committee name and date:</b> | <b>Report Title</b> | <b>Decisions being recommended:</b>                  | <b>People with protected characteristics potentially impacted by the decisions to be made:</b>                                                                                            |
|---------------------------------|---------------------|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Executive Committee             | One Exeter          | For Members to endorse the One Exeter Programme Plan | The One Exeter Programme is a fundamental and far reaching transformation that will impact all council staff and stakeholders some of whom will be people with protected characteristics. |

**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 workers; asylum seekers).                                                                                                                                             | Positive                    | Low                        | <p>The ‘People’ work stream will look at making the council a more attractive employer which may lead to attracting a more diverse workforce.</p> <p>Digitalisation of services may make it easier for customers, whose first language is not English, to transact with the council.</p> <p>The Discretionary Services work stream does not impact on the availability of services so there would be no negative impact</p> <p>The relocated CSC will still offer the same face to face and appointment services as now.</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. | Negative                    | Medium                     | <p>The continuation of agile and flexible working will enable some staff with a disability to work from their homes.</p> <p>However, a recent staff survey has identified that some staff feel lonely and isolated when working from home. An Employee Wellbeing Framework will be introduced to support staff with all aspects of their wellbeing.</p>                                                                                                                                                                      |

| Protected characteristic/ area of interest                                                                                                                                                                                                                                                   | Positive or Negative Impact | High, Medium or Low Impact | Reason                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                              |                             |                            | <p>The shift to more digitalisation of services may make it easier for customers with disabilities to access our services. Within the Discretionary Services work stream a mitigation plan has been devised which will ensure that customers who wish to visit the Civic Centre in person will continue to be able to do so.</p> <p>The CSC corporate reception point is being relocated to phase 1 so the same level of disabled access is being maintained.</p> |
| <b>Sex/Gender</b>                                                                                                                                                                                                                                                                            |                             |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Gender reassignment</b>                                                                                                                                                                                                                                                                   |                             |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Religion and belief</b> (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).                                                                                                                                                                     |                             |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Sexual orientation</b> (including heterosexual, lesbian, gay, bisexual).                                                                                                                                                                                                                  |                             |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Age</b> (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). | <b>Negative</b>             | <b>Medium</b>              | <p>It has been recognised from the outset that a shift to digital services may exclude some customers from accessing services. This includes, but is not limited to, older people. Work has already started on the development of a Digital Inclusion Strategy to ensure that customers are provided with the right support and technology to access council services. Customers who wish to visit the Civic Centre in person can continue to do so.</p>          |
| <b>Pregnancy and maternity</b> including new and breast feeding mothers                                                                                                                                                                                                                      |                             |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Marriage and civil partnership status</b>                                                                                                                                                                                                                                                 |                             |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

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

- **Development of a Digital Inclusion Strategy**
- **Development of an Employment Wellbeing Framework**

**Officer: Bindu Arjoon**  
**Date: December 2020**

## **REPORT TO EXECUTIVE**

Date of Meeting: 8 February 2022

## **REPORT TO COUNCIL**

Date of Meeting: 22 February 2022

Report of: Director Finance

Title: General Fund / HRA Estimates and Capital Programme 2022/23

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

### **1. What is the report about?**

1.1 To propose the General Fund revenue estimates for 2022/23 and to recommend the Band D level of Council Tax for 2022/23. This report also includes the proposed Capital Programme for 2022/23 and future years, and the proposals in respect of the Housing Revenue Account.

### **2. Recommendations:**

2.1 It is recommended that:

2.1.1 The Council's overall spending proposals in respect of both its revenue and capital budgets are recommended to Council for approval;

2.1.2 The Council Tax for each Band be recommended to the Council as set out in section 8.19.3 subject to Devon County Council, OPCC Devon and Cornwall and the Devon and Somerset Fire Authority confirming their Band D levels respectively; and

2.1.3 When the actual Council Tax amounts for Devon County Council, Devon and Cornwall Police and Crime Commissioner and the Devon and Somerset Fire Authority are set then the revised council tax levels be submitted to Council on 22 February 2022 for approval.

### **3. Reasons for the recommendation:**

3.1 To ensure that the Council is in a position to set a balanced budget and determine the Council Tax for the City of Exeter in line with the statutory timeframe.

### **4. What are the resource implications including non financial resources?**

4.1 The report sets out the proposed budgets for 2022/23. Details of the resource implications are set out in section 8.

## **5. Section 151 Officer comments:**

5.1 The proposed budget will achieve the requirement to maintain a minimum balance in excess of £3 million. The Medium Term Financial Plan is reliant on substantial reductions being delivered for the 2023/24 budget and beyond. Members should take comfort that the first £1.3 million of reductions have been identified, however, it is imperative that Members maintain a strong financial discipline to ensure that the reductions already proposed are delivered and that additional reductions are identified to deliver a balanced medium term financial plan.

5.2 There is great uncertainty over income targets being achieved next year, and whilst the Government have extended the sales, fees and Charges compensation scheme for a further three months, it is essential that the Council has resources set aside to protect itself from the risk of a further emergency budget being required in 2022/23.

5.3 The proposed capital programme aligns with the Medium Term Financial Plan and the revenue implications have been built into both the General Fund and HRA budgets.

5.4 The report also sets out the proposed HRA income and expenditure for 2022/23. There is a budgeted deficit of £1.154 million, which is in line with the HRA's medium Term Financial Plan. The budgeted deficit is substantially lower than 2021/22, due to the extent of planned capital investment for 2021/22 and the level of revenue contributions required towards financing the planned capital investment.

5.5 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 amend the budget in any way, then Council must identify how that will be funded.

5.6 In order to maintain financial discipline and prepare for the reductions required, Council can no longer merely approve additional expenditure without identifying what will be cut to fund it. This is essential as Officers and Members prepare to identify ways to address the gap in funding early in the year.

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

6.1 As part of the budget and the Council Tax fixing process, the Council is required by the Local Government Finance Act 1992 to make various specific calculations and decisions:-

- (a) it must calculate its budget requirement in accordance with Section 32 of the Act;
- (b) it must calculate the City Council element of the Council Tax - first for Band D and then for all bands - in accordance with Sections 33 to 36;
- (c) it must set the overall Council Tax for each band in accordance with Section 30.

## **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 S.151 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 in consideration of the complex legal background to their budgetary and Council Tax 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 and Council Tax.

7.3 In coming to a decision in relation to the revenue budget and the council tax, the City Council and Councillors have the following legal duties:

- a) to act in accordance with their statutory duties and responsibilities;
- b) To act reasonably; and
- c) To have careful regard to their fiduciary duty to its rate payers and Council tax payers.

7.4 The City Council has a clear legal duty to set a balanced budget. A resolution not to set a Council tax would be unlawful so would be a resolution to set a Council tax which deliberately did not balance the budget.

7.5 When making a decision, 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.

7.6 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:

- a) Prudent use of the council's resources, including the raising of income and the control of expenditure;
- b) Financial prudence both long and short term;
- c) Striking a fair balance between the interest of the council tax payers on the one hand and the community interest and adequate and efficient services on the other hand; and
- d) Acting in good faith with a view to complying with statutory duties and exercising its statutory powers for the benefit of the community.

7.7 The S.151 officer has given very clear advice in paragraphs 5.5 and 5.6 above. Members are obliged to have regard advice to this advice when making decisions about the Council's finances

7.8 Restriction on voting

Members' attention is drawn to the provisions of S.106 of the Local Government Finance Act 1992 which applies to members where:

- (a) They are present at a meeting of full Council, the Executive or Committee and at the time of the meeting an amount of Council tax and has remained unpaid for at least 2 months; and
- (b) Any budget or Council tax calculation or recommendation or decision which might affect the making of any such calculation, is the subject of consideration at the meeting.

7.9 In these circumstances, any such members shall at the meeting and as soon as practical after its commencement disclose the fact that S.106 applies to them and shall not vote on any question concerning budget setting.

7.10 Failure to comply with these requirements is a criminal offence unless such member can prove that they did not know S.106 applied to them at the time of the meeting or that the matter in question was the subject of consideration at that meeting.

## **8. Report details:**

### **8.1 Local Government Finance Settlement 2022/23**

8.1.1 The Government confirmed in the Spending Review that the changes proposed to the Business Rates Retention scheme were being delayed for a further year and that a 1 year settlement would follow.

The provisional settlement for 2022/23 was announced in December (Appendix 1) and the figures in the Medium Term Financial Plan have been updated. The Lower Tier Services Grant has been included again and Exeter has received £0.185 million. In addition a new, one-off, Services Grant has also been introduced and Exeter has been awarded £0.285m, which includes the funding to offset the increase in National Insurance contributions as part of the introduction of the new Health & Social Care Levy. This has enabled Exeter's Core Spending Power to increase marginally (0.28%) as compared to a 6.9% rise on average for Local Government as a whole (Appendix 2).

### **8.2 Business Rates**

8.2.1 The Government have further delayed the implementation of the Business Rates retention reform and the review of the formula that underpins it. This has meant that the reset, expected originally in 2021/22 has been put back another year at least. This is positive news for Exeter as we benefit from being significantly above our baseline needs. The review is now expected to be implemented in 2023/24, and will have a further significant, negative impact on our resources.

### **8.3 Council Tax**

8.3.1 The medium term financial plan is based upon an assumption that under the council tax referendum threshold, Shire District councils will continue to be allowed increases of less than 2% or up to and including £5, whichever is higher. Exeter's budget strategy for next year assumes that council tax will increase by £5, which, along with the estimated surplus on the collection fund of £10,442 and increase in the taxbase will raise an extra £163,733. The Governments assessment of Core Spending Power assumes that the Council will increase Council Tax by the maximum allowed.

## 8.4 Key Assumptions

8.4.1 An overall allowance of £623,960 has been set aside for inflation. The inflationary increases allowed in the budget are:

|                              |       |
|------------------------------|-------|
| Pay Award                    | 1.5%  |
| Pay – Increments             | 0.5%  |
| Electricity                  | 7.4%  |
| Gas                          | 4.8%  |
| Oil                          | 13.0% |
| Water                        | 0.0%  |
| Insurance                    | 5.0%  |
| Rates                        | 2.5%  |
| Fuel                         | 3.0%  |
| General Inflation            | 0.0%  |
| Income (excluding Car Parks) | 3.0%  |

8.4.2 General inflation has again been held at zero; however, where there are contracts in place, inflation at around RPI has been added. The pay award for 2021/22 has not been agreed, let alone 2022/23. An estimate of 2% has been included within budgets in respect of 2021/22 and 1.5% for 2022/23.

8.4.3 Interest is based on the existing loans that have been taken out. This reflects the small increase in interest rates, which do not affect the long-term loans in place.

## 8.5 Further Issues to be considered

8.5.1 Before the Council can finalise its revenue budget for next year there are a number of issues that require further consideration as follows: -

- Equality Impact Assessment
- New Homes Bonus
- Future spending pressures and review of the medium term financial planning process
- The level of reserves and balances

## 8.6 Equality Impact Assessment

8.6.1 Equality Impact Assessments (EQIA) form part of the Council's decision making process and are a tool to help the Council identify what effect or possible effects its work may have on different groups of people. All local authorities have a legal responsibility to assess their policies and functions, and to set out how they will monitor any possible negative impact on equality target groups. The Council needs to consider the impact on equalities of all new and reviewed Council strategies, policies, projects, services or functions, budget decisions and restructures. By anticipating the consequences of its actions on equality groups the Council can make sure that, as far as possible, any

negative consequences are eliminated, minimised or counterbalanced by other measures, and opportunities for promoting equality are maximised. As part of this process any revenue savings proposals will be assessed for any potential equality issues and where an EQIA is required, this will need to be reported back to the Executive.

## 8.7 New Homes Bonus

8.7.1 The Government have indicated that whilst New Homes Bonus will be payable again this year, like last year, the 2022/23 element of the allocation will be for one year only and there will be no payment in respect of the 2020/21 or 2021/22 allocation. This gives an award of approximately £1.362 million for 2022/23. A new proposal to replace New Homes Bonus is expected to be announced in the New Year.

8.7.2 To date the Council has received New Homes Bonus of £25.652 million over the period 2011/12 to 2020/21 and has been notified that it will receive a further £1.941 million in 2021/22. The impact of the pandemic means that it is proposed to use this to support the revenue budget in its entirety this year:-

| Year         | Top Slice<br>(revenue)<br>£000's | Community<br>Projects<br>£000's | Major<br>Projects<br>/Debt<br>Reduction<br>£000's | Unused<br>/<br>Projects<br>£000's | Revenue<br>£000's | Total<br>£000's |
|--------------|----------------------------------|---------------------------------|---------------------------------------------------|-----------------------------------|-------------------|-----------------|
| 2011/12      | -                                | -                               | -                                                 | 389                               | -                 | 389             |
| 2012/13      | 120                              | 361                             | 601                                               | 241                               | -                 | 1,323           |
| 2013/14      | 120                              | 286                             | 1,757                                             | 42                                | -                 | 2,205           |
| 2014/15      | 120                              | 286                             | 2,372                                             | -                                 | -                 | 2,778           |
| 2015/16      | 120                              | 286                             | 3,123                                             | -                                 | -                 | 3,529           |
| 2016/17      | 159                              | 150                             | 2,000                                             | 923                               | 1,000             | 4,232           |
| 2017/18      | 164                              | 150                             | 1,500                                             | 783                               | 1,000             | 3,597           |
| 2018/19      | 164                              | 150                             | 1,150                                             | 127                               | 1,000             | 2,591           |
| 2019/20      | 25                               | 150                             | 1,000                                             | 149                               | 1,194             | 2,518           |
| 2020/21      | 25                               | 189                             | 802                                               | 374                               | 1,100             | 2,490           |
| 2021/22      | -                                | -                               | -                                                 | -                                 | 1,941             | 1,941           |
| 2022/23      | -                                | -                               | -                                                 | -                                 | 1,362             | 1,362           |
| <b>Total</b> | <b>1,017</b>                     | <b>2,008</b>                    | <b>14,305</b>                                     | <b>3,028</b>                      | <b>8,597</b>      | <b>28,955</b>   |

## 8.8 REVISED MEDIUM TERM REVENUE PLAN (APPENDIX 3)

8.8.1 An updated Medium Term Financial Plan (MTFP) is set out in Appendix 3. The MTFP indicates that significant reductions are required from 2023/24 to 2024/25 to address the loss of business rates growth, New Homes Bonus and additional spending pressures. The reductions required total £6.350 million and whilst the funds will be redistributed across Local Government, there is no certainty at this stage that the Council will receive more than its basic share under the formula grant system, which will be substantially lower than the Council currently receives and this reduction has been built in to the medium term financial plan. Furthermore, the Government intends to introduce a new formula resulting from the fair funding review currently being undertaken.

8.8.2 The amount of savings required in the period could vary significantly based on the results of the fair funding review. Appendix 4 shows how the savings required are made up and what factors are outside the control of the Council. Additionally there are further uncertainties and factors that could affect the future financial position. These include: potential costs arising from the review of service plans, the cost of any new statutory functions, and additional borrowing and revenue costs in respect of any new capital programme commitments. Any additional revenue costs / reduced income streams that are not currently identified within the medium term financial plan will have to be met from further savings and will require careful consideration from Members.

8.8.3 The level of reductions required are such that members must focus on delivery. It would not be appropriate to add further budgets without a clear understanding of how additional expenditure will be funded. Therefore any further requests for funding must have clearly identified reductions to offset the costs.

## 8.9 BALANCES AND RESERVES

8.9.1 The Council's current policy is such that the minimum level of the General Fund Balance will remain above £3 million. As the Council faces great uncertainty in the medium term over funding it is prudent to hold reserve levels at this level to offset sudden losses of income or unexpected expenditure. The latest estimated position of the General Fund Balance is that it will be £4.158 million as at 31 March 2023, equivalent to 24.1% of Exeter's net revenue budget. The Council's revised medium-term financial plan (Appendix 3) indicates that the General Fund Balance will increase slightly to £4.337 million by the end of 2025/26, if the proposed reductions are delivered.

8.9.2 However, there is still uncertainty over the next year as the effects of the Pandemic impact on the Council's income. There is a higher risk than normal that this figure will reduce as income does not meet the level set in the budget.

8.9.3 The Council also has other reserves that have been earmarked for specific purposes. The Council's proposed revenue budget for 2022/23 includes a net transfer from earmarked reserves of £234,290. This is broken down as shown below:-

Transfer to/(from) reserves:

|                                | <b>2021/22</b> |
|--------------------------------|----------------|
|                                | <b>£'000</b>   |
| <b>Transfers to Reserves</b>   |                |
| Vehicle Licensing              | 9              |
| Exeter Business against Crime  | <u>16</u>      |
|                                | <b>25</b>      |
| <b>Transfers from Reserves</b> |                |
| Net Zero Exeter                | (181)          |
| Corporate                      | (20)           |
| Devon Home Choice              | (2)            |
| Sports                         | <u>(56)</u>    |
|                                | <b>(259)</b>   |

8.9.4 Additionally, there is an earmarked reserve to control the impact of additional reliefs granted, and funded, by Government in respect of Business Rates. In order to provide consistency in the figures reported, these movements are shown in Business Rates income to allow, Councillors compare the impact on the Council's Business Rates funding to previous years. In 2022/23, there will be a net movement of £8.681m from the reserve.

#### 8.10 REVENUE ESTIMATES 2022/23 (APPENDIX 5)

8.10.1 Service Committee Expenditure for 2021/22 is £15,454,950, which is £591,310 lower than the current year.

8.10.2 In addition there are other items to take into account referred to as 'below the line' as they do not form part of the individual service controllable budgets. These include an estimate of £1,083,000 for net interest payments in respect of the overall cash balances, £958,240 towards repaying debt in respect of the Council's capital programme, £1,362,350 income from New Homes Bonus grant and transfers in respect of balances and reserves. The Council's total General Fund Expenditure budget requirement for 2022/23 is planned to be £15,925,100, an increase of £757,250 compared to 2021/22.

8.10.3 Attached at Appendix 6 is a breakdown of the movements for each management unit taking out the amounts that have been removed or added, but that don't actually impact on the Council Tax. This is either because they have been transferred to / from another part of the budget or because there is a statutory override, which means that the costs are removed elsewhere in the budget.

#### 8.11 COUNCIL TAX BUDGET REQUIREMENT 2022/23 (APPENDIX 7)

8.11.1 As stated above, the Government is setting the referendum trigger for District Councils at above £5 or 2%, whichever is higher. The budget has been set on the basis of a £5 increase, although this is ultimately a Member decision. It should be noted that in the Government spending calculations, they have assumed that all District Councils will raise their Council Tax by £5 and have set the spending limits accordingly.

8.11.2 When all the Government Grant and Business Rates funding is taken into account the resultant net expenditure to be financed from council tax is £6,415,560 (indicated in Appendix 7), an increase of £163,740 compared to 2021/22.

8.11.3 Each year the Council must estimate the likely surplus or deficit position on its Collection Fund and any such amounts must be taken into account when determining the band D Council Tax amount for 2022/23. For next year, it is estimated that the collection fund will have a surplus (£10,442), which will be used to fund part of the expenditure to be financed from Council Tax. This has been reduced to take account of the deficit arising in 2020/21, which the Government allowed Councils to spread over the following three years. This has reduced the surplus and will also reduce the amount of Council Tax received by that amount next year.

8.11.4 After taking into account the surplus and the taxbase of 37,666, the proposed band D council tax for 2022/23 is £170.05, which means that the council tax would increase annually by £5.00 or 3.03%. An increase of 1.99% would reduce the Council Tax requirement by £64,616, which would have to be taken from reserves.

## 8.12 HOUSING REVENUE ACCOUNT (HRA) (APPENDIX 8 & 9)

8.12.1 Since April 2012, the Council's HRA is expected to be self-financing. Thus all income collected locally from rents, service charges and other sources are kept at a local level to deliver housing services to tenants and to maintain the housing stock.

8.12.2 Since April 2012 each local authority had a limit on the amount of borrowing it could have for the purposes of the HRA, called the 'debt cap'. For Exeter City Council, the debt cap was £57,882,413.

The HRA debt cap was formally removed on 29 October 2018, as a result local authorities are now able to borrow for housebuilding in accordance with the Prudential Code.

The HRA are progressing with the first four new build schemes that will be financed using the new borrowing freedoms, which will deliver 100 new homes into the HRA by the end of 2022/23 at a cost of £18m. These schemes are reflected in the proposed HRA capital programme. Further sites are being identified for additional new home development opportunities.

8.12.3 In October 2017, the government announced its intention to set a long term rent policy in respect of annual rent increases on both social rent and affordable rent properties of up to CPI plus 1% from 2020, for a period of 5 years.

The policy on rents for social housing came into effect from 1 April 2020. The Council is permitted to apply the policy of increasing rents by CPI plus 1%, which equates to 4.1% for 2022/23.

For 2022/23, this will result in an average increase of £3.44 per week, over 52 weeks, per property.

8.12.4 The proposed budgets for 2022/23 indicate that a total of £1,154,130 will need to be taken out of the HRA Working Balance in order to meet the budgeted deficit. The impact on the HRA Working Balance is set out below.

| <b>Movement on HRA Working Balance</b>                 | <b>£</b>       |
|--------------------------------------------------------|----------------|
| Estimated HRA Working Balance, as at 1/4/22            | 5,544,637      |
| Budgeted Deficit for 2022/23                           | (1,154,130)    |
| Balance resolved to be retained (HRA contingency)      | (4,000,000)    |
| <b>Total Forecast Balance Available, as at 31/3/23</b> | <b>390,507</b> |

## 8.13 CAPITAL PROGRAMME RESOURCES (APPENDIX 10)

8.13.1 Historically, the annual capital programme was financed from Government allocated grants together with money from the Council's own capital receipts and capital reserves. However the funding from these sources has now reduced and as a result the Council has to use borrowing instead to fund a significant part of its proposed capital

programme. This also has an ongoing impact on the Council's revenue budget. The Council must ensure that any borrowing decisions remain affordable and to this end, has to adopt a number of prudential indicators, which are set out in the Prudential Code for Capital Finance in Local Authorities developed by CIPFA. A separate report to this meeting of the Executive sets out the Council's Prudential Indicators for approval by Members.

8.13.2 The following capital resources are available for General Fund (£4.340m) and Housing (£31.167m) in 2022/23. The Capital Programme totals £46.469 million in respect of the General Fund and £21.829 million for the HRA. The borrowing requirement for the General Fund is £42.129 million and is £5.400 million for the HRA. Appendix 10 sets out the forecast use of the resources available for the General Fund and the Housing Revenue Account and the likely amounts of borrowing that will be necessary to fund the capital programme in the future.

#### 8.14 GENERAL FUND CAPITAL PROGRAMME (APPENDIX 11)

8.14.1 The proposed capital programme is set out in Appendix 11. The programme for 2022/23 totals £46.469 million.

#### 8.15 HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME (APPENDIX 12)

8.15.1 For 2022/23, the HRA medium term financial plan provides for a capital programme of £21.829 million. This comprises capital investment of £14.329 million for improvements to the Council's existing housing stock and £7.5 million towards the provision of new council homes.

In terms of investment in existing stock, the proposed budgets for 2022/23 include the following:

- 167 kitchen replacements
- 200 bathrooms replacements
- 195 windows replacements
- 138 energy retrofits
- 590 Boiler replacements
- Re-roofing 60 houses
- Refurbishment of Rennes House

8.15.2 The HRA Capital Programme will be funded by:

| <b>HRA Capital Finance</b>                 | <b>£</b>          |
|--------------------------------------------|-------------------|
| Major Repairs Reserve                      | 10,668,854        |
| Revenue Contribution to Capital            | 2,000,000         |
| Capital Receipts                           | 3,760,000         |
| Borrowing                                  | 5,400,000         |
| <b>Total HRA Capital Financing 2022/23</b> | <b>21,828,854</b> |

## 8.16 RISK ASSESSMENT

8.16.1 It has already been mentioned above in this report that our financial forecasts are based on a number of assumptions including the level of inflation, interest rates, income levels, support from the government and general prevailing economic conditions. The main risks to the Council's financial position are as follows:

- The Covid-19 pandemic continues to create great uncertainty around income levels for the Council. This principally affects sales, fees and charges, but may impact business rates and Council tax income as well;
- The Governments review of the future funding formula for Local Government, including a business rates rest, coupled with the potential loss of New Homes Bonus, leaves a significant gap in funding over the Medium Term Financial Plan. The overall impact of both streams of funding stopping in the next four years would require reductions of around £4.3 million.

8.16.2 Although the Council faces risks from the assumptions and uncertainties outlined above these have been 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 Members on any key issues;
- Regular budget monitoring meetings with budget managers to ensure that budget pressures are identified at the earliest opportunity;
- The adoption of robust financial management arrangements including option appraisal, risk assessment and financial monitoring;
- Retaining a prudent level of reserves and balances.

8.16.3 As part of the general budget-setting process the Council needs to also consider the risks inherent in the budgets set and the adequacy of the measures put in place to manage the potential risks.

## 8.17 STATEMENT OF THE ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

8.17.1 There is a requirement under Section 25 of the Local Government Act 2003 that requires the chief finance officer of a local authority to formally report to its members on the robustness of the estimates and the adequacy of its reserves when it is considering its budget and council tax.

8.17.2 I have already outlined above in this report the key assumptions that have been made in the budget proposals for next year including an assessment of the risks and mitigating factors. As the Section 151 Officer for this Council I therefore consider that the budget estimates for 2022/23 that have been prepared are both robust and achievable, given the protections that have been put in place.

8.17.3 The Council's current policy is such that the minimum level of the General Fund Balance will be £3 million. In the current financial climate, with uncertainty regarding the

new financing of Local Government and taking into account the potential level of financial risk facing the Council in the medium term, it is proposed to maintain minimum reserves at this level. The latest estimated position of the General Fund Balance is that it will be £4.133 million as at 31 March 2022, equivalent to 23.1% of Exeter's net revenue budget. The Council's current medium-term financial plan indicates that the use of the General Fund Balance will be measured and be £4.337 million by the end of 2025/26, although further savings of £6.350 million are required to deliver this.

8.17.4 The Council's financial strategy recognises the need to maintain a General Fund Balance to provide stability for both medium and longer term planning and to provide a contingency against unforeseen events. In setting this minimum amount of £3 million the following have been taken into account:-

- The size of the authority;
- The volatility of some income and expenditure budgets;
- The risks faced by the Council with regard to funding unforeseen events; and
- The financial risks inherent in partnerships, outsourcing deals and as accountable body for external funding.

8.17.5 The Council's estimated revenue Reserves are as follows: -

| <b><u>Earmarked</u></b>     | <b>31/03/2021</b> | <b>31/03/2022</b> | <b>31/03/2023</b> |
|-----------------------------|-------------------|-------------------|-------------------|
|                             | <b>£'000</b>      | <b>£'000</b>      | <b>£'000</b>      |
| Total Earmarked Reserves*   | 32,431            | 20,012            | 11,097            |
| <b><u>Non-Earmarked</u></b> |                   |                   |                   |
| General Fund Balance        | 4,697             | 4,133             | 4,158             |

\* Includes Business Rates earmarked reserve to cover reliefs funded by Government.

## 8.18 PRECEPTS

8.18.1 Devon County Council, the Office of the Police and Crime Commissioner Devon and Cornwall (OPCC Devon and Cornwall) and the Devon and Somerset Fire Authority will all precept separately upon the council tax payers in Exeter. The County Council, Devon and Cornwall OPCC and Devon & Somerset Fire Authority will meet on the 17th February, 28th January and 18th February respectively. The precepts will be tabled at the Council meeting for approval.

|                                   | 2021/22         | 2022/23         | Change            |
|-----------------------------------|-----------------|-----------------|-------------------|
|                                   | £               | £               | £ %               |
| Devon County Council              | 1,342.44        | x,xxx.xx        | xx.xx x.xx        |
| DCC Adult Social Care             | 168.84          | xx.xx           | x.xx              |
| OPCC Devon and Cornwall           | 236.56          | xxx.xx          | xx.xx x.xx        |
| Devon and Somerset Fire Authority | 90.00           | xx.xx           | x.xx              |
| <b>Total Precept</b>              | <b>1,837.84</b> | <b>x,xxx.xx</b> | <b>xx.xx x.xx</b> |

## 8.19 FINAL POSITION

8.19.1 Based upon the recommendations above the aggregate requirements of Exeter City Council, Devon County Council, OPCC Devon and Cornwall and the Devon and Somerset Fire Authority will result in a council tax for the City of Exeter for 2022/23 of £x,xxx.xx per Band D property.

8.19.2 This is an overall increase of £xx.xx (x.xx%) on the amount of £2,002.89 levied for 2021/22.

8.19.3 The detailed figures are: -

| Band | Exeter | DCC      | Police | Fire   | Total    |
|------|--------|----------|--------|--------|----------|
|      | £      | £        | £      | £      | £        |
| A    | 113.37 | xxx.xx   | xxx.xx | xx.xx  | x,xxx.xx |
| B    | 132.26 | xxx.xx   | xxx.xx | xx.xx  | x,xxx.xx |
| C    | 151.16 | x,xxx.xx | xxx.xx | xx.xx  | x,xxx.xx |
| D    | 170.05 | x,xxx.xx | xxx.xx | xx.xx  | x,xxx.xx |
| E    | 207.84 | x,xxx.xx | xxx.xx | xx.xx  | x,xxx.xx |
| F    | 245.63 | x,xxx.xx | xxx.xx | xxx.xx | x,xxx.xx |
| G    | 283.42 | x,xxx.xx | xxx.xx | xxx.xx | x,xxx.xx |
| H    | 340.10 | x,xxx.xx | xxx.xx | xxx.xx | x,xxx.xx |

## 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 8.16 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 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 No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

13.1 Not applicable.

**Director Finance, Dave Hodgson**

Author: Director Finance, Dave Hodgson

## **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

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## FORMULA GRANT DECREASES - DEVON AUTHORITIES

| Authority     | Grant<br>2020/21<br>£m | Grant<br>2021/22<br>£m | Yearly<br>Decrease<br>% | Grant<br>2022/23<br>£m | Yearly<br>Decrease<br>% | Grant Decrease<br>2020/21 - 2022/23 |             |
|---------------|------------------------|------------------------|-------------------------|------------------------|-------------------------|-------------------------------------|-------------|
|               |                        |                        |                         |                        |                         | £m                                  | %           |
| Devon         | 103.197                | 103.200                | 0.0%                    | 103.217                | 0.0%                    | 0.020                               | 0.0%        |
| Plymouth      | 68.023                 | 68.077                 | 0.1%                    | 68.380                 | 0.4%                    | 0.357                               | 0.5%        |
| Torbay        | 39.066                 | 39.102                 | 0.1%                    | 39.306                 | 0.5%                    | 0.240                               | 0.6%        |
| East Devon    | 2.667                  | 2.667                  | 0.0%                    | 2.668                  | 0.0%                    | 0.001                               | 0.0%        |
| <b>Exeter</b> | <b>4.501</b>           | <b>4.503</b>           | <b>0.0%</b>             | <b>4.515</b>           | <b>0.3%</b>             | <b>0.014</b>                        | <b>0.3%</b> |
| Mid Devon     | 2.213                  | 2.213                  | 0.0%                    | 2.213                  | 0.0%                    | 0.000                               | 0.0%        |
| North Devon   | 3.007                  | 3.007                  | 0.0%                    | 3.008                  | 0.0%                    | 0.001                               | 0.0%        |
| South Hams    | 1.928                  | 1.928                  | 0.0%                    | 1.929                  | 0.1%                    | 0.001                               | 0.1%        |
| Teignbridge   | 3.394                  | 3.394                  | 0.0%                    | 3.394                  | 0.0%                    | 0.000                               | 0.0%        |
| Torrige       | 2.513                  | 2.514                  | 0.0%                    | 2.518                  | 0.2%                    | 0.005                               | 0.2%        |
| West Devon    | 1.648                  | 1.648                  | 0.0%                    | 1.648                  | 0.0%                    | 0.000                               | 0.0%        |

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## REVENUE SPENDING POWER CHANGES - DEVON AUTHORITIES

| Authority     | Core Spending Power Change |             |
|---------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------------|-------------|
|               | 2018/19<br>£m       | 2019/20<br>£m       | 2020/21<br>£m       | 2021/22<br>£m       | 2022/23<br>£m       | £m                         | %           |
| Devon         | 533.9               | 552.0               | 590.9               | 621.0               | 649.7               | 115.8                      | 21.7%       |
| Plymouth      | 186.5               | 198.4               | 211.7               | 221.0               | 232.1               | 45.6                       | 24.5%       |
| Torbay        | 115.1               | 119.1               | 127.3               | 133.5               | 140.2               | 25.1                       | 21.8%       |
| East Devon    | 15.1                | 15.3                | 15.5                | 15.5                | 15.3                | 0.2                        | 1.3%        |
| <b>Exeter</b> | <b>13.0</b>         | <b>12.8</b>         | <b>13.2</b>         | <b>13.2</b>         | <b>13.1</b>         | 0.1                        | <b>0.8%</b> |
| Mid Devon     | 9.5                 | 9.8                 | 10.2                | 10.2                | 10.2                | 0.7                        | 7.4%        |
| North Devon   | 10.9                | 11.0                | 11.8                | 11.8                | 12.3                | 1.4                        | 12.8%       |
| South Hams    | 9.3                 | 9.9                 | 10.2                | 10.4                | 10.7                | 1.4                        | 15.1%       |
| Teignbridge   | 14.4                | 14.5                | 14.5                | 14.5                | 14.4                | 0.0                        | 0.0%        |
| Torridge      | 8.3                 | 8.1                 | 8.1                 | 8.1                 | 8.1                 | (0.2)                      | (2.4%)      |
| West Devon    | 7.2                 | 7.3                 | 7.3                 | 7.5                 | 7.8                 | 0.6                        | 8.3%        |

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

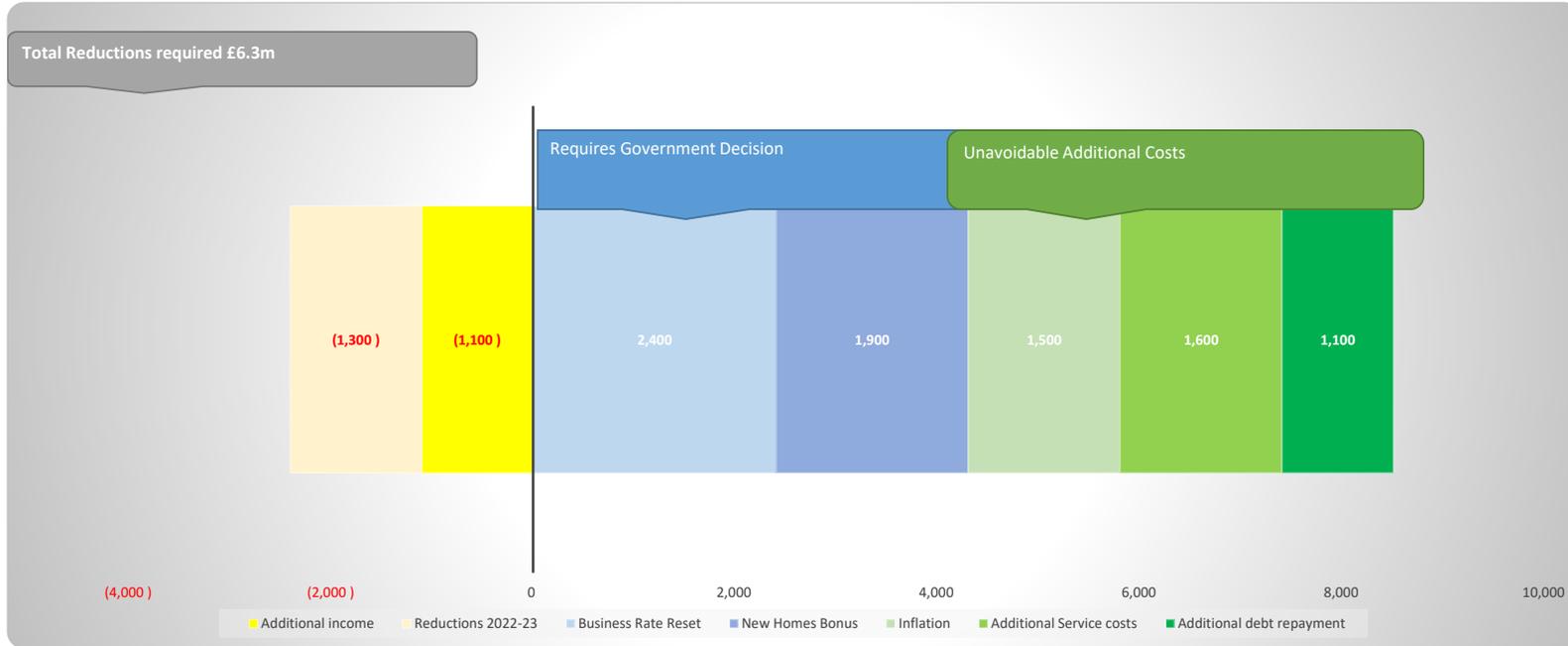
|                                               | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 |                |
|-----------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| <b>Resources</b>                              |                  |                  |                  |                  |                  |                  |                |
| Revenue Support Grant                         | 371              | 602              | 855              | 543              | 552              | 563              |                |
| Business Rates Income                         | 7,861            | 6,464            | 7,404            | 4,279            | 4,378            | 4,461            |                |
| <b>Covid 19 Support</b>                       | <b>1,822</b>     | <b>761</b>       | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         |                |
| <b>Sales, Fees &amp; Charges Compensation</b> | <b>4,343</b>     | <b>440</b>       | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         |                |
| CIL income                                    | 1,073            | 1,416            | 1,250            | 1,250            | 1,250            | 1,250            |                |
| New Homes Bonus                               | 2,490            | 1,941            | 1,362            | 0                | 0                | 0                |                |
| Council Tax                                   | 6,149            | 6,252            | 6,416            | 6,649            | 6,918            | 7,181            |                |
| <b>Likely resources</b>                       | <b>24,109</b>    | <b>17,876</b>    | <b>17,287</b>    | <b>12,721</b>    | <b>13,098</b>    | <b>13,455</b>    |                |
| <b>Expenditure</b>                            |                  |                  |                  |                  |                  |                  |                |
| Service expenditure                           | 14,908           | 21,189           | 18,369           | 15,256           | 11,773           | 9,627            |                |
| Net Interest                                  | 475              | 565              | 1,083            | 1,248            | 1,262            | 1,180            |                |
| Forecast Committee movements                  | 3,015            | 386              |                  |                  |                  |                  |                |
| RCCO                                          | 17               | 0                | 0                | 0                | 0                | 0                |                |
| Repayment of debt                             | 979              | 965              | 2,438            | 2,907            | 3,005            | 3,113            |                |
| Additional repayment of debt                  | (604)            | (664)            | (1,480)          | (1,656)          | 0                | 0                |                |
|                                               | 18,790           | 22,441           | 20,410           | 17,755           | 16,040           | 13,920           |                |
| <b>Other funding</b>                          |                  |                  |                  |                  |                  |                  |                |
| Contribution to/ (from) earmarked reserves    | 6,478            | (4,001)          | (234)            | (1,006)          | (446)            | (500)            |                |
| Contribution to/ (from) balances - Other      | (1,159)          | (564)            | 25               | 40               | 104              | 35               |                |
|                                               | 5,319            | (4,565)          | (209)            | (966)            | (342)            | (465)            |                |
| <b>Further reductions required</b>            |                  |                  |                  | <b>(3,750)</b>   | <b>(2,600)</b>   |                  | <b>(6,350)</b> |
| <b>Potential reductions identified</b>        |                  |                  | <b>(2,914)</b>   | <b>(318)</b>     | <b>0</b>         | <b>0</b>         |                |
| <b>Total Net Budget</b>                       | <b>24,109</b>    | <b>17,876</b>    | <b>17,287</b>    | <b>12,721</b>    | <b>13,098</b>    | <b>13,455</b>    |                |

(6,350)

|                                   |       |       |       |       |       |       |
|-----------------------------------|-------|-------|-------|-------|-------|-------|
| Opening General Fund Balance      | 5,856 | 4,697 | 4,133 | 4,158 | 4,198 | 4,302 |
| Closing General Fund Balance      | 4,697 | 4,133 | 4,158 | 4,198 | 4,302 | 4,337 |
| Balance as a percentage of budget | 19.5% | 23.1% | 24.1% | 33.0% | 32.8% | 32.2% |

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### Breakdown of Funding Pressures (£'000)



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|                                                 | 2021/22<br>Budget | 2022/23<br>Budget | Change           |
|-------------------------------------------------|-------------------|-------------------|------------------|
|                                                 | £                 | £                 | £                |
| Chief Executive & Growth Director               | 2,933,980         | 3,116,820         | 182,840          |
| Transformation                                  | 1,184,020         | 1,049,520         | (134,500)        |
| City Development, Housing & Supporting People   | 4,744,710         | 4,828,440         | 83,730           |
| Communications, Culture & Leisure Facilities    | 5,490,450         | 6,501,390         | 1,010,940        |
| Net Zero Exeter and City Management             | 3,358,890         | 3,764,620         | 405,730          |
| Finance                                         | 23,380            | (1,326,740)       | (1,350,120)      |
| Corporate Services                              | 2,548,880         | 2,424,540         | (124,340)        |
| less Notional capital charges                   | (4,238,050)       | (4,903,640)       | (665,590)        |
| <b><u>Service Committee Net Expenditure</u></b> | <b>16,046,260</b> | <b>15,454,950</b> | <b>(591,310)</b> |
| Net Interest                                    | 150,000           | 1,083,000         | 933,000          |
| New Homes Bonus                                 | (1,940,880)       | (1,362,350)       | 578,530          |
| Revenue Contribution to Capital                 | 0                 | 0                 | 0                |
| Minimum Revenue Provision                       | 692,000           | 958,240           | 266,240          |
| <b><u>General Fund Expenditure</u></b>          | <b>14,947,380</b> | <b>16,133,840</b> | <b>1,186,460</b> |
| Transfer To/(From) Working Balance              | (349,530)         | 25,550            | 375,080          |
| Transfer To/(From) Earmarked Reserves           | 570,000           | (234,290)         | (804,290)        |
| <b><u>General Fund Net Expenditure</u></b>      | <b>15,167,850</b> | <b>15,925,100</b> | <b>757,250</b>   |
| Formula Grant                                   | (4,732,030)       | (4,985,380)       | (253,350)        |
| Covid-19 Grant                                  | (760,000)         | 0                 | 760,000          |
| CIL income                                      | (1,090,000)       | (1,250,160)       | (160,160)        |
| Business Rates Growth                           | (2,334,000)       | (3,274,000)       | (940,000)        |
| Council Tax                                     | (6,251,820)       | (6,415,560)       | (163,740)        |
|                                                 | 0                 | 0                 | 0                |
| <b>Working Balance</b>                          | <b>March 2022</b> | <b>March 2023</b> |                  |
|                                                 | 4,132,780         | 4,158,330         |                  |

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|                                                          | BASE ESTIMATE<br>2021/22 | INFLATION      | NEW PROPOSALS<br>RECURRING | NEW PROPOSALS<br>NON-RECURRING | BUDGET<br>TRANSFERS | DEPRECIATION<br>ADJUSTMENTS | OTHER<br>ADJUSTMENTS | NEW ESTIMATE<br>2022/23 | EXPLANATION                                                                                                                                                                                               |
|----------------------------------------------------------|--------------------------|----------------|----------------------------|--------------------------------|---------------------|-----------------------------|----------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Chief Executive &amp; Growth Director</b>             |                          |                |                            |                                |                     |                             |                      |                         |                                                                                                                                                                                                           |
| 81C3 AFFORDABLE HOUSING DEVELOPMENT                      | 2,950                    | 2,320          | 0                          | 0                              | 0                   | 0                           | (5,270)              | 0                       | No significant changes                                                                                                                                                                                    |
| 86A6 CENTRAL SUPPORT                                     | 303,910                  | 5,820          | 0                          | 0                              | 12,570              | 0                           | 2,290                | 324,590                 | No significant changes                                                                                                                                                                                    |
| 86B6 IT SERVICES                                         | 1,840,080                | (900)          | 99,600                     | 0                              | 26,810              | 0                           | (81,940)             | 1,883,650               | Unexpected increase to Strata contract payment; Other adjustments is an increase in support services recharge income, added after the recent review                                                       |
| 86B7 STRATEGIC MANAGEMENT                                | 770,290                  | 18,660         | 115,020                    | 0                              | 0                   | 0                           | 4,610                | 908,580                 | Budget for the new Director of Planning & Development post                                                                                                                                                |
| <b>Net Cost</b>                                          | <b>2,917,230</b>         | <b>25,900</b>  | <b>214,620</b>             | <b>0</b>                       | <b>39,380</b>       | <b>0</b>                    | <b>(80,310)</b>      | <b>3,116,820</b>        |                                                                                                                                                                                                           |
| <b>Transformation</b>                                    |                          |                |                            |                                |                     |                             |                      |                         |                                                                                                                                                                                                           |
| 83C7 ACTIVE & HEALTHY PEOPLE                             | 862,020                  | 56,030         | 0                          | (30,000)                       | 0                   | 0                           | (42,530)             | 845,520                 | Removal of Tour of Britain budget, inflationary increases not required for fixed contracts                                                                                                                |
| 86B9 EXETER COMMUNITY GRANTS PROGRAMME                   | 322,000                  | 0              | 0                          | 15,000                         | 0                   | 0                           | (133,000)            | 204,000                 | New ECTA grant, reduction in community grants programme expenditure                                                                                                                                       |
| <b>Net Cost</b>                                          | <b>1,184,020</b>         | <b>56,030</b>  | <b>0</b>                   | <b>(15,000)</b>                | <b>0</b>            | <b>0</b>                    | <b>(175,530)</b>     | <b>1,049,520</b>        |                                                                                                                                                                                                           |
| <b>City Development, Housing &amp; Supporting People</b> |                          |                |                            |                                |                     |                             |                      |                         |                                                                                                                                                                                                           |
| 81C2 HOUSING NEEDS & HOMELESSNESS                        | 1,211,970                | 49,100         | 0                          | 0                              | 0                   | 12,780                      | 6,920                | 1,280,770               | No significant changes                                                                                                                                                                                    |
| 81C5 SUNDRY LANDS MAINTENANCE                            | 92,680                   | 0              | 0                          | 0                              | 0                   | 0                           | 2,780                | 95,460                  | No significant changes                                                                                                                                                                                    |
| 81E1 GF HOUSING - PROPERTY                               | 170,920                  | 6,230          | 0                          | 0                              | 0                   | 0                           | (33,080)             | 144,070                 | Reduction in management costs in-line with a reduced number of Private Sector Leased properties and Extralet properties due to hand backs to landlords                                                    |
| 83A9 BUILDING CONTROL                                    | 50,150                   | (4,790)        | 0                          | 0                              | 0                   | 0                           | 6,420                | 51,780                  | No significant changes                                                                                                                                                                                    |
| 83B5 PLANNING SERVICES                                   | 957,100                  | 6,570          | 0                          | (40,000)                       | 0                   | 0                           | (21,150)             | 902,520                 | Planned reduction in Local Plan budget, No significant changes                                                                                                                                            |
| 86A1 REVENUES, BENEFITS&CUST ACCESS                      | 2,261,890                | 90,840         | (25,200)                   | 0                              | 0                   | 0                           | (16,710)             | 2,310,820               | Savings arising from the Discretionary Service Review, reduction in anticipated grant income, additional recharge income from the HRA                                                                     |
| 86C2 LIVEABLE EXETER GARDEN CITY                         | 0                        | 3,110          | 0                          | 0                              | 0                   | 0                           | (3,110)              | 0                       | No significant changes                                                                                                                                                                                    |
| T414 ORGANISATIONAL CHANGE PROGRAMME                     | 0                        | 0              | 0                          | 0                              | 0                   | 43,020                      | 0                    | 43,020                  | No significant changes                                                                                                                                                                                    |
| <b>Net Cost</b>                                          | <b>4,744,710</b>         | <b>151,060</b> | <b>(25,200)</b>            | <b>(40,000)</b>                | <b>0</b>            | <b>55,800</b>               | <b>(57,930)</b>      | <b>4,828,440</b>        |                                                                                                                                                                                                           |
| <b>Communications, Culture and Leisure Facilities</b>    |                          |                |                            |                                |                     |                             |                      |                         |                                                                                                                                                                                                           |
| 83A5 CULTURE                                             | 422,880                  | 1,140          | (20,000)                   | 0                              | (38,710)            | 0                           | 390                  | 365,700                 | No significant changes                                                                                                                                                                                    |
| 83A6 TOURISM                                             | 126,490                  | 1,290          | 0                          | 0                              | 62,190              | 0                           | 840                  | 190,810                 | No significant changes                                                                                                                                                                                    |
| 83B9 MARKETS & HALLS                                     | (370,260)                | (24,110)       | 0                          | 0                              | 0                   | (6,290)                     | 2,000                | (398,660)               | No significant changes                                                                                                                                                                                    |
| 83C2 MUSEUM SERVICE                                      | 2,502,420                | 57,900         | (325,000)                  | 0                              | 0                   | (21,700)                    | 11,020               | 2,224,640               | Reduction in rates (subject to the outcome of an appeal to the Valuation Office)                                                                                                                          |
| 83C3 LEISURE & SPORT                                     | 2,200,700                | 85,940         | 0                          | 750,000                        | (182,950)           | 620,480                     | 20,750               | 3,494,920               | Budget for the Wonford Initiative                                                                                                                                                                         |
| 83C8 ST SIDWELLS POINT                                   | 0                        | 0              | 0                          | 0                              | 0                   | 0                           | 0                    | 0                       |                                                                                                                                                                                                           |
| 83C9 VISITOR FACILITIES                                  | 116,680                  | (1,390)        | (45,100)                   | 0                              | 0                   | (2,600)                     | 700                  | 68,290                  | Savings relate to the Underground Passages and reflect outcomes of the Discretionary Service Review                                                                                                       |
| 86A8 COMMUNICATIONS                                      | 491,540                  | 7,430          | (50,000)                   | 0                              | 134,740             | 0                           | (28,020)             | 555,690                 | £10,000 saving from staff awards ceremony; £40,000 savings in marketing, printing and event promotion costs                                                                                               |
| <b>Net Cost</b>                                          | <b>5,490,450</b>         | <b>128,200</b> | <b>(440,100)</b>           | <b>750,000</b>                 | <b>(24,730)</b>     | <b>589,890</b>              | <b>7,680</b>         | <b>6,501,390</b>        |                                                                                                                                                                                                           |
| <b>Net Zero Exeter and City Management</b>               |                          |                |                            |                                |                     |                             |                      |                         |                                                                                                                                                                                                           |
| 81A1 ENVIRONMENTAL PROTECTION                            | 355,340                  | 4,440          | 0                          | 20,000                         | (12,570)            | 0                           | 50,890               | 418,100                 | Part funding of the Anti-Social Behaviour Officer 2 year secondment, and increase in internal recharges to Monitoring Private Housing                                                                     |
| 81A3 LICENCING,FOOD,HEALTH & SAFETY                      | 460,460                  | 1,800          | 0                          | 0                              | 0                   | (1,580)                     | (27,640)             | 433,040                 | No significant changes                                                                                                                                                                                    |
| 81A4 PUBLIC SAFETY                                       | 339,780                  | 1,620          | 0                          | 32,500                         | 0                   | 3,790                       | 2,600                | 380,290                 | Additional funding is required to provide anti-stab vests and body worn cameras for Civil Enforcement Officers for safety and evidential purposes, and to replace handheld radios and base units          |
| 81A6 PARKS & GREEN SPACES                                | 1,933,020                | 23,290         | 0                          | 0                              | 0                   | 30,100                      | 48,010               | 2,034,420               | Updated fleet costs                                                                                                                                                                                       |
| 81B2 BEREAVEMENT SERVICES                                | 60,340                   | 900            | 0                          | 0                              | 0                   | (3,520)                     | 12,930               | 70,650                  | No significant changes                                                                                                                                                                                    |
| 81B&C BUSINESS & COMMERCIAL OPS                          | 0                        | 0              | 0                          | 0                              | 0                   | 0                           | 0                    | 0                       |                                                                                                                                                                                                           |
| 81D2 DOMESTIC REFUSE COLLECTION                          | 2,220,130                | 40,720         | 483,640                    | 0                              | 0                   | (64,420)                    | 340                  | 2,680,410               | Revenue costs of the new recycling arrangements incorporating glass and food waste collection                                                                                                             |
| 81D4 STREET CLEANING                                     | 1,743,060                | 28,780         | 0                          | 0                              | 0                   | (19,280)                    | (39,430)             | 1,713,130               | Updated fleet costs                                                                                                                                                                                       |
| 81D5 PUBLIC CONVENIENCES                                 | 387,720                  | 3,220          | 0                          | 0                              | 0                   | (163,570)                   | (5,130)              | 222,240                 | No significant changes                                                                                                                                                                                    |
| 81D6 CLEANSING CHARGEABLE SERVICES                       | (565,940)                | (32,340)       | 0                          | 0                              | 0                   | (56,400)                    | 10,460               | (644,220)               | No significant changes                                                                                                                                                                                    |
| 81D7 CLEANSING & FLEET OVERHEADS                         | 141,610                  | 1,820          | 0                          | 0                              | 0                   | (2,800)                     | 540                  | 141,170                 | No significant changes                                                                                                                                                                                    |
| 81D8 RECYCLING                                           | 844,810                  | 26,290         | (175,890)                  | 0                              | 0                   | 204,560                     | 16,000               | 915,770                 | Removal of the balance of the £200,000 revenue budget to support the change in recycling arrangements                                                                                                     |
| 83A3 PARKING SERVICES                                    | (6,218,960)              | 41,540         | 0                          | 0                              | 0                   | (9,830)                     | 2,930                | (6,184,320)             | No significant changes                                                                                                                                                                                    |
| 83A4 NET ZERO AND BUSINESS                               | 528,180                  | 8,250          | (177,740)                  | 215,940                        | (12,660)            | 1,900                       | 3,070                | 566,940                 | Removal of Exeter City Future and Building Greater Exeter expenditure budgets and identified discretionary savings, and addition of budget for Commercialisation Manager and Net Zero staff and activity. |
| 83B4 ENGINEERING SERVICES                                | 788,910                  | 8,370          | (203,750)                  | 0                              | 0                   | 40,630                      | 1,970                | 636,130                 | Removal of the £128,750 budget for removal of North St Footbridge and £75,000 budget for bridge maintenance                                                                                               |
| 83C1 WATERWAYS                                           | 357,180                  | 550            | 25,000                     | 0                              | 0                   | (4,090)                     | 2,230                | 380,870                 | The cost of dredging the canal where it meets the river to reduce the risk of flooding                                                                                                                    |

|                                     |                   |                |                    |                |                 |                 |                  |                    |   |                                                                                                                                                                                                                                                                                                        |
|-------------------------------------|-------------------|----------------|--------------------|----------------|-----------------|-----------------|------------------|--------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 83C6 CORPORATE PROPERTY - ENERGY    | 0                 | 0              | 0                  | 0              | 0               | 0               | 0                | 0                  | 0 |                                                                                                                                                                                                                                                                                                        |
| 88A1 FLEET MANAGEMENT & MAINTENANCE | 0                 | 0              | 0                  | 0              | 0               | 0               | 0                | 0                  | 0 |                                                                                                                                                                                                                                                                                                        |
| <b>Net Cost</b>                     | <b>3,375,640</b>  | <b>159,250</b> | <b>(48,740)</b>    | <b>268,440</b> | <b>(25,230)</b> | <b>(44,510)</b> | <b>79,770</b>    | <b>3,764,620</b>   |   |                                                                                                                                                                                                                                                                                                        |
| <b>Finance</b>                      |                   |                |                    |                |                 |                 |                  |                    |   |                                                                                                                                                                                                                                                                                                        |
| 83A1 CORPORATE PROPERTY - ESTATES   | (3,536,020)       | 8,860          | (1,336,250)        | 0              | 12,660          | 75,610          | 215,340          | (4,559,800)        |   | After the support services recharge review, there was a material increase in recharge costs to this management unit, which was only partly offset with an increase in recharge income. Recurring: Additional income from purchase of the Guildhall Shopping Centre.                                    |
| 83B8 MAJOR PROJECTS                 | 30,400            | 0              | (30,000)           | 0              | 0               | (400)           | 0                | 0                  |   | Savings in Major Projects consultants fees                                                                                                                                                                                                                                                             |
| 83C5 CORPORATE PROPERTY - ASSETS    | 1,119,120         | 9,110          | 0                  | 0              | 0               | (2,670)         | (288,340)        | 837,220            |   | Other Adjustments: increase to support services recharge income, added after the recent review                                                                                                                                                                                                         |
| 86A3 CORPORATE                      | 110,350           | (1,900)        | 34,780             | 0              | 0               | 0               | 0                | 143,230            |   | £25,500 increase in core Audit fees: removal of £9,280 fee income                                                                                                                                                                                                                                      |
| 86A7 UNAPPORTIONABLE OVERHEADS      | 1,556,370         | 6,630          | 50,120             | 0              | (26,810)        | 0               | 0                | 1,586,310          |   | Increase in pension back-funding liability                                                                                                                                                                                                                                                             |
| 86B1 FINANCIAL SERVICES             | 533,940           | 12,820         | (71,200)           | 0              | 0               | 0               | (4,950)          | 470,610            |   | £18,200 saving in staff costs; £53,000 increase in income from the Exeter City Group                                                                                                                                                                                                                   |
| 86B2 INTERNAL AUDIT                 | 102,030           | 2,370          | (990)              | 0              | 0               | 0               | (3,070)          | 100,340            |   | No significant changes                                                                                                                                                                                                                                                                                 |
| 86B8 PROCUREMENT                    | 107,190           | 3,690          | (8,900)            | 0              | 0               | 0               | (6,630)          | 95,350             |   | No significant changes                                                                                                                                                                                                                                                                                 |
| <b>Net Cost</b>                     | <b>23,380</b>     | <b>41,580</b>  | <b>(1,362,440)</b> | <b>0</b>       | <b>(14,150)</b> | <b>72,540</b>   | <b>(87,650)</b>  | <b>(1,326,740)</b> |   |                                                                                                                                                                                                                                                                                                        |
| <b>Corporate Services</b>           |                   |                |                    |                |                 |                 |                  |                    |   |                                                                                                                                                                                                                                                                                                        |
| 83A2 TRANSPORTATION                 | 0                 | 0              | 0                  | 0              | 0               | 0               | 0                | 0                  |   | No significant changes                                                                                                                                                                                                                                                                                 |
| 86A2 ELECTIONS & ELECTORAL REG      | 388,520           | 6,180          | 0                  | 0              | 7,380           | 1,550           | 1,370            | 405,000            |   | No significant changes                                                                                                                                                                                                                                                                                 |
| 86A4 CIVIC CEREMONIALS              | 290,070           | 4,720          | (22,420)           | 0              | (4,880)         | 6,350           | 940              | 274,780            |   | No significant changes                                                                                                                                                                                                                                                                                 |
| 86A5 DEMOCRATIC REPRESENTATION      | 643,490           | 14,010         | 7,000              | 0              | 0               | 0               | 1,410            | 665,910            |   | No significant changes                                                                                                                                                                                                                                                                                 |
| 86B3 HUMAN RESOURCES                | 585,400           | 7,850          | 24,730             | 0              | 50,800          | 0               | (24,720)         | 644,060            |   | No significant changes                                                                                                                                                                                                                                                                                 |
| 86B4 LEGAL SERVICES                 | 176,730           | 8,580          | 0                  | 0              | 0               | 0               | (17,990)         | 167,320            |   | No significant changes                                                                                                                                                                                                                                                                                 |
| 86B5 CORPORATE SUPPORT              | 464,670           | 20,600         | (118,600)          | 0              | (28,570)        | (16,030)        | (54,600)         | 267,470            |   | £60,160 staff savings in the Corporate Support Unit; £50,750 savings in postage in the Mail Centre; £7,690 savings in the Civic Centre (including postage, stationery, shredding and food & drinks). Other adjustments: an increase in support services recharge income, added after the recent review |
| <b>Net Cost</b>                     | <b>2,548,880</b>  | <b>61,940</b>  | <b>(109,290)</b>   | <b>0</b>       | <b>24,730</b>   | <b>(8,130)</b>  | <b>(93,590)</b>  | <b>2,424,540</b>   |   |                                                                                                                                                                                                                                                                                                        |
| <b>TOTAL</b>                        | <b>20,284,310</b> | <b>623,960</b> | <b>(1,771,150)</b> | <b>963,440</b> | <b>0</b>        | <b>665,590</b>  | <b>(407,560)</b> | <b>20,358,590</b>  |   |                                                                                                                                                                                                                                                                                                        |

**EXETER CITY COUNCIL  
2022/23 COUNCIL TAX - SUMMARY**

**APPENDIX 7**

|                                       | <b>2021/22</b>            |                            | <b>2022/23</b>            |                            |
|---------------------------------------|---------------------------|----------------------------|---------------------------|----------------------------|
| Council Tax Base                      | 37,377                    |                            | 37,666                    |                            |
|                                       | Total<br>Expenditure<br>£ | Band D<br>Council Tax<br>£ | Total<br>Expenditure<br>£ | Band D<br>Council Tax<br>£ |
| General Fund Budget                   | 6,251,823                 | 167.26                     | 6,415,560                 | 170.33                     |
| Collection Fund (Council Tax) Surplus | (82,748)                  | (2.21)                     | (10,442)                  | (0.28)                     |
| <b>TOTAL</b>                          | <b>6,169,075</b>          | <b>165.05</b>              | <b>6,405,118</b>          | <b>170.05</b>              |

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## 2022/23 HRA ESTIMATES

|                                          | 2021/22<br>BUDGET<br>£ | 2022/23<br>BUDGET<br>£ | CHANGE<br>£        |
|------------------------------------------|------------------------|------------------------|--------------------|
| Management                               | 5,655,745              | 6,131,560              | 475,815            |
| Sundry Land Maintenance                  | 732,590                | 744,630                | 12,040             |
| Repair & Maintenance Programme           | 6,848,315              | 7,387,350              | 539,035            |
| <b>HRA SERVICE PROVISION EXPENDITURE</b> | <b>13,236,650</b>      | <b>14,263,540</b>      | <b>1,026,890</b>   |
| Revenue Contribution to Capital          | 7,950,000              | 2,000,000              | (5,950,000)        |
| Capital Charges                          | 3,742,940              | 3,830,620              | 87,680             |
| Net Interest                             | 2,259,030              | 2,282,400              | 23,370             |
| <b>HRA EXPENDITURE</b>                   | <b>27,188,620</b>      | <b>22,376,560</b>      | <b>(4,812,060)</b> |
| Dwelling Rents                           | (18,760,000)           | (19,400,000)           | (640,000)          |
| Service Charges                          | (1,098,000)            | (1,187,000)            | (89,000)           |
| Other                                    | (683,550)              | (635,430)              | 48,120             |
| <b>HRA NET EXPENDITURE</b>               | <b>6,647,070</b>       | <b>1,154,130</b>       | <b>(5,492,940)</b> |
| Transfer to / (from) HRA Working Balance | (6,647,070)            | (1,154,130)            | 5,492,940          |
| <b>TOTAL NET HRA BUDGET</b>              | <b>0</b>               | <b>0</b>               | <b>0</b>           |

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## MEDIUM TERM REVENUE PLAN - HOUSING REVENUE ACCOUNT (2021/22 - 2025/26)

|                                              | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 |
|----------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Resources</b>                             |                  |                  |                  |                  |                  |
| Rents                                        | 18,760           | 18,760           | 19,400           | 20,021           | 20,661           |
| Service Charges                              | 1,098            | 1,143            | 1,187            | 1,201            | 1,215            |
| Other                                        | 683              | 632              | 657              | 675              | 694              |
| Inflation on income                          | -                | 688              | 652              | 674              | 695              |
| <b>Likely resources</b>                      | <b>20,541</b>    | <b>21,222</b>    | <b>21,897</b>    | <b>22,571</b>    | <b>23,266</b>    |
| <b>Expenditure</b>                           |                  |                  |                  |                  |                  |
| HRA expenditure base budget                  | 13,547           | 14,031           | 14,278           | 14,068           | 13,962           |
| Inflation on expenditure                     | -                | 173              | 118              | 121              | 118              |
| Repairs & Maintenance Programme              | -                | -                | (297)            | 18               | 210              |
| New non-recurring budgets                    | -                | 51               | 15               | -                | 15               |
| New recurring budgets                        | -                | 68               |                  |                  | -                |
| Remove non-recurring budgets                 | -                | (60)             | (65)             | (265)            |                  |
| Depreciation                                 | 3,743            | 3,831            | 3,781            | 3,706            | 3,656            |
| Revenue Contribution to Capital Outlay       | 8,397            | 2,000            | 1,800            | 2,500            | 2,800            |
| Net interest                                 | 2,259            | 2,282            | 2,338            | 2,309            | 2,341            |
|                                              | 27,946           | 22,376           | 21,968           | 22,457           | 23,102           |
| <b>Other Funding</b>                         |                  |                  |                  |                  |                  |
| Contribution to / (from) HRA Working Balance | (7,405)          | (1,154)          | (72)             | 114              | 164              |
| <b>Total Net budget</b>                      | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| Opening HRA Working Balance                  | 12,950           | 5,545            | 4,391            | 4,320            | 4,434            |
| Closing HRA Working Balance                  | 5,545            | 4,391            | 4,320            | 4,434            | 4,598            |

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## GENERAL FUND AVAILABLE RESOURCES

| GENERAL FUND                                            | 2021/22<br>£      | 2022/23<br>£      | 2023/24<br>£     | 2024/25<br>£     | Future years<br>£ | TOTAL<br>£         |
|---------------------------------------------------------|-------------------|-------------------|------------------|------------------|-------------------|--------------------|
| <b>CAPITAL RESOURCES AVAILABLE</b>                      |                   |                   |                  |                  |                   |                    |
| Capital Receipts Brought Forward                        | 3,329,009         |                   |                  |                  |                   | 3,329,009          |
| GF Capital Receipts                                     | 2,360,030         | 0                 | 0                | 0                |                   | 2,360,030          |
| Revenue Contributions to Capital Outlay                 | 0                 | 89,670            | 0                | 0                |                   | 89,670             |
| Disabled Facility Grant                                 | 1,016,310         | 800,000           | 800,000          | 800,000          | 800,000           | 3,416,310          |
| New Homes Bonus                                         | 0                 | 14,647            | 0                | 0                |                   | 14,647             |
| Community Infrastructure Levy                           | 1,300,000         | 30,000            | 0                | 0                |                   | 1,330,000          |
| Other - Grants/External Funding/Reserves/S106           | 3,653,948         | 3,730,800         | 160,000          | 160,000          |                   | 7,704,748          |
| <b>Total Resources Available</b>                        | <b>11,659,297</b> | <b>4,665,117</b>  | <b>960,000</b>   | <b>960,000</b>   | <b>800,000</b>    | <b>18,244,414</b>  |
| <b>GENERAL FUND CAPITAL PROGRAMME</b>                   |                   |                   |                  |                  |                   |                    |
| Capital Programme                                       | 106,985,890       | 46,468,890        | 6,891,800        | 7,350,250        | 953,910           | 167,696,830        |
| Overspends/(Savings)                                    | (109,420)         |                   |                  |                  |                   | (109,420)          |
| Slippage                                                | (17,590,370)      |                   |                  |                  |                   | (17,590,370)       |
| <b>Total General Fund</b>                               | <b>89,286,100</b> | <b>46,468,890</b> | <b>6,891,800</b> | <b>7,350,250</b> | <b>953,910</b>    | <b>149,997,040</b> |
| <b>UNCOMMITTED CAPITAL RESOURCES:</b>                   |                   |                   |                  |                  |                   |                    |
| Capital Receipts Brought Forward                        | 3,329,009         | 417,949           | 0                | 0                | 0                 | 3,329,009          |
| Resources in Year                                       | 8,330,288         | 4,665,117         | 960,000          | 960,000          | 800,000           | 14,915,405         |
| Less Capital Receipts applied in respect of fleet lease | (1,514,170)       | (743,103)         | (281,585)        |                  |                   | (2,538,858)        |
| Less Capital Receipts to carry forward                  | (417,949)         |                   |                  |                  |                   | 0                  |
| Less Spend in Year                                      | (89,286,100)      | (46,468,890)      | (6,891,800)      | (7,350,250)      | (953,910)         | (149,997,040)      |
| <b>Borrowing Requirement</b>                            | <b>79,558,922</b> | <b>42,128,927</b> | <b>6,213,385</b> | <b>6,390,250</b> | <b>153,910</b>    | <b>134,291,484</b> |

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## HRA AVAILABLE RESOURCES

| HOUSING REVENUE ACCOUNT                                                       | 2021/22<br>£      | 2022/23<br>£      | 2023/24<br>£      | 2024/25<br>£      | 2025/26<br>£     | TOTAL<br>£        |
|-------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| <b>CAPITAL RESOURCES AVAILABLE</b>                                            |                   |                   |                   |                   |                  |                   |
| Usable Receipts Brought Forward                                               |                   |                   |                   |                   |                  | 9,600,364         |
| Major Repairs Reserve Brought Forward                                         |                   |                   |                   |                   |                  | 15,133,198        |
| Other HRA Sales                                                               | 1,354,235         | 150,000           | 150,000           | 150,000           | 200,000          | 2,004,235         |
| RTB sales                                                                     | 825,000           | 825,000           | 825,000           | 825,000           | 825,000          | 4,125,000         |
| Surrender back to DCLG - pending investment in replacement affordable housing | 0                 |                   |                   | (1,161,573)       |                  | (1,161,573)       |
| Major Repairs Reserve                                                         | 3,844,095         | 3,830,620         | 3,780,620         | 3,705,620         | 3,655,620        | 18,816,575        |
| Revenue Contributions to Capital                                              | 8,396,550         | 2,000,000         | 1,800,000         | 2,500,000         | 2,800,000        | 17,496,550        |
| External contributions                                                        | 592,424           |                   |                   |                   |                  | 592,424           |
|                                                                               |                   |                   |                   |                   |                  | 0                 |
| Grant funding - Green Energy                                                  | 1,100,000         |                   |                   |                   |                  | 1,100,000         |
| Commuted sums                                                                 | 821,356           |                   |                   |                   |                  | 821,356           |
| Borrowing                                                                     | 7,239,498         | 5,400,000         | 750,000           | 750,000           |                  | 14,139,498        |
| <b>Total Resources available</b>                                              | <b>24,173,158</b> | <b>12,205,620</b> | <b>7,305,620</b>  | <b>6,769,047</b>  | <b>7,480,620</b> | <b>82,667,627</b> |
| <b>CAPITAL PROGRAMME</b>                                                      |                   |                   |                   |                   |                  |                   |
| HRA Capital Programme                                                         | 24,544,913        | 21,828,854        | 15,810,560        | 10,051,220        | 9,070,573        | 81,306,120        |
| <b>Total Housing Revenue Account</b>                                          | <b>24,544,913</b> | <b>21,828,854</b> | <b>15,810,560</b> | <b>10,051,220</b> | <b>9,070,573</b> | <b>81,306,120</b> |
| <b>UNCOMMITTED CAPITAL RESOURCES:</b>                                         |                   |                   |                   |                   |                  |                   |
| Usable Receipts Brought Forward                                               | 9,600,364         | 7,398,850         | 4,613,850         | 2,884,987         | 898,414          | 9,600,364         |
| Major Repairs Reserve Brought Forward                                         | 15,133,198        | 16,962,956        | 10,124,722        | 3,348,645         | 2,053,045        | 15,133,198        |
| Resources in Year                                                             | 24,173,158        | 12,205,620        | 7,305,620         | 6,769,047         | 7,480,620        | 57,934,065        |
| Less Estimated Spend                                                          | (24,544,913)      | (21,828,854)      | (15,810,560)      | (10,051,220)      | (9,070,573)      | (81,306,120)      |
| <b>Uncommitted Capital Resources</b>                                          | <b>24,361,807</b> | <b>14,738,572</b> | <b>6,233,632</b>  | <b>2,951,459</b>  | <b>1,361,506</b> | <b>1,361,507</b>  |
| <b>WORKING BALANCE RESOURCES:</b>                                             |                   |                   |                   |                   |                  |                   |
| Balance Brought Forward                                                       | 12,950,277        | 5,544,637         | 4,390,507         | 4,318,102         | 4,432,382        | 12,950,277        |
| HRA Balance Transfer - Surplus/(Deficit)                                      | (7,426,625)       | (1,154,130)       | (72,405)          | 114,280           | 164,311          | (8,374,569)       |
| Cumulative forecast under/(over)spend 2021-22                                 | 20,985            |                   |                   |                   |                  | 20,985            |
| Balance Carried Forward                                                       | 5,544,637         | 4,390,507         | 4,318,102         | 4,432,382         | 4,596,693        | 4,596,693         |
| Balance Resolved to be Retained                                               | (4,000,000)       | (4,000,000)       | (4,000,000)       | (4,000,000)       | (4,000,000)      | (4,000,000)       |
| <b>Uncommitted HRA Working Balance</b>                                        | <b>1,544,637</b>  | <b>390,507</b>    | <b>318,102</b>    | <b>432,382</b>    | <b>596,693</b>   | <b>596,693</b>    |
| <b>TOTAL AVAILABLE CAPITAL RESOURCES</b>                                      | <b>25,906,444</b> | <b>15,129,079</b> | <b>6,551,734</b>  | <b>3,383,841</b>  | <b>1,958,199</b> | <b>1,958,200</b>  |

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## GENERAL FUND - CAPITAL PROGRAMME 2022/23 AND FUTURE YEARS

| SCHEMES | NEW BID | 2022/23 | 2023/24 | 2024/25 | Future Years | What the scheme is trying to achieve |
|---------|---------|---------|---------|---------|--------------|--------------------------------------|
|         |         | £       | £       | £       | £            |                                      |

## Chief Executive &amp; Growth Director

|                                               |   |                |                |                |                |                                     |
|-----------------------------------------------|---|----------------|----------------|----------------|----------------|-------------------------------------|
| Customer Contact Platform                     |   | 157,840        |                |                |                | Contribution to Strata led projects |
| Annual Contribution to Strata                 |   | 53,910         | 53,910         | 53,910         | 53,910         |                                     |
| Financial Management                          | # |                | 200,000        |                |                |                                     |
| PTSN Replacement                              | # | 40,000         |                |                |                |                                     |
| ECC Civic Centre HFX Door Access Replacement  | # | 100,000        |                |                |                |                                     |
| System Upgrade Cost - 2012 Server Replacement | # | 35,940         |                |                |                |                                     |
| GIS Cloud Migration                           | # | 3,590          |                |                |                |                                     |
| Datacentre Relocation                         |   | 35,940         |                |                |                |                                     |
| IT Replacement Programme                      |   | 50,000         | 50,000         | 50,000         | 50,000         |                                     |
| <b>TOTAL</b>                                  |   | <b>477,220</b> | <b>303,910</b> | <b>103,910</b> | <b>103,910</b> |                                     |

## Net Zero Exeter and City Management

|                                       |  |         |         |         |  |                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------|--|---------|---------|---------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Parks Infrastructure                  |  | 141,880 |         |         |  | To ensure public safety in parks and open spaces. Works include resurfacing parking areas and repairs to steps, railings and gates.                                                                                                                                                                                                                 |
| Ash Die Back Tree Replacement         |  | 150,480 | 25,000  |         |  | Tree Removal & Replacement                                                                                                                                                                                                                                                                                                                          |
| Cemetery Fields Play Area             |  | 146,830 |         |         |  | To provide adequate and safe access to graves. Works include improvements to path and road layout and surfacing improvements and provision of suitable parking.                                                                                                                                                                                     |
| Play Areas                            |  | 278,200 | 218,600 | 225,000 |  | Supply & Installation of new play equipment at multiple play areas across the city to replace old, end of life equipment. Cost includes 2 potential full redesigns where all equipment is old and the site could provide better play value and more accessible play in areas of multiple indices of deprivation (Lakeside Avenue & Chestnut Avenue) |
| Outdoor Leisure Facilities - Newcourt |  | 121,270 |         |         |  | To provide facilities at Newcourt                                                                                                                                                                                                                                                                                                                   |
| Repair Canal Bank at M5               |  | 26,890  |         |         |  | To re-strengthen and raise canal banks at this known vulnerable location.                                                                                                                                                                                                                                                                           |

| SCHEMES                                      | NEW BID | 2022/23   | 2023/24 | 2024/25 | Future Years | What the scheme is trying to achieve                                                                                                                                                                                                                                                |
|----------------------------------------------|---------|-----------|---------|---------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                              |         | £         | £       | £       | £            |                                                                                                                                                                                                                                                                                     |
| Bowling Green Marshes Coastal Defence Scheme |         | 500,000   | 160,000 | 160,000 |              | To repair the coastal defences to retain the level of protection to the freshwater marshes. The scheme is entirely funded by the Environment Agency.                                                                                                                                |
| Topsham Flood Prevention Scheme              |         | 800,000   |         |         |              | To provide flood gates and barriers to reduce tidal flooding and water surging along property frontages                                                                                                                                                                             |
| Pinhoe Playing Field Upgrades                |         | 44,530    |         |         |              | Improvements to the pitch at Station Road to overcome seasonal problems with drainage and waterlogging.                                                                                                                                                                             |
| Cricklepit Bridge                            |         | 153,750   |         |         |              | Full Repair (specification dependent upon PI Report findings) & redecoration. Last full paint coat was 15 years ago and is due for renewal                                                                                                                                          |
| Trews Weir refurb                            |         | 961,850   |         |         |              | Stabilise and refurbish damaged weir                                                                                                                                                                                                                                                |
| District Street Lighting                     |         | 262,150   | 163,950 | 168,750 |              | Complete stock replacement of aging lighting columns to drop-down type and to LED lamps over 5 year programme.                                                                                                                                                                      |
| Piazza Terracina                             |         |           |         | 157,500 |              | Repaving and landscaping Terracina, with new service points to improve suitability for events. Could include spaces for street food and pop-up stalls similar to Guildhall. Potential income from stalls and events which would help to offset some of the costs                    |
| Exeter Ship Canal M5 viaduct                 |         | 164,500   |         |         |              | Raise and widen approximately 250m length of canal bank in the vicinity of the M5 crossing. Reinforce with geotextile (terram / enkamat or similar) to reduce future erosion.                                                                                                       |
| Exeter Quay Cellars cliff face               |         | 400,800   |         |         |              | Undertake full geotechnical investigations to determine the continuity of materials along cliff & determine the seasonal variation of the water table, plus monitoring further movement. Likely that each archway may need to be provided with rock anchors and water proof lining. |
| Exhibition Way Bridge                        |         | 210,960   |         |         |              | Full Repair (specification dependent upon PI Report findings) & redecoration                                                                                                                                                                                                        |
| Yaroslavl Bridge                             |         | 77,250    |         |         |              | Full Repair (specification dependent upon PI Report findings) & redecoration, including redecking and replacement of handrail. Last full paint coat was 15 years ago and is due for renewal                                                                                         |
| Leypark Road Footbridge                      |         | 210,960   |         |         |              | Full Repair (specification dependent upon PI Report findings) & redecoration                                                                                                                                                                                                        |
| Paul Street Car Park Bridge & Ramp           |         | 21,220    | 87,440  |         |              | Full Repair (specification dependent upon PI Report findings) & redecoration                                                                                                                                                                                                        |
| King William Footbridge                      |         | 21,220    | 87,440  |         |              | Full Repair (specification dependent upon PI Report findings) & redecoration                                                                                                                                                                                                        |
| Farm Hill Retaining Walls (23 no.)           |         | 53,050    | 218,600 | 281,250 |              | Stabilising works and other remedial actions (specification dependent upon PI Report findings)                                                                                                                                                                                      |
| Mallison Bridge                              |         | 1,037,750 |         |         |              | Replace bridge as per prepared Design, creating new public boardwalk and raised platform alongside quay walls                                                                                                                                                                       |
| Riverside Walls at Quay                      |         | 528,950   |         |         |              | Underpinning or sheet piling existing Quay walls. Potential opportunity to deliver alongside Trews Weir                                                                                                                                                                             |
| Bonhay Rd/Andlaw House Footpath              |         | 42,440    |         |         |              | Remedial works to replace existing gabion baskets or shore up existing gabion baskets - plus resurfacing of path with tarmac                                                                                                                                                        |

| SCHEMES                                                                                                        | NEW BID | 2022/23 | 2023/24   | 2024/25 | Future Years | What the scheme is trying to achieve                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------|---------|---------|-----------|---------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                |         | £       | £         | £       | £            |                                                                                                                                                                                                                                                                                           |
| St James' Weir & Ducks Marsh Meadow banks                                                                      |         | 209,840 | 1,093,000 |         |              | Following the collapse of St James Weir, works are required to protect Council owned public open space from erosion and further loss. This cost is a likely maximum as other contributions will be sought.                                                                                |
| Canal Basin, Topsham Quay, Countess Wear                                                                       |         | 188,500 |           |         |              | To provide purpose-built concrete craning pads                                                                                                                                                                                                                                            |
| Double Locks Access Road & paths                                                                               |         |         | 43,720    |         |              | Repair & resurface roadway                                                                                                                                                                                                                                                                |
| Heavitree Paddling Pools                                                                                       |         | 418,150 |           |         |              | Redesign and rebuild Paddling Pools, add new Splash Pad & replace dated Plant & Plant-Room. Expand and replace play area with a designed site                                                                                                                                             |
| Taddiford Brook @ New North Road / Taddiford Road                                                              |         | 10,300  | 43,720    |         |              | Delivery of flood scheme comprising flood storage areas in Taddiford Brook valley. ECC will contribute approximately £50k of the funding towards this with the rest being provided by the EA, DCC and University                                                                          |
| Flowepot Skate-park                                                                                            |         | 10,750  |           |         |              | To supply & install 8 no. 380 watt Philips BVP651 Clearflood Large T25 DX60 LED floodlight luminaires complete with internal drivers, commission and Certificate. Commission a contractor to remove all graffiti on site, and install CCTV for enforcement and deterrent against graffiti |
| Landfill Gas Extraction Systems @ Clifton Hill & Mincinglake Valley Park (Public Realm & Environmental Health) |         | 53,050  | 601,150   |         |              | Significant upgrade or replacement of all three extraction systems.                                                                                                                                                                                                                       |
| Mincinglake Valley Park Reed Beds & Pipe Inlet                                                                 |         | 147,600 |           |         |              | Re-lining of the lagoon to minimise leaks, coupled with design and construction of new debris screens to minimise blockage risks.                                                                                                                                                         |
| Exeter Ship Canal - Bottleneck & Bird Hide                                                                     |         | 116,400 |           |         |              | Top-up and reinforce approximately 200m length of canal bank and reinforce.                                                                                                                                                                                                               |
| Exeter Ship Canal - Green Tip to Salmonpool                                                                    |         | 51,500  |           |         |              | To re-surface the path.                                                                                                                                                                                                                                                                   |
| Northernhay & Rougemont Gardens                                                                                |         |         |           | 168,750 |              | Footpath improvements including resurfacing, replacement of handrails and fencing, repairs to retaining walls, refurbish bandstand. Improve electrical and water supplies for events, plus realignment of gates for easier events access                                                  |
| Longbrook Street wall behind 30-38                                                                             |         |         |           | 56,250  |              | Localised repairs and strengthening of masonry wall                                                                                                                                                                                                                                       |
| Okehampton Street & Parr Street Car Parks                                                                      |         |         | 54,650    |         |              | Completely resurface both Car Parks and re-line Parking Spaces                                                                                                                                                                                                                            |
| Exwick Cemetery                                                                                                |         |         | 21,860    |         |              | Fill potholes and fit grates to open gullies. Carry out resurfacing to a number of localised areas to eliminate trip hazards                                                                                                                                                              |
| Higher Cemetery                                                                                                |         |         | 21,860    |         |              | Fill potholes, fill ruts in soft ground, eradicate trip hazards, raise sunken gullies/manhole covers and carry out resurfacing to a number of localised areas                                                                                                                             |
| Budlake Road                                                                                                   |         |         | 109,300   |         |              | Remedial works to highways including resurfacing and drainage improvements. Possibility of DCC adopting the highway if brought up to standard., and this would then take away a future maintenance burden.                                                                                |
| Exeter Ship Canal - Swans Nest Car Park                                                                        |         |         |           | 56,250  |              | To re-surface car park with asphalt, re-line car park spaces                                                                                                                                                                                                                              |
| Salmonpool Swingbridge / Clapperbrook Lane                                                                     | #       | 30,000  |           |         |              | Contribution to scheme to improve accessibility and visibility for cyclists coming out of the new station.                                                                                                                                                                                |

| SCHEMES                        | NEW BID | 2022/23 | 2023/24 | 2024/25 | Future Years | What the scheme is trying to achieve                     |
|--------------------------------|---------|---------|---------|---------|--------------|----------------------------------------------------------|
|                                |         | £       | £       | £       | £            |                                                          |
| Repairs to Turf Lock Pier Head |         | 63,500  | 27,330  | 140,620 |              | Construction of new sheet piled wall around the pierhead |
| Repair to Walls at Farm Hill   |         | 54,900  |         |         |              | To ensure stability and integrity of structures.         |

| SCHEMES                                                     | NEW BID | 2022/23          | 2023/24          | 2024/25          | Future Years   | What the scheme is trying to achieve                                                                                                                                                                                                              |
|-------------------------------------------------------------|---------|------------------|------------------|------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |         | £                | £                | £                | £              |                                                                                                                                                                                                                                                   |
| Bank Repairs & Stabilisation to Watercourses                |         | 20,000           |                  |                  |                | To ensure stability and integrity of watercourses at Pinhoe, Monkerton and Northbrook to prevent bank slips/blockages that could result in localised flooding in populated areas.                                                                 |
| Waste Infrastructure                                        |         | 463,300          |                  |                  |                | To reduce on-street presentation of domestic and commercial rubbish. Infrastructure to consist of communal domestic waste collection points in selected streets, 'Recycle on the Go' bins in the city centre and communal trade waste facilities. |
| Disabled Facility Grants                                    |         | 800,000          | 800,000          | 800,000          | 800,000        | To meet the legal duty to pay grants to enable disabled people to remain in their homes.                                                                                                                                                          |
| Energy Saving Projects                                      | #       | 65,000           |                  |                  |                | The ERDF project comprises the development and implementation of a ground mounted solar farm co-located with energy storage technology and a smart grid control system connected directly to the grid at the Water Lane site.                     |
| Capitalised Staff Costs                                     |         | 50,000           | 50,000           | 50,000           | 50,000         | To provide for the cost of certain Council employees, which will be directly involved in the construction or acquisition of assets and qualify as capital expenditure, including engineers and surveyors.                                         |
| <b>TOTAL</b>                                                |         | <b>9,109,720</b> | <b>3,827,620</b> | <b>2,264,370</b> | <b>850,000</b> |                                                                                                                                                                                                                                                   |
| <b>City Development, Housing &amp; Supporting People</b>    |         |                  |                  |                  |                |                                                                                                                                                                                                                                                   |
| Rough Sleepers Accommodation Programme Property Acquisition |         | 1,890,000        |                  |                  |                | To purchase self contained properties from the open market. This will be funded from S106 contributions and from a grant from Homes England                                                                                                       |
| <b>TOTAL</b>                                                |         | <b>1,890,000</b> | <b>0</b>         | <b>0</b>         | <b>0</b>       |                                                                                                                                                                                                                                                   |
| <b>Communications, Culture and Leisure Facilities</b>       |         |                  |                  |                  |                |                                                                                                                                                                                                                                                   |
| Riverside Sports Hall Roof                                  |         | 1,500,000        |                  |                  |                | To replace the roof structure at the Riverside Leisure Centre                                                                                                                                                                                     |
| <b>TOTAL</b>                                                |         | <b>1,500,000</b> | <b>0</b>         | <b>0</b>         | <b>0</b>       |                                                                                                                                                                                                                                                   |
| <b>Finance</b>                                              |         |                  |                  |                  |                |                                                                                                                                                                                                                                                   |
| Loan to Exeter City Living                                  |         | 15,641,560       |                  |                  |                | To provide a loan to Exeter City Living                                                                                                                                                                                                           |
| Pinces Gatehouse Roof repairs                               |         | 15,000           |                  |                  |                |                                                                                                                                                                                                                                                   |
| Beacon Heath Martial Arts & Boxing Club - New Roof          |         | 14,650           |                  |                  |                |                                                                                                                                                                                                                                                   |
| Mary Arches MSCP                                            |         | 3,427,430        |                  |                  |                |                                                                                                                                                                                                                                                   |
| Guildhall MSCP                                              |         | 0                | 1,014,340        | 1,160,040        |                |                                                                                                                                                                                                                                                   |
| Cathedral & Quay MSCP                                       |         | 3,496,800        |                  |                  |                |                                                                                                                                                                                                                                                   |
| Harlequins MSCP                                             |         | 16,510           |                  | 352,930          |                |                                                                                                                                                                                                                                                   |
| John Lewis MSCP                                             |         | 0                |                  | 2,709,760        |                |                                                                                                                                                                                                                                                   |

| SCHEMES                                                                                                                                                                                                              | NEW BID | 2022/23           | 2023/24          | 2024/25          | Future Years   | What the scheme is trying to achieve                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|------------------|------------------|----------------|-----------------------------------------------------|
|                                                                                                                                                                                                                      |         | £                 | £                | £                | £              |                                                     |
| Princesshay 2 MSCP                                                                                                                                                                                                   |         | 2,384,310         |                  |                  |                | Current Corporate Property Maintenance Requirements |
| Princesshay 3 MSCP                                                                                                                                                                                                   |         | 0                 | 567,580          | 649,110          |                |                                                     |
| Leighton Terrace & KW St MSCP                                                                                                                                                                                        |         | 606,660           | 1,071,350        |                  |                |                                                     |
| Civic Centre Phase 3 Roof Rep                                                                                                                                                                                        |         | 230,000           |                  |                  |                |                                                     |
| City Wall                                                                                                                                                                                                            |         | 343,520           |                  |                  |                |                                                     |
| Backlog Maintenance                                                                                                                                                                                                  |         | 4,934,830         |                  |                  |                |                                                     |
| Guildhall roof replacement                                                                                                                                                                                           |         | 514,190           |                  |                  |                |                                                     |
| RAMM - roof replacement                                                                                                                                                                                              |         | 938,530           |                  |                  |                |                                                     |
| Commercial Property Ancillary Accommodation flat roof recovering                                                                                                                                                     |         | 124,640           |                  |                  |                |                                                     |
| Bradninch Place - additional actions to enable potential asset transfer including heating system, roof access and removal of the BMS system. These works are in addition to the condition survey backlog of £598,000 |         | 242,350           |                  |                  |                |                                                     |
| Wat Tyler House - resolving ongoing water ingress with new rainwater system                                                                                                                                          |         | 235,270           |                  |                  |                |                                                     |
| Verney House - roof access and rainwater drainage improvements. Potential for mitigation if asset transferred for residential development opportunity                                                                |         | 121,000           |                  |                  |                |                                                     |
| Commercial Properties - capital improvements to enable ongoing income (compliance with EPC legislation)                                                                                                              |         | 204,700           | 107,000          | 110,130          |                |                                                     |
| <b>TOTAL</b>                                                                                                                                                                                                         |         | <b>33,491,950</b> | <b>2,760,270</b> | <b>4,981,970</b> | <b>0</b>       |                                                     |
| <b>GENERAL FUND SERVICES TOTAL</b>                                                                                                                                                                                   |         | <b>46,468,890</b> | <b>6,891,800</b> | <b>7,350,250</b> | <b>953,910</b> |                                                     |
| <b>New Bids</b>                                                                                                                                                                                                      |         | <b>274,530</b>    | <b>200,000</b>   | <b>0</b>         | <b>0</b>       |                                                     |
| <b>Pre-Approved</b>                                                                                                                                                                                                  |         | <b>46,194,360</b> | <b>6,691,800</b> | <b>7,350,250</b> | <b>953,910</b> |                                                     |
| <b>TOTAL CAPITAL PROGRAMME</b>                                                                                                                                                                                       |         | <b>46,468,890</b> | <b>6,891,800</b> | <b>7,350,250</b> | <b>953,910</b> |                                                     |

| DESCRIPTION                                                               | 2022/23           | 2023/24           | 2024/25           | 2025/26          | Total             |
|---------------------------------------------------------------------------|-------------------|-------------------|-------------------|------------------|-------------------|
|                                                                           | £                 | £                 | £                 | £                | £                 |
| <b>INVESTMENT IN EXISTING STOCK</b>                                       |                   |                   |                   |                  |                   |
| 1 Adaptations                                                             | 741,936           | 560,000           | 560,000           | 560,000          | 2,421,936         |
| 2 Balcony Walkway Improvements                                            | 521,000           | 156,232           | 108,000           | 108,000          | 893,232           |
| 3 Bathroom Replacements (inc. Communal)                                   | 900,000           | 900,000           | 750,000           | 750,000          | 3,300,000         |
| 4 Boiler Replacement Programme & Central Heating                          | 855,800           | 803,250           | 749,088           | 666,438          | 3,074,576         |
| 5 Common Area Footpath & Wall Improvements                                | 250,000           | 220,000           | 80,000            | 0                | 550,000           |
| 6 Communal Area Improvements - New Flooring                               | 100,000           | 100,000           | 100,000           | 100,000          | 400,000           |
| 7 Communal Door and Screen Replacements                                   | 100,000           | 100,000           | 100,000           | 100,000          | 400,001           |
| 8 Door Replacements (inc. Outbuildings)                                   | 419,640           | 419,640           | 419,640           | 419,640          | 1,678,560         |
| 9 Electrical Central Heating                                              | 30,000            | 306,000           | 312,120           | 318,362          | 966,482           |
| 10 Electrical Rewires - Communal                                          | 159,523           | 64,060            | 43,350            | 44,217           | 311,150           |
| 11 Electrical Rewires - Domestic                                          | 341,480           | 372,633           | 380,086           | 387,687          | 1,481,885         |
| 12 Energy retrofit                                                        | 1,646,478         | 1,646,478         | 1,646,478         | 1,646,478        | 6,585,912         |
| 13 Estate Improvements                                                    | 50,000            | 50,000            | 0                 | 0                | 100,000           |
| 14 Fire Risk Assessment Works - Compliance                                | 771,536           | 786,997           | 802,706           | 50,000           | 2,411,239         |
| 15 Fire Risk Assessment Works - Planned                                   | 361,790           | 361,790           | 361,790           | 361,790          | 1,447,160         |
| 16 Fire Safety Storage Facilities                                         | 209,462           | 109,462           | 109,462           | 109,462          | 537,849           |
| 17 Kitchen Replacements (inc. Communal)                                   | 1,002,000         | 1,002,000         | 752,000           | 752,000          | 3,507,999         |
| 18 Lift Upgrades                                                          | 154,800           | 80,000            | 80,000            | 0                | 314,800           |
| 19 Reroofing - Flats                                                      | 321,000           | 321,000           | 321,000           | 321,000          | 1,284,000         |
| 20 Reroofing - Houses (outbuildings, chimney, gutters, downpipes, fascia) | 1,005,000         | 1,005,000         | 1,005,000         | 1,005,000        | 4,019,999         |
| 21 Porch Canopies                                                         | 64,000            | 64,000            | 64,000            | 64,000           | 256,000           |
| 22 Rennes House Structural Works                                          | 3,000,000         | 1,726,572         | 0                 | 0                | 4,726,572         |
| 23 Soil Vent Pipe Replacement                                             | 24,000            | 24,000            | 24,000            | 24,000           | 96,000            |
| 24 Structural Repairs                                                     | 405,000           | 405,000           | 405,000           | 405,000          | 1,620,000         |
| 25 Window Replacements                                                    | 877,500           | 877,500           | 877,500           | 877,500          | 3,510,000         |
| 26 Housing Management system                                              | 16,909            | 0                 | 0                 | 0                | 16,909            |
| <b>Sub total - Investment in Existing Stock</b>                           | <b>14,328,854</b> | <b>12,461,613</b> | <b>10,051,220</b> | <b>9,070,573</b> | <b>45,912,260</b> |
| <b>PROVISION OF NEW COUNCIL HOMES</b>                                     |                   |                   |                   |                  |                   |
| 27 Social Housing Acquisitions - Open Market                              | 0                 | 500,000           | 0                 | 0                | 500,000           |
| 28 Council House Building Programme - Hamlin Gardens                      | 2,500,000         | 688,972           | 0                 | 0                | 3,188,972         |
| 29 Council House Building Programme - Vaughan Road                        | 5,000,000         | 2,159,975         | 0                 | 0                | 7,159,975         |
| <b>Sub total - Investment in the Provision of New Homes</b>               | <b>7,500,000</b>  | <b>3,348,947</b>  | <b>0</b>          | <b>0</b>         | <b>10,848,947</b> |
| <b>Total HRA Capital Programme</b>                                        | <b>21,828,854</b> | <b>15,810,560</b> | <b>10,051,220</b> | <b>9,070,573</b> | <b>56,761,207</b> |

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## **REPORT TO EXECUTIVE**

Date of Meeting: 8 February 2022

## **REPORT TO COUNCIL**

Date of Meeting: 22 February 2022

Report of: Director Finance

Title: Capital Strategy 2022-23

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

To approve the Capital Strategy.

#### **2. Recommendations:**

It is recommended that Council approve the Capital Strategy as set out in Appendix 1.

#### **3. Reasons for the recommendation:**

The aim of the capital strategy is to ensure all elected members fully understand the long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

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

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

#### **5. Section 151 Officer comments:**

The Capital Strategy underpins the Council's approach to capital expenditure setting out the principles, which guide the decisions made. The Recent condition survey results, which were approved in late 2020, sets out the Council's capital programme for the next five years. As stated last year, the cost of this is significant and will use the majority of the Council's capital resources, without generating additional income to fund any borrowing and therefore Council should only consider further building projects that either deliver external funding or an income stream to offset the costs of borrowing. In addition, the Council will continue to invest in IT projects as required and vehicles under the vehicle lease contract. The Council will continue to fund these investments through capital receipts or revenue resources where possible.

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

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

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

In addition to the comments made under section 6 above, the Council must also pay attention to the Prudential Code for Capital Finance in Local Authorities, as published by the Chartered Institute of Public Finance & Accountancy in December 2017. The Strategy as detailed in Appendix 1 to this report, covers this point, and this report therefore raises no issues for the Monitoring Officer.

## **8. Report details:**

The capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

The proposed Capital Strategy is attached at Appendix 1.

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

The Capital Strategy 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 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 the report is for information only

## **12. Carbon Footprint (Environmental) Implications:**

No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

No

**Director Finance, David Hodgson**

Author: Kayleigh Searle, Finance manager – Corporate

## **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

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**EXETER CITY COUNCIL**  
**CAPITAL STRATEGY 2022/23**

**1. Introduction**

- 1.1. This capital strategy sets out how, when the City Council considers often-competing demands for investments, it takes account of stewardship, value for money, prudence, sustainability and affordability in a long term context, and gives due consideration to both risk and reward and impact on the achievement of the Council's priority outcomes. It is part of the Council's integrated operational, revenue, capital and balance sheet planning.
- 1.2. As local authorities become increasingly complex and diverse, it is vital that Councillors and senior Officers are fully informed about the long term context in which investment decisions are made and about all the financial and operational risks to which the authority is exposed. With local authorities having increasingly wide powers around commercialisation and being part of group arrangements or combined authorities, it is increasingly important for Councils to take into account the residual risks and liabilities all around them.
- 1.3. This capital strategy covers both the General Fund and the Housing Revenue Account, supporting service provision and linking with the Council's Corporate Strategy and Medium Term Financial Strategy. It provides a framework for the development of the three year capital programme.

**2. Purpose and Aims**

- 2.1. The purpose of this capital strategy is to help achieve the strategic priorities of the Corporate Plan, which are to:
  - Help deliver the emerging Exeter Vision 2040, by providing services and developments that build on Exeter's growth and success and meet local communities' aspirations.
  - Focus on the Council's corporate priorities:
    - Delivering Net Zero Exeter 2030
    - Promote active and healthy lifestyles
    - Build great neighbourhoods
    - Provide value-for-money services
    - Lead a well-run council

These priorities contribute to developing the Exeter Vision for 2040, which at the time of writing (December 2020) is:

*"By the time they are an adult, a child born in Exeter today will live in a city that is inclusive, healthy and sustainable – a city where the opportunities and benefits of prosperity are shared and all citizens are able to participate fully in the city's economic, social, cultural and civic life."*

- 2.2. The Prudential Code for Capital Finance in Local Authorities was updated by the Chartered Institute of Public Finance and Accountancy in December 2017. The framework established by the Prudential Code supports local strategic planning, local asset management planning and proper option appraisal.
- 2.3. The objectives of the Prudential Code are to ensure that the capital expenditure plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved.
- 2.4. The Prudential Code requires authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are made with sufficient regard to the long run financing implications and potential risks to the authority.
- 2.5. The Prudential Code sets out that in order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, authorities should have in place a capital strategy. The capital strategy should set out the long term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

### **3. What is Capital Expenditure?**

- 3.1. An understanding of what constitutes capital expenditure is fundamental to realising the benefits that an authority can obtain under the Prudential framework. Unless expenditure qualifies as capital it will normally fall outside the scope of the framework and be charged to revenue in the period that the expenditure is incurred. If expenditure meets the definition of capital, there may be opportunities to finance the outlay from capital receipts or by spreading the cost over future years' revenues.

There are three ways in which expenditure can qualify as capital under the framework:-

- The expenditure results in the acquisition, construction or enhancement of fixed assets (tangible and intangible) in accordance with 'proper practices'.
- The expenditure meets one of the definitions specified in regulations made under the 2003 Local Government Act.
- The Secretary of State makes a direction that the expenditure can be treated as capital expenditure.

#### **4. Approach to Capital Investment**

4.1. The Council's approach to capital investment is fundamental to the Council's financial planning processes. It aims to ensure that:

- Capital expenditure contributes to the achievement of the Council's strategic plan.
- An affordable and sustainable capital programme is delivered.
- Use of resources and value for money is maximised.
- A clear framework for making capital expenditure decisions is provided.
- A corporate approach to generating capital resources is established.
- Access to sufficient long term assets to provide services are acquired and retained.
- Invest to save initiatives to make efficiencies within the Council's revenue budget are encouraged.
- An appraisal and prioritisation process for new schemes is robust.

#### **5. Governance Arrangements**

##### **5.1. Capital Programme Approvals**

The Authority's constitution and financial regulations govern the capital programme as set out below:

- All capital expenditure must be carried out in accordance with the financial regulations and the Council's Constitution.
- The expenditure must comply with the statutory definition of capital purposes as defined within this document and wider financial standards.
- The Capital Programme approved by Full Council as part of the Council's annual budget report sets the capital funding availability for the Council, the prioritisation of funding and the schemes receiving entry into the Capital Programme.
- Officers are not authorised to commit expenditure without prior formal approval as set out in the financial regulations.
- Each scheme must be under the control of a responsible person/project manager.
- Any agreements (such as section 106) which contractually commit to procure capital schemes will need to follow the same approval process as other capital expenditure before it can be formally incorporated into the capital programme.

##### **Full Council:**

- Approves the capital programme as part of the Annual Budget Report within the strategic boundaries set by the Council.
- Approves capital schemes into the approved capital programme to enable commencement of delivery and schemes to start to incur expenditure.

## 6. Funding Streams

Exeter City Council's Capital Programme is funded from a mix of sources including:

- **Prudential Borrowing** – The introduction of the Prudential Code in 2004 allowed the Council to undertake unsupported borrowing. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities. The Council must ensure that unsupported borrowing is affordable, prudent and cost effective. This funding can also be used as an option to front fund development to stimulate growth. This has provided the Council with the flexibility to raise capital funding as demand and business need have dictated. This type of borrowing has revenue implications for the Council in the form of financing costs. An authority must not borrow to invest primarily for financial return.
- **External Grants** – such as disabled facilities grant funding
- **Section 106, Community Infrastructure Levy (CIL) and External Contributions** – Elements of the capital programme are funded by contributions from private sector developers and partners.
- **Revenue Funding** – The Council can use revenue resources to fund capital projects on a direct basis and this funding avenue has been used in the past. However, pressures on the Council's revenue budget has reduced options in this area and therefore the preference is for Invest to Save options to be adopted where feasible.
- **Capital Receipts** – The Council is able to generate capital receipts through the sale of surplus assets such as land and buildings. The Council seeks to maximise the level of these resources which will be available to support the Council's plans.

The size of the Capital Programme will be influenced by funding sources and financing costs. The main limiting factor on the Council's ability to undertake capital investment is whether the revenue resource is available to support in full the implications of capital expenditure, both borrowing costs and running costs, after allowing for any support provided by central government, now mainly through capital grants.

The Council is required to set aside a Minimum Revenue Provision (MRP) in respect of capital expenditure previously financed by borrowing. To reduce risk and minimise cost on the General Fund, it has been decided to defer borrowing where possible, however some targeted long term borrowing will be undertaken in 2022-23, where the costs will be offset against future income streams.

### Revenue Implications

The revenue implications of capital investment must always be considered in investment decisions and prioritisation of projects. These include costs and savings implications.

Costs to consider include:

- Cost of borrowing (including Minimum Revenue Provision)
- Loss of investment income if reserves or useable capital receipts are used
- Running costs associated with the asset:

Savings, including benefits, to identify in the proposal include:

- Any positive impact of investment and economic growth on the Council's council tax base and business rates income
- Capital projects that generate income, revenue savings or efficiencies

## **7. Stewardship of Assets**

The Council's Asset Management Plan sets out the condition of its assets and the arrangements for managing these effectively. The Council's Corporate Property Strategy enhances these arrangements, including increasing the awareness that efficient use of property is an important element of maximising the value obtained from the Council's overall resources.

An extensive stock condition survey has been carried out on the majority of the Council's assets. This has identified actions required and has built the capital programme for the next four years.

## **8. Service Objectives**

The option appraisal of proposed capital schemes overseen considers, amongst other factors, the following:

- How the proposal help achieve the objectives and priorities set out in the Council's Strategic Plan 2018-2021.
- How the proposal will help achieve objectives set out in Departmental Strategic Plans.
- The service improvements and other anticipated benefits expected to be delivered from the investment.

## **9. Monitoring**

- Capital budget holders are responsible for providing quarterly forecasts to the Finance Team. Any slippage, acceleration, underspends or overspends on schemes is identified as soon as possible.
- All forecasts are collated by the Finance Team and reported to the Executive and Council on a quarterly basis.

DIRECTOR FINANCE  
DECEMBER 2021

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## REPORT TO EXECUTIVE

Date of Meeting: 8 February 2022

## REPORT TO COUNCIL

Date of Meeting: 22 February 2022

Report of: Director Finance

Title: The Prudential Code for Capital Finance in Local Authorities (Incorporating the Annual Statement of Minimum Revenue Provision)

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

#### 1. What is the report about?

To set out the proposed 2022/23 prudential indicators for capital finance for adoption by the Council and set the annual statement of Minimum Revenue Provision (MRP).

#### 2. Recommendations:

It is recommended that the Executive recommends to Council to approve the adoption of:

- (1) The Prudential Indicators set out in Appendix A-C; and
- (2) The Annual Statement of Minimum Revenue Provision for the Council

#### 3. Reasons for the recommendation:

With effect from 1 April 2004, the Government abolished the capital finance legislation in Part 4 of the Local Government and Housing Act 1989 and the Local Authorities (Capital Finance) Regulations 1997 (Statutory Instrument 1997/319) and replaced it with a new Prudential system based on self-regulation. This means that Councils are free to borrow for capital investment where the borrowing is affordable.

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 came into force on 31 March 2008. The Regulations require Full Council to approve an Annual Statement of Minimum Revenue Provision which is the amount set aside from revenue for the repayment of debt principal relating to the General Fund only. The Housing Revenue Account remains exempt from making Minimum Revenue Provision although it can make voluntary set asides if it wishes.

The Prudential Indicators / MRP report will be incorporated within the Budget Book for approval at the full Council meeting as per the statutory requirement.

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

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

#### **5. Section 151 Officer comments:**

The Prudential Code, whilst complex, allows members to ensure that capital expenditure and in particular, the impact it has on the revenue budget is both affordable and prudent. The key indicators are set out below and members should ensure that they are comfortable with the limits set and the levels of borrowing allowed.

The MRP policy enables the Council to prudently manage the repayment of debt. The Council's policy of using the annuity method allows it to repay debt in line with the loan repayments required, where borrowing is taken out with the PWLB. This allows repayments to align with the increasing economic benefit that assets are expected to deliver over their useful lives. Members should note that the MTFP relies on the Council taking advantage of the opportunity to use the overpayments made in previous years to help smooth the reductions required in the revenue budget. This is considered prudent by the section 151 Officer.

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

With effect from 1 April 2004, the Government abolished the capital finance legislation in Part 4 of the Local Government and Housing Act 1989 and the Local Authorities (Capital Finance) Regulations 1997 (Statutory Instrument 1997/319) and replaced it with a new Prudential system based on self-regulation. More detailed information is set out in paragraph 3 above.

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

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 came into force on 31 March 2008. The Regulations require Full Council to approve an Annual Statement of Minimum Revenue Provision which is the amount set aside from revenue for the repayment of debt principal relating to the General Fund only. This report details this provision, and therefore raises no issues for the Monitoring Officer.

#### **8. Report details:**

The Prudential Code requires authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are being made with sufficient regard to the long run financing implications and potential risks to the authority. Effective financial planning, option appraisal, risk management and governance processes are essential in achieving a prudential approach to capital expenditure, investment and debt.

##### **8.1 Key issues to consider**

Appendix C summarises the prudential code indicators for the Council and of particular importance are:

- The Capital Financing Requirement - demonstrates the amount that the Council has an underlying need to borrow, regardless of whether that amount has actually been borrowed.

- The Operational Boundary - this sets the amount of borrowing that the Council intends to keep within over the period covered by the indicators.
- The Authorised Limit - the maximum that the Section 151 officer is allowed to borrow to cover the Operational Boundary and day to day cashflow needs. The Council is not allowed to exceed this amount of borrowing without first authorising an increase to the limit.

## 8.2 Lifting of the HRA Borrowing Cap

Since April 2012 each local authority had a limit on the amount of borrowing it could have for the purposes of the HRA, called the 'debt cap'. For Exeter City Council, the debt cap was £57,882,413.

The HRA debt cap was formally removed on 29 October 2018, as a result local authorities are now able to borrow for housebuilding in accordance with the Prudential Code.

The HRA have borrowed an additional £15.3m for the development of new sites since the debt cap was lifted. Further sites are being identified for the development of new council housing in order to make use of this new flexibility and to contribute to local housing delivery and further investigations by officers for further new sites are ongoing.

## 8.3 Capital Financing Requirement

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Director Finance reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

## 8.4 ANNUAL STATEMENT OF MINIMUM REVENUE PROVISION

The Regulations require that "a local authority shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent".

Minimum Revenue Provision (MRP) is an amount set aside from revenue to meet the repayment of debt principal. It is in effect a replacement for depreciation that you would normally expect to see within a Company's Accounts. Under the old Regulations this was 4% of principal outstanding for the General Fund and no requirement to set aside MRP in the Housing Revenue Account. In local government accounting depreciation is charged and then reversed out so it does not affect the level of Council Tax, however MRP is charged to the General Fund and therefore does affect levels of Council Tax.

The Secretary of State for Communities and Local Government has issued guidance under section 21(1A) of the Local Government Act 2003. This states that "the broad aim

of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of the grant."

The guidance notes detail five options which the Secretary of State considers prudent. These are described in section 8.6 below:

- (a) Regulatory Method;
- (b) Capital Financing Requirement Method;
- (c) Asset Life (Equal Instalment) Method;
- (d) Asset Life (Annuity) Method; and
- (e) Depreciation Method

## 8.5 Key issue to consider

Section 8.7 sets out the proposed policy for MRP, which matches the amount set aside against the useful life of the assets. The only exception to this is the writing off of historic debt which is being undertaken over 50 years.

## 8.6 MRP OPTIONS

### **Regulatory Method**

MRP is equal to the amount determined in accordance with the former regulations 28 and 29 of the 2003 Regulations as if they had not been revoked. In effect this is 4% of the debt principal outstanding.

### **Capital Financing Requirement Method**

MRP is equal to 4% of the non-housing Capital Financing Requirement, which is a Prudential Indicator.

### **Asset Life (Equal Instalment) Method**

Where capital expenditure on an asset is financed wholly or partly by borrowing then MRP is determined by reference to the life of the asset and an equal amount charged in each year.

### **Asset Life (Annuity) Method**

MRP is the principal element for the year of the annuity required to repay over the asset life the amount of capital expenditure financed by borrowing.

### **Depreciation Method**

MRP is equal to the provision required in accordance with depreciation accounting in respect of the asset, including any amount of impairment chargeable to the Income and Expenditure Account. As standard depreciation rules are used where an asset is part financed by loan, e.g. 50% loan, 50% Capital Receipt, then the full 100% depreciation charge on the asset is required to be charged as MRP. MRP is required to be charged

annually until the cumulative amount of the provision is equal to the original expenditure financed by borrowing. Should the asset be disposed of then the charge needs to continue as if the asset had not been disposed of unless the debt is repaid.

## **8.7 MINIMUM REVENUE PROVISION POLICY 2022/23**

The Council's MRP policy is to match borrowing against specific capital investment and adopt either the Asset Life (Equal Instalment) or the Asset Life (Annuity) method for MRP. In this way the funding for the asset will be paid off over the useful life of that asset. This will ensure that loans are repaid over the asset life thus freeing financial resources for investment in other schemes or in asset renewal. They are also simple to operate and gives certainty in each year as to the level of charge for principal.

The other advantage is that it makes business cases and scheme appraisals easier to compile. As a general rule the Council will seek to borrow over the same period of the asset life up to a maximum of 50 years in line with the Regulations. The total capital financing requirement at the end of 2021/22 is likely to be approximately £244.972 million. The MRP for 2022/23 will be calculated based on the capital financing requirement at the end of 2021/22 using the varying periods of repayment. The MRP charge for 2022/23 will be approximately £1.783 million. For the avoidance of doubt, it is proposed to use both options from 2016/17 onwards, depending on the asset being financed. However, unless there is a good reason, for not doing so, all borrowing will adopt the Asset Life (Annuity) method.

## **8.8 MRP Overpayments**

A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in future years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2022 the total VRP overpayments will be £3.836 million.

## **8.9 Capital Financing Requirement**

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Director Finance reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

## **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 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 the report is for information only

## **12. Carbon Footprint (Environmental) Implications:**

- 12.1 No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

No

**Director Finance, David Hodgson**

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

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### General Fund Prudential Indicator Calculations

The purpose of the prudential indicators is to demonstrate that the Council's financial plans meet the statutory requirement to be affordable, prudent and sustainable.

#### General Fund Capital Expenditure

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

| Director                                       | 2020/21<br>Actual<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 |
|------------------------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Chief Executive & Growth Director              | 281                        | 894                          | 477                          | 304                          | 104                          |
| Transformation                                 | 19,651                     | 10,140                       | -                            | -                            | -                            |
| Net Zero Exeter and City Management            | 1,638                      | 6,622                        | 9,110                        | 3,828                        | 2,264                        |
| City Development, Housing & Supporting People  | 2,210                      | 3,025                        | 1,890                        | -                            | -                            |
| Communications, Culture and Leisure Facilities | 3,013                      | 3,710                        | 1,500                        | -                            | -                            |
| Finance                                        | 820                        | 64,895                       | 33,492                       | 2,760                        | 4,982                        |
| <b>Total General Fund Capital Expenditure</b>  | <b>27,613</b>              | <b>89,286</b>                | <b>46,469</b>                | <b>6,892</b>                 | <b>7,350</b>                 |

#### General Fund Financing costs

The figures for the actual financing costs will be taken from the Council's financial statements using the definition of financing costs specified in the Prudential Code. Estimates for the current and future years should be calculated in a manner consistent with this definition.

| Description                                                               | 2020/21<br>Actual<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 |
|---------------------------------------------------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Interest payable with respect to short term borrowing                     | 307                        | 350                          | 350                          | 350                          | 350                          |
| Interest payable under 'irredeemable' long term liabilities               | 1,067                      | 1,557                        | 1,707                        | 1,682                        | 1,678                        |
| Interest and investment income                                            | (900)                      | (1,757)                      | (1,757)                      | (1,753)                      | (1,723)                      |
| Replacement for Minimum Revenue Provision (England and Wales)             | 979                        | 965                          | 1,783                        | 2,015                        | 2,083                        |
| Voluntary contribution to financing costs in respect of short-life assets | (604)                      | (664)                        | (1,480)                      | (1,656)                      | 0                            |
| <b>Total General Fund Financing Costs</b>                                 | <b>849</b>                 | <b>451</b>                   | <b>603</b>                   | <b>638</b>                   | <b>2,388</b>                 |

**General Fund Estimates of the ratio of financing costs to net revenue stream**

The net revenue stream is the estimate of the amounts to be met from government grants and local taxpayers. An important theme of the Code is transparency. For this reason the authority's calculation of the net revenue stream should be consistent with the figure that can be identified in the Income and Expenditure Account for 'Net Operating Expenditure'.

| Description                                             | 2020/21<br>Actual<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 |
|---------------------------------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Financing costs                                         | 849                        | 451                          | 603                          | 638                          | 2,388                        |
| Net revenue stream                                      | 14,381                     | 13,318                       | 15,121                       | 11,471                       | 11,848                       |
| <b>Ratio of financing costs to net revenue stream %</b> | <b>5.9%</b>                | <b>3.4%</b>                  | <b>4.0%</b>                  | <b>5.6%</b>                  | <b>20.2%</b>                 |

**General Fund Capital Financing Requirement**

The Capital Financing Requirement will reflect the Council's underlying need to finance capital expenditure.

*Actual General Fund Capital Financing Requirement at 31 March 2021*

|                                                                 | £'000         |
|-----------------------------------------------------------------|---------------|
| Property, Plant and Equipment                                   | 180,585       |
| Investment Properties                                           | 53,388        |
| Heritage Assets                                                 | 22,826        |
| Intangible Assets / Other Long term Assets                      | 13,939        |
| Revaluation Reserve                                             | (85,595)      |
| Capital Adjustment Account                                      | (90,909)      |
| <b>General Fund Capital Financing Requirement 31 March 2021</b> | <b>94,234</b> |

Estimated General Fund Capital Financing Requirement at 31 March 2022

|                                                                             |                |
|-----------------------------------------------------------------------------|----------------|
| Estimate of General Fund Capital Financing Requirement 31 March 2021        | 94,234         |
| Estimate of change in Property, Plant and Equipment                         | 89,286         |
| Estimate of change in Investment Properties                                 | 0              |
| Estimate of change in Intangible Assets / Other Long term Assets            | 0              |
| Estimate of change in Revaluation Reserve                                   | 0              |
| Estimate of change in Capital Adjustment Account                            | (16,440)       |
| <b>Estimate of General Fund Capital Financing Requirement 31 March 2022</b> | <b>167,080</b> |

Estimated General Fund Capital Financing Requirement at 31 March 2023

|                                                                             |                |
|-----------------------------------------------------------------------------|----------------|
| Estimate of General Fund Capital Financing Requirement 31 March 2022        | 167,080        |
| Estimate of change in Property, Plant and Equipment                         | 46,469         |
| Estimate of change in Investment Properties                                 | 0              |
| Estimate of change in Intangible Assets / Other Long term Assets            | 0              |
| Estimate of change in Revaluation Reserve                                   | 0              |
| Estimate of change in Capital Adjustment Account                            | 3,142          |
| <b>Estimate of General Fund Capital Financing Requirement 31 March 2023</b> | <b>216,691</b> |

Estimated General Fund Capital Financing Requirement at 31 March 2024

|                                                                             |                |
|-----------------------------------------------------------------------------|----------------|
| Estimate of General Fund Capital Financing Requirement 31 March 2023        | 216,691        |
| Estimate of change in Property, Plant and Equipment                         | 6,892          |
| Estimate of change in Investment Properties                                 | 0              |
| Estimate of change in Intangible Assets / Other Long term Assets            | 0              |
| Estimate of change in Revaluation Reserve                                   | 0              |
| Estimate of change in Capital Adjustment Account                            | (4,478)        |
| <b>Estimate of General Fund Capital Financing Requirement 31 March 2024</b> | <b>219,105</b> |

*Estimated General Fund Capital Financing Requirement at 31 March 2025*

|                                                                             |                |
|-----------------------------------------------------------------------------|----------------|
| Estimate of General Fund Capital Financing Requirement 31 March 2024        | 219,105        |
| Estimate of change in Property, Plant and Equipment                         | 7,350          |
| Estimate of change in Investment Properties                                 | 0              |
| Estimate of change in Intangible Assets / Other Long term Assets            | 0              |
| Estimate of change in Revaluation Reserve                                   | 0              |
| Estimate of change in Capital Adjustment Account                            | (5,709)        |
| <b>Estimate of General Fund Capital Financing Requirement 31 March 2025</b> | <b>220,746</b> |

### HRA Prudential Indicator Calculations

Local authorities that have a Housing Revenue Account (HRA) are required to prepare separate calculations for their HRA and non-HRA elements.

#### HRA Capital Expenditure

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

| Description                          | 2020/21<br>Actual<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 |
|--------------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| INVESTING IN EXISTING STOCK          | 7,317                      | 13,215                       | 14,329                       | 12,462                       | 10,051                       |
| PROVISION OF NEW COUNCIL HOMES       | 8,851                      | 11,330                       | 7,500                        | 3,349                        | 0                            |
| <b>Total HRA Capital Expenditure</b> | <b>16,168</b>              | <b>24,545</b>                | <b>21,829</b>                | <b>15,811</b>                | <b>10,051</b>                |

#### HRA Financing costs

| Description                                                               | 2020/21<br>Actual<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 |
|---------------------------------------------------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Interest payable with respect to short term borrowing                     | 0                          | 0                            | 0                            | 0                            | 0                            |
| Interest payable under 'irredeemable' long term liabilities               | 2,172                      | 2,359                        | 2,437                        | 2,438                        | 2,441                        |
| Interest and investment income                                            | (264)                      | (100)                        | (130)                        | (100)                        | (100)                        |
| Voluntary Revenue Provision (England and Wales)                           | 0                          | 0                            | 0                            | 0                            | 0                            |
| Voluntary contribution to financing costs in respect of short-life assets | 0                          | 0                            | 0                            | 0                            | 0                            |
| <b>Total HRA Financing Costs</b>                                          | <b>1,908</b>               | <b>2,259</b>                 | <b>2,307</b>                 | <b>2,338</b>                 | <b>2,341</b>                 |

**HRA Estimates of the ratio of financing costs to net revenue stream**

For the Housing Revenue Account the net revenue stream, for the purposes of the Code, is the amount to be met from rent income.

| Description                                             | 2020/21<br>Actual<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 |
|---------------------------------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Financing costs                                         | 1,908                      | 2,259                        | 2,307                        | 2,338                        | 2,341                        |
| Net revenue stream                                      | 18,770                     | 19,410                       | 20,031                       | 20,672                       | 21,334                       |
| <b>Ratio of financing costs to net revenue stream %</b> | <b>10.2</b>                | <b>11.6</b>                  | <b>11.5</b>                  | <b>11.3</b>                  | <b>11.0</b>                  |
| Negative for a debt free authority                      | %                          | %                            | %                            | %                            | %                            |

**HRA Capital Financing Requirement**

The Capital Financing Requirement will reflect the Council's underlying need to finance capital expenditure.

**Actual HRA Capital Financing Requirement at 31 March 2021**

| Description                                                   | £'000         |
|---------------------------------------------------------------|---------------|
| Property, Plant and Equipment                                 | 282,021       |
| Investment Properties                                         | 0             |
| Intangible Assets / Other Long term Assets                    | 2,563         |
| Revaluation Reserve                                           | (64,051)      |
| Capital Adjustment Account                                    | (154,531)     |
| <b>Actual HRA Capital Financing Requirement 31 March 2021</b> | <b>66,002</b> |

**Estimated HRA Capital Financing Requirement at 31 March 2022**

|                                                                    |               |
|--------------------------------------------------------------------|---------------|
| Estimate of HRA Capital Financing Requirement 31 March 2021        | 66,002        |
| Estimate of change in Property, Plant and Equipment                | 24,545        |
| Estimate of change in Investment Properties                        | 0             |
| Estimate of change in Intangible Assets / Other Long term Assets   | 0             |
| Estimate of change in Revaluation Reserve                          | 0             |
| Estimate of change in Capital Adjustment Account                   | (12,655)      |
| <b>Estimate of HRA Capital Financing Requirement 31 March 2022</b> | <b>77,892</b> |

Estimated HRA Capital Financing Requirement at 31 March 2023

|                                                                    |               |
|--------------------------------------------------------------------|---------------|
| Estimate of HRA Capital Financing Requirement 31 March 2022        | 77,892        |
| Estimate of change in Property, Plant and Equipment                | 24,545        |
| Estimate of change in Investment Properties                        | 0             |
| Estimate of change in Intangible Assets / Other Long term Assets   | 0             |
| Estimate of change in Revaluation Reserve                          | 0             |
| Estimate of change in Capital Adjustment Account                   | (23,795)      |
| <b>Estimate of HRA Capital Financing Requirement 31 March 2023</b> | <b>78,642</b> |

Estimated HRA Capital Financing Requirement at 31 March 2024

|                                                                    |               |
|--------------------------------------------------------------------|---------------|
| Estimate of HRA Capital Financing Requirement 31 March 2023        | 78,642        |
| Estimate of change in Property, Plant and Equipment                | 21,829        |
| Estimate of change in Investment Properties                        | 0             |
| Estimate of change in Intangible Assets / Other Long term Assets   | 0             |
| Estimate of change in Revaluation Reserve                          | 0             |
| Estimate of change in Capital Adjustment Account                   | (21,079)      |
| <b>Estimate of HRA Capital Financing Requirement 31 March 2024</b> | <b>79,392</b> |

Estimated HRA Capital Financing Requirement at 31 March 2025

|                                                                    |               |
|--------------------------------------------------------------------|---------------|
| Estimate of HRA Capital Financing Requirement 31 March 2024        | 79,392        |
| Estimate of change in Property, Plant and Equipment                | 15,811        |
| Estimate of change in Investment Properties                        | 0             |
| Estimate of change in Intangible Assets / Other Long term Assets   | 0             |
| Estimate of change in Revaluation Reserve                          | 0             |
| Estimate of change in Capital Adjustment Account                   | (15,061)      |
| <b>Estimate of HRA Capital Financing Requirement 31 March 2025</b> | <b>80,142</b> |

**Limit on indebtedness**

The HRA borrowing cap was limited to £57,882k, but the cap was formally removed on 29 October 2018 so Local Authorities can now borrow for housebuilding.

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Prudential Indicator CalculationsPRUDENTIAL INDICATORS OF AFFORDABILITYTotal Actual / Estimates of Capital Expenditure

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

| Description                                            | 2020/21<br>Actual<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 |
|--------------------------------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Total General Fund Capital Expenditure                 | 27,613                     | 89,286                       | 46,469                       | 6,892                        | 7,350                        |
| Total HRA Capital Expenditure                          | 16,168                     | 24,545                       | 21,829                       | 15,811                       | 10,051                       |
| <b>Total Actual / Estimates of Capital Expenditure</b> | <b>43,781</b>              | <b>113,831</b>               | <b>68,298</b>                | <b>22,703</b>                | <b>17,401</b>                |

Total Actual / Estimates of Financing Costs

| Description                                        | 2020/21<br>Actual<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 |
|----------------------------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Total General Fund Financing Costs                 | 849                        | 451                          | 603                          | 638                          | 2,388                        |
| Total HRA Financing Costs                          | 1,908                      | 2,259                        | 2,307                        | 2,338                        | 2,341                        |
| <b>Total Actual / Estimates of Financing Costs</b> | <b>2,757</b>               | <b>2,710</b>                 | <b>2,910</b>                 | <b>2,976</b>                 | <b>4,729</b>                 |

Actual / Estimates of Ratio of Financing Costs to Net Revenue Stream

The net revenue stream is the estimate of the amounts to be met from government grants and local taxpayers, and for the Housing Revenue Account, is the estimate of the amounts to be met from rent income.

| Description                                                 | 2020/21<br>Actual<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 |
|-------------------------------------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| General Fund Ratio of Financing Costs to Net Revenue Stream | 0.1                        | 0.0                          | 0.0                          | 0.1                          | 0.2                          |
| HRA Ratio of Financing Costs to Net Revenue Stream          | 10.2                       | 11.6                         | 11.5                         | 11.3                         | 11.0                         |

**Prudential Indicator Calculations**

The estimates of financing costs include current commitments and the proposals in this budget report.

**Actual / Estimates of Capital Financing Requirement**

The Capital Financing Requirement will reflect the Council's underlying need to finance capital expenditure.

| Description                                                      | 2020/21<br>Actual<br>£'000 | 2021/22<br>Estimate<br>£'000 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 |
|------------------------------------------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| General Fund Capital Financing Requirement                       | 94,234                     | 167,080                      | 216,691                      | 219,105                      | 220,746                      |
| HRA Capital Financing Requirement                                | 66,002                     | 77,892                       | 78,642                       | 79,392                       | 80,142                       |
| <b>Total Actual / Estimates of Capital Financing Requirement</b> | <b>160,236</b>             | <b>244,972</b>               | <b>295,333</b>               | <b>298,497</b>               | <b>300,888</b>               |

**Authorised Limit**

In England and Wales the prudential indicator for the Authorised Limit for external debt for the current year is the statutory limit determined under Section 3 (1) of the Local Government Act 2003: 'A local authority shall determine and keep under review how much money it can afford to borrow'

The Authorised Limit should not be set so high that it would never in any possible circumstances be breached. It should reflect a level of borrowing which, while not desired, could be afforded but may not be sustainable. The Authorised Limit must therefore be set to establish the outer boundary of the Council's borrowing, based on a realistic assessment of the risks.

| Description                 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 |
|-----------------------------|------------------------------|------------------------------|------------------------------|
| Borrowing                   | 345,000                      | 360,000                      | 365,000                      |
| Other long term liabilities | 8,000                        | 7,000                        | 7,000                        |
| <b>Authorised Limit</b>     | <b>353,000</b>               | <b>367,000</b>               | <b>372,000</b>               |

**Prudential Indicator Calculations****Operational Boundary**

The Operational Boundary is the focus of day-to-day treasury management activity within the authority. It is a means by which the authority manages its external debt to ensure that it remains within the self-imposed Authorised Limit. The Operational Boundary may be breached temporarily on occasions due to variations in cashflow. However, a sustained or regular trend above the Operational Boundary would be significant and should lead to further investigation.

| Description                 | 2022/23<br>Estimate<br>£'000 | 2023/24<br>Estimate<br>£'000 | 2024/25<br>Estimate<br>£'000 |
|-----------------------------|------------------------------|------------------------------|------------------------------|
| Borrowing                   | 325,000                      | 340,000                      | 345,000                      |
| Other long term liabilities | 6,000                        | 5,000                        | 5,000                        |
| <b>Operational Boundary</b> | <b>331,000</b>               | <b>345,000</b>               | <b>350,000</b>               |

The Authorised Limit and the Operational Boundary have been increased to include capacity to enable the establishment of a HRA development programme following removal of the debt cap.

**Actual External Debt**

The prudential indicator for actual external debt will not be directly comparable to the authorised limit and operational boundary, since the actual external debt will reflect the actual position at one point in time.

| Description                                      | 2020/21<br>Actual<br>£'000 | To be repaid        |                    |
|--------------------------------------------------|----------------------------|---------------------|--------------------|
|                                                  |                            | within 12<br>months | after 12<br>months |
| Actual borrowing as at 31 March 2021             | 124,941                    | 941                 | 124,000            |
| Actual long term liabilities as at 31 March 2021 | 3,442                      | 579                 | 2,863              |
| <b>Actual External Debt as at 31 March 2021</b>  | <b>128,383</b>             | <b>1,520</b>        | <b>126,863</b>     |

**Prudential Indicator Calculations**  
**PRUDENTIAL INDICATORS OF PRUDENCE**

**Gross Debt and Capital Financing Requirement**

The Code makes it necessary, if a financial strategy is to be prudent, that it is one in which in the medium term gross debt is only used for capital purposes. In the Code this requirement is to be demonstrated through a comparison of gross debt with the Capital Financing Requirement.

| Description                                          | £'000          |
|------------------------------------------------------|----------------|
| Total Capital Financing Requirement at 31 March 2021 | <b>160,236</b> |

| 2021/22 Estimated Change in Capital Financing Requirement              |               |
|------------------------------------------------------------------------|---------------|
| Capital expenditure                                                    | 113,831       |
| Application of useable capital receipts                                | (7,705)       |
| Application of capital grants/contributions                            | (21,090)      |
| The replacement for MRP                                                | (965)         |
| Additional voluntary contributions                                     | 664           |
| <b>Total Estimated Change in Capital Financing Requirement 2021/22</b> | <b>84,735</b> |

| 2022/23 Estimated Change in Capital Financing Requirement              |               |
|------------------------------------------------------------------------|---------------|
| Capital expenditure                                                    | 68,298        |
| Application of useable capital receipts                                | (3,760)       |
| Application of capital grants/contributions                            | (13,874)      |
| The replacement for MRP                                                | (1,783)       |
| Additional voluntary contributions                                     | 1,480         |
| <b>Total Estimated Change in Capital Financing Requirement 2022/23</b> | <b>50,361</b> |

**Prudential Indicator Calculations**

| <b>2023/24 Estimated Change in Capital Financing Requirement</b>       |              |
|------------------------------------------------------------------------|--------------|
| Capital expenditure                                                    | 22,703       |
| Application of useable capital receipts                                | (2,958)      |
| Application of capital grants/contributions                            | (16,221)     |
| The replacement for MRP                                                | (2,015)      |
| Additional voluntary contributions                                     | 1,656        |
| <b>Total Estimated Change in Capital Financing Requirement 2023/24</b> | <b>3,165</b> |

| <b>Capital Financing Requirement:</b>       |         |
|---------------------------------------------|---------|
| Opening Balance 2020/21                     | 160,236 |
| Estimated Closing Balance 2023/24           | 298,497 |
| This is an increase over the three years of | 138,261 |

**Operational Boundaries to Exposure to Interest Rate Risks**

Interest rate risk management is a top priority for local authority management. The setting of upper limits has the effect of setting ranges within which the Council will limit its exposure to both fixed and variable interest rate movements.

| Description                                        | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 |
|----------------------------------------------------|------------------|------------------|------------------|
| Total projected interest payable on borrowing      | 4,494            | 4,470            | 4,469            |
| Total projected interest receivable on investments | (1,887)          | (1,853)          | (1,823)          |
| <b>Net Interest</b>                                | <b>2,607</b>     | <b>2,617</b>     | <b>2,646</b>     |

| Description                               | Upper<br>Limit |
|-------------------------------------------|----------------|
| <b>Upper limit - fixed rates = 100%</b>   | 100%           |
| <b>Upper limit - variable rates = 20%</b> | 20%            |

This means that the Chief Finance Officer will manage fixed interest rate exposure within the range 0% to 100% and variable interest rate exposure within the range 0% to 20%

**Prudential Indicator Calculations****Operational Boundary to the Exposure Inherent in the Maturity Structure of Borrowings**

This indicator is designed to be a control over the Council having a large concentration of fixed rate debt needing to be replaced at times of uncertainty over interest rates. The indicator is, in effect, a limit on longer term interest rate exposure and is set for the forthcoming year.

The analysis of borrowing by maturity used in the Code uses the same periods as that required in the local authority SORP.

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

| Period                         | Upper Limit | Lower Limit | Estimated debt maturity % |         |         |
|--------------------------------|-------------|-------------|---------------------------|---------|---------|
|                                |             |             | 2021/22                   | 2022/23 | 2023/24 |
| Under 12 months                | 100%        | 0%          |                           | 5%      | 5%      |
| 12 months and within 24 months | 20%         | 0%          |                           |         |         |
| 24 months and within 5 years   | 20%         | 0%          |                           |         |         |
| 5 years and within 10 years    | 20%         | 0%          |                           |         |         |
| 10 years and above             | 100%        | 0%          | 100%                      | 95%     | 95%     |

**Investments**

| Description               | At 31/3/2021<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 |
|---------------------------|-----------------------|------------------|------------------|------------------|
| Long-term investments     | 5,000                 | 5,000            | 5,000            | 5,000            |
| Short-term investments    | 5,000                 | 10,000           | 5,000            | 5,000            |
| Cash and cash equivalents | 20,000                | 15,000           | 5,000            | 5,000            |
| <b>Total Investments</b>  | <b>30,000</b>         | <b>30,000</b>    | <b>15,000</b>    | <b>15,000</b>    |

## **REPORT TO EXECUTIVE**

Date of Meeting: 8 February 2022

## **REPORT TO COUNCIL**

Date of Meeting: 22 February 2022

Report of: Director Finance

Title: Treasury Management Strategy Report 2022/23

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

To seek adoption by the Council of the Treasury Management Strategy Report, incorporating the Annual Investment Strategy 2022/23, as required under section 15(1)(a) of the Local Government Act 2003.

#### **2. Recommendations:**

That Executive recommend to Council the adoption of the new Treasury Management Strategy and delegations contained therein.

#### **3. Reasons for the recommendation:**

The Council adopted the CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes, which requires the Council to approve a treasury management strategy before the start of each financial year.

In addition, the Department for Levelling Up, Housing and Communities (DLUCH) Guidance on Local Authority Investments requires the Council to approve an investment strategy before the start of each financial year.

The DLUCH and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments. Non-financial investments are covered in the Capital Strategy which is presented in a separate report to this Committee.

The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

#### **4. What are the resource implications including non financial resources?**

Treasury Management is carried out by the Finance team of the Council, with advice procured from a specialist advisor. Prudent Treasury Management supports the Council's financial position by generating interest on investments / deposits and seeking to minimise the amount of interest paid on borrowing.

#### **5. Section 151 Officer comments:**

The strategy sets out the parameters under which the section 151 Officer and his team can operate. The Strategy aligns with the assumptions set out in the Council's MTFP and will enable good management of the Council's cash position throughout the year.

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

In February 2012 the Council adopted the updated *CIPFA Treasury Management in the Public Services: Code of Practice*, which requires the Council to approve a treasury management strategy before the start of each financial year. Adoption of the Code is required by regulations laid under the Local Government Act 2003.

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

As detailed in paragraph 6 above, the Council has a duty to adopt a treasury management strategy – this report, together with the details contained in the appendix to this report, raise no issues for the Monitoring Officer.

#### **8. Report details:**

This is a statutory Strategy recommended for adoption by full Council. The key issues to be considered are:

- Investments in the CCLA – LAMIT fund have been made and details of the dividend yield are included in paragraph 3.1 of Appendix A attached to this report.
- Section 4.3 sets the limits on the value of investments to be held by any one institution and the type of institution that can be used.
- The maximum limit to be lent to any one organisation in respect of Property Funds was approved in December 2017, the maximum to be lent to any one organisation for this type of investment is £10m.
- All other limits on the value of investments to be held by one institution remains at £5m (other than the UK Government and money market funds).
- Section 3 of Appendix A attached to this report, sets out the current levels of borrowing and investments, along with the estimated changes and the financial impact for the year on both the General Fund and HRA.
- Sections 5 and 6 set out the planned strategy for the year, which Council must be satisfied meets their objectives and is in line with the level of risk they are comfortable to take.

#### **9. 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.

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

The investment limits are designed to reduce risk as far as possible, however with any investments there is a risk of default. The Council minimises this risk by imposing limits on where cash can be invested based on credit ratings from the two main rating agencies and setting monetary and time limits on investments. Investments tend to be in immediate access accounts, or short term (less than three months).

## **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 the report is for information only.

## **12. Carbon Footprint (Environmental) Implications:**

No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

None.

**Director Finance, David Hodgson**

Author: Kayleigh Searle, Finance Manager - Corporate

## **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

## APPENDIX A

### EXETER CITY COUNCIL

#### TREASURY MANAGEMENT STRATEGY 2022/23

##### 1. Introduction

- 1.1. The Council's Treasury Management Strategy (TMS) is based on the requirements of the DLUHC's Guidance on Local Government Investments ("the Guidance"), the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code") and CIPFA Treasury Management Guidance Notes 2018.
- 1.2. CIPFA published revised CIPFA Treasury Management Code and Prudential Code on 20th December 2021 and has stated that formal adoption is not required until the 2023/24 financial year. However; the Council has to have regard to these codes of practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year. Members will be updated on how all these changes will impact our current approach and any changes required will be formally adopted within the 2023/24 TMS report.
- 1.3. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in counterparties or instruments commensurate with the Council's risk appetite, providing adequate liquidity initially before considering investment return.
- 1.4. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses.
- 1.5. The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget.

##### 2. Economic Context

**UK economy.** The disappointing 0.1% month on month rise in Gross Domestic Product (GDP) in October which suggested that economic growth had already slowed even before the Omicron variant was discovered in late November. Early evidence suggests growth in November might have been marginally better. Nonetheless, at such low rates of growth, the government's "Plan B" COVID-19 restrictions could cause the economy to contract in December.

- **Inflation.** The Consumer Price Index (CPI) measure of spiked up further to 5.1% in November 2021, confirming again how inflationary pressures have been building sharply. However, Omicron also caused a sharp fall in world oil and other commodity prices. The current expectation is for inflation to peak at 6% in April 2022 before starting to fall towards the 2% Bank of England target, however, there has been no recent reference that this will be within the next 2 years.

##### **Interest rate forecasts**

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives Link Group forecast to March 2025.

| Link Group Interest Rate View 20.12.21 |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
|----------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                        | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 |
| BANK RATE                              | 0.25   | 0.25   | 0.50   | 0.50   | 0.50   | 0.75   | 0.75   | 0.75   | 0.75   | 1.00   | 1.00   | 1.00   | 1.00   | 1.25   |
| 3 month ave earnings                   | 0.20   | 0.30   | 0.50   | 0.50   | 0.60   | 0.70   | 0.80   | 0.90   | 0.90   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| 6 month ave earnings                   | 0.40   | 0.50   | 0.60   | 0.60   | 0.70   | 0.80   | 0.90   | 1.00   | 1.00   | 1.10   | 1.10   | 1.10   | 1.10   | 1.10   |
| 12 month ave earnings                  | 0.70   | 0.70   | 0.70   | 0.70   | 0.80   | 0.90   | 1.00   | 1.10   | 1.10   | 1.20   | 1.20   | 1.20   | 1.20   | 1.20   |
| 5 yr PWLB                              | 1.40   | 1.50   | 1.50   | 1.60   | 1.60   | 1.70   | 1.80   | 1.80   | 1.80   | 1.90   | 1.90   | 1.90   | 2.00   | 2.00   |
| 10 yr PWLB                             | 1.60   | 1.70   | 1.80   | 1.80   | 1.90   | 1.90   | 2.00   | 2.00   | 2.00   | 2.10   | 2.10   | 2.10   | 2.20   | 2.30   |
| 25 yr PWLB                             | 1.80   | 1.90   | 2.00   | 2.10   | 2.10   | 2.20   | 2.20   | 2.20   | 2.30   | 2.30   | 2.40   | 2.40   | 2.50   | 2.50   |
| 50 yr PWLB                             | 1.50   | 1.70   | 1.80   | 1.90   | 1.90   | 2.00   | 2.00   | 2.00   | 2.10   | 2.10   | 2.20   | 2.20   | 2.30   | 2.30   |

In December the Bank of England became the first major western central bank to put interest rates up as recovery progresses from the Covid recession of 2020. The next increase in Bank Rate could be in February or May, dependent on how severe an impact there is from Omicron.

It is not expected that Bank Rate will go up fast after the initial rate rise as the supply potential of the economy is not likely to have taken a major hit during the pandemic: it should, therefore, be able to cope well with meeting demand after supply shortages subside over the next year, without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the spike up to around 5%. The forecast includes four increases in Bank Rate over the three-year forecast period to March 2025, ending at 1.25%. However, these forecasts could require revising within a relatively short time frame as they are dependent on several changeable factors.

It should also be borne in mind that Bank Rate being cut to 0.25% and then to 0.10%, were emergency measures to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away such emergency cuts on no other grounds than they are no longer warranted, and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

### 3. Current and Expected Treasury Portfolios

#### 3.1. Investments

The Council's current investments as at 31 December 2021 was as follows:

#### Fixed Term Deposits - Current

| Amount     | Investment                               | Interest rate | Date Invested | Maturity Date            | No. of Days |
|------------|------------------------------------------|---------------|---------------|--------------------------|-------------|
| £5,000,000 | Thurrock Council                         | 0.17%         | 17/05/21      | 17/02/22                 | 276         |
| £3,000,000 | Standard Chartered – Sustainable deposit | 0.29%         | 15/10/21      | 14/04/22                 | 181         |
| £3,000,000 | Goldman Sachs                            | 0.37%         | 15/12/21      | 15/06/22                 | 182         |
| £5,000,000 | Plymouth City Council                    | 0.10%         | 28/06/21      | 28/06/22                 | 365         |
| £3,000,000 | Barclays Green 95 day notice account     | 0.10%         | 02/12/20      | 95 days from notice date | Min: 95     |
| £5,000,000 | London Borough of Croydon                | 0.10%         | 18/11/21      | 18/05/22                 | 181         |
| £5,000,000 | Slough Borough Council                   | 0.08%         | 12/11/21      | 12/05/22                 | 181         |
| £5,000,000 | Blackpool Council                        | 0.07%         | 24/08/21      | 24/05/22                 | 273         |
| £5,000,000 | Royal Borough of Windsor & Maidenhead    | 0.03%         | 17/11/21      | 17/05/22                 | 181         |

|             |                                |        |          |          |     |
|-------------|--------------------------------|--------|----------|----------|-----|
| £3,000,000  | Surrey Heath Borough Council   | 0.05%  | 15/12/21 | 14/06/22 |     |
| £5,000,000  | Wrexham County Borough Council | 0.06%  | 22/10/22 | 22/04/22 | 182 |
| £35,000,000 | Debt Management Office (DMO)   | -0.05% | 24/12/22 | 20/01/22 | 27  |

The Standard Chartered Sustainable deposit guarantees that investment is referenced against sustainable assets aligned to the United Nations' Sustainable Development Goals (SDGs).

### **Property Funds**

| Amount     | Investment                 | Dividend Yield |
|------------|----------------------------|----------------|
| £5,000,000 | CCLA – LAMIT Property Fund | 3.91%          |

Note: Dividend yield as at 30 September 2021

### **Money Market Funds**

| Amount      | Investment                            | Interest rate* |
|-------------|---------------------------------------|----------------|
| £10,000,000 | Federated Investors                   | 0.01%          |
| £10,000,000 | Aberdeen Standard Investments         | 0.01%          |
| £10,000,000 | CCLA - The Public Sector Deposit Fund | 0.04%          |
| £7,000,000  | Black Rock Asset Management           | 0.01%          |

\* Interest rate is variable (therefore rates quoted are an average to 31 December 2021)

## 3.2. Borrowings

The Council's long term borrowing is currently £168.183 million (£95.939 million General Fund and £72.244 HRA) and there is currently no short-term borrowings. Details of current loans are set out below.

### Existing loans

| Amount      | Lender               | Interest rate | End date   |
|-------------|----------------------|---------------|------------|
| £56,884,000 | PWLB maturity (HRA)  | 3.48%         | 28/03/2062 |
| £2,033,000  | PWLB 25 year annuity | 2.34%         | 11/01/2044 |
| £1,981,517  | PWLB 25 year annuity | 2.08%         | 04/04/2044 |
| £4,404,697  | PWLB 30 year annuity | 1.61%         | 26/09/2049 |
| £8,425,853  | PWLB 35 year annuity | 1.71%         | 26/09/2054 |
| £35,093,894 | PWLB 50 year annuity | 1.80%         | 26/09/2069 |
| £15,360,000 | PWLB maturity (HRA)  | 1.31%         | 14/04/2070 |
| £44,000,000 | PWLB 50 year annuity | 1.78%         | 24/12/2071 |

## 3.3. Expected changes

The current capital programme indicates further borrowing requirement of £76.876 million for the General Fund and £6.9 million for the HRA. 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.

### 3.4. Budget implications

The net budget for interest payments in 2022/23 is £300,000 in respect of the General Fund and £2.307 million in respect of the HRA. The HRA covers the interest costs relating to the long term borrowing of £56.9 million and the interest on any other borrowings directly related to the HRA. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will differ correspondingly.

## 4. **Investment Strategy**

4.1. The Council holds surplus funds, which represent income received in advance of expenditure plus balances and reserves held. Both the CIPFA Code and the DLUHC Guidance require 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**.

### 4.2. Specified Investments

Specified investments are those expected to offer relatively high security and liquidity, and can be entered into with the minimum of formalities. The DLUHC Guidance defines specified investments as those:

- denominated in pounds sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
  - the UK Government,
  - a UK local authority, parish council or community council, or
  - a body or investment scheme of “high credit quality”.

4.3. The Council defines the following as being of “high credit quality” for making specified investments, subject to the monetary and time limits shown.

| <b>In-house investment</b>                                                                                    | <b>Monetary limit<sup>1</sup></b> | <b>Time limit</b> |
|---------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------|
| UK owned banks and building societies holding short-term credit ratings no lower than F1+ and P-1             | £4m each                          | 12 months         |
| Foreign owned banks that deal in sterling holding short-term credit ratings no lower than F1+ and P-1         | £3m each                          | 9 months          |
| UK owned banks and building societies holding short-term credit ratings no lower than F1 and P-1              | £3m each                          | 6 months          |
| Money market funds <sup>2</sup> and similar pooled vehicles holding the highest possible credit ratings (AAA) | £10m each                         | 3 months          |
| Property Funds                                                                                                | £10m each                         | 3 months          |
| UK Central Government                                                                                         | no limit                          | 12 months         |
| UK Local Authorities <sup>3</sup>                                                                             |                                   |                   |
| Upper Tier                                                                                                    | £5m each                          | 12 months         |
| Lower Tier                                                                                                    | £5m each                          | 12 months         |

<sup>1</sup> banks within the same group ownership are treated as one bank for limit purposes

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<sup>2</sup> as defined in the Local Authorities (Capital Finance and Accounting) Regulations 2003

<sup>3</sup> as defined in the Local Government Act 2003

4.4. The maximum that will be lent to any one organisation (other than the UK Government) will be £5 million, with the exception of Property Funds and Money Market Funds where the limit is £10m. For an individual bank, the limit is £4 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes.

4.5. Non specified Investments

No non specified investments will be made by the Council.

4.6. Foreign countries

Investments in foreign countries will be limited to those that hold a AAA or AA+ sovereign credit rating from all three major credit rating agencies, and to a maximum of £3 million per country. Only banks that are domiciled in the UK but are owned in another country will be used and need to meet the rating criteria of and will count against the limit for both countries. There is no limit on investments in the UK.

4.7. Liquidity management

The Council uses purpose-built cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments.

Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

4.8. Credit ratings

The Council uses credit ratings from two main rating agencies Fitch Ratings Ltd and Moody's Investors Service to assess the risk of loss of investments. The lowest available credit rating will be used to determine credit quality.

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an institution has its credit rating downgraded so that it fails to meet the above criteria then:

- no new investments will be made,
- any existing investments that can be recalled at no cost will be recalled, and
- full consideration will be given to the recall of any other existing investments

Where a credit rating agency announces that it is actively reviewing an organisation's credit ratings with a view to downgrading it so that it is likely to fall below the above criteria, then no further investments will be made until the outcome of the review is announced.

Sole reliance will not be placed on the use of this external service. In addition, this Council will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.

4.9. Other information on the security of investments

Full regard will be given to other available information on the credit quality of banks and building societies, including credit default swap prices, financial statements and rating agency reports. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the above criteria.

4.10. Other information on the security of investments

Full regard will be given to other available information on the credit quality of banks and building societies, including credit default swap prices, financial statements and rating agency reports. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the above criteria.

#### 4.11. Investment instruments

Investments may be made using any of the following instruments:

- interest paying bank accounts
- fixed term deposits
- call or notice deposits (where the Council can demand repayment)
- certificates of deposit
- treasury bills and gilts issued by the UK Government
- bonds issued by multilateral development banks
- shares in money market funds

### 5. **Planned investment strategy for 2022/23 – In-House**

- 5.1. The cash flow forecast will be used to divide surplus funds into three categories:
- Short-term – cash required to meet known cash outflows in the next month, plus a contingency to cover unexpected cash flows over the same period.
  - Medium-term – cash required to manage the annual seasonal cash flow cycle, including amounts to cover forecast shortages, planned uses of reserves, and a longer-term contingency.
  - Long-term – cash not required to meet cash flows, and used primarily to generate investment income.
- 5.2. The Council's in-house managed funds are based on the likely cash-flow position. Investments will be made to ensure that cash flow is protected and borrowing is minimised. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider investments for a longer period up to 12 months. These are funds which are not required for day-to-day cash management purposes.
- 5.3. The Council will seek to utilise money market funds (Aberdeen, Blackrock, Federated, and CCLA) and use short-dated deposits to ensure liquidity of assets for day-to-day cashflow. Although these are essentially cash, a monetary limit in line with the banks credit rating is retained on the accounts. The Council can also make use of the Government's Debt Management Office to ensure the highest possible security for cash. Additionally, the Council will hold a balance on its general account to cover any payments due. On occasion, to facilitate cash flow requirements, there may be in excess of £3 million in this account.

### 6. **Borrowing Strategy**

- 6.1. The Council's capital financing requirement (CFR, or underlying need to borrow) as at 31 March 2022 is expected to be £244.97 million, and is forecast to rise to £295.33 million by March 2023 as capital expenditure is incurred.
- 6.2. The maximum expected long-term borrowing requirement for 2022/23 is:

|                                | £m            |
|--------------------------------|---------------|
| Borrowed in prior years        | 95.94         |
| Long term borrowing (HRA)      | 72.24         |
| Not borrowed in previous years | 76.79         |
| Forecast increase in CFR       | 50.36         |
| <b>TOTAL</b>                   | <b>295.33</b> |

- 6.3. The Council is expected to be in an under-borrowed position as at 31 March 2022. 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.

Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The section 151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to any change in circumstances.

- 6.4. To reduce risk and minimise cost on the General Fund, it has been decided to defer borrowing where possible, however some targeted long term borrowing may be undertaken in 2022-23, where the costs will be offset against future income streams.
- 6.5. In addition, the Council may borrow for short periods of time (normally up to two years) to cover cash flow shortages.
- 6.6. If borrowing is required advice will be sought from the treasury management advisors in order that the most cost effective form of borrowing can be secured.
- 6.7. Sources of borrowing

The approved sources of long-term and short-term borrowing will be:

- Public Works Loan Board
- any institution approved for investments above
- any other bank or building society on the Financial Services Authority list.

- 6.8. Debt instruments

Loans will be arranged by one of the following debt instruments:

- fixed term loans at fixed or variable rates of interest
- lender's option borrower's option (LOBO) loans.

As an alternative to borrowing loans, the Council may also finance capital expenditure and incur long-term liabilities by means of:

- leases
- Private Finance Initiative.

- 6.9. Borrowing strategy to be followed

With short-term interest rates currently much lower than long-term rates, it continues to be more cost effective in the short-term to not borrow and reduce the level of investments held instead, or to borrow short-term loans. However, with long-term rates forecast to rise in the coming years, any such short-term savings will need to be balanced against potential longer-term costs.

If required, the council may arrange forward starting loans during 2022/223, where the interest rate is fixed in advance, but the cash is received in a later period.

## **7. Policy on Use of Financial Derivatives**

- 7.1. Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans).
- 7.2. The Localism Bill 2011 includes a general power competence that removes the uncertain legal position over local authorities' use of standalone financial derivatives (i.e. those that

are not embedded into a loan or investment). The latest CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.

- 7.3. The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 7.4. **Derivative counterparties**  
Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 7.5. In reality, whilst the Council is required to include the above policy, the only type of transaction that might be used is the forward deal, which means the Council agrees to borrow funds at a set price for a set period, in advance of the date the loan is actually taken. This is done to ensure the availability of funds at the time that they are needed.

## **8. Treasury Management Prudential Indicators**

- 8.1. The Council sets each year, in February, prudential indicators for Treasury Management, to ensure that proper control of borrowing and investing is maintained. These indicators can be found in the Council's budget book.

## **9. Other Matters**

- 9.1. The revised DLUHC Investment Guidance also requires the Council to approve the following matters each year as part of the investment strategy:

9.2. Investment consultants

The Council uses Link Group, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers. The services received include:

- advice and guidance on relevant policies, strategies and reports,
- advice on investment decisions,
- notification of credit ratings and changes,
- other information on credit quality,
- advice on debt management decisions,
- accounting advice,
- reports on treasury performance,
- forecasts of interest rates, and
- training courses.

The quality of the advisory service is monitored by the Director Finance.

9.3. Investment training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This is covered by the Director Finance as part of the induction process.

The needs of the Council's members and treasury management staff for training in investment management are assessed annually as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by Link Group and CIPFA.

#### 9.4. Investment of money borrowed in advance of need

The Council may, from time to time, borrow in advance of spending need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit. The maximum periods between borrowing and expenditure is expected to be two years, although the Council does not link particular loans with particular items of expenditure.

#### 9.5. The Treasury Management Role of the Section 151 Office

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe (say 20+ years)
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following

- Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
- Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
- Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
- Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;
- Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

## 10. Investment Reports

10.1. The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- a. Prudential and treasury indicators and treasury strategy** (in budget book) - The first, and most important report is forward looking and covers:
  - the capital plans, (including prudential indicators);
  - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
  - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
  - an investment strategy, (the parameters on how investments are to be managed).
- b. A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- c. An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

### Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Executive Committee.

DIRECTOR FINANCE  
DECEMBER 2021

## **REPORT TO EXECUTIVE**

Date of Meeting: 08 Feb 2022

## **REPORT TO COUNCIL**

Date of Meeting: 22 Feb 2022

Report of: Director of Culture, Leisure and Tourism

Title: Wonford Health and Wellbeing Centre feasibility proposal

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

This report is seeking funding and approval to progress the next Workstage of the Wonford Health & Wellbeing Hub project. This includes further detailed feasibility towards full planning consent for the redevelopment of the existing Wonford Community and Sports Centre facilities.

#### **2. Recommendations:**

2.1 That Council approve:-

- (1) the provision of £750,000 funding to progress to the next Workstage of the Wonford Health & Wellbeing Hub and;
- (2) that local residents and groups are invited to be involved in the co-design of the proposed redevelopment

#### **3. Reasons for the recommendation:**

Wonford is the most deprived ward in the city and contains several LSOAs (Lower Super Output Areas) highlighted in the top 20 highest areas of physical inactivity and poorest health outcomes in the city.

Wonford is a future nominated site for regeneration and development within the wider transformational Liveable Exeter housing plan. The principles of Liveable Exeter are visible through the commitment to put health and wellbeing at the centre of Wonford, through a community led vision and investment into a redeveloped health and wellbeing hub

Following an in depth local community engagement and co-design phase, through investment from Sport England as part of the Local Delivery Pilot programme, the Council

seeks to progress the project to formal in depth feasibility and submission of a planning application.

Engagement with the local community has highlighted a vision that includes:

- The development of a hub that brings the community together and improves the health and wellbeing of local residents;
- Opening the facility outwards to the community rather than the current intimidating building outlook;
- Connecting the facility to Wonford Playing Fields, the Ludwell Valley park and the wider city Green Circle cycle and walking route;
- A list of activities and multi-use facilities that deliver the outcomes prioritised in the initial co-design phase;
- The development towards a local hub for leisure and wellbeing activities led by the local community, rather than a sports centre for those living outside Wonford.

#### **4. What are the resource implications including non financial resources?**

To commit £750,000 of council resources to progress to formal planning stage of the new Health & Wellbeing hub redevelopment. The Council will receive additional New Homes Bonus in 2022-23, totalling approximately £684,000 and it is proposed to use this funding along with the balance from reserves to finance the project.

Programme management and community engagement will be delivered through the Active & Healthy People Team, externally resourced by the Sport England Local Delivery Pilot programme. This is estimated to cost around £30,000 for the next phase

The financial commitment above includes project management capacity through Exeter City Living, commissioning architectural and other technical input to lead to planning submission

Further capacity will be required through the Exeter Leisure and Active & Healthy People team to explore management models and prepare detailed business modelling and operational planning for both the leisure and community facilities within the health & wellbeing hub

#### **5. Section 151 Officer comments:**

The financial implications of the proposal set out in the report have been included in the 2022-23 budget and therefore there are no further financial issues for Council to consider at this stage.

However, if Council wishes to proceed further, there will need to be a detailed business case identifying sources of capital funding to deliver the project, including any borrowing requirement. The business case will be expected to assess the costs of borrowing against the revenue benefit that the project delivers. For clarity, this is revenue benefit over and above the current budget for Wonford. If there is a gap in resources, it is expected that the business case will identify ways of addressing this shortfall.

## 6. What are the legal aspects?

In progressing with this project, it is essential that Officers engage with Legal and Procurement Services in order to ensure compliance, for example, with the Public Contracts Regulations 2015 in relation to procurement, and the UK Subsidy regime in relation to the use of funds.

## 7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer, save for the legal aspects raised above.

## 8. Report details:

The Sport England Local Delivery Pilot programme initially identified Wonford as a key priority to focus resources and programme delivery to improve the health and wellbeing of local residents through increasing physical activity.

Initial engagement identified the existing sports centre and community facilities are not well used by the local community, not connected the local green space and perceived as a traditional sports centre meeting the needs of people living outside of Wonford.

A 24 month programme of engagement, led by a 'Sounding Board' consisting of local members as residents, has:

- Identified a local vision for health and wellbeing in Wonford, 'What Wonford Wants'.
- Co-designed the outcomes, activities and facilities that deliver improved community wellbeing through a redeveloped Wonford Health & Wellbeing Hub at the existing site of the Wonford Community and Sports Centres
- Developed a series of options on the future design and improvements to the existing buildings and facilities
- Highlighted the need for the facility to connect with the outdoor space and further enhance and integrate outdoor activity facilities connected to the hub
- Established the need for greater partnership working between the local GP practice 'Wonford Green Surgery' and local community assets
- Prioritised improving facilities for sustainable travel to the site, so walking and cycling become the main modes of transport for residents using the hub. This includes connection to the Green Circle, running alongside the existing building and playing fields

Following the completion of the initial project including Workstage to understand the requirements and needs of the community, the GPs surgery and the sports / leisure provision, the project is seeking funding and approval to undertake the next Workstage in the development process. This next Workstage will see the project progress from its current position to the submission of a full planning application.

The activities to be undertaken and progressed in this next Workstage can be summarised as:

**Community Engagement:** Fundamental to our progress during this next Workstage will be continued and ongoing community engagement. Interaction and involvement with Wonford residents, the project specific Stewardship Group, local community groups, etc will help

shape the facility in the early design stages and through concept design to the submission of the planning application. The nucleus of this new Health & Wellbeing Hub is its future use by the community – therefore full engagement and ‘co-design’ with the community will be critical throughout this next Workstage.

**Surveys & Technical Investigations** : This next Workstage will involve detailed investigations and surveys of the existing buildings, site area and local infrastructure. These will include structural surveys, ground investigations, utilities surveys, services surveys / searches, drainage surveys, highways assessments, etc. All to help inform the development of the design.

**Design** : The design will develop through the *Royal Institute of British Architects (RIBA) Plan of Work* in Stages 1, 2, 3 & part of Stage 4. These RIBA Stages will see the collation and evaluation of the survey information, confirmation of the project brief, evolution & progression of the concept design, progression of the architectural design (including spatial co-ordination), and commencement of the detailed / technical design. All undertaken in conjunction and collaboration with key project stakeholders, including the community, GP practice, sports / leisure department, the estates department, and the local authority planning department. The outcome of the design in this next Workstage will be the submission of the planning application.

**Cost / Revenue Modelling & Management**: Cost Estimation & Cost Planning of the project will be an integral part of the evolving design through this next Workstage. This Cost Planning function will not only consider the capital build cost of the project, but also consider the ongoing operational revenues & costs of the facility – including energy costs, staffing costs, incomes, concessions, etc. This will allow the construction costs and predicted operational cost / revenue models to be managed and controlled throughout the Workstage.

**GP Surgery** : Continue working with the GP practice to explore the opportunities for a ‘hub’ / ‘campus’ approach which will provide a Health & Wellbeing Hub at the heart of the community.

**Funding**: Develop a detailed investment portfolio for the capital funding of the facility to include CIL funding, Council resources and significant external capital contributions (e.g. Sport England strategic facilities fund)

The cost for all surveys, investigations, professional fees and statutory fees to progress this next Workstage is estimated at £750,000 and is expected to take 12 to 14 months to complete.

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

The decision to approve and fund the next stage of the Wonford Health & Wellbeing hub programme directly impacts key council corporate strategic priorities:

- Building Great neighbourhoods
- Promoting active and healthy lifestyles
- Net Zero ambition

The focus of the investment is at improving the health and wellbeing of local communities and residents, and prioritising those areas of the city with the largest inequalities and poorest health outcomes.

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

| Risk                                                                                                                                                    | Mitigation / Comment                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Keeping the community actively and meaningfully engaged during the next stage of design.                                                             | Once the next stage is approved to progress, a detailed, collaborative engagement plan is to be developed. The Sounding Board / community representatives and Project Team will work together to create this plan. Delivery of the plan during the Stage will be a key activity in the next stage detailed works programme.                       |
| 2. Covid 19 / Pandemic may profoundly impact on the willingness for future social & community gatherings, especially for the elderly and/or vulnerable. | The evolving design will look for ways to provide an environment which will help negate concerns related to virus spread & control – such as suitable ventilation strategies, segregation of spaces / areas, visible controls / practices, etc                                                                                                    |
| 3. The current Covid pandemic could negatively impact on the progress of the design process in the next stage.                                          | Procure all necessary detailed surveys and searches as soon as the next stage is approved, so that such can be undertaken as soon as possible within any future changes in restriction measures / policies. Utilise IT based design sharing platforms and collaboration tools.                                                                    |
| 4. It may not be viable to integrate the GPs practice within the new building.                                                                          | The pandemic crisis this year has resulted in slower than planned progress in fully testing the feasibility of the GP practice relocating into the new building. Although the technical / building consideration has been undertaken, the financial aspects (short-term and long-term) still need to be explored and concluded in the next stage. |
| 5. Capital Funding not secured / available for the building.                                                                                            | Further work to be undertaken during the next stage to further refine the capital cost requirement and explore / confirm the funding routes.                                                                                                                                                                                                      |

## 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 significant potential positive impact has been identified on people with protected characteristics as determined by the Act

## 12. Carbon Footprint (Environmental) Implications:

12.1 The Wonford Health & Wellbeing hub programme will have a direct impact on delivering our carbon reduction target (carbon neutral by 2030). To date, a high-level feasibility of the future redevelopment has been conducted. At this next stage,

relevant existing Council priorities and policies (e.g. Net Zero programme) will be shared with the design team and will be an important part of the brief. We will seek to maximise the opportunities for the hub to contribute towards our environmental aspirations. These will include:

- Encouraging and enabling local residents to walk and cycle to the hub, through enhanced active travel infrastructure (e.g. parking, accessible walkways). This will involve reducing the amount of single use vehicle occupancy of members accessing the hub.
- The new health and wellbeing hub being a destination point of the Green Circle and E4 strategic cycling route promoting walking and cycling
- Exploring the potential to take new approaches to waste management at the hub
- Other specific carbon reduction initiatives as identified by the design team during the detailed feasibility stage

### **13. Are there any other options?**

To consider an undefined alternative proposal to develop a different scheme for the existing Wonford Community and Sports Centres.

To maintain the status quo and the buildings operate within the current existing Corporate Property and Exeter Leisure portfolio with no additional capital investment. This will be to the detriment of Wonford and the health and wellbeing of the local community

**Director of Culture, Leisure and Tourism, Jon-Paul Hedge**

Author: James Bogue

### **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: *Wonford Health & Wellbeing Centre– feasibility proposal*

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 22 Feb 2022    | Wonford Health and Wellbeing Centre feasibility proposal | Funding of £75,000 to progress to next workstage | all                                                                                     |

**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                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Race and ethnicity</b> (including Gypsies and Travellers; migrant workers; asylum seekers).                                                                                                                                             | Positive                    | high                       | The proposals for a more open, transparent and more accessible centre that has been co-designed with residents and representative groups from the local area will open up wider opportunities for use by minority groups in the future. |
| <b>Disability:</b> 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                    | high                       | The proposals for the new centre can open up wider opportunities for use by disabled people through focused identification of interest and need.                                                                                        |
| <b>Sex/Gender</b>                                                                                                                                                                                                                          | Positive                    | high                       | The proposals for the new centre will open up greater opportunities to provide a diverse range of service provision in collaboration with the wider community.                                                                          |
| <b>Gender reassignment</b>                                                                                                                                                                                                                 | Positive                    | low                        | The proposals for the new centre will open up greater opportunities to provide a diverse range of service provision in collaboration with the wider community.                                                                          |
| <b>Religion and belief</b> (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).                                                                                                                   | Positive                    | medium                     | The proposals for the new centre will open up greater opportunities to provide a diverse range of service provision in collaboration with specific charities, groups and residents supporting culturally diverse communities            |
| <b>Sexual orientation</b> (including heterosexual, lesbian, gay, bisexual).                                                                                                                                                                | Positive                    | low                        | The proposals for the new centre will open up greater opportunities to provide a diverse range of service provision in collaboration with the wider community.                                                                          |

| <b>Protected characteristic/ area of interest</b>                                                                                                                                                                                                                                            | <b>Positive or Negative Impact</b> | <b>High, Medium or Low Impact</b> | <b>Reason</b>                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Age</b> (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). | <b>Positive</b>                    | <b>High</b>                       | <b>The proposals for the new centre will open up greater opportunities to provide a diverse range of service provision in collaboration with the wider community.</b> |
| <b>Pregnancy and maternity</b> including new and breast feeding mothers                                                                                                                                                                                                                      | <b>Positive</b>                    | <b>medium</b>                     | <b>The new centre will seek to provide enhanced access and activities for local families and parents with babies and young children</b>                               |
| <b>Marriage and civil partnership status</b>                                                                                                                                                                                                                                                 | <b>Positive</b>                    | <b>low</b>                        | <b>The new centre will seek to provide enhanced access and activities for local families and parents with babies and young children</b>                               |

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

**Officer: James Bogue**

**Date: 13/01/2021**

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## **REPORT TO EXECUTIVE**

Date of Meeting: 8 February 2022

Report of: Deputy Chief Executive

Title: Exeter Local Plan: Issues consultation summary report

### **Is this a Key Decision?**

Yes

### **Is this an Executive or Council Function?**

Executive

#### **1. What is the report about?**

1.1 This report discusses an accompanying consultation report (Appendix A) which summaries the Local Plan 'Issues' consultation and the responses received.

#### **2. Recommendations:**

2.1 That the Executive notes the content of the 'New Local Plan Issues Consultation Summary Report' (Appendix A) as a document which will be used to inform the preparation of the emerging new Local Plan.

#### **3. Reasons for the recommendation:**

3.1 As the Local Planning Authority for Exeter, the City Council has a statutory duty to prepare planning policy for the city. On this basis work has started on a new Local Plan for Exeter which will eventually replace the adopted Core Strategy and Local Plan First Review.

3.2 The first milestone in preparing the new Local Plan was an initial, 'Issues' public consultation held between September and November 2021. This process provided the public, stakeholders and the wider community with an early opportunity to influence the scope of the new Local Plan. It is therefore important to summarise and reflect on the responses received as part of ongoing work on the emerging new Local Plan. The Consultation Report at Appendix A provides the consultation summary.

#### **4. What are the resource implications including non financial resources?**

4.1 The 'Issues' consultation is complete and the recommendation made in this report results in no direct additional resource implications.

#### **5. Section 151 Officer comments:**

5.1 There are no additional financial implications contained within this report.

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

6.1 The preparation of planning policy is a legal requirement under Section 19 of the Planning and Compulsory Purchase Act 2004. A public consultation was held in the

autumn of 2021 in accordance with the provisions of Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012.

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

The Monitoring Officer has no additional comments.

## **8. Report details:**

### Consultation summary

8.1 The 'Issues' consultation was held between 20 September and 15 November 2021 and sought views on a brief scoping document for the new Local Plan. The Issues consultation document included the following:

- The proposed content of the new Local Plan;
- A series of ten key issues for the new Local Plan to help address;
- A vision for the city;
- A discussion of the pattern future development in Exeter; and
- A discussion of the quality of future development in the city.

8.2 Six open questions on the consultation document were asked based around the content above. Responses were invited online via an electronic survey while email and paper responses were also welcomed.

8.3 The consultation was organised to enable both electronic and in-person engagement. On this basis, two exhibitions were held in the city centre to provide an opportunity for discussion.

8.4 The consultation was promoted in a number of ways including by correspondence via the Council's planning contact list, a press release, social media posting, digital advertising in the city centre, promotion through community networks and posters.

### Consultation responses

8.5 In total, there were 215 responses to the Issues consultation. The majority of these were submitted online via the website. Of the 215 responses received, 161 were from individuals and 54 from organisations or groups such as Councils, public sector bodies and landowners and promoters.

8.6 Each of the six questions were responded to. The questions were 'open' in order to allow respondents the freedom to answer in a flexible way without specific answer options. On this basis, responses to the various questions often covered similar issues and provided similar commentary. Detailed discussion of the responses is set out in the accompanying consultation summary report at Appendix A. The responses provided will be made available online alongside the summary report.

### Next steps

8.7 The responses provided to the consultation will be used to inform the next stage of plan-making which will lead up to the preparation of a draft Local Plan for consultation in autumn 2022.

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

9.1 The Issues consultation document was the first tangible stage in the preparation of the Local Plan and helped to explore various issues facing Exeter. A number of these issues related to the priorities in the Corporate Plan, particularly those below:

- Delivering Net Zero Exeter 2030;
- Promoting active and healthy lifestyles; and
- Building great neighbourhoods.

A large number of the responses provided views on topics related to these corporate priorities. Using the consultation responses to inform the future work on the Local Plan will therefore help to maintain links to the Corporate Plan.

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

10.1 The report explores the responses to the Local Plan Issues Consultation which has already taken place. There are therefore no specific risks to consider.

## **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 that Executive notes the content of the Issues Consultation Summary Report to inform the preparation of the emerging new Local Plan, no potential negative impact has been identified on people with protected characteristics as determined by the Act.

## **12. Carbon Footprint (Environmental) Implications:**

12.1 There are no direct carbon/environmental impacts arising from the recommendation to note the content of the Issues Consultation Summary Report as this document does not set Council policy.

### **13. Are there any other options?**

13.1. The Issues consultation for the new Local Plan has already taken place. It is necessary to provide feedback on the consultation and therefore there are no appropriate alternatives to noting the Consultation Summary Report.

**Deputy Chief Executive, Bindu Arjoon**

Author: George Marshall – Assistant Service Lead: Local Plan

### **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

# NEW EXETER LOCAL PLAN ISSUES CONSULTATION SUMMARY REPORT

January 2022

**DRAFT**

**Exeter City Council**

Civic Centre

Paris Street

Exeter

EX1 1JN



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# 1 Introduction

## 1.1 The New Exeter Local Plan Issues Consultation Document

- 1.1.1 This report provides a summary of the responses received to the Exeter Local Plan Issues document consultation. The issues document met Regulation 18<sup>1</sup> of the plan making regulations.
- 1.1.2 The Issues consultation document marked the first stage in the plan making process for the new Exeter Local Plan. The document<sup>2</sup> sets out a draft vision, a set of evidence-based initial issues, ideas which could shape the future pattern of development in the city, and a series of questions inviting comment on the content of the document.
- 1.1.3 This report will summarise responses to the consultation's six questions. More detailed consideration of the responses received will take place throughout 2022 and will feed in to the development of the Draft Local Plan.

## 1.2 Consultation

- 1.2.1 The Issues consultation document was available for public comment between 20 September and 15 November 2021. This eight-week period was two weeks longer than the statutory required minimum and the six weeks set out in the Council's Consultation Charter.
- 1.2.2 Responses to the six open questions raised were invited online through the website. The option to email responses was also available, along with the availability of paper copies at key locations or on request, plus other support as required.
- 1.2.3 The consultation was promoted through a number of means including:
- Regular inclusion in Exeter City Council's weekly e-newsletter (available through 'Stay Connected')
  - Two Covid compliant public exhibitions – city centre locations (Guildhall and Central Library), running daytime into evening to promote access
  - Email / post notification for all those included on Exeter City Council's planning policy database
  - Fully accessible online Issues consultation documents
  - Promotion through Exeter Connect and associated networks
  - Press release
  - Digital advertising screens at six locations throughout the city
  - Social media - Exeter City Council and other Exeter organisations, plus frequent reposting
  - Online video outlining the Issues consultation document

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<sup>1</sup> [The Town and Country Planning \(Local Planning\) \(England\) Regulations 2012 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

<sup>2</sup> [New Exeter Local Plan](#)

## New Local Plan Issues Consultation Summary Report

- Posters (libraries, community centres, parks)
- Prominence on the City Council's webpage
- Copies of the Issues consultation document available in all of the city's libraries.
- Online Question and Answer webpage

1.2.4 It is considered that the consultation has been relatively successful in engaging with a range of respondents including the public, statutory consultees and those promoting development at an early stage.

### 1.3 Number of responses

1.3.1 In total, there were 215 responses to the Issues consultation. 169 of these were submitted online via the website, a further 45 were submitted via email and pdf, and 1 written paper response was received. During the consultation period, the New Exeter Local Plan webpage was visited over 1,300 times.

1.3.2 All six questions were open text questions. The number of responses per question, out of a total of 215, is outlined in table 1.

| Question | Number of responses |
|----------|---------------------|
| 1        | 154                 |
| 2        | 170                 |
| 3        | 150                 |
| 4        | 154                 |
| 5        | 153                 |
| 6        | 153                 |

**Table 1: Number of responses to each question**

### 1.4 Types of respondents

1.4.1 Of the 215 responses received, 161 were from individuals and 54 from organisations. Appendix 1 contains a list of the organisations that responded to the consultation. The number of responses by type of responder is presented in table 2.

| Respondent                              | Number of responses |
|-----------------------------------------|---------------------|
| Individuals                             | 161                 |
| Councils                                | 3                   |
| Parish Councils                         | 4                   |
| Government Agencies/<br>Public Bodies   | 10                  |
| Developers / Agents /<br>Land Promoters | 19                  |
| Other Organisations                     | 18                  |

**Table 2: Types of respondents**

## **2 Question 1: Do you have any comments on the content of the new Local Plan and its relationship with other plans?**

### **2.1 Overview and broad themes**

- 2.1.1 The intention of the Issues document was to provide a high-level overview of the proposed content of the new Local Plan and the main initial issues that have emerged through existing research.
- 2.1.2 Mentions of support for the overall content of the new Local Plan comprised of comments such as “broadly and at a high level, the plan makes sense”, agreement that the broad issues are covered, and that the plan seems sensible.
- 2.1.3 Some of the more critical comments received focussed on the lack of detail and policy wording, however this was not the purpose of the document. Others commented on the need for action and delivery plans to ensure the aims are met, or referred to specific single issues such as students and student accommodation, transport, and anti-social behaviour.
- 2.1.4 Other broad themes that emerged in response to this question were the importance of green and open space, nature and biodiversity, as well as reiterating the emphasis on the climate emergency, and commentary in favour and support of brownfield development. The need for evidence based policies and timely delivery of infrastructure were often mentioned. A desire to focus on sustainable growth and ambition to become a thriving city rather than considering growth in terms of size and economic prosperity was also commonly set out.

### **2.2 The Local Plan’s relationship with other plans**

- 2.2.1. In terms of the relationship of the Local Plan with other plans, often mentioned was the need to dovetail with adjoining and nearby Local Plans and Neighbourhood Plans (both the St James Neighbourhood Plan and those in adjoining areas). In terms of the relationship with the wider sub-region, some identified the need for a coherent strategic overview covering a wider geographical area beyond the city boundary. There were a number of responses that made specific reference to the Greater Exeter Strategic Plan (GESP) and request for a renewed consultation on this prior to the development of the new Exeter Local Plan despite the GESP no longer being pursued. This was acknowledged by others who instead pushed the importance for full engagement and alignment with neighbouring authorities through the Duty to Cooperate in place of GESP.
- 2.2.2 The relationship between the Local Plan and Liveable Exeter, and the Exeter Place Board was queried.
- 2.2.3 Comments were made requesting the Development Plan structure be kept ‘simple and easy to follow’.

2.2.4 Respondents mentioned the following policies and strategies as suggestions the Local Plan should include and / or align with. The Local Plan will also draw links to a myriad of policies and strategies that extend beyond this list.

- Exeter Transport Strategy - Devon County Council
- Cycling and Walking Infrastructure Plan
- Transport Infrastructure Plan
- Devon Climate Emergency plans and strategies
- Net Zero Exeter 2030 strategy
- Cycle Infrastructure Design guidance (LTN 1/20)
- Clyst Valley Regional Park strategies
- Adjacent Local Plans
- St James Neighbourhood Plan and adjacent Neighbourhood Plans
- Conservation Area Appraisals and Management Plans
- Policies on energy distribution and usage
- Policies on water usage and sewage management
- Cultural Strategy 2019-24
- Clear Streets Charter
- Building Exeter Back Better
- Liveable Exeter Vision document
- Air Quality Strategy
- A new heritage strategy
- Natural England Nature Recovery Strategies
- Parks and Greenspace Strategy
- Trees and Woodlands Strategy

### 2.3 Extended responses to Question 1

2.3.1 Question 1 asked for comments on the overall content of the Local Plan which prompted numerous responses of varying degrees of length and detail covering the full range of issues people felt should be addressed in Exeter. The comments largely centred on the ten issues put forward in the Issues document, and responses to these are presented more fully in section 3. Community engagement and policy delivery were two additional topics that emerged in this section. The themes raised are set out below:

- Homes
- Climate emergency and net-zero carbon
- Infrastructure
- City centre and high streets
- Natural environment
- Health and wellbeing
- Economy
- Community engagement
- Historic environment and culture
- Development and design
- Policy delivery and enforcement
- Transport

### **3 Question 2: Are these the main issues facing Exeter? Are there any issues which we should change, add or remove?**

#### **3.1 Overview and broad themes**

3.1.1 The Issues document included ten initial issues which could shape the Local Plan. The issues were identified using existing evidence and knowledge gained from previous local plans and the Greater Exeter Strategic Plan. Question 2 asked for feedback on the ten issues. The ten issues identified were:

- Climate emergency
- Health and wellbeing
- Homes
- Economy and jobs
- The future of high streets
- High quality places and design
- Historic environment and culture
- Natural environment
- Sustainable transport and communication
- Infrastructure and community facilities

3.1.2 170 responses were received to question 2 which included over 30 clear expressions of broad agreement with the issues identified.

3.1.3 Comments often tended to focus on the need for up to date evidence-based policies and figures, more detail on each issue, comment on the summary wording, and concern about the scale and location of development. This detail is due to come forward in the next draft of the new Local Plan.

3.1.4 A key general theme was the need for greater emphasis on the crosscutting and interlinked nature of the issues, and not to view them as distinct issues in isolation. Others questioned whether the issues were in priority order. The issues are not listed in priority order and are recognised to inherently relate to one another. They are intended to provide structure for this document, and potentially the Local Plan.

3.1.5 In terms of the delivery of these aspirations, comments on various limitations and absence of a budget and clear delivery plan within the document were made. The need for a monitoring and annual reporting system was also raised, along with effective enforcement.

3.1.6 Community engagement was another key issue raised in response to this question and throughout the survey. This related to the inclusion of individuals, communities, cultural organisations and small businesses in the Local Plan process and in planning more generally. Engagement also referenced meaningful participation, discussion with 'hard to reach' groups, the difficulty of people to engage with this consultation meaningfully without additional understanding of planning, and to ensure voices are heard. Much of this relates to the Statement of Community Involvement, a document which

## New Local Plan Issues Consultation Summary Report

was consulted on at the same time as the Local Plan Issues consultation and which will be the subject of a separate report to Executive.

3.1.7 With regard to issues that could be added, the following were all raised, either as missing, or requiring greater emphasis and priority:

- Homelessness
- Urban sprawl and new housing developments conflicting with the aim to protect green space and the environment
- Quality of school education
- Street drinkers
- Keep / build sense of existing neighbourhoods and communities as well as new
- Play and spaces for children and young people
- Student accommodation / student numbers / community imbalances
- Infrastructure and community facilities to be suitable for those with vision and mobility issues / Clear Streets Charter – consider disabled users
- Lack of green space
- Commuters
- Arts and culture
- Top quality digital broadband infrastructure
- Sustainable Growth / inclusive growth / green growth / all should be able to make sustainable and healthy choices
- Duty to Cooperate
- Viability of development
- Displaced uses to be accommodated elsewhere in the city
- Racism
- Diversity and inclusion / equality – leave no one behind / vision for unskilled workforce / all protected characteristics should be explicitly covered in all areas
- Water management / water pollution
- Farmland / farming and food production / food sovereignty
- Ecological / nature / biodiversity crises
- Heritage-led regeneration
- Housing types and tenures: Key worker housing, range of affordable housing, older persons', second homes, holiday lets
- Public transport as a standalone issue
- Local centres, not only the High Street
- Traffic / reduction of car ownership and usage
- Focus on climate resilience not zero carbon
- The vital role of retail to the functioning of local communities
- Light pollution
- Better management of Houses in Multiple Occupation applications / revision of Article 4 direction
- Flood risk
- Energy production and consumption
- Accountability, transparency and democracy in all decision making

- Challenges posed by ageing population
- Rapid introduction of kerb side glass collection and food waste collection
- Street safety
- Temporary housing for domestic abuse
- Clean air

3.1.8 One respondent suggested the economy and jobs issue be removed on the basis that there are enough jobs and no evidence more are needed. There were no other suggestions to remove any of the issues in terms of the future work on the Local Plan.

### 3.2 Climate Emergency

3.2.1 Responses that related to the Climate Emergency issue ranged from commenting positively on this emphasis and on zero carbon to calling for greater prominence of this through embedding and underpinning every element of the new Local Plan, and the decarbonisation of transport and housing. Sustainable growth was also identified as of paramount importance, along with a parallel and simultaneous need for climate change mitigation and adaptation for health reasons as well as carbon reduction. However, carbon zero policy implementation was identified as having potential to affect viability and prevent housing delivery. It was also suggested that the Local Plan should aim to be carbon positive by the end of the plan period (2040) as it runs beyond the Council's commitment to be carbon neutral by 2030 and should present greater challenge.

3.2.2 A number of issues were raised regarding carbon reduction:

- Issues arising from queuing traffic
- Set energy generation targets that are challenging to developers not traded to minimal levels
- Ban student cars
- Promoting the night time economy generates unnecessary travel and over consumption and is not consistent with zero carbon agenda. Promoting smaller venues (theatres / small cinemas / restaurants) throughout the city to reduce travel
- Support for home owners with houses that are not energy efficient
- Limits on wood burning stoves and open fires
- Electric Vehicle (EV) charging policy – EV charging points to be provided by the developer

### 3.3 Health and Wellbeing

3.3.1 It was frequently expressed that this section needs to be expanded as the summary text doesn't encapsulate the extent of health and wellbeing. The contribution of homes, parks and open spaces to wellbeing, and need to reduce inequality were most frequently cited. Calls were made for the section to be more holistic, going beyond physical health to include building communities, social connectivity and local identity. Also raised was the need to recognise that everything contributes to health and wellbeing and for

systematic integration of this through embedding health in place, collaborating with other agencies to consider the impact of planning on healthcare, designing out crime and reducing the need to travel.

3.3.2 Inclusion of access to green spaces and nature, and the role of heritage were raised as essential to wellbeing alongside being more active, improving air quality and providing quality housing. Some raised the loss of fields and green space as detrimental to wellbeing.

3.3.3 Other comments regarding potential amendments include:

- To work with organisations to understand the implications of planning policy on healthcare
- Provision of churches in housing developments due to their role in wellbeing and community connectivity.
- Incorporate Sport England's Active Design principles into masterplans
- Play areas and delivery of creative and safe spaces
- Reduce noise at night and from high decibel vehicles
- Taking a 'health in all policy' approach to allow for planning decisions to be made taking into account public health
- Food – restrict the density of takeaways
- Antisocial behaviour
- The benefits of nature to health and wellbeing
- Developer contributions for a full range of health facilities
- Promoting the night time economy is not consistent with health and wellbeing
- Developing places free from crime and the fear of crime

### 3.4 Homes

3.4.1 A significant number of comments related to homes, the appropriate provision of affordable housing, placing restrictions on housing to retain accommodation for local people, and a proactive plan for the ageing population. In addition, delivering homes that provide for wellbeing through size, price and green space was mentioned. Negative comments regarding the number of new homes and scale of development were also presented. This included the need to justify and evidence the housing requirement, in terms of overall numbers and types of housing.

3.4.2 In terms of the potential location of development, the following comments were often raised:

- Maximise brownfield development
- Protect green spaces and Valley Parks
- Avoid floodplains
- Locate development to reduce the need to travel

3.4.3 Others provided related comments such as:

- Query as to whether Exeter is able deliver development needs within boundary
- Remove blanket 'no development' to the north of the city

3.4.4 In terms of types of housing, the need for the following was raised:

- A range of tenures, housing products and affordable housing
- Gypsy and traveller sites
- Key worker housing
- Specialist older persons' accommodation
- Covenants to retain affordable housing in perpetuity
- Regulation of holiday lets and second homes
- Limit student accommodation / shared living / co-living

3.4.5 Comments on the design of new housing included the following:

- No development that isn't carbon neutral
- Focus on reducing pollution to waterways
- Deliver infrastructure and community facilities first
- Understand the need for denser housing but include decent outside space including roof gardens and green walls
- All new homes to be built to at least Passivhaus standard
- Build housing to last
- Build housing with climate change mitigation in mind
- Consider work/life by ensuring all new homes have a dedicated work space and developments have a community work space
- To update and include previous Design Guide biodiversity requirements within the Local Plan
- Build to rent should be subject to minimum size and quality standards, CIL and affordable housing contributions
- Need to ensure healthy indoor home environments

3.4.6 Other concerns were raised regarding potential difficulties bringing forward homes on large urban brownfield sites and the risk that climate emergency policies could pose to viability.

### **3.5 Economy and jobs**

3.5.1 Comments made on this issue predominantly related to a shift in focus towards inclusive and sustainable growth, the green economy, or the potential need for no growth if we are to commit fully to sustainability. Responses also explained the focus on the local economy, independent businesses and mutual funding organisations.

3.5.2 Other economy and job related comments covered:

- The growth and creation of neighbourhood centres outside of the city centre / High Street

- The need to consider the travel to work area when creating jobs
- The need to consider the loss of employment land with regard to brownfield sites
- The lack of mention of care jobs
- The opportunity to get involved in the UK space industry
- The importance of making use of world-renowned experts at the Met Office and the University

### 3.6 The future of high streets

3.6.1 Support for other 'high streets' outside of the city centre, local centres and independent businesses was often mentioned. The concept of the '15 minute neighbourhood' whereby residents have access to amenities within a 15 minute walk or cycle was also frequently raised.

3.6.2 A number of respondents reiterated the need for a diverse and functional city centre. The document refers to leisure, culture and the night time economy, but it was suggested that this needed to be balanced with retail and residential use and improvements for all residents as development, leisure and the night time economy appear geared towards young people and students. Similarly, concern regarding drug and alcohol related noise, antisocial behaviour, poor health, and deterioration of the appearance and safety of various city centre locations was expressed.

3.6.3 Other comments for consideration with regard to the future of high streets were:

- Access to the city centre
- Safety of women at night
- Pedestrianisation of the High Street for safety / better public space
- Protect and enhance the historic character of the city centre
- Keep cafes, tearooms and small independent shops open into the evening
- Creating places for women
- The impact on retail and the city centre if car parks are lost

### 3.7 High quality places and design

3.7.1 Responses suggested an overriding agreement with the need for good design and the wide reaching positive influence this has. Various design-related suggestions were made:

- The importance of trees in terms of urban design, shade and the provision of well connected, attractive green spaces
- The need to design streets to be safe and obstacle free for those with impaired sight and disabilities
- The need for the Local Plan to take advantage of the opportunity available to safeguard green spaces, wildlife and the wellbeing these spaces provide
- The need for the Local Plan to include polices to enable refusal for poor design and the means to ensure that developers adhere more closely to relevant Masterplans

3.7.2 With regard to high density development and height, responses were mixed. Some requested policies to set out high density expectations, others remain concerned about the scope for provision of allotments and green space within high density development, and some express concern about high rise developments not being in keeping with Exeter's character, or respecting the heritage or landscape and the need for strict height limits in policy. Further comments on high density development and height were raised in response to questions 4 and 5.

3.7.3 Other design related points raised included the need for:

- Cycle infrastructure standards
- Tree planting
- Climate change adaptation
- Rainwater soakaways
- National design standards
- Permeability throughout developments
- Nature rich spaces to be at the heart of everything
- Consideration of the visually impaired
- Provision for appropriate waste segregation to support sustainable waste management
- Creation of networks of local neighbourhoods with strong identities and economic opportunities through design
- Support community resilience

### **3.8 Historic environment and culture**

3.8.1 In addition to comments proposing that arts and culture should be standalone issues and that culture shapes all places and underpins all other issues, there was a degree of questioning as to what was meant by culture. There were queries about whether this was referring to cultural heritage, cultural facilities or intangible cultural heritage. There was also a call to provide for cultures of minority groups in the city and to help address racism and deliver theatres and music venues to rival nearby cities. The Exeter Cultural Strategy which calls for arts, culture and creativity to be embedded in all aspects of planning was often mentioned as a means of achieving this, potentially through adoption as an SPD.

3.8.2 With regard to the historic environment, the need to protect and enhance Exeter's heritage and historic natural features was strongly represented, along with using heritage to inform development. In order to do this, comments included requiring architecture to reflect the surrounding historic area, prioritising heritage-led regeneration, making use of heritage places and spaces for tourism and wellbeing, updating conservation areas and associated management plans, and acknowledging the irreplaceable nature of heritage assets. It was requested that the term 'historic assets' be replaced with 'heritage assets'. The potential to develop the Roman Baths under Cathedral Green to generate tourism was suggested. However, some felt that Exeter's rich historic environment has been destroyed.

### 3.9 Natural Environment

- 3.9.1 Throughout the survey, the protection of the natural environment was identified as being of paramount importance for many. This was demonstrated by comments regarding the need for gardens, green routes, landscape consideration and a 'wild-belt' around the city. Comments were also made that there should be categorically no development in the Valley Parks and the hills to the north and that the Local Plan should explicitly protect these areas in perpetuity to build a network of strategically connected green spaces around the city. However, a small number of respondents presented the argument that if housing need is to be met, the Valley Parks cannot be protected.
- 3.9.2 While it was commented that it was good to see emphasis on the climate and ecological emergency, others were concerned that the ecological and biodiversity crises weren't mentioned. This was raised through the need to refer to the Devon Local Nature Recovery Strategy and Nature Recovery Network, and biodiversity net gain, and review the Habitats Mitigation Strategy.
- 3.9.3 Further suggested ways to enhance the natural environment included using developer contributions towards nature recovery, to integrate biodiversity and nature in all developments, and continue and build upon the relationship with Devon Wildlife Trust.
- 3.9.4 Other considerations raised with regard to the natural environment included the potential to:
- Set an ambition to become a pesticide-free city
  - Protect and enhance the water environment
  - Update landscape evidence and the Green Infrastructure Strategy
  - Reference the interrelationships between the natural and historic environment
  - Provide allotments and food producing land
  - Rewild parts of the city

### 3.10 Sustainable transport and communication

- 3.10.1 Transport was frequently cited due to the multifaceted issues associated with all forms of transport commonly experienced by residents. It was reiterated that the Local Plan will need to refer to Devon County Council's Exeter Transport Strategy and associated evidence base, and that transport needs to be transformed. Comments focussed on limiting the number of cars, especially the most polluting, while also accounting for access for those with disabilities in terms of parking provision, and recognising not everyone can walk or cycle. The provision, reliability and price of public transport was often criticised and identified as a barrier.
- 3.10.2 In relation to communication there was a call for top quality digital broadband infrastructure, and a suggestion that a reliance on an increase in digital to overcome transport problems will not suffice.

### 3.10.3 Comments that related to active travel included:

- The need to account for those unable to use active travel
- Exeter's topography as a barrier
- A desire for low traffic neighbourhoods
- Annoyance at cycle paths conflicting with walkways
- Connecting cycle routes to new development and surrounding countryside
- The need for a cycle route linking Cowley / St David's / city centre
- To make cycle lanes safe for riders of all ages
- The need for electric bike clubs / provision
- The potential benefits of uncluttered pavements
- The benefits of shade along active travel routes

### 3.10.4 In relation to public transport:

- Improvements to rail welcomed but buses considered to have the biggest influence in reducing the number of cars
- The potential for green buses / fossil fuel free buses
- The need for safe transport for women
- The importance of a public transport strategy
- The need for a reassessment of the potential for free bus passes to be means tested
- The benefits of a Cowley Park & Ride
- The potential for a tram linking St Thomas, High Street, Sidwell Street and a coordinated light rail system covering Seaton, Tiverton, and Torbay
- The requirement for bus and rail links with Exeter's rural hinterland
- The need to reduce the cost of public transport to dissuade people from using cars

### 3.10.5 In response to cars and other road traffic there were comments regarding:

- Concerns about electric vehicles
- A need for more electric charging points and accessible and easy car sharing points
- Electric vehicle charging points taking up pavement space
- Using planning to discourage car use
- Allocating land and using policy for last mile freight transfer depots to reduce HGVs in the city
- Providing clarity on the longer term plan for city centre car parks
- Parking provision for disabled, car share and visitors
- The need for adequate parking, particularly on new developments

## 3.11 Infrastructure and community facilities

3.11.1 The delivery of infrastructure to support new homes is often cited with reference to the apparent limitations of current infrastructure. In addition to the overriding themes that infrastructure needs to be delivered up-front, should deliver a greener future and should take the form of 'hard'

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infrastructure as well as social and community infrastructure, the following points were also raised:

- Nature rich green spaces should be acknowledged as community facilities
- Include provision of police infrastructure
- The importance of sustainable energy infrastructure
- The need for the full spectrum of health care facilities
- The importance of shops being provided alongside development
- The importance of community consultation for infrastructure delivery
- Support for inclusion of Pinhoe Community Hub as essential infrastructure

Draft

## **4 Question 3: Do you have any comments to make on this vision for the new Local Plan?**

### **4.1 Overview and broad themes**

4.1.1 Of the 150 responses there were many in support of the vision covering a variety of themes including sustainability, green infrastructure and health.

4.1.2 However, this question raised the most queries with regard to terminology and the relevance of themes to a planning document. For example, queries were raised regarding:

- What 'analytical city' means
- The definition of 'growth' and the need for it to be sustainable recognising physical and ecological boundaries
- The meaning of 'innovative and analytical city'
- The relevance of world class education to a planning document
- The meaning of 'creating new communities'
- The distillation of seven key elements of the vision
- The different components of culture

4.1.3 Of those critical of the vision, there was concern about elements of the vision and issues contradicting one another. There were also queries about the limitations of the city, City Council and scope of planning to achieve some of the aims due to national legislative restrictions and the cross boundary, national and global nature of many of the issues. This related to the suggested need for greater collaboration with other authorities regarding housing on the boundary of the city and associated issues.

4.1.4 Of those who felt that the vision contained contradictions, it was also claimed that this left the vision weak, and loose and subjective. Further comments included:

- 'Building great neighbourhoods' needs more work to actually deliver
- The vision needs to be more ambitious if Exeter is to be a leading sustainable city
- The focus is on growth when it should be net zero
- The vision should be prepared and refined with constant involvement of stakeholders and landowners if it is to not fail

4.1.5 The monitoring of the vision was also queried, along with how the vision would become reality.

### **4.2 Proposed amendments to the vision**

4.2.1 There were a number of responses proposing suggested amendments to the vision which included adding reference to the crosscutting nature of issues, and reordering to amend priority moving away from a focus on growth. This predominantly suggested a shift towards sustainability, net zero and wellbeing underpinning everything else.

4.2.2 While some felt the vision needs to be more concise, various issues were also felt to be missing from the vision:

- Education / qualifications
- Infrastructure delivery
- Wellbeing
- The need for a healthy and inclusive city based on the principles of sustainability
- Antisocial behaviour
- Support for rough sleepers / homelessness
- Waste reduction and recycling
- Focus on children and young people
- Urban design
- The need for greater emphasis on culture
- Road improvements
- Delivery of more greenspace
- Zero carbon given further priority
- Greater priority given to nature
- Wider focus on the connected city region
- Meeting the city's housing needs
- Key element should be sustainable growth
- Heritage
- Importance of true mixed use
- Diverse neighbourhoods
- Homes not housing
- Farmland to feed Exeter
- People with lower incomes
- Feeling safe / low crime
- Healthcare infrastructure

## **5 Question 4: Do you have any comments on the ideas which could shape the future pattern of development in Exeter?**

### **5.1 Overview and broad themes**

- 5.1.1 With regard to shaping the future pattern of development, support came through for all of the ideas presented, particularly the development of previously developed land, protection of the Valley Parks, surrounding hills and unique skyline. There was also support for the garden city principles, the focus on the city centre and other existing centres, and active travel. The delivery of infrastructure and for development to deliver sustainable communities and 15-minute neighbourhoods was also strongly presented along with development to be shaped first and foremost by climate change adaptation.
- 5.1.2 Concern was raised about “sustainable urban extensions”, what this means and why sustainable urban extensions are required in the context of the Liveable Exeter programme which is understood to negate the need for such developments. Similarly, the height of proposals and high density development were queried due to the potential for conflict with other aims such as environmental protection and good design.
- 5.1.3 Other comments referred to specific sites and site considerations, the need to work collaboratively on cross boundary issues and development on Exeter’s boundary particularly with regard to pressure on roads and services and urban sprawl.
- 5.1.4 Other themes similar to those raised in previous questions were again mentioned in answering question 4. These included zero carbon, energy efficient homes, climate change adaptation, a need for a balance of development in relation to student accommodation, transport issues, commitments to green spaces and repurposing the high street. There were also specific suggestions such as a marina, a park linking the High Street and the quay and converting Riverside Valley Park to an international standard water sports arena.

### **5.2 The natural environment and pattern of development**

- 5.2.1 A significant number of responses in this section related to the protection and provision of green spaces and the natural environment which has crossover with Question 5 on the quality of development. There was mention of meeting Natural England’s Accessible Natural Greenspace Standard for England as a minimum, and a need to strengthen the protections of landscape setting, and ridgelines, and safeguarding the heritage of designated landscapes.
- 5.2.3 Fewer respondents, usually those promoting sites, put forward that there should not be ‘blanket bans’ in certain areas such as to the north and in Valley Parks, also suggesting that greenfield development will have to be considered to meet housing need.

5.2.4 Further comments relating to the natural environment and both the pattern and quality of development included reference to:

- Using the Local Nature Recovery Strategy to guide future development and drive nature recovery
- Steering away from other important areas for wildlife (Valley Parks, ridges and valleys to south)
- Avoiding development around the Exe Estuary
- Screening development with trees when it can't be resisted
- Delivering gardens throughout
- Keeping public areas and parks
- Providing food producing areas as well as green and outdoor spaces
- The 'value' of the Exeter fringes
- The retention and inclusion of green space and biodiversity
- The protection of high-grade agricultural land

### 5.3 Brownfield development

5.3.1 There was strong and relatively consistent support for development to be predominantly or exclusively on brownfield land although comments didn't often extend beyond reiterating general support. One response advised maximising brownfield land opportunities and robustly assessing whether constraints can be overcome to bring them forward. Another raised the issue of reusing and repurposing buildings before building development on greenfield sites.

5.3.2 Concern regarding brownfield development was raised with reference to:

- The role of brownfield land as nature corridors and areas of biodiversity value
- The potential loss of city centre car parks due to the associated economic consequences
- The potential loss of archaeological potential

### 5.4 High density

5.4.1 Higher density development, particularly on brownfield land, was recognised as being the preferred option to accommodate development needs. Positive responses to high density development focused on the city centre and close by, particularly when accompanied by green infrastructure and open space. However, some responses stated that an uncompromising focus on green infrastructure and open space could limit strategic sustainable development, hindering the best use of land in more sustainable locations.

5.4.2 Concern about high density proposals centred on two main themes- green spaces and personal outside space, and the height of buildings.

## **6 Question 5: Do you have any comments on the ideas which could shape the future quality of development in Exeter?**

### **6.1 Overview and Garden City principles**

6.1.1 As with all questions there was a degree of support for the ideas set out in the issues document that could be used to positively shape the future quality of development.

6.1.2 Carbon emissions, embodied carbon, climate change, energy efficient homes, changes to travel, use of recycled building materials and refurbishing and repurposing rather than new build came through as a strong and common focus. This was accompanied by protection, enhancement and inclusion of greenspace, nature, biodiversity and heritage.

6.1.3 Comments relating to the quality of development reiterated and reinforced the positives of referring to Garden City principles which were put forward in the document as ideas to help shape the quality of development.

6.1.4 A series of comments suggested expanding upon the Garden City principles by:

- Retaining and protecting Exeter's natural and historic environment and locally distinct heritage
- Promoting quality design taking into account national design codes
- Considering climate change/zero carbon as the priority
- Making greater reference to the natural environment: biodiversity net gain, nature led development, strategic greenspace, protection and delivery of trees and hedgerows
- Nurturing local communities
- Protecting distinctive development local character
- Delivering infrastructure prior to development
- Providing active travel options to link to and include Public Rights of Way and to making these safer and more accessible

6.1.5 Criticisms of Garden City principles included that the principles are included in national design codes as suitable and standard for all developments not only Garden Cities. A definition of the term 'garden city' was requested as it is perceived that the term is used to justify mass house building on green sites at odds with the original Garden City movement.

### **6.2 Other comments**

6.2.1 Various responses relating to the quality of development echo comments made to previous questions covering various topics. These identified the need for/to:

- 15-minute neighbourhoods
- Decent green space
- Cultural facilities / new theatre
- Reducing antisocial behaviour

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- Limits to student housing (purpose built student accommodation and HMOs)
- Tackle homelessness
- Low carbon / Passivhaus standards
- Safe active travel options
- Reduce inequality / rebalance health inequality
- Greater resident involvement in decision making
- Mixed use developments
- Ensure that higher buildings do not contribute to the loss of views
- Focus on what children and young people want from spaces
- Green / living walls and roofs
- Prioritise re-using and repurposing existing buildings over building new

Draft

## **7 Question 6: Are there any further comments you would like to make on the Exeter Local Plan?**

### **7.1 Overview**

- 7.1.1 The majority of responses and text provided to this question reiterated the themes and topics raised throughout this report including affordable housing, infrastructure delivery, the natural environment and nature, net zero, growth, the impact of student accommodation, local economy and independent businesses, culture and delivery of a new cultural venue, public transport, travel routes and traffic.
- 7.1.2 Responders also used this question to express thanks for providing the opportunity to comment, while numerous organisations stated that they welcome and look forward to continued discussion and involvement in developing the Local Plan

### **7.2 Delivery of the Local Plan**

- 7.2.1 The need to ensure the delivery of the Local Plan, querying how it will translate to reality and how to ensure that developers adhere to the Local Plan, were all raised.
- 7.2.2 Questions regarding the location of development and the delivery of Liveable Exeter sites were raised while details regarding the promotion of sites were provided by landowners and developers. No new site submissions were received through this consultation. Sites previously submitted will be reviewed through the Housing and Employment Land Availability Assessment (HELAA) which forms part of the Local Plan evidence base.
- 7.2.3 While factors that need to be considered with regard to potential development sites were raised throughout the survey and this report, the following suggestions were specifically provided when answering question 6:
- The need to consider the Aerodrome Safeguarding area of Exeter Airport to ensure that there are no adverse impacts that could compromise aircraft safety or aerodrome operations
  - The need to ensure that development does not conflict with the Water Framework Directive objectives and where possible employs mitigation measures for impacts on waterbodies
  - The benefit of the Local Plan in recognising the role of housing associations in providing affordable housing and the need for engagement with housing associations
  - The need for the Local Plan to be in accordance with marine plans where relevant
  - The potential benefits of a heritage strategy (Historic England)

7.2.4 In terms of developer contributions and CIL, the following points were made:

- The need for developer contributions and CIL money to bridge the funding gap that exists in providing additional police infrastructure that is required directly resulting from new/planned development
- The need to consider how policies on net-zero carbon and sustainability could impact development viability and the ability to provide affordable housing in Exeter
- The suggestion that the plan should consider the current standard of flood risk infrastructure provision and the future requirements for maintenance and upgrades (Environment Agency)

### 7.3 Consultation and participation

7.3.1 While there were many who expressed thanks for the opportunity to comment and encouragement to keep the consultation going throughout the Local Plan process there were others who called for greater promotion of such consultations and greater active participation. The inclusion of young people and children in consultation was also suggested. Consideration of the language and 'jargon' used, a need for a definition of terms and the requirement for more detail to enable more meaningful consultation responses were identified.

7.3.2 In addition to consultees and organisations inviting discussion as policies and the draft Local Plan develop, others mentioned making use of collaboration with local groups and designers and architects in the process.

### 7.4 Other comments

7.4.1 The question invited any comments and therefore the breadth of these was extensive. Those not included previously in the report are summarised in the list below:

- The opportunity for Exeter to develop its built environment as an exemplar of sustainability with a strong Devon identity and the potential to use the design review process to achieve this
- The potential to develop further travel choice at the Park and Ride sites as interchange hubs
- The noise impact of traffic and air transport
- Concern over housing numbers, house building and the impact this has on communities
- The need for more emphasis on renewable and possible hydro power on the river
- The need to acknowledge the role of the River Exe more fully
- The importance of the accessibility of Exeter and its facilities for those in surrounding areas, many of them reliant on private transport
- The potential for the plan to support cargo bikes for local deliveries

### 8 Conclusion

#### 8.1 Overview

8.1.1 This report provides a summary of the responses received to the New Exeter Local Plan Issues document consultation. It intends to provide a summary of the feedback. More detail will be provided in a full consultation statement which will be provided with the Draft Plan to identify in more depth how the responses have been used in the preparation of the Plan.

8.1.2 The Issues document intended to provide a high-level overview of the proposed content of the new Local Plan and the main initial issues that have emerged through existing research. Consultation sought feedback through asking six open questions, and as a result there was a significant degree of overlap between responses to the questions. Issues that were raised as important in response to all questions were:

- The importance of green and open space, nature and biodiversity
- Sustainable growth
- Reiterating emphasis on the climate emergency
- Support for brownfield development
- Timely delivery of infrastructure – community as well as ‘hard’ infrastructure
- The importance of supporting neighbourhoods
- Support for local centres as well as the High Street
- Support for the local and green economy
- The need for a range of housing types and tenure, and truly affordable housing
- The importance of Exeter’s heritage
- Greater recognition of the role of culture
- The need for evidence based policy
- Sustainable and active travel, with provision for those unable to utilise active travel modes
- High quality design

8.1.3 While responses picked up the nuances of the content, and at times requested greater emphasis and detail on various topics, it would appear that the issues raised in the document capture those most relevant to Exeter and its communities, in the context of a Local Plan.

#### 8.2 Next steps

8.2.1 The consultation responses will be used alongside evidence on a range of topics to shape a draft of the new Local Plan to be consulted on in later 2022.

8.2.2 The timetable for preparing the new Local Plan is below:

- Draft plan consultation: September 2022
- Publication: February 2023
- Submission to Planning Inspectorate: June 2023
- Examination hearings: October 2023
- Adoption: June 2024

## Appendix 1: List of organisations that responded to the Issues consultation

### Councils

1. Devon County Council
2. East Devon District Council
3. Plymouth and South West Devon

### Parish Councils

1. Colaton Raleigh Parish Council
2. Exminster Parish Council
3. Whitestone Parish Council
4. Woodbury Parish Council

### Government Agencies / Public Bodies

1. Designing Out Crime – Devon and Cornwall Police
2. Devon and Cornwall Police
3. Environment Agency
4. Historic England
5. Marine Management Organisation (MMO)
6. National Highways
7. Natural England
8. Network Rail
9. NHS Devon Clinical Commissioning Group and Royal Devon & Exeter NHS Foundation Trust
10. Sport England

### Developers / Agents / Land Promoters

1. Christian Leigh Chartered Town Planners
2. Heynes Planning Ltd
3. McMurdo LPD on behalf of Grenadier Estates
4. McMurdo LPD on behalf of Stuart Partners
5. McMurdo LPD on behalf of private clients
6. McMurdo LPD on behalf of private client
7. McMurdo LPD on behalf of private client
8. Nash Partnership
9. Persimmon Homes
10. PCL Planning on behalf of Waddeton Park Ltd, Vistry and Taylor Wimpey
11. Savills on behalf of Telereal Trillium
12. Savills on behalf of private client
13. Savills on behalf of W J Channing & Sons (Woking) Ltd
14. Stantec on behalf of Taylor Wimpey UK Ltd
15. The Planning Bureau Limited on behalf of McCarthy Stone Retirement Lifestyles Limited and Churchill Retirement Living
16. Turley on behalf of Bloor Homes South West and Stuart Partners Limited
17. Walsingham Planning on behalf of Land Promotion Group
18. Walsingham Planning on behalf of ALD Developments
19. Walsingham Planning on behalf of Vistry Group

### Other Organisations

1. Devon Archaeological Society
2. Devon Countryside Action Forum
3. Devon Wildlife Trust
4. Exeter Airport
5. Exeter City Living
6. Exeter Civic Society
7. Exeter Cycling Campaign
8. Exeter Green Party
9. Exeter Hindu Community Centre
10. InExeter
11. Montagu Evans on Purple Investment Management LLP (owners of Princesshay Shopping Centre)
12. Progressive Group of Councillors on Exeter City Council
13. RSPB (Royal Society for the Protection of Birds)
14. Southbrook Community Association
15. Tetlow King South West Housing Association Planning Consortium
16. The Woodland Trust
17. University of Exeter
18. Women's Equality Party, Exeter Branch

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## Equality Impact Assessment:

### New Local Plan: Issues Consultation Summary 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.

| <b>Committee name and date:</b> | <b>Report Title</b>                                   | <b>Decisions being recommended:</b>                                                                                                                                                           | <b>People with protected characteristics potentially impacted by the decisions to be made:</b> |
|---------------------------------|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Executive. 08.02.2022           | Exeter Local Plan: Issues consultation summary report | 1. That the Executive notes the content of the 'New Local Plan Issues Consultation Summary Report' as a document which will be used to inform the preparation of the emerging new Local Plan. | None specifically.                                                                             |

**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, negative or neutral impact | High, Medium or Low Impact | Reason                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Race and ethnicity</b> (including Gypsies and Travellers; migrant workers; asylum seekers).                                                                                                                                             | Neutral                              | Low impact                 | The recommendation is to note the New Local Plan Issues Consultation Summary Report. It makes no reference to taking any particular policy positions. On this basis, the recommendation will have a neutral impact on groups with protected characteristics.<br><br>The Council's responsibilities under the Act will be revisited through ongoing planning policy preparation. |
| <b>Disability:</b> 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. | Neutral                              | Low impact                 | The recommendation is to note the New Local Plan Issues Consultation Summary Report. It makes no reference to taking any particular policy positions. On this basis, the recommendation will have a neutral impact on groups with protected characteristics.<br><br>The Council's responsibilities under the Act will be revisited through ongoing planning policy preparation. |
| <b>Sex/Gender</b>                                                                                                                                                                                                                          | Neutral                              | Low impact                 | The recommendation is to note the New Local Plan Issues Consultation Summary Report. It makes no reference to taking any particular policy positions. On this basis, the recommendation will have a neutral impact on groups with protected characteristics.                                                                                                                    |

| Protected characteristic/ area of interest                                                                                                                                                                                                                                                   | Positive, negative or neutral impact | High, Medium or Low Impact | Reason                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                              |                                      |                            | The Council's responsibilities under the Act will be revisited through ongoing planning policy preparation.                                                                                                                                                                                                                                                                            |
| <b>Gender reassignment</b>                                                                                                                                                                                                                                                                   | Neutral                              | Low impact                 | <p>The recommendation is to note the New Local Plan Issues Consultation Summary Report. It makes no reference to taking any particular policy positions. On this basis, the recommendation will have a neutral impact on groups with protected characteristics.</p> <p>The Council's responsibilities under the Act will be revisited through ongoing planning policy preparation.</p> |
| <b>Religion and belief</b> (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).                                                                                                                                                                     | Neutral                              | Low impact                 | <p>The recommendation is to note the New Local Plan Issues Consultation Summary Report. It makes no reference to taking any particular policy positions. On this basis, the recommendation will have a neutral impact on groups with protected characteristics.</p> <p>The Council's responsibilities under the Act will be revisited through ongoing planning policy preparation.</p> |
| <b>Sexual orientation</b> (including heterosexual, lesbian, gay, bisexual).                                                                                                                                                                                                                  | Neutral                              | Low impact                 | <p>The recommendation is to note the New Local Plan Issues Consultation Summary Report. It makes no reference to taking any particular policy positions. On this basis, the recommendation will have a neutral impact on groups with protected characteristics.</p> <p>The Council's responsibilities under the Act will be revisited through ongoing planning policy preparation.</p> |
| <b>Age</b> (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). | Neutral                              | Low impact                 | <p>The recommendation is to note the New Local Plan Issues Consultation Summary Report. It makes no reference to taking any particular policy positions. On this basis, the recommendation will have a neutral impact on groups with protected characteristics.</p> <p>The Council's responsibilities under the Act will be revisited through ongoing planning policy preparation.</p> |

| Protected characteristic/ area of interest                              | Positive, negative or neutral impact | High, Medium or Low Impact | Reason                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------|--------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Pregnancy and maternity</b> including new and breast feeding mothers | Neutral                              | Low impact                 | <p>The recommendation is to note the New Local Plan Issues Consultation Summary Report. It makes no reference to taking any particular policy positions. On this basis, the recommendation will have a neutral impact on groups with protected characteristics.</p> <p>The Council's responsibilities under the Act will be revisited through ongoing planning policy preparation.</p> |
| <b>Marriage and civil partnership status</b>                            | Neutral                              | Low impact                 | <p>The recommendation is to note the New Local Plan Issues Consultation Summary Report. It makes no reference to taking any particular policy positions. On this basis, the recommendation will have a neutral impact on groups with protected characteristics.</p> <p>The Council's responsibilities under the Act will be revisited through ongoing planning policy preparation.</p> |

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

Work on the Local Plan will help to address issues of inclusivity.

**Officer:** George Marshall

**Date:** 07.01.2022

## **REPORT TO EXECUTIVE**

Date of Meeting: 8 February 2022

## **REPORT TO COUNCIL**

Date of Meeting: 22 February 2022

Report of: Director Corporate Services

Title: Annual Pay Policy Statement 2022/23

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

To set out the council's annual Pay Policy Statement 2022/23 which must be approved by Full Council each financial year in line with legislation.

#### **2. Recommendations:**

That Executive recommends to Council that:

- (1) The attached Policy, Report and Appendices be adopted and published in accordance with the legislation; and
- (2) Delegated authority be given to the Director Corporate Services to make necessary amendments to the pay policy statement following any changes in legislation or subsequent increases in pay.

#### **3. Reasons for the recommendation:**

Section 38 (1) of the Localism Act 2011 requires English and Welsh Authorities to produce a statutory Pay Policy Statement each financial year commencing in 2012/13 and thereafter each subsequent financial year. The Secretary of State for Communities and Local Government issued further guidance in early 2013. The Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017.

#### **4. What are the resource implications including non financial resources?**

There are no new resource implications created as a result of the revisions to the Pay Policy Statement.

## **5. Section 151 Officer comments:**

There are no financial implications for Council to consider within this report.

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

(a) Local Authorities are required by Section 38 (1) of the Localism Act 2011 to set out a written statement each financial year relating to:

- The remuneration of chief officers;
- The remuneration of its lowest paid employees; and
- The relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers

(b) The Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017 requires local authorities who employ over 250 or more employees to produce a gender pay gap report.

- Compare the difference in pay between females and males.

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

As there is a legal requirement to produce this report (as detailed in paragraph 6 above), this report raises no issues for the Monitoring Officer

## **8. Report details:**

In line with statutory requirements, the Council's Pay Policy Statement has been reviewed and updated for 2022/23 for approval by full Council prior to publishing on the Council's website.

The revised policy and appendix take into account the following changes:

- The increase in the nationally determined real living wage (Grades A) in November 2021 which comes into effect at Exeter City Council on 1 April 2022 (paragraph 3.2);
- The introduction of the Deputy Chief Executive position and the new Director of Planning & Development.

The appendix will/may require amending once the pay negotiations have been completed for 2021/22 and 2022/23.

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

The attached Statement supports a well-run Council and our compliance with statute.

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

There are no new implications arising from the recommendations.

## **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 Consideration has been given to the impact upon differing groups and a full assessment is not required.

## **12. Carbon Footprint (Environmental) Implications:**

No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

No.

**Director Corporate Services, Baan Al-Khafaji**

Author: David Knight, System Lead - Information and Payroll Services

## **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

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# Exeter City Council

## Pay Policy Statement 2021/22

### 1 Purpose and scope of the Policy

- 1.1 Section 38 (1) of the Localism Act 2011 (Part 1, Chapter 8, Sections 38 to 43) requires English and Welsh local authorities to produce a statutory pay policy statement each financial year.
- 1.2 The Act requires that a relevant authority must approve, through Full Council, a pay policy statement for the following financial year and this must set out the authority's policies for the financial year relating to:
  - (a) the remuneration of its chief officers, (see Appendix 1)
  - (b) the remuneration of its lowest-paid employees (see Section 4 and Appendix 1), and
  - (c) the relationship between:
    - (i) the remuneration of its chief officers (Section 4 and Appendix 1), and
    - (ii) the remuneration of its employees who are not chief officers (see Section 4 and Appendix 1)
- 1.3 The statement must state:
  - (a) the definition of "lowest-paid employees" adopted by the authority for the purposes of the statement, and (see Section 3)
  - (b) the authority's reasons for adopting that definition. (see Section 3)
- 1.4 The statement must include the authority's policies relating to:
  - (a) the elements of remuneration for each chief officer, (see Section 2 and 5 and Appendix 1)
  - (b) remuneration of chief officers on recruitment, (see Section 5 and Appendix 1)
  - (c) increases and additions to remuneration for each chief officer, (see Section 5)
  - (d) the use of performance-related pay for chief officers, (see Section 5)
  - (e) the use of bonuses for chief officers, (see Section 5)
  - (f) the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and (see Section 5)
  - (g) the remuneration of chief officers who return to local authority employment (See Section 5)

- (h) the publication of and access to information relating to remuneration of chief officers. (see Section 6)
- 1.5 This policy also takes into account “Openness and accountability in local pay: Guidance under section 40 of the Localism Act February 2012” and the letter from the Secretary of State to leaders of local authorities and chairs of fire and rescue authorities of 20 February 2013 which advocate:
- (a) Publishing the ratio between the highest paid employee and the median average earnings across an organisation (Section 4, Appendix 1)
  - (b) Explaining the approach to the setting and publication of fees for chief officers in respect of local election duties (Section 5)
  - (c) Setting out the policy for the remuneration of chief officers who return to Local Authority employment where the chief officer was a previously employed chief officer who left with a severance payment and applies to come back as a chief officer under an employment contract or contract for services (Section 5)
  - (d) Setting out the policy in respect of the employment of individuals and Chief Officers in receipt of a Local Government Pension Scheme pension, including pension abatement arrangements (Section 5)
  - (e) Full Council having the opportunity to approve salary packages and the cost of severance packages of £100,000 or more (Section 5)
- 1.6 In the context of managing scarce public resources, remuneration at all levels within the Council needs to be adequate to secure and retain high-quality employees dedicated to the service of the public, but at the same time providing value for money to the residents of Exeter.
- 1.7 Exeter City Council already works within a pay and reward framework which seeks to ensure that its pay and reward processes and procedures facilitate the retention and recruitment of employees with the right skills and capabilities to meet the needs of the Council now and in the future. The framework also takes account of regional and national variations, local market factors and is open and transparent and complies with equal pay legislation.
- 1.8 This Statement complies with the requirements of the Localism Act 2011 and the statutory guidance issued by Communities and Local Government in ‘Openness and accountability in local pay: Guidance under section 40 of the Localism Act’ which was issued on 17 February 2012.

## **2 Definition of Chief Officers**

- 2.1 The posts which are defined as ‘Chief Officers’ for the purposes of this Statement are those scheduled in the Local Government and Housing Act 1989 under sections 4(1), 5(1), 2(6, 7 and 8) together with other members of the councils Strategic Management Board. For Exeter City Council this term includes:

- Chief Executive and Growth Director (Head of Paid Service Section 4(1))
- Deputy Chief Executive (Non-Statutory Officers Section 2 (7a))
- Directors x4 (Non-Statutory Officers Section 2 (7a))
- Director - Chief Finance Officer (Section 151 Officer (Statutory Officer Section 2 (6d))
- Director – Corporate Services (The Council’s Monitoring Officer)
- Corporate Managers x3

2.2 The post of Chief Executive & Growth Director is made on terms and conditions of employment agreed by the Joint National Council for Chief Executives and supplemented by local terms and conditions of employment agreed by Exeter City Council.

2.3 All the remaining posts are made on the terms and conditions of employment agreed by the Joint National Council for Chief Officers and supplemented by terms and conditions of employment agreed by Exeter City Council.

2.4 With the exception of the Chief Executive and Growth Director all Chief Officer posts as defined in this Statement are subject to job evaluation using HAY. The remuneration of the Council’s Chief Officers is set out in Appendix 1.

### **3 Definition & Remuneration of Lowest Paid**

3.1 All posts which are not designated as Chief Officers in accordance with this Statement, and with the exception of apprentice roles, are subject to job evaluation using the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service.

3.2 The Council has adapted the National Local Government Pay Scale to include locally agreed spinal column points. With effect from 1 January 2014, the Council adopted the Real Living Wage as its minimum spinal column point, and the Living Wage of £9.90 / hour from 1 April 2022 equates to Grade A of the Council’s pay scale. The Real Living Wage is determined nationally in or around November each year. The Council applies any uplift to the living wage from 1 April in the year following the increase.

3.3 The Council therefore defines its lowest paid employees as those on Grade A of the Council’s pay scale. The Council has adopted this definition as it can be easily understood.

3.4 The Council has 16 grades (excluding Apprentice) on its existing pay scale for employees not designated as Chief Officer in this Statement. With the exception of Grades A, B and C each Grade provides for incremental progression of either 3 or 5 scale points subject to satisfactory service. Increments are applied on the 1 April each year (or on the 6 month anniversary of the employee’s appointment if the appointment falls between October and March inclusive, with subsequent increments applying from 1 April each year) until the postholder reaches the maximum of the grade.

## **4 Relationship between Remuneration**

- 4.1 The Hutton Review of Fair Pay in the Public Sector outlined that the most appropriate metric for pay dispersion is the multiple of Chief Executive to median earnings. Whilst not a requirement of this Statement, tracking this multiple as recommended in the Code of Recommended Practice for Local Authorities on Data Transparency will ensure public service organisations are accountable for the relationship between the pay of their executives and the wider workforce.
- 4.2 The Council also publishes as part of this Statement the relationship between its Chief Executive and lowest paid employee. Both of these pay multiples are set out in Appendix 1.
- 4.3 Through this policy the pay multiple of the Chief Executive and Growth Director will be monitored annually. Should the multiplier between the annual salary paid to a full time employee on the lowest spinal column point and the annual full time salary payable to the Chief Executive and Growth Director be greater than 10, this will be reported to full Council for consideration.

## **5 Chief Officer Remuneration**

- 5.1 The Joint Negotiating Committee has previously emphasised that ‘it is good governance that local authorities can demonstrate that decisions on pay and reward packages for chief executives and chief officers have been made in an open and accountable way.’
- 5.2 Salaries for chief officers operate on the basis of fixed pay points and are therefore not subject to a salary scale providing for incremental progression. New appointments will be made to the appropriate pay point in force at the time of the appointment. These fixed pay points will be agreed through an accountable and transparent process. Salary levels will be consistent with similar organisations which aim to pay according to median salaries. There will be due regard to balance the need to ensure value for money but enable Exeter City Council to recruit and retain high quality chief officers in the context of national, regional and local labour markets.
- 5.3 In determining any future changes to the remuneration package for appointments to Chief Officer posts as defined in this Statement, the Leader of the Council will take independent pay advice. The Leader will then, in consultation with the Chief Executive and Growth Director, except in relation to the pay of the Chief Executive and Growth Director, make recommendations which will be subject to the approval of full Council.
- 5.4 The Leader of the Council, in consultation with the Chief Executive and Growth Director, except in relation to the remuneration package of the Chief Executive and Growth Director, may recommend to full Council changes to the remuneration package following an annual review. Any changes to the remuneration packages will be subject to full Council approval.

- 5.5 Salary increases for Chief Officers defined in this Statement in relation to cost of living will be made in line with increases agreed by the Joint National Council's for Chief Officers and Chief Executives as appropriate.
- 5.6 At present, there are no additional payments made to chief officers in relation to performance related pay or the use of bonuses.
- 5.7 Any termination payments to chief officers on ceasing office will comply with Local Government Pension Scheme Employer Discretions Policies which are subject to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as amended and in force at the time. All such payments are equally applicable to all employees.
- 5.8 The Employer Discretions Policy and severance payments (which include redundancy / efficiency compensation, pension strain and pay in lieu of notice) in excess of £100,000 are subject to approval at Full Council. No additional payments will be made to Chief Officers without express approval by Full Council.
- 5.9 A chief officer appointment (under an employment contract or contract for services) will not be offered to any former chief officer in receipt of a severance payment, except in circumstances where they left employment as a result of being made redundant from their previous Chief Officer role, without the approval of Full Council.
- 5.10 Exeter City Council will not enter into employment or service contracts with any persons in receipt of a local government pension within 12 months of the termination date of their previous employment without the approval of Full Council. Employees of the Council who are also in receipt of a local government pension may have their pension abated in accordance with legislation / policy as enacted / determined by the relevant pension administrator.
- 5.11 The Council's Policy on Market Supplements applies to all posts at the Council, including Chief Officers. Evidence based market supplements will be subject to periodic review (every 2 years) to ensure they continue to be justifiable. No Chief Officer is currently in receipt of a Market Supplement.
- 5.12 Additional payments are made by Central Government to officers (including the Returning Officer) carrying out additional duties at Parliamentary and other national elections and referendums. These payments are set nationally and are not within the scope of this Statement. Payments to the Returning Officer and other officials for duties in relation to City Council elections are linked proportionately to these national rates.

## **6 Transparency & Publication of Data**

- 6.1 This Statement aims to ensure that the process for setting pay at a senior level is transparent fair and consistent. This policy will be reviewed annually to track the relationship of chief officer pay with the rest of the workforce.
- 6.2 The Council will publish its Pay Policy Statement on the Exeter City Council website alongside information related to the Council's management structure. Further information relating to the remuneration of Chief Officers is published in the Council's annual Statement of Accounts.

## **7 Equality Impact Considerations**

- 7.1 The principles of equal pay are integral to this policy and applied consistently within the pay and reward frameworks adopted by Exeter City Council. The definition of Equal Pay is:
- Like work where the woman and the man are doing the same job
  - Work rated as equivalent where the 2 jobs are different but have been evaluated by the employer's job evaluation scheme at the same level/grade
  - Work of equal value where the jobs are different but an argument is made that both jobs should be regarded as being of equal value or worth.

## **8 Related Policies/Strategies, Procedures and Legislation**

- 8.1 Exeter City Council pay and reward policies and procedures are operated within the framework of JNC and NJC terms as nationally negotiated and agreed and supplemented by local agreements. The Council applies the national framework for job evaluation and works within equality and equal pay legislation in order to apply all pay related issues in a fair, consistent and transparent way.
- 8.2 Key policies/procedures/strategies and legislation include:
- Exeter City Council Pay and Reward Policies, frameworks and local agreements
  - Equal Pay Legislation
  - Equality Act 2010
  - Localism Act 2011
  - Openness and accountability in local pay: Guidance under section 40 of the Localism Act February 2012
  - Local Government Act 1972
  - Local Government & Housing Act 1989

**1. Levels and elements of remuneration for each chief officer role as at April 2022**

| <b>Post title</b>                   | <b>Full time Remuneration</b> |
|-------------------------------------|-------------------------------|
| Chief Executive and Growth Director | £119,954                      |
| Deputy Chief Executive              | £97,521                       |
| Directors x6                        | £85,521                       |
| Corporate Manager x 3               | £62,289                       |

**2. The FT remuneration of the lowest paid employee**

| <b>Post title</b> | <b>Full time Remuneration</b> |
|-------------------|-------------------------------|
| MRF Operative     | £19,100                       |

**3. The multiplier of the remuneration of the chief officer based upon taxable earnings:**

| <b>Post Title</b>                                                              | <b>Full time Remuneration</b> |
|--------------------------------------------------------------------------------|-------------------------------|
| Annual median pay of all employees                                             | £24,491                       |
| Pay multiple of Chief Executive and Growth Director to median                  | 4.90                          |
| Pay multiple of Chief Executive and Growth Director to lowest paid FT employee | 6.28                          |

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## Equality Impact Assessment: *Annual Pay Policy Report 2022/23*

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 – 08/02/2022<br>Council – 22/02/2022 | Annual Pay Policy Report 2022/23 | For information              | n/a                                                                                     |

**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

| <b>Protected characteristic/ area of interest</b>                                                                                                                                                                                                                                            | <b>Positive or Negative Impact</b> | <b>High, Medium or Low Impact</b> | <b>Reason</b>   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------|-----------------|
| <b>Race and ethnicity</b> (including Gypsies and Travellers; migrant workers; asylum seekers).                                                                                                                                                                                               | n/a                                | Low                               | For information |
| <b>Disability:</b> 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.                                                   | n/a                                | Low                               | For information |
| <b>Sex/Gender</b>                                                                                                                                                                                                                                                                            | n/a                                | Low                               | For information |
| <b>Gender reassignment</b>                                                                                                                                                                                                                                                                   | n/a                                | Low                               | For information |
| <b>Religion and belief</b> (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).                                                                                                                                                                     | n/a                                | Low                               | For information |
| <b>Sexual orientation</b> (including heterosexual, lesbian, gay, bisexual).                                                                                                                                                                                                                  | n/a                                | Low                               | For information |
| <b>Age</b> (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). | n/a                                | Low                               | For information |

| <b>Protected characteristic/ area of interest</b>                       | <b>Positive or Negative Impact</b> | <b>High, Medium or Low Impact</b> | <b>Reason</b>   |
|-------------------------------------------------------------------------|------------------------------------|-----------------------------------|-----------------|
| <b>Pregnancy and maternity</b> including new and breast feeding mothers | n/a                                | Low                               | For information |
| <b>Marriage and civil partnership status</b>                            | n/a                                | Low                               | For information |

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

n/a

**Officer: David Knight**

**Date: 13/01/2022**

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## **REPORT TO EXECUTIVE**

Date of Meeting: 8 February 2022

## **REPORT TO COUNCIL**

Date of Meeting: 22 February 2022

Report of: Director Corporate Services

Title: Gender Pay Gap Report

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

### **1. What is the report about?**

1.1 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires local authorities who employ over 250 or more employees to produce a gender pay gap report.

1.2 The Act requires that an authority must report on the following information: (see Appendix 1)

- Their mean gender pay;
- Their median gender pay gap;
- Their mean bonus gender pay gap;
- Their median bonus gender pay gap;
- Their proportion of males receiving a bonus payment;
- Their proportion of females receiving a bonus payment; and
- Their proportion of males and females in each quartile pay band.

1.3 Calculations:

- Mean average involves adding up all of the numbers and dividing the result by how many numbers were in the list; and
- Median average involves listing all of the numbers in numerical order. The median is the middle figure.

1.4 Exeter City Council does not operate any bonus schemes.

1.5 The relevant or snapshot date is the key date on which the calculations must be made. The relevant date is 31st March 2021. It is also the date from which an employer has a year to publish their gender pay report.

## **2. Recommendations:**

(1) That the report be noted with the following Findings and Observations:

- The average rate of pay for females is higher than males across the Council;
- The difference has increased slightly since last year from 4.59% to 5.00%; and
- There are over 3 times more males in the lower quartile of earnings than females

(2) That the Council will publish its Gender Pay Gap Report on the Exeter City Council website, as well as on the centrally held database on gov.uk.

## **3. Reasons for the recommendation:**

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires local authorities who employ over 250 or more employees to produce a gender pay gap report.

## **4. What are the resource implications including non financial resources?**

There are no new resource implications created as a result of the revisions to the Gender Pay Gap Report.

## **5. Section 151 Officer comments:**

There are no financial implications for Council to consider within this report.

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

The Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017 requires local authorities who employ over 250 or more employees to produce a gender pay gap report.

- Compare the difference in pay between females and males.

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

The contents of this report raise no issues for the Monitoring Officer.

## **8. Report details:**

The relevant date for the Gender Pay Gap Report is 31st March 2021. The results of the report need to be published before 31st March 2022

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

The attached Statement supports a well-run Council and our compliance with statute.

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

There are no new implications arising from the recommendations.

## **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:

Although not directly connected to the gender pay gap, the principles of equal pay are integral to this report and applied consistently within the pay and reward frameworks adopted by Exeter City Council. The definition of Equal Pay is:

- Like work where the woman and the man are doing the same job
- Work rated as equivalent where the 2 jobs are different but have been evaluated by the employer's job evaluation scheme at the same level/grade
- Work of equal value where the jobs are different but an argument is made that both jobs should be regarded as being of equal value or worth.

## **12. Carbon Footprint (Environmental) Implications:**

No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

No

**Director Corporate Services, Baan Al-Khafaji**

Author: David Knight, System Lead – Information and Payroll Services

## **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

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# Exeter City Council

## Gender Pay Gap Report 2022

### 1. Gender Pay Report (31<sup>st</sup> March 2021)

#### Results (hourly rates to 2 decimal places)

|                     |        |
|---------------------|--------|
| Mean Female Pay     | £15.27 |
| Mean Male Pay       | £14.54 |
| Mean Gender Pay Gap | -5.00% |

|                       |         |
|-----------------------|---------|
| Median Female Pay     | £14.01  |
| Median Male Pay       | £12.07  |
| Median Gender Pay Gap | -16.07% |

|                       |       |
|-----------------------|-------|
| Mean Female Bonus Pay | £0.00 |
| Mean Male Bonus Pay   | £0.00 |
| Mean Gender Pay Gap   | 0.0%  |

|                         |       |
|-------------------------|-------|
| Median Female Bonus Pay | £0.00 |
| Median Male Bonus Pay   | £0.00 |
| Median Gender Pay Gap   | 0.0%  |

|                                           |      |
|-------------------------------------------|------|
| Number of Females receiving Bonus Pay     | 0    |
| Number of Males receiving Bonus Pay       | 0    |
| Proportion of Females receiving Bonus Pay | 0.0% |
| Proportion of Males receiving Bonus Pay   | 0.0% |

| Quartile     | Female | Male   |
|--------------|--------|--------|
| Lower        | 22.99% | 77.01% |
| Lower Middle | 50.22% | 49.78% |
| Upper Middle | 61.30% | 38.70% |
| Upper        | 42.20% | 57.80% |

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## Equality Impact Assessment: *Gender Pay Gap 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 – 08/02/2022<br>Council – 22/02/2022 | Gender Pay Gap | For information              | n/a                                                                                     |

**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

| <b>Protected characteristic/ area of interest</b>                                                                                                                                                                                                                                            | <b>Positive or Negative Impact</b> | <b>High, Medium or Low Impact</b> | <b>Reason</b>   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------|-----------------|
| <b>Race and ethnicity</b> (including Gypsies and Travellers; migrant workers; asylum seekers).                                                                                                                                                                                               | n/a                                | Low                               | For information |
| <b>Disability:</b> 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.                                                   | n/a                                | Low                               | For information |
| <b>Sex/Gender</b>                                                                                                                                                                                                                                                                            | n/a                                | Low                               | For information |
| <b>Gender reassignment</b>                                                                                                                                                                                                                                                                   | n/a                                | Low                               | For information |
| <b>Religion and belief</b> (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).                                                                                                                                                                     | n/a                                | Low                               | For information |
| <b>Sexual orientation</b> (including heterosexual, lesbian, gay, bisexual).                                                                                                                                                                                                                  | n/a                                | Low                               | For information |
| <b>Age</b> (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). | n/a                                | Low                               | For information |

| <b>Protected characteristic/ area of interest</b>                       | <b>Positive or Negative Impact</b> | <b>High, Medium or Low Impact</b> | <b>Reason</b>   |
|-------------------------------------------------------------------------|------------------------------------|-----------------------------------|-----------------|
| <b>Pregnancy and maternity</b> including new and breast feeding mothers | n/a                                | Low                               | For information |
| <b>Marriage and civil partnership status</b>                            | n/a                                | Low                               | For information |

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

n/a

**Officer: David Knight**

**Date: 13/01/2022**

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## REPORT TO EXECUTIVE

Date of Meeting: 8 February 2022

## REPORT TO COUNCIL

Date of Meeting: 22 February 2022

Report of: Director Net Zero and City Management

Title: Review of the Council's Contaminated Land Strategy

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

#### 1. What is the report about?

1.1 To seek adoption of a revised Contaminated Land Strategy, following consultation.

#### 2. Recommendations:

2.1 That Executive supports the adoption of the revised Contaminated Land Strategy;  
and

2.2 That Council adopts the revised Contaminated Land Strategy

#### 3. Reasons for the recommendation:

3.1 The City Council first published a Contaminated Land Strategy in 2001. Since then, there have been significant changes to the legislation and statutory guidance, which resulted in the strategy being updated in 2014. It has now been reviewed again, for the period 2022 to 2027. The Council has undertaken consultation on the draft strategy. No comments or recommendations were received from the public or any of the statutory consultees.

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

4.1 The revised Contaminated Land Strategy will be implemented within existing resources. The Strategy explains how the Council, in its approach land contamination will seek to minimise unnecessary burdens on the taxpayer, businesses and individuals, where it is reasonable and practicable to do so.

#### 5. Section 151 Officer comments:

5.1 There are no additional financial implications for Council to consider contained within this report.

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

6.1 Section 57 of the Environment Act 1995 created Part 2A of the Environmental Protection Act 1990 (“Part 2A”) which establishes a legal framework for dealing with contaminated land in England. Part 2A requires that local authorities cause their areas to be inspected with a view to identifying contaminated land, and to do this in accordance with published Statutory Guidance.

6.2 For the purposes of the legislation, “contaminated land” has a strict definition. Section 78A states that “contaminated land” is:

‘any land which appears to the local authority in whose area it is situated to be in such a condition, by reason of substances in, on or under the land that –

- (a) significant harm is being caused or there is a significant possibility of such harm being caused; or
- (b) significant pollution of controlled waters is being caused, or there is a significant possibility of such pollution being caused.

This should be distinguished from the much broader category of “land affected by contamination” where contaminants are present but usually not at a sufficient level of risk to be contaminated land.

6.3 Section 78B of the Environmental Protection Act 1990 states that in performing its functions in respect of the identification of contaminated land that ‘...a local authority shall act in accordance with any guidance issued...by the Secretary of State. The Secretary of State has issued statutory guidance on Contaminated land which states that ‘[t]he local authority should take a strategic approach to carrying out its inspection duty under section 78B (1)’ and that it ‘...should set out its approach as a written strategy, which it should formally adopt and publish.’

6.4 The guidance goes on to state that ‘[t]he local authority should keep its written strategy under periodic review to ensure that it remains up to date. It is for the authority to decide when its strategy should be reviewed, although as good practice it should aim to review its strategy at least every five years.’

6.5 The Statutory Guidance was updated in 2012. It requires that local authorities should take a strategic approach to carrying out their inspection duties. This approach should be rational, ordered and efficient, and it should reflect local circumstances. The local authority should set out its approach as a written strategy, which it should formally adopt and publish to a timescale to be set by the authority.

6.6 The local authority should keep its written strategy under periodic review to ensure it remains up to date. It is for the authority to decide when its strategy should be reviewed. There have been no changes to the legislation or statutory guidance since the 2014 Strategy was adopted.

## **7. Monitoring Officer’s comments:**

Members will note the legal aspects above. The Monitoring Officer has no additional comments.

## **8. Report details:**

8.1 In the reviewed strategy which covers the period from 2022 to 2027, the Council sets out:

- Its aims, objectives and priorities, taking into account the characteristics of its area;
- The relevant aspects of the Exeter area;
- Its approach to strategic inspection, the prioritisation of detailed inspection and remediation activity;
- How Part 2A fits with its broader approach to dealing with land contamination, using other legislation, voluntary remediation or as part of wider regeneration work; and
- How in its approach to Part 2A and land contamination, the Council will seek to minimise unnecessary burdens on the taxpayer, businesses and individuals, where it is reasonable and practicable to do so.

8.2 There has been no change to the legislation or statutory guidance since the 2014 Strategy was adopted. The 2020 Strategy is therefore little changed from the previous version, except to update the local development context and statistics.

8.3 The Council undertook consultation on the draft strategy, specifically involving the Environment Agency, Devon County Council, neighbouring authorities, Natural England and Public Health England. Consultation lasted 8 weeks but no responses were received. The revised Strategy is included as Appendix 1.

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

9.1 The main contribution of effective management of contaminated land is to support the key priorities of 'building great neighbourhoods and promoting active and healthy lifestyles.'

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

10.1 Risks associated with the failure to manage contaminated land include risks to the population of Exeter, those working in the city, and risks to the environment. There is also a reputational risk to the Council if it fails to act in a reasonable manner. Failure to make a reasoned judgement on contaminated land could result in legal action or insurance claims, particularly in the case of land owned by the Council, or risk assessment decisions made by Council officers.

## **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/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

13.1 Adoption of a Contaminated Land Strategy is a legal duty.

### **Director Net Zero and City Management, David Bartram**

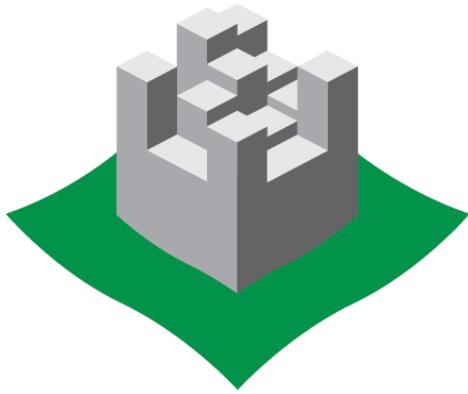
Author: Simon Lane, Service Lead – Environmental Health and Community Safety  
Alex Bulleid, Senior Environmental Technical Officer

## **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  
01392 265275



**Exeter**  
City Council

**Environmental Health and Community Safety**

**Contaminated Land Strategy**

**2022 – 2027**

# 1. Introduction

- 1.1 Section 57 of the Environment Act 1995 created Part 2A of the Environmental Protection Act 1990 (“Part 2A”) which establishes a legal framework for dealing with contaminated land in England. Part 2A defines “contaminated land” as follows:

“contaminated land” is any land which appears to the local authority in whose area it is situated to be in such a condition, by reason of substances in, on or under the land that –

- (a) significant harm is being caused or there is a significant possibility of such harm being caused; or
- (b) significant pollution of controlled waters is being caused, or there is a significant possibility of such pollution being caused. (Section 78A(2))

“Harm” means harm to the health of living organisms or other interference with the ecological systems of which they form part and, in the case of man, includes harm to his property. (Section 78A(4))

- 1.2 Under Part 2A the Secretary of State issues Statutory Guidance on how local authorities should determine which land is contaminated land and which is not. Land which has been determined can be further designated as a Special Site, from which point regulation becomes the responsibility of the Environment Agency. (A Special Site is defined in The Contaminated Land (England) Regulations 2006 as one which is affecting controlled waters in certain specific circumstances, or where a particular range of activities have caused the contamination).
- 1.3 The Statutory Guidance also provides further information on the duty of local authorities to inspect their areas with a view to identifying contaminated land. It describes two broad types of “inspection”:
- (a) strategic inspection, for example collecting information to make a broad assessment of land within an authority’s area and then identifying priority land for more detailed consideration; and
  - (b) carrying out the detailed inspection of particular land to obtain information on ground conditions and carrying out the risk assessments which support decisions under the Part 2A regime relevant to that land.
- 1.4 Exeter City Council (the Council) first published a Contaminated Land Strategy in 2001. This document has been revised and updated twice since then to reflect the current guidance and context. In it, the Council sets out:
- Its aims, objectives and priorities, taking into account the characteristics of its area;
  - The relevant aspects of the Exeter area;
  - Its approach to strategic inspection, the prioritisation of detailed inspection and remediation activity;

- How Part 2A fits with its broader approach to dealing with land contamination, using other legislation, voluntary remediation or as part of wider regeneration work; and
- How in its approach to Part 2A and land contamination, the Council will seek to minimise unnecessary burdens on the taxpayer, businesses and individuals, where it is reasonable and practicable to do so.

1.5 In producing a final version of this strategy, the Council consulted with the following bodies:

- Environment Agency;
- Teignbridge District Council;
- East Devon District Council;
- Mid Devon District Council;
- Natural England;
- Devon County Council; and
- Public Health England.

The strategy will be reviewed again following any significant changes to legislation or guidance, or five years after adoption, whichever is the sooner.

## 2. Terminology

Some general aspects of terminology used in this Strategy are:

**“contaminated land”** is used to mean land which meets the Part 2A definition of contaminated land. Other terms, such as “land affected by contamination” or “land contamination”, are used to describe the much broader categories of land where contaminants are present but usually not at a sufficient level of risk to be contaminated land.

**“Part 2A”** means Part 2A of the Environmental Protection Act 1990 (as amended).

The terms **“contaminant”**, **“pollutant”** and **“substance”** as used in this Strategy have the same meaning – i.e. they all mean a substance relevant to the Part 2A regime which is in, on or under the land and which has the potential to cause significant harm to a relevant receptor, or to cause significant pollution of controlled waters.

**“unacceptable risk”** means a risk of such a nature that it would give grounds for land to be considered contaminated land under Part 2A.

**“the Council”** means Exeter City Council.

**“leaching”** is the process by which contaminants are released from the soil into groundwater or water in soil pores. How much contamination is released will depend on a variety of factors such as soil type, type of contaminant, soil conditions etc.

**“source”** is used to mean land contamination that may be present on or under a site.

**“pathway”** is used to describe how contamination may reach a receptor from the source area, for example by ingestion of contaminated soil, or by leaching of contamination from the soil into groundwater.

A **“receptor”** is someone or something that may be adversely affected by contamination, for example site occupants, organisms living in a stream, historic monuments etc.

### **3. Exeter City Council's Aims, Objectives and Priorities**

#### **3.1 To identify and remove unacceptable risks to human health and the environment**

3.1.1 The Council's starting point will be that land is not contaminated land unless there is reason to consider otherwise. Only land where unacceptable risks are clearly identified, after a risk assessment has been undertaken in accordance with the Statutory Guidance, will be considered as meeting the Part 2A definition of contaminated land.

3.1.2 The Council may need to decide whether and how to act in situations where such decisions are not straightforward, and where there may be unavoidable uncertainty underlying some of the facts of each case. In so doing, the Council will use its judgement to strike a reasonable balance between:

(a) dealing with risks raised by contaminants in land and the benefits of remediating land to remove or reduce those risks; and

(b) the potential impacts of regulatory intervention including financial costs to whoever will pay for remediation (including the taxpayer where relevant), health and environmental impacts of taking action, property blight, and burdens on affected people.

#### **3.2 To seek to ensure that contaminated land is made suitable for its current use**

3.2.1 The Council will take a precautionary approach to the risks raised by contamination, whilst avoiding a disproportionate approach given the circumstances of each case. The aim will be to consider the various benefits and costs of taking action, with a view to ensuring that the intervention produces net benefits, taking account of local circumstances in each case.

#### **3.3 To ensure that the burdens faced by individuals, companies and society as a whole are proportionate, manageable and compatible with the principles of sustainable development**

3.3.1 The Council will take a strategic approach to carrying out its inspection duty. This approach will be rational, ordered and efficient, and it will reflect local circumstances in Exeter. It is set out in this Strategy, which has been formally adopted and published. The Strategy will be kept under periodic review to ensure it remains up to date, especially in the event of changes to the Statutory Guidance. The Council will aim to review the Strategy at least every five years.

3.3.2 The Council will seek to minimise unnecessary burdens on the taxpayer, businesses and individuals; for example by encouraging voluntary action to

deal with land contamination issues as far as it considers reasonable and practicable. This will involve taking a broader approach to dealing with land contamination including through the planning system. The Council will seek to use Part 2A only where no appropriate alternative solution exists.

## **4. A Description of Relevant Aspects of Exeter City Council's Area**

4.1 Exeter is a compact city of 4774 hectares largely constrained by hills. The topography of the city and surrounding countryside form three distinct zones. There are ridges of high ground in the north with steep-sided river valleys, then a central zone of gentle south and east-facing slopes and thirdly the flood plain of the River Exe which forms a level tract across the district from the west, towards the estuary in the south east. Specific characteristics of the city will be discussed below under the headings of Sources, Pathways and Receptors.

### **4.2 Contamination Sources**

4.2.1 The first recognised settlement at Exeter was a fortress housing the 2<sup>nd</sup> Augusta Legion constructed in c. 50 A.D. on a spur overlooking the river. From that start, Exeter has grown into the regional capital, expanding to include surrounding villages and farmsteads.

4.2.2 At first, industrial activity consisted mainly of small-scale cottage or “back yard” establishments serving local needs but the growth of the Devon woollen industry meant that by the 17<sup>th</sup> and 18<sup>th</sup> centuries Exeter's commerce and industry was of national prominence. The city's early industrial heritage from this time includes the quay area, mills and Exeter Ship Canal.

4.2.3 Into the 19<sup>th</sup> century, Exeter maintained an industrial base fit to serve its population and its large, mainly agricultural, hinterland. Development focussed around the expansion of the canal and the coming of the railways with the growth of industrial areas to the west of the river, near the canal basin and railway. However Exeter did not develop into a significant industrial base during the Industrial Revolution

4.2.4 During the Second World War around 38 acres of developed land was damaged by bombs. After the war, planned major reconstruction included the relocation of employment uses to the Marsh Barton, Sowton and Pinhoe industrial estates on the periphery of the City and the construction of the Western Way inner bypass. Subsequent development has been focussed on commercial investment with the construction of shopping centres, offices and warehouse buildings rather than large-scale industry.

4.2.5 Construction materials have been extracted and produced in Exeter throughout its history, including quarrying of volcanic stone at Rougemont and red breccia from eastern Heavitree. Local clays and brickearth have been quarried for brick and tile production, pottery and to make clay moulds and vessels for use in local industrial processes. With the building boom of the 18<sup>th</sup> and 19<sup>th</sup> Centuries, large clay pits and brickworks opened to the

east of the City. Many of these former pits were subsequently filled, either with brickworks waste or refuse.

- 4.2.6 Small and medium scale industry has therefore been present since the Roman period. Known former land uses that have the potential to cause contamination include; gasworks, slaughterhouses, brickworks, foundries, railway land, landfill sites, tanneries, Ministry of Defence land, sewage treatment plants, petrol filling stations and timber treatment yards.

### **4.3 'Background' and 'Normal' Levels of Contamination**

- 4.3.1 Natural geology and common, widespread human activities have resulted in levels of contamination which can be considered as 'normal' or 'background' for a certain area. The British Geological Survey's project on Normal Background Concentrations of Contaminants includes central Exeter within the urban domains for background levels of Benzo a Pyrene, Mercury, Cadmium, Copper and Lead. Areas of mineralisation domains are located within the city boundary for nickel, copper and arsenic.

### **4.4 Pathways**

- 4.4.1 Contamination pathways, or routes by which contamination can move in the subsurface are affected by the underlying soils, geology and hydro-geology. In Exeter, the oldest solid formations are located in the north, with younger units overlying towards the south and east. Figure 1 summarises the main units.
- 4.4.2 The oldest rocks are Late Carboniferous folded shales and subordinate thin beds of hard sandstone which form part of the Culm Measures and are known locally as the Crackington Formation. Overlying these in the central and southern parts of the City area are Late Permian New Red Sandstones. The lowest beds are the fine clayey sands of the Whipton Formation which are succeeded by the Alphington and Heavitree breccias. These breccias consist of gravel fragments of a variety of rock types including sandstone, slate, vein quartz and igneous debris in a matrix of red, silty or clayey sand. A small area of Dawlish Sandstone is included within the east of the city.
- 4.4.3 In three places along the boundary between the Crackington Formation and Whipton Formation are small outcrops of volcanic lava known as "Exeter Traps" or in more recent terminology as the Exeter Volcanic Rocks. One such outcrop forms the high ground on which Rougemont Castle stands.
- 4.4.4 Groundwater flow within the Crackington Formation and the Breccias is mainly fissure and fracture-borne. The Dawlish Sandstone flow mechanisms are intergranular and fracture flow and they tend to be highly permeable.
- 4.4.5 Soils developed on the Crackington Formation are mostly of clay with a variable proportion of fragments of hard sandstone. In many places the bedrock is covered by up to 2m or more of Head, which is weathered rock debris, including clay, silt sand and fragments of shale and sandstone. Soils

over the New Red Sandstone units are mostly sandy or gravel rich loams and commonly red-brown in colour. Again, up to 2m or more of Head can cover the bedrock. The modern channel of the River Exe is surrounded by deposits of alluvium, commonly silt, clay and sand with some peat in places, and resting on coarse gravel. Eight elevated gravel river terrace deposits have been identified.

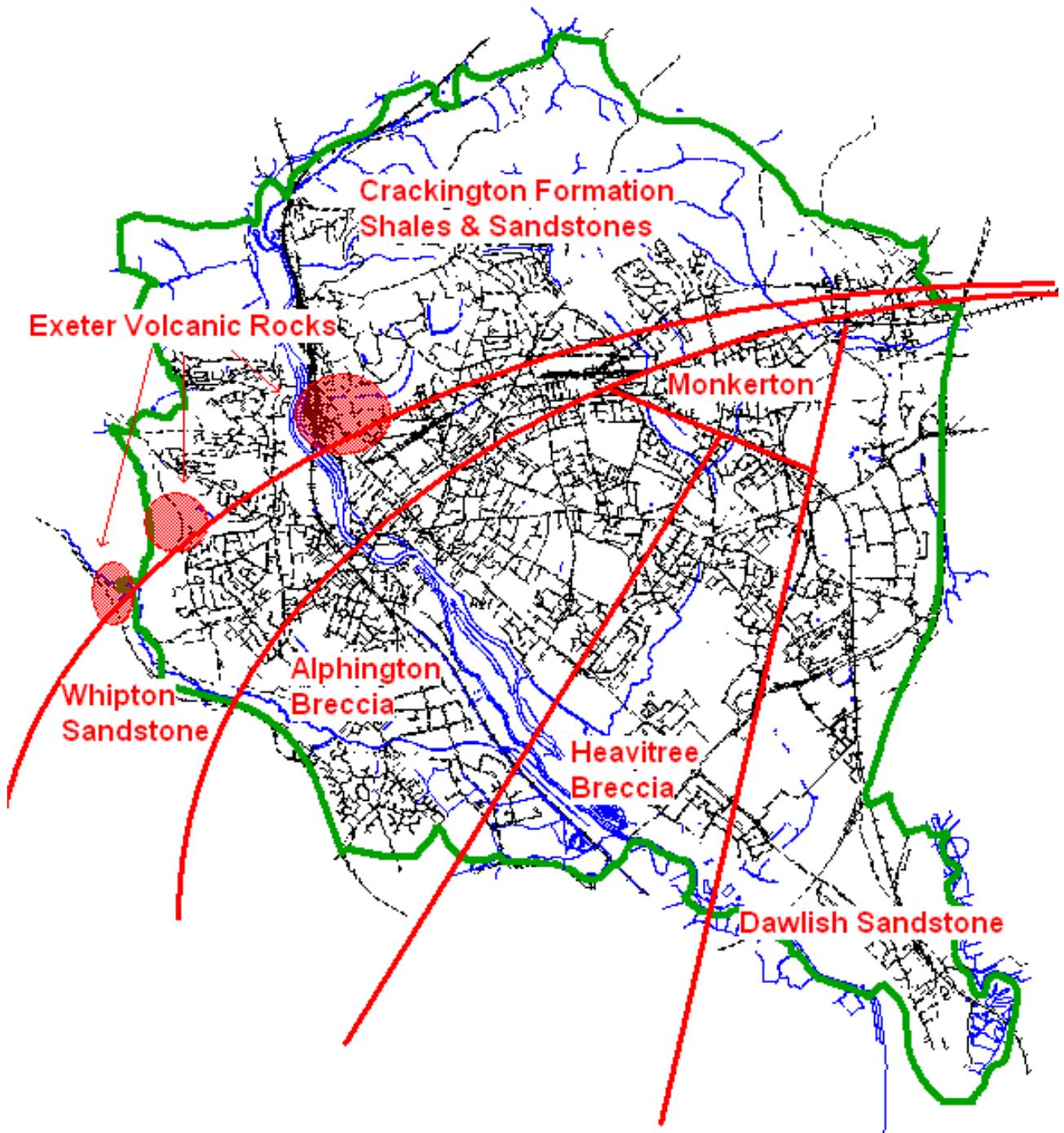
- 4.4.6 The risks of pollution from a given activity vary from place to place as they depend on the physical, chemical and biological properties of the underlying soil and rocks. These make the groundwater in different areas more or less vulnerable to pollution. The Environment Agency has produced 'Groundwater Vulnerability' maps. Groundwater vulnerability depends on factors such as: infiltration through the soil zone, soil leaching class, drift cover and unsaturated zone thickness. The Groundwater Vulnerability maps classify the majority of the geological formations underlying Exeter as being of high vulnerability.
- 4.4.7 The Dawlish Sandstone is the only 'Principal Aquifer' underlying Exeter. It is mainly overlain by well drained sandy and coarse loamy soils. These afford little protection to the sandstone aquifer, and thus contribute to its 'high' vulnerability class.

## **4.5 Receptors**

- 4.5.1 The urban area of Exeter originally consisted of the land within the old city walls, where most properties represented both trade and residential uses. From the 19<sup>th</sup> Century the city began to develop residential quarters, for example, at Newtown, Mount Pleasant, St Thomas and lower Pennsylvania. This accelerated in the twentieth Century, particularly between the wars, with demand growing for improved housing with larger gardens along the radial routes into the City. At this time many of the City's slum dwellers were rehoused in newly built council housing estates on the edge of the city at Stoke Hill, Countess Wear, Whipton Barton and Redhills. However, in the 1990s and 2000s greater emphasis was placed upon reusing 'brownfield land' rather than new Greenfield development. This returned residential receptors to areas of close proximity to potential contamination sources.
- 4.5.2 Approximately 1735 hectares of land, 36.8% of the City's area, is designated as 'Green Areas.' This includes designated Valley Parks, with open public access, which make up 4% of the city area, approximately 40 hectares of allotment sites, and over 100 hectares of parks and play areas.
- 4.5.3 Exeter contains a rich variety of wildlife habitats. This is due to a combination of geology/topography and geography. The Exe Estuary is designated as an internationally important wetland area under the RAMSAR Convention on Wetlands and also as a Special Protection Area under the E.C. Birds Directive. There are three SSSIs in Exeter, the Exe Estuary, Stoke Woods and Bonhay Road and a proliferation of SNCIs which have nature conservation value at a regional/county and City level and SLINCS which are important at the City level.

- 4.5.4 Exeter contains 20 Scheduled Monuments (SMs) designated under the Ancient Monuments and Archaeological Areas Act 1979 and the central area of the City is designated as an Area of Archaeological Importance (AAI).
- 4.5.5 The Environment Agency's aquifer designation of the rocks beneath the city is shown in Table 1.
- 4.5.6 The water supply for the City is taken from the River Exe but this is at a point outside the Council boundary, and there is no public groundwater extraction for drinking water supplies. There are two private water supplies in the City used for drinking water. These are both for commercial premises and are regulated and maintained in accordance with the Private Water Supply Regulations 2009.

Figure 1 Exeter's Solid Geology



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Table 1 Aquifer Designation

| Unit                                                       | Classification                                                                                                                                                                                | Description                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Culm Measures (Crackington Formation)                      | Secondary A bedrock aquifer                                                                                                                                                                   | Permeable layers capable of supporting water supplies at a local rather than strategic scale, and in some cases forming an important source of base flow to rivers.                                                                                                                                                                                                       |
| Lower Permian Basal Breccias, Conglomerates and Sandstones | Secondary A bedrock aquifer and named in Schedule 2, Regulation 3(c) of the Contaminated Land Regulations 2000.                                                                               | Permeable layers capable of supporting water supplies at a local rather than strategic scale, and in some cases forming an important source of base flow to rivers.<br>And<br>Sites underlain by these strata may, depending on the nature of the contamination present, be classified as Special Sites.                                                                  |
| Lower Permian Basal Breccias, Conglomerates and Sandstones | Lower Permian Basal Breccias, Conglomerates and Sandstones (Dawlish Sandstone), Principal Bedrock Aquifer and named in Schedule 2, Regulation 3(c) of the Contaminated Land Regulations 2000. | These are layers of rock deposits that have high intergranular and/or fracture permeability, meaning they usually provide a high level of water storage. They may support water supply and/or river base flow on a strategic scale.<br>And,<br>sites underlain by these strata may, depending on the nature of the contamination present, be classified as Special Sites. |
| Alluvium and head deposits                                 | Secondary A superficial aquifer                                                                                                                                                               | Permeable layers capable of supporting water supplies at a local rather than strategic scale, and in some cases forming an important source of base flow to rivers.                                                                                                                                                                                                       |
| Estuary tidal flats                                        | Undifferentiated secondary superficial aquifer                                                                                                                                                | This classification is assigned in cases where it has not been possible to attribute either category A or B to a rock type.                                                                                                                                                                                                                                               |

#### 4.6 Land ownership

4.6.1 The Council owns between 15 and 20% of the land area of the City. Most of the valley parks and playing fields are in Council ownership, including some that were formerly landfill sites. The majority of these are now managed operated on a day to day basis by Devon Wildlife Trust. The Council also holds the freeholds for much of the city centre which was damaged as a result of the blitz and significant parts of the Marsh Barton and Exhibition Way Trading Estates. This means that the Council is the owner of some of the potentially contaminated sites in the city. The Council has also retained its own housing stock and so is a significant land owner in some residential areas of the city.

4.6.2 Devon County Council owns a number of educational sites in the city and the University of Exeter and Royal Devon and Exeter Healthcare Trust are also significant land owners.

## **4.7 Future Developments, Planning Context and Sustainable Development**

- 4.7.1 Exeter is currently growing rapidly, with significant urban extensions being built to the east and south-east of the city, including formal and informal public open space, play areas, allotments and schools as well as some commercial development. Most of this growth is on greenfield land, with only agricultural former uses (although these can represent potential contamination sources). Additional windfall sites which come forward are more likely to be on previously developed land.
- 4.7.2 In 2019 the Council published a vision document called Liveable Exeter. This outlines the potential for delivering a transformational housing programme of circa 12,000 homes in Exeter from 2020 to 2040. This development is all on previously developed land, where some level of contamination is to be expected. For the Greater Exeter area, there is a target of 53,200 new homes over the same period (this includes the 12,000 in Exeter).
- 4.7.3 Development Management decisions on all sites (including issues related to land contamination) will be made in accordance with the principles of sustainable development, the adopted Core Strategy, the National Planning Policy Framework and any Master Plan for the area. These will, as a minimum, ensure that developed land cannot be determined as contaminated land under Part 2A.
- 4.7.4 The Local Development Framework is not currently expected to include any specific planning documents relating to contaminated land. Instead, the Core Strategy DPD which was adopted in 2012 contains policies which aim to:
- Provide everyone in the community with the opportunity of living in a decent warm home of a suitable type, size and tenure for their needs, supported by the local community facilities they require, by making full and efficient use of previously developed land and delivering sustainable urban extensions to the east and southwest in co-operation with adjoining authorities.
  - Promote development that contributes to a healthy population - by implementing the Green Infrastructure Strategy and ensuring that environmental quality and air quality is protected and enhanced.

## **4.8 Health and Economic Status**

- 4.8.1 Exeter is a relatively prosperous and economically attractive city. The economy supports around 86,000 jobs and 4,500 businesses and has out-performed much of the rest of the south-west region in recent years. There are however pockets of deprivation, with small parts of the city being in the 10% most deprived areas of the country. Overall Exeter is also a healthy city, but people living in its more disadvantaged areas have comparatively poor health, as indicated by incidence of chronic illness and lower life

expectancy. No specific health impacts associated with land quality have been identified.

## 5. Strategic Inspection

- 5.1 Strategic inspection involves collecting information to make a broad assessment of land within an authority's area and then identifying priority land for more detailed consideration. The Council will prioritise land which it considers most likely to pose the greatest risk to human health or the environment, recognising that all soils contain substances which could be harmful to such receptors, but in the very large majority of cases the level of risk is likely to be very low. For this purpose, "risk" will be taken to mean the combination of:
- (a) the likelihood that harm, or pollution of water, will occur as a result of contaminants in, on or under the land; and
  - (b) the scale and seriousness of such harm or pollution if it did occur.
- 5.2 If the Council identifies land where it considers there is a reasonable possibility of unacceptable risk it will undertake detailed inspection of the land to obtain sufficient information to decide whether it is contaminated land, subject to the Council's prioritisation of sites for detailed inspection.
- 5.3 If at any stage the Council considers, on the basis of information obtained from inspection activities, that there is no longer a reasonable possibility that a significant contaminant linkage exists on the land, it will not carry out any further inspection in relation to that linkage. In some cases the process of strategic inspection, including prioritisation of detailed inspection activities, may give rise to property blight issues. The Council will seek to minimise or reduce such potential blight as far as it considers reasonable. Notwithstanding the above, strategic inspection of sites will be reviewed where appropriate in the event of significant changes to legislation or guidance, or relevant new information becoming available.
- 5.4 When undertaking strategic inspection, the Council will consider potential sources, pathways and receptors in a rational, ordered and efficient manner. A repeatable, transparent, and risk-based methodology will be used, based upon any identified pollution linkages and having regard to good practice guidance. Strategic Inspection will form part of a robust decision-making process which complies with Part 2A and the Statutory Guidance. IT and GIS systems will be used to undertake and document the process.
- 5.5 However the Council will not investigate potentially contaminated land solely using Part IIA. It is envisaged that the planning and building control systems will be used in the majority of occasions to ensure land is made suitable for use when it is redeveloped, and/or to encourage land owners to deal with problematic land as part of wider regeneration work. This broader approach may include encouraging polluters/owners of land affected by contamination to deal with problems without the need for Part 2A to be used directly. Other approaches used may also include the regimes for waste, water, and

environmental permitting; and the Environmental Damage (Prevention and Remediation) Regulations 2009.

## **5.6 Progress with Strategic Inspection since Publication of the 2001 Strategy**

- 5.6.1 Since 2001, the Council has identified over 1300 sites where there may be contamination sources, with initial information on potential pathways and receptors for all of these. The Council has detailed information on potential pollutant linkages for some of these sites, either where strategic inspection has progressed as a result of sites being higher up the prioritisation list, or where information has come forward as part of the planning process.

## **5.7 Strategic Inspection 2022 - 2027**

- 5.7.1 There is a continued need to seek further information on potential pollutant linkages, in order to refine the prioritisation of sites for detailed inspection, until the point where it becomes clear that land is not contaminated. The Council will progress this work, in accordance with the principles outlined above, during the next five years.

## **6. Detailed Inspection and Remediation Activity**

6.1 The Council will undertake detailed inspection of land to obtain information on ground conditions and to carry out risk assessments to support decisions under the Part 2A regime. As with strategic inspection, the Council will focus on land which might pose an unacceptable risk and consider risk as the combination of:

(a) the likelihood that harm, or pollution of water, will occur as a result of contaminants in, on or under the land; and

(b) the scale and seriousness of such harm or pollution if it did occur.

6.2 The Council will use risk assessment to make robust decisions, having regard to good practice guidance and based on information which is:

(a) scientifically-based;

(b) authoritative;

(c) relevant to the assessment of risks arising from the presence of contaminants in soil; and

(d) appropriate to inform regulatory decisions in accordance with Part 2A, the Statutory Guidance and local circumstances.

6.3 The timing of detailed inspection will be subject to the Council's prioritisation following strategic inspection. If at any stage the Council considers, on the basis of information obtained from inspections, that there is no longer a reasonable possibility that a significant contaminant linkage exists on the land, it will not carry out any further inspection in relation to that linkage.

6.4 Where the Council carries out any intrusive investigation, it will do so in accordance with appropriate good practice technical procedures for such investigations.

6.5 When deciding whether a site meets the definition of Contaminated Land, the Council will also have regard to the financial costs to whoever will pay for remediation (including the taxpayer where relevant), health and environmental impacts of taking action, property blight, and burdens on affected people. All decisions made will be rational, ordered, efficient and fully documented.

### **6.6 Liaison with Landowners and Powers of Entry**

6.6.1 The Council will consult the landowner before inspecting the land unless there is a particular reason why this is not possible, for example because it has not been possible to identify or locate the landowner. The Council will

be open to moves by the landowner (or some other interested party) to help resolve the status of the land themselves. For example, the Council may decide that the land is, or is not, contaminated land on the basis of information provided by the land owner or other interested party, provided the Council is satisfied with the robustness of the information.

- 6.6.2 Where the owner refuses access, or the landowner cannot be found, the authority will consider using statutory powers of entry. Before doing so, the Council will first satisfy itself that there is a reasonable possibility that a significant contaminant linkage may exist on the land and will comply with the requirements of the legislation and the Statutory Guidance.

### **6.3 Special Sites and Detailed Inspection by the Environment Agency**

- 6.3.1 If the Council identifies land which it considers (if the land were to be determined as contaminated land) would be likely to be designated as a special site, it will consult the Environment Agency and, subject to the Agency's advice and agreement, arrange for the Agency to carry out any intrusive inspection of the land on its behalf. If necessary, the Council will authorise a person nominated by the Agency to exercise the powers of entry conferred by section 108 of the Environment Act 1995. The Agency will be expected to carry out any intrusive investigations in accordance with appropriate good practice technical procedures for such investigations.

- 6.3.2 It should be noted that where the Environment Agency carries out an inspection on behalf of the Council, the Council's regulatory functions under Part 2A and the Statutory Guidance remain the Council's sole responsibility. The Agency should advise the Council of its findings in order to enable the Council to carry out these responsibilities.

### **6.4 Using External Expertise during Detailed Inspection**

- 6.4.1 The process of detailed inspection and risk assessment in complex cases may raise issues which are beyond the expertise of any one person. There may be little need to consult others in cases where risks are clearly high or low or where the authority has sufficient internal expertise, but in more complex cases the Council will consider whether to bring in external expertise. The person(s) consulted will depend on the circumstances of the land, and the expertise required and could include other relevant experienced practitioners from Local Authorities or specialist consultants. When choosing to consult, the Council will strive as far as possible to ensure that the person consulted is appropriately qualified and competent to undertake the work.
- 6.4.2 The Council will be mindful that although external experts may advise on regulatory decisions under the Part 2A regime, the decisions themselves remain the Council's sole responsibility.

## **6.5 Normal Levels of Contamination**

6.5.1 The Statutory Guidance is clear that normal levels of contaminants in soil should not be considered to cause land to qualify as contaminated land, unless there is a particular reason to consider otherwise. Therefore, if it is established that land is at or close to normal levels of particular contaminants, it should usually not be considered further in relation to the Part 2A regime. The Council will have regard to the relevant paragraphs of the Statutory Guidance when considering normal levels of contamination and local circumstances.

## **6.6 Recognising and Handling Uncertainty**

6.6.1 The Council understands that all risk assessments of potentially contaminated land will involve uncertainty, for example scientific uncertainty over the effects of substances, or assumptions about exposure to substances. When undertaking detailed inspection, the Council will recognise uncertainty and seek to minimise it as far as is relevant, reasonable and practical. Despite this, uncertainty is likely to remain and the Council will be aware of the assumptions and estimates that underlie the risk assessment, and the effect of these on its conclusions.

6.6.2 The Statutory Guidance says that:  
‘the uncertainty underlying risk assessments means there is unlikely to be any single “correct” conclusion on precisely what is the level of risk posed by land, and it is possible that different suitably qualified people could come to different conclusions when presented with the same information. It is for the [Council] to use its judgement to form a reasonable view of what it considers the risks to be on the basis of a robust assessment of available evidence in line with this Statutory Guidance’.

## **6.7 Remediation Activity**

6.7.1 During detailed inspection, and when determining whether land meets the definition of “contaminated land”, the Council may consider the likely direct and indirect health benefits and impacts of remediation. This could include any risks from contaminants being mobilised during the works, stress-related health effects, and whether the benefits would outweigh the social, financial and economic costs. The Statutory Guidance explains that such an assessment does not need to be a quantified or detailed cost-benefit or sustainability analysis. Rather the Council should make a broad consideration of factors it considers relevant to achieving the aims of Part 2A, the Statutory Guidance and this Strategy.

6.7.2 Once land has been determined, the enforcing authority must consider how it should be remediated and, where appropriate, issue a remediation notice to require such remediation. (The enforcing authority for the purposes of remediation may be the Council, or the Environment Agency, if the land is deemed to be a “special site”).

- 6.7.3 The Council will have regard to the relevant provisions of Part 2A, the Statutory Guidance and its own aims and objectives within this Strategy when it is:
- (a) deciding what remediation action it should specify in a remediation notice;
  - (b) satisfying itself that appropriate remediation is being, or will be, carried out without the service of a notice; or
  - (c) deciding what remediation action it should carry out itself.

## **6.8 Progress with Detailed Inspection and Remediation since Publication of the 2001 Strategy**

- 6.8.1 Since 2001, the Council has undertaken detailed inspection of 13 sites within its ownership. This has not identified that any meet the Part 2A definition of “contaminated land”.
- 6.8.2 The Council has either been consulted about or is aware of voluntary detailed inspection by the owners of a small number of sites (less than 10).
- 6.8.3 The Council does not record the number of sites where detailed inspection has been conducted as part of the planning process, and whether these have required remediation. Consultation on such sites certainly makes up the significant majority of the contaminated land workload however.

## **6.9 Detailed Inspection and Remediation 2022 - 2027**

- 6.9.1 The Council currently has no plans to undertake detailed inspection at any sites although further investigation is anticipated of the Clifton Hill site to inform future development of this land. The Council will continue to review detailed assessment and remediation works undertaken voluntarily, or through the planning process.
- 6.9.2 Detailed Inspection of sites, if required, will be undertaken in accordance with the principles outlined above. If at any stage the Council considers, on the basis of information obtained from inspection activities, that there is no longer a reasonable possibility that a significant contaminant linkage exists on the land, it will not carry out any further inspection in relation to that linkage. Notwithstanding the above, detailed inspection of sites will be reviewed where appropriate in the event of significant changes to legislation or guidance, or relevant new information becoming available.

## **7. Risk Summaries, Communication and Documentation**

### **7.1 Part 2A Documentation**

- 7.1.1 Part 2A and the Statutory Guidance require local authorities to produce a range of notices, documents and information at various stages in the process of dealing with land contamination. The Council will comply with these requirements when taking any action under Part 2A, and will seek advice from the Council's legal team where appropriate.
- 7.1.2 The most common piece of documentation, which was introduced by the 2012 revision to the Statutory Guidance, will be the Risk Summary. This must be produced for any land which, on the basis of a risk assessment, the authority may be likely to determine. Risk Summaries are not required for land which will not be determined as contaminated land or land which has been prioritised for detailed inspection but which has not yet been subject to risk assessment. Notwithstanding this, the Council will seek to ensure that all decisions made on land contamination are accurately recorded and described.
- 7.1.3 The Statutory Guidance sets out what must be included in a Risk Summary, and makes it clear that the document must describe the risks identified, and set the risks in context, for example by describing the risk from land contamination relative to other risks that receptors might be expected to be exposed to in any case. It should include a discussion of the uncertainties involved and be understandable to the layperson.

### **7.2 Consultation with Landowners**

- 7.2.1 The Council will consult the landowner before inspecting any land unless there is a particular reason why this is not possible. In accordance with the aims of this Strategy, the Council will seek to ensure that Risk Summaries and all other information is produced in a timely fashion, and bearing in mind the potential impacts of regulatory involvement including health impacts, property blight, and burdens on affected people. Specialist advice will be sought where necessary on the communication of risks and detailed technical information to the public.

### **7.3 Complaints and Notifications by Third Parties**

- 7.3.1 The Council may also receive information about sites from interested parties other than the land owner, for example by complaints from neighbours etc. Complaints will be dealt with following the procedures adopted by the Council for dealing with public health nuisances. It is normal Council policy that anonymous complaints will not be investigated. However, in the case of contaminated land any information received will be recorded and evaluated

by Environmental Health and Community Safety to determine the need for further investigation. Complaints may also take the form of anecdotal rather than factual information. In these cases the information will be recorded and evaluated. The information provider will not automatically be kept informed of action taken by the Council as a result of the receipt of this information.

#### **7.4 Contaminated Land Register**

- 7.4.1 The Contaminated Land Public Register will be held by Environmental Health Services. The information placed on the register will be maintained in accordance with the legislation and the Statutory Guidance. This includes information which may be excluded on the grounds of national security or commercial confidentiality.

#### **7.5 Providing Information to Third Parties**

- 7.5.1 The City Council receives enquiries from third parties requesting information about individual sites, or sites within a small radius (<500m) of a certain address. The Council will respond to any such written enquiries with the information available in Council files and databases, and in accordance with the Freedom of Information Act (2000) and the Environmental Information Regulations (2004). The Council will charge for time spent in responding to these enquiries. The charge will be reviewed annually by the Environmental Health and Community Safety manager.
- 7.6 If enquiries are received requesting copies of the Council's entire database of sites, or wanting information about large areas of the city, then these will be considered on a case by case basis by the Environmental Health and Community Safety manager.

## **8. Procedures**

8.1 Some relevant procedural aspects of contaminated land work are discussed below. More detailed procedures will be maintained where appropriate by the Environmental Health and Community Safety manager.

### **8.2 Internal Management Arrangements for Inspection and Determination**

8.2.1 Implementation of Part 2A is the responsibility of the Environmental Health and Community Safety manager as the lead officer. The strategy will be implemented by the officers of this section. The Environmental Health and Community Safety manager has delegated powers to serve and sign Remediation Notices. The holder of this post may consult with the Legal team where appropriate. Members will be updated via the Scrutiny Committee. Where the Council is liable for remediation work a report will be presented to the Council's Executive prior to the commencement of any work.

### **8.3 Contaminated Land and Development Management**

8.3.1 Officers from Environmental Health and Community Safety screen all applications that are received and validated by City Development. Where an application relates to a site where contamination is known or suspected, or is for a sensitive end use, officers will make appropriate comments to the Planning Officer. This could include requesting additional information prior to determination, drafting a suitable condition for any planning consent, or commenting on any submitted report(s). In accordance with the NPPF, officers will ensure that the Development Management process delivers sites that are suitable for their new use. However responsibility for securing a safe development rests with the developer and/or landowner.

8.3.2 There are similar inter-department links between Environmental Health and Community Safety and the Building Control Officers of City Development. Where Building Control Officers are made aware of land contamination the views of Environmental Health and Community Safety officers are sought and acted upon.

### **8.4 Dealing with Urgent Sites**

8.4.1 During the work of Environmental Health and Community Safety, sites may come forward which require urgent remediation action, or where continued development may necessitate remedial action and it is not clear that the developer or land owner will achieve this.

8.4.2 In the case of Part 2A investigation, this will include sites where it appears that there is an imminent danger of serious harm or serious pollution of controlled waters being caused as a result of a significant pollutant linkage

which has been identified. In these cases the Council will expedite action as far as is possible and in accordance with the legislation and the Statutory Guidance. It may undertake remediation action itself, where consistent with the aims of this Strategy. Prior to undertaking any action, cases would be referred to the Environmental Health and Community Safety Manager and elected members if it is felt to be appropriate, or if authorisation is needed for any expenditure.

8.4.3 In the case of sites being remediated through development, planning enforcement procedures and notices will be used where necessary and as agreed with City Development to ensure that any planning conditions are complied with.

8.4.4 Notwithstanding the above, it will remain the Council's aim to encourage voluntary investigation and remediation of sites where possible.

## **8.5 Exeter City Council Interests in Land**

8.5.1 When dealing with Council owned land it is important that there is close liaison between all the relevant officers for example in Environmental Health, Estates, Legal and Planning and that land contamination issues are considered early in any acquisition, disposal or development process.

8.5.2 As discussed above, risk assessment work has been undertaken for a number of sites in Council ownership which has concluded that none of these sites meet the Part 2A definition of "contaminated land".

8.5.3 Prior to acquiring any new land, detailed investigations will be necessary to ensure that the Council is not inheriting a contamination liability. The Council will seek warranties where appropriate and following advice from Legal Services. When adopting public open space on development sites, the Council will use Section 106 Agreements and planning conditions to ensure that an appropriate level of site investigation and remediation has taken place prior to adoption.

8.5.4 The process of site investigation detailed above will enable the Council, as landowner, to make more informed decisions about its future land dealings and the steps it needs to take in either disposing of, or letting land in future. Individual negotiations that would take place on either disposal or letting would be a matter for the parties to discuss in each case and the outcome may be very different depending upon the particular circumstances.

## **9. Contaminated Land 2022-2027**

9.1 This strategy will be reviewed in 2027, or following a significant change to legislation or guidance (whichever is the sooner). In the next five year period, the Council will:

- Seek further information on potential pollutant linkages, in order to refine the priority of sites for detailed inspection, until the point where it becomes clear that land is not contaminated.
- Review strategic and detailed inspection information in the light of changes to legislation or guidance, as deemed necessary.
- Undertake its contaminated land functions in accordance with legislation, guidance and this Strategy, having particular regard to the overall aims and objectives of the Strategy.

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## Equality Impact Assessment: Contaminated Land Strategy 2022 to 2027

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.

### 1. Key recommendations:

That Executive:

- 1) note the revised Contaminated Land Strategy.

### 2. Committee name and date:

Executive 08 February 2022 and Council 22 February 2022

### 3. Stakeholders:

The stakeholders to the Contaminated Land Strategy are the Environment Agency, those who own or occupy land affected by contamination, those seeking to develop land affected by contamination and those who have caused or knowingly permitted land to become contaminated to the extent that it meets the legal definition of Contaminated Land.

#### 4. Main beneficiaries are:

The main beneficiaries are the environment, the future occupants of land remediated through the planning process and those who occupy land which meets the legal definition of 'Contaminated Land' but are not liable for remediation of that land (for example they may be tenants who did not cause the contamination and share no liability because they are not land owners).

#### 5. Consultation:

The Council undertook consultation on the draft strategy, specifically involving the Environment Agency, Devon County Council, neighbouring authorities, Natural England and Public Health England. The consultation lasted 8 weeks. No comments were received from the public or the statutory consultees.

The final revised strategy will be presented to Executive on 8 February 2022 and Council on 22 February 2022

6. **Factors to consider in the assessment:** For each of the groups below, an assessment has been made on whether the proposed recommendation 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Race and ethnicity</b> (including Gypsies and Travellers; migrant workers; asylum seekers).                                                                                                                                             | Neutral                     | Low                        | The Strategy relates to the condition of land. Decisions are made based upon levels of contamination in the ground irrespective of the race or ethnicity of those who either occupy, own or share some responsibility for the contamination. There is no evidence to suggest that the Strategy would have a potential impact on this characteristic.                                                                                                                                                                                                                                                                   |
| <b>Disability:</b> 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. | Neutral                     | Low                        | The Strategy relates to the condition of land. Decisions are made based upon levels of contamination in the ground. There is no evidence to suggest that the Strategy would have a potential impact on this characteristic.                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Sex/Gender</b>                                                                                                                                                                                                                          | Neutral                     | Low                        | <p>The Strategy relates to the condition of land. Decisions are made based upon levels of contamination in the ground. There is no evidence to suggest that the Strategy would have a potential impact on this characteristic.</p> <p>Young female children are considered to be the most sensitive receptors for land contamination on most sites. A risk assessment is therefore likely to be conducted on the basis of understanding the harm to a 0-6 year old female child. However this does not mean that other groups receive lesser protection only that they may not receive a specific risk assessment.</p> |
| <b>Gender reassignment</b>                                                                                                                                                                                                                 | Neutral                     | Low                        | The Strategy relates to the condition of land. Decisions are made based upon levels of contamination in the ground. There is no evidence to suggest that the Strategy would have a potential impact on this characteristic.                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Religion and belief</b> (includes no belief, some philosophical beliefs)                                                                                                                                                                | Neutral                     | Low                        | The Strategy relates to the condition of land. Decisions are made based upon levels of contamination in the ground. There is no evidence to                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

|                                                                                                                                                                                                                                                                                              |         |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| such as Buddhism and sects within religions).                                                                                                                                                                                                                                                |         |     | suggest that the Strategy would have a potential impact on this characteristic.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Sexual orientation</b> (including heterosexual, lesbian, gay, bisexual).                                                                                                                                                                                                                  | Neutral | Low | The Strategy relates to the condition of land. Decisions are made based upon levels of contamination in the ground. There is no evidence to suggest that the Strategy would have a potential impact on this characteristic.                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Age</b> (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). | Neutral | Low | The Strategy relates to the condition of land. Decisions are made based upon levels of contamination in the ground. There is no evidence to suggest that the Strategy would have a potential impact on this characteristic.<br><br>Young female children are considered to be the most sensitive receptors for land contamination on most sites. A risk assessment is therefore likely to be conducted on the basis of understanding the harm to a 0-6 year old female child. However this does not mean that other groups receive lesser protection only that they may not receive a specific risk assessment. |
| <b><u>Actions identified that will mitigate any negative impacts and/or promote inclusion</u></b>                                                                                                                                                                                            |         |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <ul style="list-style-type: none"> <li>• none</li> </ul>                                                                                                                                                                                                                                     |         |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

**Officer:** Alex Bulleid  
**Date:** 10 January 2022

## REPORT TO EXECUTIVE

Date of Meeting: 8 February 2022

## REPORT TO COUNCIL

Date of Meeting: 22 February 2022

Report of: Director Net Zero Exeter & City Management

Title: Proposed variation of the Public Spaces Protection Order

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

### 1. What is the report about?

1.1 The current Public Spaces Protection Order 2017 ("PSPO") is due to expire on the 20 June 2022. This report seeks support from Executive and that Council resolves to vary Prohibition E of the Public Spaces Protection Order and then seal a new order for the maximum of 3 Years.

### 2. Recommendations:

2.1 That the Executive supports and Council resolves

- a) to vary Prohibition E of the current order following a public consultation so that any individual whether or not in a group who is causing harassment, alarm and distress may be required to leave the area of the PSPO for a maximum of 24 hours (as laid out in Appendix A);
- b) that the remaining prohibitions of the Public Spaces Protection Order and the existing boundaries remain unchanged (a copy of the full varied order is laid out in Appendix B);
- c) that the order is extended for a further period of 3 years from the commencement date of 20 June 2022; and
- d) to continue the current policy of funding received by the Council from fixed penalty notices issued for a breach of any PSPO to be ring-fenced for initiatives to address anti-social behaviour and that this funding continue to be administered through the Exeter Community Safety Partnership

### 3. Reasons for the recommendation:

3.1 There is continued justification for the Order based using data and intelligence from Devon & Cornwall Police, the Council, and the Exeter Community Safety Partnership, together with information from complaints made by the public to the Council. From this information it is clear that whilst the PSPO has had an impact since its introduction in

2017, however the prevalence of persistent and problematic anti-social behaviour continues to be relatively high in the area of the Order.

3.2 Data from Police logs and from the Exeter Business Against Crime Partnership provides evidence that anti-social behaviour complaints are of such a volume that they continue to have or are likely to have a detrimental effect on the quality of life of those in the locality, i.e. residents, workers and visitors within the PSPO area. Further to this, responses to the consultation regarding the varying of Prohibition E give first hand testimony of the impact that ASB is having on people within the PSPO area. These anti-social activities are continuing at a level that is unreasonable and justifies the continuing restrictions of the Order.

3.3 Under the PSPO control measures are used which address the anti-social behaviour without necessarily criminalising a perpetrator in breach of the Order. This could not be easily achieved without the PSPO and there is no known alternative or more effective control measures currently available. Since the introduction of the PSPO in 2017 the order has been applied in conjunction with other interventions, so it can be used to engender positive behaviour change by offering the option of a restorative or positive alternative to a penalty fine such as an Acceptable Behaviour Contract (ABC).

3.4 Where the PSPO control measures fail to improve behaviour it is used to demonstrate to the courts that every opportunity has been given to modify behaviour before resorting to other tools under the Anti-Social Behaviour, Crime and Policing Act 2014 such as Injunctions and Criminal Behaviour Orders.

3.5 When the PSPO was originally adopted it was originally anticipated that dispersal powers would only be needed for groups of two or more people behaving in a manner that has caused or is likely to cause a member of the public to suffer harassment, alarm or distress by that behaviour.

3.6 Over the last 18 months there has been a significant increase in individuals acting in such a way that has caused or is likely to cause a member of public to suffer harassment, alarm or distress by that behaviour. However authorised officers have been hampered in using the dispersal powers contained within prohibition E of the current order because the individual is not acting in a group. It is felt that amending the current order to enable authorised officers to be able to direct an individual breaching Prohibition D to leave the area of the PSPO would be an effective tool in tackling anti-social behaviour.

3.7 The current prohibition order allows an authorised officer to disperse two or more persons for up to 6 hours from all or part of the area of the Public Spaces Protection Order. Whilst this has proved an effective time period for some cases, there have been a significant number of cases where 6 hours has unfortunately not been effective and subsequent breaches have occurred. The proposal seeks to vary the time period for up to 24 hours for either a direction to leave made to an individual and or a dispersal order for two or more persons.

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

4.1 Operationally, the Police will continue to be the principal agency enforcing the PSPO powers on the ground. The number of Fixed Penalty Notices (FPNs) issued and the

resultant income (estimated £5,200 to date) is expected to continue be small, and it is proposed that income from FPNs will continue to be ring-fenced for use by the Exeter Community Safety Partnership to support Community Safety initiatives within the City. Therefore, any intervention and enforcement costs in pursuit of breaches of the Order will continue to be met by existing Police and/or Council resources.

4.2 Should the Council decide to vary the Public Spaces Protection Order, then there would be additional financial resource needed in meeting the legal requirements set down under the Anti-Social Behaviour, Crime and Policing Act 2014. These costs would include the necessary legal steps, the removal and replacement of all signage in the PSPO area and the amendment of necessary paperwork used in the dispersal process. This cost is estimated to be around £5,000 to £6,000.

## **5. Section 151 Officer comments:**

5.1 It is expected that the funding required will be covered from existing resources and potentially external contributions.

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

6.1 The provisions relating to PSPO powers fall under the Anti-Social Behaviour, Crime and Policing Act 2014.

6.2 Section 61 of the Act provides that where a public spaces protection order is in force, the local authority that made the order may vary it by altering or removing a prohibition or requirement included in the order, or adding a new one.

6.3 Section 61 also states that a local authority may make a variation that makes a prohibition or requirement more extensive, or adds a new one, only if the prohibitions and requirements imposed by the order as varied are reasonable:

- a. to prevent the detrimental effect from continuing, occurring or recurring, or
- b. to reduce that detrimental effect or to reduce the risk of its continuance, occurrence or recurrence.

6.4 Where an order is varied, the order as varied must be published in accordance with regulations made by the Secretary of State.

6.5 Section 60 of the Act provides that a PSPO may be extended (section 60 (2)) 'if satisfied on reasonable grounds that doing so is necessary to:

- a) prevent occurrence or recurrence after that time of the activities identified in the order, or
- b) an increase in the frequency or seriousness of those activities after that time'.

6.6 The extension may only be for a maximum period of 3 years but Section 60 (4) provides that it may be extended under section 60 more than once.

6.7 Officers are satisfied that there are sufficient grounds to extend the PSPO for a further 3 years, to prevent occurrence and reoccurrence of the prohibitions outlined in the current order.

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

7.1 The Monitoring Officer has no additional comments.

## **8. Report details:**

8.1 The Anti-Social Behaviour, Crime and Policing Act 2014 introduced powers to tackle anti-social behaviour, including Public Spaces Protection Orders. Public Spaces Protection Orders (PSPOs) are intended to deal with a particular nuisance or problem in a particular area that is detrimental to the local community's quality of life, by imposing conditions on the use of that area which apply to everyone. They are designed to ensure the law-abiding majority can use and enjoy public spaces, safe from anti-social behaviour.

8.2. These orders are flexible and can be applied to a much broader range of issues, with local authorities having the ability to design and implement their own prohibitions or requirements where certain conditions are met. These conditions centre on the impact to the quality of life in the locality, persistence, and whether the impact makes the problem behaviour unreasonable.

8.3 The Exeter PSPO was introduced in from 20 June 2017, with one year extensions being granted in 2020 and 2021.

8.4 From the adoption of the PSPO until the end of 2021, the following uses of the powers have taken place:

- 49 Fixed Penalty Notices issued for street urination.
- 592 people have been dispersed using the powers.
- 34 prosecutions have been taken for breaches of the PSPO prohibitions.
- 5 caution was also issued for a breach of PSPO prohibition
- The powers of surrendering alcohol are used on a daily basis by officers, however records are not kept of the use of this prohibition as most people voluntarily surrender

8.5 The Police reported 2066 antisocial behaviour logs in the PSPO areas in 2017; 2036 in 2018; 1761 in 2019; 1867 in 2020 and 1024 in 2021 and whilst this shows a year on year reduction in logs not all concerns are logged with police. The Exeter Business Against Crime (EBAC) partnership recorded 1193 incidents of anti-social behaviour in 2017 within the PSPO area, 1320 in 2018, 1678 in 2019, 1410 in 2020 and 1817 in 2021. It should be noted that despite less footfall in the PSPO area due to Covid-19 restrictions, anti-social behaviour reports have not significantly decreased.

8.6 Under the Act, in deciding upon the making, varying or extending of a PSPO the Council must have particular regard to the rights of freedom of expression and freedom of assembly set out in Articles 10 and 11 of the Convention under section 21(1) of the Human Rights Act 1998. In terms of the joint protocol on enforcement and positive/restorative pathways for the PSPO, and the training that takes place, the importance of these two freedoms is made explicit. In addition, both the protocol and training have regard to Article 1 of the First Protocol of the Human Rights Act 1998 (protection of property) in relation to the surrendering of intoxicants to authorised persons, contained within the PSPO.

8.7 In practical terms, this means that the application of the PSPO is not used to restrict a lawful Trade Union picket, an organised peaceful protest, a religious assembly, or someone preaching in a public space. Nor is it used to confiscate alcohol from someone who had just made a purchase from an off-licence with the intention of taking that purchase home for consumption.

8.8 This report seeks to vary Prohibition E with respect to dispersal powers.

8.9 The current prohibition states:

**Persons within this area who breach Prohibition D while in a group shall when ordered to do so by an authorised person disperse either immediately or by such time as may be specified and in such a manner as may be specified.**

*The manner specified by the authorised person may include a requirement not to re-enter a defined zone within the PSPO area until a certain time, which shall be no later than 6 hours from the time that an authorised person orders persons in a group to disperse.*

8.10 The report proposes to vary the prohibition to state:-

**Person or persons within this area who breach Prohibition D shall when ordered to do so by an authorised person leave the area either immediately or by such time as may be specified and in such a manner as may be specified**

*The manner specified by the authorised person may include a requirement not to re-enter a defined zone within the PSPO area until a certain time, which shall be no later than 24 hours from the time that an authorised person orders a person to leave the area and or persons to disperse from that area.*

8.11 Exeter, much like other towns and cities nationally, has a persistent and recurring issue of anti-social behaviour in the City centre, particularly in the summer months. There is support from the Police and the Police and Crime Commissioner's Office for the variation and continuation of the PSPO (see Appendix D).

8.12 Responses to the consultation have also been received from the Chief Constable (Appendix E), Local Policing Commander (Appendix F), InExeter (Appendix G), Exeter Business Against Crime (Appendix H) and Public Health Devon (Appendix I).

8.13 In addition, 8 residents or business representatives also contributed to the consultation. Redacted responses can be found at Appendix J.

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

9.1 The main contribution of the designation of a PSPO is to reduce problematic anti-social behaviour in the City Centre, and in so doing it supports the corporate priorities of 'promoting active and healthy lifestyles' and 'building great neighbourhoods'.

9.2 In achieving this, it is necessary to work with partners who make up the Community Safety Partnership to ensure that any Order is effectively implemented alongside other interventions.

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

10.1 Any legal challenge presents a risk to the Authority. The legislation supporting implementation of the new Orders states that “interested persons” may challenge the validity of any Order in the High Court. This means that the Council could face a challenge against its decision to make the Order. An application of this nature must be made within six weeks beginning on the day the Order is made or varied. The grounds upon which a challenge could be made are:

- that the local authority did not have the power to make the order or variation, or to include particular prohibitions or requirements imposed by the order (or by the order as varied);
- that a requirement under this part of the legislation was not complied with in relation to the order or variation.

The High Court has the power to suspend, quash, amend or uphold the order.

10.2 This risk has been mitigated by the Council adhering to the provisions of the Act with regard to the formulation, consultation and implementation process of an order, in response to evidence of continuing and unreasonable anti-social behaviours occurring in the City Centre area encapsulated within the proposed PSPO boundary.

10.3 There is also a risk that public expectations will be raised by this Order that agency resources cannot fully meet; the Order is unlikely to remove the issues in total, but can act to support and augment other initiatives. The inclusion of a positive/restorative option in the crafting of a fixed penalty notice will be an innovative use of the legislation by the Council in helping to change negative behaviours, reduce re-offending and help readily engage the support of partner agencies.

10.4 Continuation of this Order could lead to problem-displacement. Officers from the Council, Police, and other agencies have continually reviewed this and believe that the area of the proposed Order is sufficiently large to minimise any acute problems arising from any displacement.

## **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 No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

13.1 Not renewing the current PSPO – the current PSPO could be left unchanged for a period ending 20 June 2022.

13.2 Renewing the current PSPO prohibitions for a period of up to 3 years and not varying Prohibition E.

13.3 Consult on a new PSPO with changed prohibitions and / or boundaries - this option is not being recommended at this time as it would require extensive research and consultation that could not be completed prior to the 20 June 2022.

**Director Net Zero Exeter & City Management, David Bartram**

Author: Simon Lane - Service Lead – Environmental Health and Community Safety

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

Background papers used in compiling this report:-

- 1) Highways Act 1980
- 2) Anti-Social Behaviour, Crime & Policing Act 2014 and Guidance issued by the Home Office

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

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## **Appendix A – Proposed variation of Prohibition E**

**Person or persons within this area who breach Prohibition D shall when ordered to do so by an authorised person leave the area either immediately or by such time as may be specified and in such a manner as may be specified.**

*The manner specified by the authorised person may include a requirement not to re-enter a defined zone within the PSPO area until a certain time, which shall be no later than 24 hours from the time that an authorised person orders a person to leave the area and or persons to disperse from that area.*

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## **The Anti-social Behaviour, Crime and Policing Act 2014 The Public Spaces Protection Order – Exeter City Council 2017**

Exeter City Council ('the local authority') being satisfied that the conditions set out at section 59 (2) and (3) of the Anti-social Behaviour, Crime and Policing Act 2014 ('the Act') are met and upon the following activities being carried on in a public place within the local authority's area: (i) the use of intoxicating substances, (ii) urinating, (iii) aggressive begging, (iv) acting in a manner that causes or is likely to cause a member of the public to suffer harassment alarm or distress, and upon the local authority having undertaken the necessary consultation and the necessary publicity and the necessary notification as required by section 72 (3) of the Act **HEREBY MAKES** by virtue of section 59 of the Act a Public Spaces Protection Order ('PSPO') in the following terms:

**Any person within the PSPO area [being the area edged black on the map at Schedule One] whilst situated in the street or other public space where the public have access without payment shall:**

- A. Surrender any intoxicating substance\* in their possession to an authorised person\*\* when requested to do so by that authorised person, if:**
- (a) they are found to be ingesting, inhaling, injecting, smoking or otherwise using an intoxicating substance or substances, or,**
  - (b) they are in possession of such intoxicating substance or substances with the intent of using such intoxicating substance within this area, or,**
  - (c) the authorised person has reasonable grounds to believe that such person is using or intends to use the intoxicating substance or substances within the said area.**

*\*Intoxicating Substance is given the following definition (which includes alcohol and 'new psychoactive substances') 'substances with the capacity to stimulate or depress the central nervous system'. Exemptions shall apply in cases where the substances are used for a valid and demonstrable medicinal use, given to an animal as a medicinal remedy, are cigarettes or vaporisers (tobacco products), or are food stuffs regulated by food safety legislation, or where the use of the intoxicating substance when alcohol falls within the curtilage of a premises licenced for the sale and consumption of alcohol, and within the operating hours of such. Section 63 (1) and (2) of the Act provides that where a constable or an authorised person reasonably believes that a person is or has been consuming alcohol or intends to consume the alcohol in breach of this prohibition, that constable or authorised person may require the person not to consume the alcohol or to surrender the alcohol or container for alcohol to that constable or authorised person. Upon being provided with evidence that the constable or authorised person has the appropriate authorisation, a person who fails to comply with the requirement of the constable or authorised person shall commit an offence and is liable on summary conviction to a fine not exceeding level 2 on the standard scale. A constable or an authorised person may dispose of anything surrendered in whatever way he or she thinks appropriate.*

*\*\*An authorised person shall be a Police Constable, Police Community Support Officer or authorised Exeter City Council Officer, who must be able to present their authority upon request.*

**B. Not urinate in a street\* or public open space.**

*\*The term 'street' includes any road, footway, beach or other area to which the public have access without payment. It also includes a service area as defined in Section 329 of the Highways Act 1980. Other areas will include parks and retail car parks to which the public have access to without payment. Exemptions shall apply where authorised temporary public urinals/toilets have been provided in accordance with any specification issued by Exeter City Council and with its agreement.*

**C. Not carry out aggressive begging\*.**

*\*Aggressive begging is defined as behaviour that a reasonable person would regard as intimidating and which is designed to cause a member of the general public to offer money to a person not known to them. Exeter City Council would define that behaviour as: (1) clearly intimidating, i.e. through the use of threatening language or gestures, or (2) intimidating by being passive aggressive, such as standing or sitting in close proximity (i.e. within 5 metres) of a cash machine or pay station either singly or in a group of two or more ie where people expect privacy and/or feel vulnerable with their money, bank cards, wallets or purse on display.*

**D. Not behave (either individually or in a group of two or more people) in a manner that has caused or is likely to cause a member of the public to suffer harassment, alarm or distress by that behaviour.**

**E. Persons within this area who breach Prohibition D while in a group shall when ordered to do so by an authorised person disperse either immediately or by such time as may be specified and in such a manner\* as may be specified.**

*\*The manner specified by the authorised person may include a requirement not to re-enter a defined zone within the PSPO area until a certain time, which shall be no later than 6 hours from the time that an authorised person orders persons in a group to disperse.*

- It is an offence for a person without reasonable excuse to do anything that the person is prohibited from doing by the PSPO or to fail to comply with a requirement to which the person is subject under the PSPO. By virtue of section 67 (2) of the Act a person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale or a Fixed Penalty Notice may be issued by virtue of section 68 (1) of the Act up to a current maximum of £100.
- The PSPO shall come into operation on the 1<sup>st</sup> June 2017 and shall have effect for a period of 3 years.
- Any person who lives in the area of the PSPO or who regularly works in or visits that area may apply to the High Court to question the validity of the PSPO if that person believes that the authority did not have power to make the order or that a requirement in the Chapter of the Act relevant to the PSPO was not complied with. This application under section 66 of the Act must be made within six weeks of the date the PSPO is made.

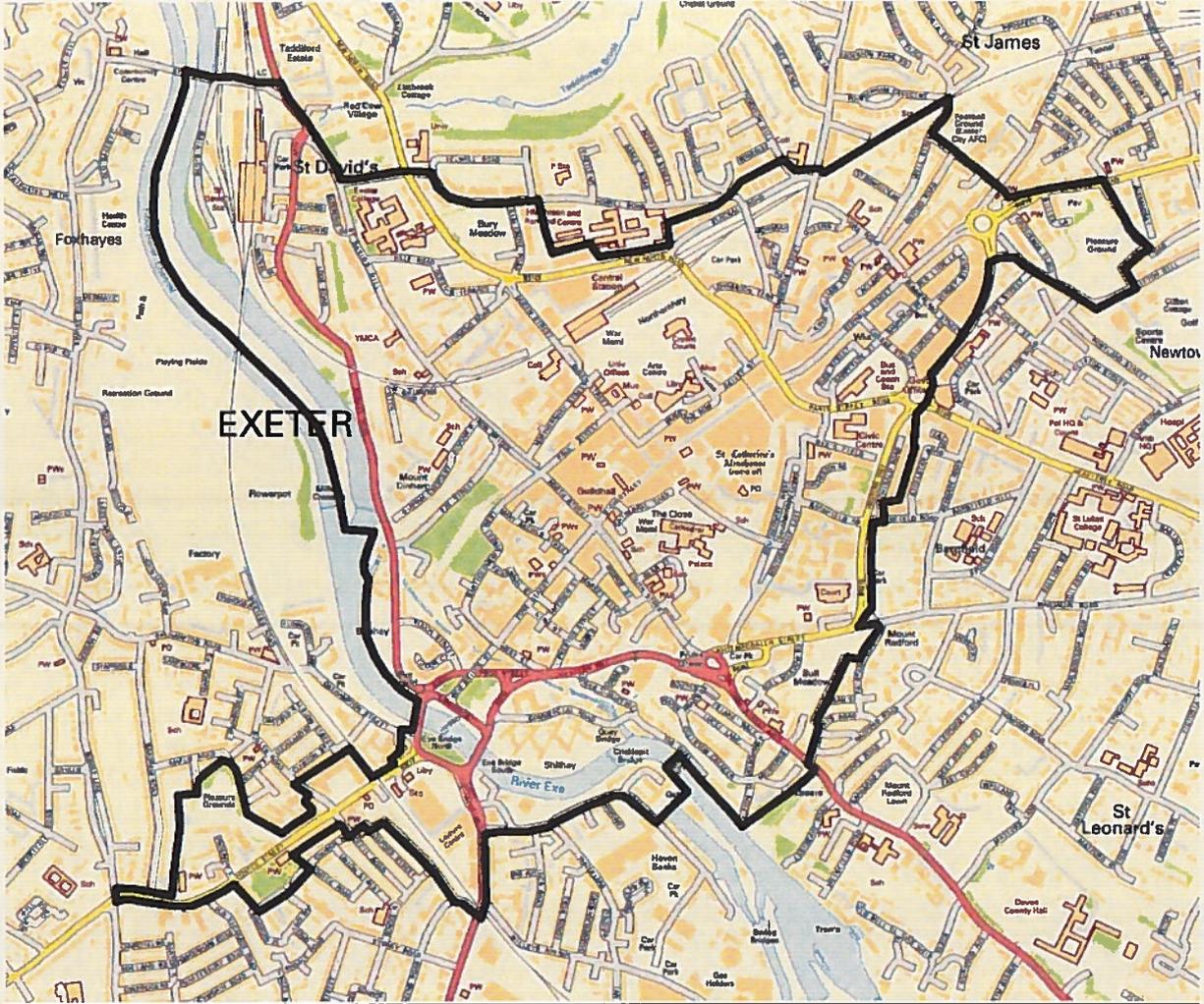
The Common Seal of Exeter City Council  
was hereunto affixed  
in the presence of:



A handwritten signature in black ink, consisting of a large initial 'J' followed by a cursive name.

20th April 2017

SCHEDULE ONE



## Equality Impact Assessment: Public Space Protection Order for Exeter City Centre

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.

| <b>Committee name and date:</b>                       | <b>Report Title</b>                                      | <b>Decisions being recommended:</b>                                                                                                 | <b>People with protected characteristics potentially impacted by the decisions to be made:</b> |
|-------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Executive 8 February 2022<br>Council 22 February 2022 | Proposed Variation of the Public Spaces Protection Order | a). to vary Prohibition E of the current order following a public consultation so that any individual causing harassment, alarm and |                                                                                                |

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  |  | <p>distress may be dispersed for a maximum of 24 hours</p> <p>b). that the remaining prohibitions of the Public Spaces Protection Order and the existing boundaries remain unchanged.</p> <p>c). that the order is extended for a further period 3 years from the commencement date of 20 June 2022.</p> <p>d). to continue the current policy of funding received by the Council from fixed penalty notices issued for a breach of any PSPO to be ring-fenced for initiatives to address anti-social behaviour and that this funding continue to be administered through the Exeter Community Safety Partnership</p> |  |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

**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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Race and ethnicity</b> (including Gypsies and Travellers; migrant workers; asylum seekers).                                                                                                                                             | <b>Potential negative impact</b>              | <b>Medium</b>              | There is a risk that a number of people aggressively begging may be asylum seekers as they have not secured fixed accommodation at that time. The Council would make an assessment for temporary accommodation to someone in this position and the enforcement officers would first be trying to sign-post individuals into the services offered rather than simply enforce.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Disability:</b> 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. | <b>Potential positive and negative impact</b> | <b>Medium</b>              | <p>The Order may well have a positive effect and ensure that people who may be sleeping rough and have an addiction, engage with the support that is available and this in turn will deliver positive health benefits to them.</p> <p>A disproportionate number of street homeless (street attached) people suffer mental ill health and addiction, and therefore present a higher risk of breaching the PSPO. To mitigate this, the Community Safety Partnership has developed a co-ordinated approach to weaken 'street attachments' and engender the positive movement of an individual into sustainable accommodation with necessary support for issues of mental health, physical health and addiction.</p> <p>The measures that have been proposed that will restrict the consumption of alcohol, and NPS's on the street could also affect those that are alcohol dependent and/or drug dependent.</p> <p>The Order may well have a positive effect and ensure that people with a street attachment and have an addiction, engage with the support that is available and this in turn will deliver positive health benefits to them. The inclusion of an ABC option within any FPN, will give a positive pathway to engagement with support services, and away from detrimental behaviour.</p> |

|                                                                                                                                                                                                                                                                                              |                                               |               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sex/Gender</b>                                                                                                                                                                                                                                                                            | <b>Potential positive and negative impact</b> | <b>Medium</b> | <p>The Order may serve to help engage members of each gender that have alcohol and substances addictions with support services, thereby having a positive impact on their health.</p> <p>The majority of people sleeping rough are male. Males are also more likely to have an alcohol or substance addiction. The alcohol/intoxicating substances, and street encampment elements could disproportionately affect men. However the Order may also serve to engage those affected with support services and have a positive impact on their health.</p> <p>There is an increasing number of residents, businesses and visitors to the city who are feeling unsafe in the PSPO area due to unacceptable behaviours that are taking place. Therefore in having a clear set of measures to deal with unacceptable behaviours seeks to have a positive impact on people being able to enjoy the city safely.</p> |
| <b>Gender reassignment</b>                                                                                                                                                                                                                                                                   | <b>Neutral</b>                                |               | There is no evidence that this will impact on any specific person based on this group of individuals.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Religion and belief</b> (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).                                                                                                                                                                     | <b>Neutral</b>                                |               | There is no evidence that this will impact on any specific person based on their beliefs or religion.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Sexual orientation</b> (including heterosexual, lesbian, gay, bisexual).                                                                                                                                                                                                                  | <b>Neutral</b>                                |               | There is no evidence that this will impact on any specific person based on their sexual orientation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Age</b> (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). | <b>Neutral</b>                                |               | There is no evidence that this will impact on any specific person based on their age.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|                                                                                                   |                |  |                                                                                                                   |
|---------------------------------------------------------------------------------------------------|----------------|--|-------------------------------------------------------------------------------------------------------------------|
| <b>Pregnancy and maternity</b> including new and breast feeding mothers                           | <b>Neutral</b> |  | There is no evidence that this will impact on any specific person based upon pregnancy and maternity.             |
| <b>Marriage and civil partnership status</b>                                                      | <b>Neutral</b> |  | There is no evidence that this will impact on any specific person based on marriage and civil partnership status. |
| <b><u>Actions identified that will mitigate any negative impacts and/or promote inclusion</u></b> |                |  |                                                                                                                   |
| <ul style="list-style-type: none"> <li>•</li> </ul>                                               |                |  |                                                                                                                   |

**Officer: Simon Lane, Service Lead – Environmental Health and Community Safety**

**Date: January 2022**

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Simon Lane  
Service Lead- Environmental Health and Community Safety  
Exeter City Council



Via email: [simon.lane@exeter.gov.uk](mailto:simon.lane@exeter.gov.uk)

20th December 2021

**Re: Anti-Social Behaviour, Crime and Policing Act 2014 ('the Act')  
Consultation on varying the Public Spaces Protection Order for Exeter City Centre  
(‘the PSPO’)**

Dear Simon,

In accordance with your statutory obligation to consult with the Police and Crime Commissioner, I am writing to confirm my support for the proposed amendments of the Public Spaces Protection Order (PSPO) for Exeter City Centre.

Tackling anti-social behaviour is one of my key priorities as Police and Crime Commissioner, as is outlined in my Police and Crime Plan. I am acutely aware that over the last 18 months Exeter City Centre has been experiencing issues related to anti-social behaviour and disorder. During recent visits to the city, I have been informed of how drug and alcohol consumption, littering, aggressive language, and urination in the street have been causing alarm or distress to members of the public and local businesses.

I believe that the proposed changes to the PSPO in Exeter City Centre will provide increased resilience against these unwanted behaviours, ensuring that individuals who persistently engage in anti-social conduct are effectively dispersed from the area. This helps send a clear message that this behaviour is not acceptable. Increasing the dispersal period from 6 hours to 24 hours will help prevent repeat offending providing some welcome relief to the community.

In review of the Equality Impact Assessment written by Exeter City Council, I am reassured that these new PSPO measures are accompanied by adequate support for offenders. Ensuring that access to addiction or mental health support services and temporary accommodation is in place for those individuals impacted by the PSPO is key to preventing some of these behaviours on our streets.

I welcome this strengthened approach to addressing antisocial and disruptive behaviour in Exeter City centre as it enhances the existing partnerships working to make Exeter City Centre a safer and more welcoming place. These measures are vital to protect the community and ensure that time spent in the area is enjoyable.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alison Hernandez'.

Alison Hernandez

**Police and Crime Commissioner for Devon, Cornwall, and the Isles of Scilly**

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Devon & Cornwall  
**POLICE**

## Chief Constable Shaun Sawyer QPM

Police Headquarters, Middlemoor, Exeter, Devon, EX2 7HQ

☎ 101 Non-urgent

☎ 999 in an emergency

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✉ 101@dc.police.uk

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📞 [dc\\_police.999](https://www.instagram.com/dc_police.999)

📺 [DCPolice](https://www.youtube.com/channel/UCDQp0L0L0L0L0L0L0L0L0L0)

### Sent by email

Mr Simon Lane

Service Lead

Environmental Health & Community Safety

Exeter City Council

[Simon.lane@exeter.gov.uk](mailto:Simon.lane@exeter.gov.uk)

22 December 2021

*Dear Mr Lane,*

### **Anti-Social Behaviour, Crime and Policing Act 2014 ('the Act') Consultation on varying the Public Spaces Protection Order for Exeter City Centre ('the PSPO')**

I am writing in response to your letter dated 15 November 2021, seeking the views of the Chief Constable of Devon and Cornwall Police on the proposed variations to Prohibition E of the Public Spaces Protection Order (the PSPO) currently in place in Exeter. The proposed variations you outlined are as follows:

- Prohibition E is varied so that any individual who behaves in a manner that has caused or is likely to cause a member of the public to suffer harassment, alarm or distress by that behaviour can be dispersed. At present this prohibition can only be applied to individuals whilst in a group.
- Varying the time that a dispersal from the PSPO area may last, from the current six hours to a maximum of 24 hours.

Anti-social behaviour continues to have a considerable impact on the quality of life of many people who live in, work in, and visit Exeter City Centre. Whilst I am aware of the considerable partnership work underway to tackle the causes of anti-social behaviour in Exeter, the PSPO remains a very effective tool to dynamically defuse instances of this behaviour.

Since its inception in 2017, the PSPO has allowed police officers, working in partnership with colleagues from Exeter City Council, to respond to anti-social behaviour in a proportionate and timely way. The proposed variations to the PSPO will enhance the effectiveness of our response and help to prevent anti-social behaviour from reoccurring.

The professional experience of officers in Exeter has found that because the current terms of the PSPO do not allow the dispersal of an individual, it is often the case that an escalation of behaviour can occur. This escalation can be in terms of the length of time that the behaviour is experienced, or in the number of people who are drawn into carrying out anti-social acts. Through the proposed variation to the PSPO, the power to disperse an individual rather than a group would allow a quicker and more proportionate resolution to incidents where one person is causing an issue, preventing any escalation in behaviour from them or others.

The proposed extension to the dispersal period will more effectively allow the police and partners to disrupt anti-social behaviour. The current six hour dispersal period is often found to be too short with those who have been dispersed returning later the same day and continuing to display anti-social behaviour. A twenty-four hour dispersal period is a considerably more effective preventative power.

I am therefore supportive of both the proposed variations to the PSPO.

Your sincerely

A handwritten signature in black ink, appearing to read 'Shaun Sawyer', with a stylized flourish at the end.

**Shaun Sawyer QPM**  
**Chief Constable**



**Sent by email**

Mr Simon Lane  
Service Lead  
Environmental Health & Community Safety  
Exeter City Council  
[simon.lane@exeter.gov.uk](mailto:simon.lane@exeter.gov.uk)

29 December 2021

Dear Simon

**Anti-Social Behaviour, Crime and Policing Act 2014 ('the Act') Consultation on varying the Public Spaces Protection Order for Exeter City Centre ('the PSPO')**

I am writing in response to your letter dated 15 November 2021, seeking the views of Community Safety Partnership members on the proposed variations to Prohibition E of the Public Spaces Protection Order (the PSPO) currently in place in Exeter. The proposed variations you outlined are as follows:

- Prohibition E is varied so that any individual who behaves in a manner that has caused or is likely to cause a member of the public to suffer harassment, alarm or distress by that behaviour can be dispersed. At present this prohibition can only be applied to individuals whilst in a group.
- Varying the time that a dispersal from the PSPO area may last, from the current six hours to a maximum of 24 hours.

As the policing commander for Exeter, I am very aware of the daily issues caused by anti-social behaviour in the city and the detrimental effect that this behaviour can have on the quality of life for those who experience it. The PSPO has provided a very effective tool for preventing and disrupting anti-social behaviour since its introduction in 2017, allowing police officers, working in partnership with colleagues from Exeter City Council, to respond to anti-social behaviour in a proportionate and timely way. The current dispersal power is frequently used with 189 dispersals made under the power so far (until mid-December) in 2021, and the seizure of alcohol is a daily occurrence.

I am supportive of the proposed variations to the PSPO, as outlined below:

The proposed variation to the PSPO to allow an individual causing anti-social behaviour to be dispersed, rather than a person who is part of a group, will prevent the escalation of anti-social behaviour which is often currently experienced. This escalation can be in terms of the length of time that the behaviour is experienced, or in the number of people who are drawn



Devon & Cornwall  
**POLICE**

## Superintendent Antony Hart

Exeter Police Station, Exeter, Devon, EX2 7RY

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☎ 999 in an emergency

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📺 [dc\\_police.999](https://www.youtube.com/channel/UCdc_police.999)

📺 [DCPolice](https://www.youtube.com/channel/UCDCPolice)

into carrying out anti-social acts. The proposed variation will allow a quicker and more proportionate resolution of incidents.

The proposed extension to the dispersal period will allow the police and partner agencies to disrupt anti-social behaviour more effectively. The current six hour dispersal period is often found to be too short with those who have been dispersed returning later the same day and continuing to engage in anti-social behaviour or causing an escalation in the behaviour of others. A longer twenty-four hour dispersal period will greatly assist in preventing further incidents of anti-social behaviour.

Your sincerely

Antony Hart  
Superintendent

22 December 2021

Exeter City Council  
Simon Lane

**Anti-Social Behaviour, Crime and Policing Act 2014 ('the Act') Consultation on varying the Public Spaces Protection Order for Exeter City Centre ('the PSPO')**

InExeter is the business improvement district representing over 650 businesses located within the city centre. The business community invest circa £2.5million over the five-year term in projects and services designed to drive footfall, promote Exeter, activate the city with events adding to its vibrancy, and support, engage and connect the business community. The BID plays a vital role in helping shape Exeter.

Anti-social behaviour (ASB) and business crime affects business on a daily basis, in terms of negative customer experience and poor perception of the city resulting in lower footfall and a damaged reputation. ASB affects the health, wellbeing and safety of teams and staff members and has a negative economic impact through its disruption, damage to and theft from businesses. ASB and business crime is a key and growing concern for our businesses. Aggressiveness, drug use and dealing and intoxication are very evident and a constant problem in the city and reported on a constant basis.

We therefore welcome the consultation of the PSPO enabling the city to reduce-the tolerance of anti-social behaviour.

InExeter support varying Prohibition D of the order so that any individual (rather than just those in groups) who behaves in a manner that has caused or is likely to cause a member of the public to suffer harassment, alarm or distress by that behaviour can be dispersed.

InExeter also note that the current 6-hour dispersal is not robust enough nor does not it send out a sufficiently strong enough message for those causing anti-social behaviour or crime in the city.

InExeter strongly support extending the dispersal time to no less than 24 but with preference for up to 48 hours. This is a strong message that ASB will not be tolerated in our city. Offenders can be dispersed for the whole weekend period and is therefore a far greater deterrent.

It is also crucial that the PSPO is upheld and that it is properly enforced with resource.

We look forward to an ongoing dialogue with Exeter City Council on the PSPO and working collaboratively together to help tackle anti-social behaviour in the city.

Your sincerely,

Ann Hunter, InExeter  
cc. InExeter Board of Directors.

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Mr Simon Lane  
Service Lead – Environmental Health  
and Community Safety  
Paris Street  
Exeter  
EX1 1RQ

Exeter Businesses  
Against Crime  
Partnership

St Stephen's House  
9 Catherine Street,  
Exeter, EX1 1EU

Tel: 01392 665989

[ebac@exeter.gov.uk](mailto:ebac@exeter.gov.uk)

22nd December 2021

Dear Simon

Re: Public Spaces Protection Order – Consultation

Exeter Businesses Against Crime (EBAC) is a self-funding Business Crime Reduction Partnership (BCRP) which represents 145 member businesses from retail, licensed, hospitality and public venues. EBAC works closely with both Exeter City Council and the local police with the objective of preventing and reducing criminal activity and anti-social behaviour (ASB) against the business community. EBAC have recently made a considerable contribution towards the funding of the ASB Officer, employed via ECC and welcome the anticipated increase in police resources within the City.

EBAC operates the city wide radio network which links into ECC CCTV control centre and administers DISC (Database and Intranet for a Safer Community) which allows our members to collate and share information about offenders by submitting reports of incidents. Some members of the neighbourhood police team also access DISC.

In the current year EBAC have received 1308 reports of incidents including violence, drunk and disorderly behaviour, street drinking, drug taking and verbal abuse. In addition, the street marshals submitted a further 111 reports relating to ASB. It is important to recognise that for a variety of reasons such as time constraint, apathy and a perception that 'nothing ever happens', so many members of the business community no longer report crime to the police or via DISC. Due to a massive level of 'under reporting' EBAC would suggest these figures merely represent the 'tip of the iceberg'.

For those who work in the city centre they regularly witness and come into close contact with incidents of drug taking/dealing, street drinking, fighting, aggressive begging and foul language being shouted across the city. Retailers, and their staff, have left their jobs because they can no longer cope with the levels of ASB and theft that they are continually being confronted with. Numerous people have reported to EBAC how they are often afraid when walking to and from work.

For visitors to our city who encounter these issues it's not difficult to imagine the impression they are left with.

Our members regularly report (via the radio network) intoxicated groups or individuals at the entrance to their premises, who prevent them from entering their place of work and later in the day they continue to behave in a manner that obviously deters customers from entering their business, obviously reducing their profits.

EBAC welcomed the introduction of the PSPO in 2017 and supported the dispersal powers within it. However the intervening years have shown the six hours to be largely inadequate and it is widely agreed by EBAC members that a six hour dispersal isn't an effective tool for frontline officers to use against offenders. For example, offenders can be dispersed at 09:00hrs for being drunk and disorderly, by mid-afternoon they are back and continuing their ASB. Though it is accepted there are many variables as to the metabolism of alcohol in our bodies, it's widely published that several drinks will remain in the body for several hours (verywellmind) with alcohol detected by Breathalyzer for up to 24hours. When used in conjunction with numerous drugs, the metabolism is slowed. Marijuana can stay in the system for 4-8 days.

Six hours isn't enough time for a person to sober up and reflect on their behaviour, and it certainly doesn't give the businesses, or wider public, much respite from their behaviour.

EBAC members recognise a 24 hour dispersal period is a significant increase on 6 hours. However, following discussion with members of the Management and Steering groups and also speaking with some of our businesses, it is considered 48 hours would be far more effective. Potentially dispersing troublesome individuals from the City for the entire weekend, giving our businesses and customers a reasonable period of respite from the disruption caused by their anti-social behaviour.

EBAC recognise the need for any measures against offenders to be "reasonable and proportionate", however EBAC members would also ask you to consider:

- Is it reasonable and proportionate to disperse from the City Centre for 48 hours a large group of street drinkers who are fighting and running into a retail outlet to steal and forcing the retailer to close their doors with frightened customers inside?
- Is it reasonable and proportionate to disperse an intoxicated female who is vomiting on the road around Cathedral Green directly in front of visitors to the city trying to enjoy breakfast? She was seen numerous times that day and most days in the city behaving in such a manner.
- Or to disperse a large group blocking a public alleyway all of whom are intoxicated and openly drinking and taking drugs?
- Or an individual heavily intoxicated entering every store which sells alcohol and attempting to steal more. When challenged they are aggressive, threatening and use vile language to the staff.

These are all incidents witnessed by the EBAC Coordinator and they are not unusual events, similar can be seen in the city on a daily basis. This is why the business community consider 48 hour dispersal would be more appropriate.

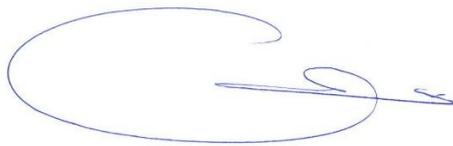
Section 8 of the Human Rights Act states that an individuals rights can be limited for several reasons, including to prevent Disorder and Crime or in the interest of Public Safety. EBAC therefore propose councillors should consider increasing the maximum period of dispersal to 48 hours.

EBAC consider this would be recognition of the severe impact ASB has upon our business community and the visitors to our City. This is an opportunity to send a powerful message to those who commit acts of ASB (many of them 'well known' individuals) that their behaviour is not acceptable, we will not tolerate it and we will deal with it in a robust manner.

It will give them time to recover from the effects of which ever intoxicating substance they have used, or to reflect on their simple disregard for others, and how that behaviour has such a detrimental effect on so many others within the community.

It might also give them the opportunity to seek assistance from the many support agencies available in Exeter.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Andrew McNeilly', with a large, sweeping initial 'A'.

Andrew McNeilly  
Chairman of Exeter Businesses Against Crime

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## Consultation Response to Exeter City Council: Public Space Protection Order

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1. On the proposal to enable PSPOs to be extended to individuals (as well as groups of 2 or more persons)

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1.1 Public Health has no objections

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2. On the proposal to enable PSPOs to extend the period of exclusion from an area for up to 24 hours from 6 hours:

---

2.1 We would like to see evidence that increasing the PSPO from 6hrs to up to 24hrs is more effective in addressing the behaviour. We recognise that there may be some cases where excluding individuals from an area for longer periods may have benefits to public safety or their own safety.

2.2 What alternatives have been considered?

2.3 Some individuals (often the most vulnerable in society) may need to access essential items such as accommodation, food and prescriptions or have caring responsibilities. Excluding them from an area may have adverse consequences for them or their loved ones. It should be borne in mind that confiscating alcohol from an individual with dependency can have significant consequences for that individual (including medical complications and possible death), which should be considered if displacing them, as would Mental Health Act considerations.

2.4 We would recommend that alongside the issuing of a PSPO there are offers of engagement, signposting, diversionary activity made to help address the behaviour. This has proven effective in Torridge.

2.5 The approach needs to be Trauma Informed. If individuals are repeatedly being issued with PSPOs what is the learning and how will the approach be adapted?

2.6 Are there alternatives to issuing fines? If an individual is street homeless their level of financial capital is likely to be very limited and will further restrict their ability to achieve good health. Before penalties are issued, we would recommend offers of support (i.e. temporary accommodation) are offered.

2.7 If the evidence suggests that the anti-social behaviour is being fuelled by excessive alcohol consumption or illicit drugs, then Public Health would be keen to take a whole systems approach to addressing these issues. This could include review of licencing decisions, opportunities to test new ways of working or propose changes to national policies (e.g., price and availability of alcohol).

2.8 Is there capacity in the system for the Police/ASB officers to monitor adherence to orders lasting for up to 24 hours?

## Appendix J – Consultation Response received from individuals

**From:** [REDACTED]  
**Sent:** 20 November 2021 18:23  
**To:** Community Safety <community.safety@exeter.gov.uk>  
**Subject:** Exeter PSPO Consultation

Dear Sirs,

I both live and work in the city centre, and as a result spend the majority of my time here.

The antisocial behaviour has become increasingly problematic throughout much of the city centre. It has now got to the stage where I genuinely think that it affects the quality of life of people in Exeter. In addition to this, it is incredibly discouraging for people attempting to run businesses. It is particularly striking that at the moment the Christmas Market and various stalls have been set up which should make Exeter a nice place to visit for families, but actually due to the disproportionate amount of antisocial behaviour in a comparatively small city leaves it feeling rather the opposite. In addition to this – and perhaps more seriously - parts of the city can now feel very unsafe at times, with the following areas being particular hotspots:

- Bury Meadow Park
- Various points along the entirety of Sidwell Street
- The area outside Sports Direct
- The top of South Street
- The alley between British Heart Foundation and Amplifon
- The steps outside Hospicare next to Market Street

Having consulted the map, all of these trouble spots are within the existing PSPO area. Personally, while I would like the PSPO strengthened as much as possible, and I certainly think that being able to deal with individual troublemakers is a step in the right direction, it's vital that enforcement also takes place. There's very little point in strengthening the order when often, large groups of people are drinking and causing problems – behaviour that is already in breach of the existing order – without any action being taken. Particularly when this behaviour is consistently being carried out by the same people. If action was taken and enforced to the maximum allowable extent it feels as if these people should already be able to be dealt with.

In addition to this, I think there are a number of other areas which need to be addressed as part of this. Firstly, all of the town supermarkets and off licenses need to take some responsibility for serving alcohol to obviously intoxicated people with a known history of antisocial behaviour. Secondly, I think it's important to consider the roles of the various charities that - presumably - are licensed to carry out their activities in these areas. The soup kitchen at the top of South Street and St Petrocs, for example, act as gathering places for people who are often responsible for antisocial behaviour - generally in the immediate vicinity of where they have been encouraged to gather. As a result of this, I think it's important that they also take some responsibility for enabling antisocial behaviour and this is robustly considered as part of any future licensing process.

However, I am at least encouraged to see that this consultation is taking place as – like all Exeter residents – I would like the city to be as nice a place to live and work as possible.

Yours faithfully,



**From:** [REDACTED]  
**Sent:** 22 November 2021 09:23  
**To:** Community Safety <community.safety@exeter.gov.uk>  
**Subject:** Response to consultation : Public Spaces Protection Orders

Dear Sirs

I write to express my support for an extension of the powers under the *Public Spaces Protection Orders* relating to Exeter City Centre.

The behaviour of individuals in South Street / Fore Street and in Cathedral Green - shouting, swearing and threats of violence (often driven by intoxication, I believe) - is very disruptive and threatening to the local community, to families, and to visitors to our City.

I feel additional action is necessary and urgent - to address this increasing problem.

Therefore, I support the extension of PSPOs to apply to individuals as well as groups. And I support the lengthening of the dispersal time to 24 hours.

I would also support such additional action as the Council (or other agencies) can take to tackle this problem.

Thank you.

[REDACTED]

**From:** [REDACTED]  
**Sent:** 24 November 2021 09:57  
**To:** Community Safety <community.safety@exeter.gov.uk>  
**Subject:** PSPO

[REDACTED]

We daily have antisocial behaviour on and around south street, at the moment the police can only disperse a Group for 6 hours. This has proven to be not enough as soon as the police are gone the culprits come back. We would really like for them to be able to disperse individual people frightening and being physical to and in front of the public for 24 hours and if happens often banned from the city centre.

[REDACTED]

From: [REDACTED]  
Sent: 25 November 2021 10:35  
To: Community Safety <community.safety@exeter.gov.uk>  
Subject: Exeter City Council public space Protection

Dear Sir/Madam

This is [REDACTED], the owner of [REDACTED] in [REDACTED] Cathedral Yard, I am agreed and happy that city council will help the community to protect and deal unacceptable behaviour in the city centre.

Thank you  
[REDACTED]  
Sent from my iPhone

**From:** [REDACTED]  
**Sent:** 07 December 2021 09:24  
**To:** Community Safety <community.safety@exeter.gov.uk>  
**Subject:** Public Space Protection Comments

FROM: [REDACTED]

As a local business based in South Street, we are at the forefront of the disturbances that occur on a daily and weekly basis outside of my business door and in the general area. These take the form of homeless/drunks/drugged-up groups collecting in the doorway of both my own shop and the "Family Matters" office above my shop. It is quite normal to see continuous drinking of alcohol and drug taking in all its' forms.

It is also very obvious when a drug "drop" is due or taken place as in the city, due to the change in behaviour and movements of the people – the collecting in corners and waiting, observing and phone-use.

The groups of people also hand around like packs of dogs, arguing and screaming at each other on occasion.

South Street is now used as the main coach and visitor drop off point and this is a most depressing site for all to see on their arrival in the city.

I very much support any additional powers the police and PCSO's can be granted to help the situation.

Kind regards

[REDACTED]

**From:** [REDACTED]  
**Sent:** 08 December 2021 09:12  
**To:** Community Safety <community.safety@exeter.gov.uk>  
**Subject:** PSPO

As shown in the media, I would like to take part in the Exeter City Centre PSPO consultation

**Regards**

[REDACTED]

[REDACTED]

**From:** [REDACTED]  
**Sent:** 08 December 2021 10:23  
**To:** Community Safety <community.safety@exeter.gov.uk>  
**Subject:** PSPO Consultation

Good morning,

Your proposals would certainly be welcome in principle and in practice. The 24 hour dispersal time frame however is too short - a 48 hour time limit would carry more weight. Although many ASB issues involve groups there is a gap in the enforcement armoury. This would be somewhat addressed if an individual could be dispersed.

The cathedral is the centre of Exeter, both historically and culturally, and represents the city to the outside world. We remain open and welcoming to all, particularly in these difficult times. Regrettably the behaviour of a persistent minority puts people off and frightens away the less obviously vulnerable. Enforcement is the key, without it PSPOs will be toothless and ineffective. Unless the proposals are backed-up with increased police and additional authorised person resources, we will be back where we started. Boundaries to unacceptable behaviour cannot be watered down as time goes by.

Yours faithfully

[REDACTED]  
[REDACTED]  
[REDACTED]

**From:** [REDACTED]  
**Sent:** 21 December 2021 11:28  
**To:** Community Safety <community.safety@exeter.gov.uk>  
**Subject:** ASB dispersal consultation

Working in South Street can be challenging some days when the street attached are kicking off and in-fighting. This is particularly so as a day progresses and more alcohol and or drugs are taken. The larger numbers accumulating at the top of South Street are of high concern and their attitude and behaviour are intimidating and bringing this side of the City down. Although a dispersal order moves the problem on, and does not resolve it, a 24 or 48 hour order would have more impact and should be approved.

This city is losing a battle it cannot afford to lose. Being in the vicinity daily we have observed a lot of new arrivals on an almost daily basis, which is creating even more ASB. It is bad for business and bad for this lovely city

[REDACTED]

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## **REPORT TO EXECUTIVE**

Date of Meeting: 8 February 2022

## **REPORT TO COUNCIL**

Date of Meeting: 22 February 2022

Report of: Director Corporate Services

Title: Authorisation of Legal Services Officers to attend the Magistrates' and County Courts and changes to the Scheme of Delegation for Legal Services.

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Executive (item 1) and Council (item 2)

#### **1. What is the report about?**

This report concerns authorisation of certain legal officers to represent the Council before the County Court and Magistrates' and the County Court.

#### **2. Recommendations:**

That the Executive approve:-

(1) That Danny Damarell be authorised to represent Exeter City Council in the Magistrates' and County Court in accordance with sections 222 and 223 Local Government Act 1972 and section 60 of the County Courts Act 1984.

That the Executive recommend and that Council approve:-

(2) the Council's Scheme of Delegation be amended to give delegated authority to the Service Lead, Legal Services, to authorise legal officers to represent Exeter City Council in the Magistrates' and County Court in accordance with sections 222 and 223 of the Local Government Act 1972 and section 60 of the County Courts Act 1984.

#### **3. Reasons for the recommendation:**

3.1 To provide for the legal officer referred to in this report to be authorised to represent Exeter City Council before the Magistrates' Court and County Court in accordance with sections 222 and 223 of the Local Government Act 1972 and section 60 of the County Courts Act 1984.

3.2 To provide that future decisions concerning authorisation of legal officers to appear before the courts are delegated to the Service Lead Legal Services.

#### **4. What are the resource implications including non financial resources?**

4.1 There are no resource implications as a result of these recommendations.

## **5. Section 151 Officer comments:**

5.1 There are no financial implications for Council to consider contained within this report.

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

6.1 As members will note in the report details below:

(1) Section 222 of the Local Government Act 1972 provides for local authorities to prosecute or defend or to appear in any legal proceedings, and to institute civil proceedings in its own name, as well as being able to make representations in the interests of its inhabitants at any public inquiry;

(2) Section 223 of the Local Government Act 1972 provides for local authorities to authorise Local Authority Officers to prosecute or defend on behalf of the Council or to appear on the Council's behalf in in the Magistrates' Court; and

(3) Section 60 of the County Courts Act 1984 provides for local authorities to authorise Local Authority Officers to exercise the right of audience in actions brought by the local authority for either or both of the following:

- (a) The recovery of possession of a house belonging to the authority;
- (b) The recovery of any rent, mesne profits, damages or other sum claimed by the authority in respect of occupation by any person of such a house.

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

This report raises no issues for the Monitoring Officer.

## **8. Report details:**

The law provides for Local Government Officers who are not solicitors or barristers to be authorised by the Local Authority to appear in the County Court and the Magistrates' Court on behalf of the Council.

8.1 Section 222 of the Local Government Act 1972 provides for local authorities to prosecute or defend or to appear in any legal proceedings, and to institute civil proceedings in its own name, as well as being able to make representations in the interests of its inhabitants at any public inquiry;

8.2 Section 223 of the Local Government Act 1972 provides for local authorities to authorise Local Authority Officers to prosecute or defend on behalf of the Council, or to appear on the Council's behalf in, proceedings before the Magistrates' Court.

8.3 Section 60 of the County Courts Act 1984 provides for local authorities to authorise Local Authority Officers to exercise the right of audience in actions brought by the local authority for either or both of the following:

- The recovery of possession of a house belonging to the authority; and
- The recovery of any rent, mesne profits, damages or other sum claimed by the authority in respect of occupation by any person of such a house.

8.4 Danny Damarell is a Legal Executive and has been appointed as Team Lead Housing and Litigation within Legal Services. In his role, Mr Damarell will be attending the County Court on a regular basis to deal with housing litigation and will also attend the Magistrates' Court in relation to prosecutions and other matters dealt with in the Magistrates' court.

8.5 The powers to grant authorisation for Council officers to appear before the Courts in accordance with sections 222 and 223 of the Local Government Act 1972 and section 60 of the County Courts Act 1984 are widely used by local authorities. The granting of authority for legal officers will add to the Council's capacity to appear before the County and Magistrates' courts.

8.6 The activities of Legal Officers are carried out under the supervision of the Service Lead Legal Services.

8.7 In order to support the work of Legal Services, Danny Damarell requires authorisation in accordance with the statutory provisions.

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

9.1 Legal Services supports the delivery of all aspects of the Council's corporate plan through its legal support of Council departments and Council activities. The authorisation of Legal Officers as requested in this report will contribute to the delivery of the Council's Corporate Plan.

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

10.1 This report does not raise any risks to the Council.

## **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 the report is limited to the delivery of legal services and does not have an impact on people with protected characteristics.

## **12. Carbon Footprint (Environmental) Implications:**

12.1 Approval of these recommendations will have no direct carbon/environmental impacts.

## **13. Are there any other options?**

Failure to agree to the proposals will undermine the delivery of legal services to the Council.

**Director Corporate Services, Baan Al-Khafaji**

Author: Simon Copper Service Lead Legal Services.

## **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

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