

## EXECUTIVE

Date: Monday 4 April 2022  
Time: 5.30 pm  
Venue: The Guildhall, 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 28 February 2022.

(Pages 5 -  
14)

#### 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 item 11 on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1 and 2 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. For this meeting, any questions must be submitted by 10:00am on Wednesday 30 March 2022

Further information about speaking at a committee can be found here: [Speaking at a Committee](#)

6 **Additional Staffing at Control Centre**

To consider the report of the Director Net Zero and City Management. (Pages 15 - 22)

7 **Overview of General Fund Revenue Budget 2021/22 - Quarter 3**

To consider the report of the Director Finance. (Pages 23 - 44)

8 **2021/22 General Fund Capital Monitoring Statement - Quarter 3**

To consider the report of the Director Finance. (Pages 45 - 66)

9 **2021/22 HRA Budget Monitoring Report - Quarter 3**

To consider the report of the Director Finance. (Pages 67 - 90)

10 **Freedom of the City**

To consider the report of the Director Corporate Services. (Pages 91 - 96)

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

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

## 11 Member Training

To consider the report of the Director Corporate Services.

(Pages 97  
- 112)

### **Date of Next Meeting**

The next scheduled meeting of the Executive will be held on **Tuesday 31 May 2022** at 5.30 pm in the Civic Centre.

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

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

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## EXECUTIVE

Monday 28 February 2022

Present:

Councillor Bialyk (Chair)

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

Apologies:

Councillors Leadbetter and K.Mitchell as opposition Leaders

Also present:

Chief Executive & Growth Director, Deputy Chief Executive, Director Corporate Services, Director of Culture, Leisure and Tourism, Corporate Manager Democratic and Civic Support, Service Lead Legal Services, Service Lead - Net Zero, Commercialisation, Skills, Business and City Centre, Active & Healthy People Programme Lead, Assistant Service Lead – Local Plan, Democratic Services Team Leader and Democratic Services Officer (HB)

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## MINUTES

The minutes of the meeting held on 8 February 2022, were taken as read, approved and signed by the Chair as a correct record.

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## DECLARATIONS OF INTEREST

Members declared the following interests:-

- Councillor Wood - Minute. 38 - non pecuniary interest.

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## QUESTIONS FROM THE PUBLIC UNDER STANDING ORDER NO. 19

No questions from members of the public were received.

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## URGENT ITEM- SITUATION IN UKRAINE

The Leader raised an urgent item on the current situation in Ukraine.

The Leader, Councillor Bialyk, highlighted he was proud of his Ukrainian heritage and expressed his horror at the Russian Government's invasion of Ukraine. He raised an urgent item relating to the City's on-going relationship with its Russian twinned city of Yaroslavl.

He stated that, bearing in mind the friendship and good relationships the city had enjoyed with the people in Yaroslavl, the actions of the Russian Government could not be condoned and, as such, he would be putting forward the following motion for consideration by the Extraordinary meeting of Council on 10 March 2022:-

(1) That Exeter stands in solidarity with the people of Ukraine and the Council agrees to immediately suspend its civic relationship with Yaroslavl;

(2) That it be noted that the Leader of the Council will write to Vadym Prystaiko, the Ukrainian Ambassador to the United Kingdom offering the City's support for the people of Ukraine in these difficult times;

(3) That it be noted that the Leader of the Council has written to the Home Secretary advising her that Exeter has always been a City which welcomes refugees from all over the world in their hour of need, and it would support the acceptance of Ukrainian refugees and urges the UK Government to consider an urgent review into the criteria to be applied to those Ukrainian citizens who are seeking asylum in the UK;

(4) That appropriate arrangements be made, in cooperation with Inclusive Exeter, to extend and engage support for the Ukrainian community in Exeter.

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### **URGENT DECISION – EXETER CITY COUNCIL’S RESPONSE TO THE DEVON CLIMATE CITIZENS ASSEMBLY**

The Executive noted the urgent matter of the response from Exeter City Council to the Devon Climate Emergency team, which had sought Member feedback to provide a response from Exeter City Council to the Devon Climate Assembly by the 27 January 2022. In accordance with the Council’s Constitution, it had been discussed with the Leader, the Portfolio Holder for Net Zero Exeter 2030 and the Chair of the Strategic Scrutiny Committee.

Councillor D. Moore, as an opposition leader, spoke on this item, and agreed that the climate assemble was an important piece of work and hoped that the Council would refer to the work to help inform decisions. She enquired on what the view of the Place Board was on the recommendations of the Devon Climate Assembly and how they would respond to this work.

Councillor Moore sought further clarification on the retrofit programme and that following Council on 22 February, it was being worked on. She referred to question 3 of the response and asked if the Portfolio Holder for Council Housing Development and Services could clarify the standard to which the Council houses were being retrofitted, as it wasn’t to Passivhaus standard, as was clarified at the meetings of the Council Housing and Development Advisory Board.

The Leader, in responding, stated that the letter was a collective and independent response from Exeter City Council Members and officers, as partners of the Devon Climate Emergency, and was not the response of the Place Board. He undertook to ensure a separate response would be made to Councillor Moore on the other points she had raised.

The Portfolio Holder for Net Zero Exeter 2030, confirmed that the letter was the City Council response to the resolutions of the Devon Climate Assembly. Because of the timing of the request and the deadline for a response, it had not been possible to report the request through the timetabled schedule of meetings, and had been treated as an urgent matter.

She further explained that there were some organisations that sit on the Devon Climate Emergency who are represented on the Place Board, who would have had the opportunity to respond to the Devon Climate Emergency team on behalf of their own organisations.

**RESOLVED** that the urgent matter be noted.

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### **PINHOE COMMUNITY HUB BUSINESS PROPOSAL**

Councillor Wood declared a non-pecuniary interest and left the meeting during consideration of the following item.

The Executive received the report which informed Members of the work that had been undertaken to date by the local community regarding the future development of the Pinhoe Community Hub. The Council had provided funding support to the Pinhoe Community Hub Trustees for a feasibility study, which was presented at the meeting.

Officers would continue to work with the Trustees to enhance the business case and develop a robust capital investment portfolio, which would be reviewed for potential funding resources before a subsequent recommendation to Executive and Council, to support the project.

At present the capital build was projected at £2 million with a request for Council resources of £1.3 million from CIL and Section 106 funds towards the project. Members were advised that the proposals included a new library, a community café, a self-sufficient business hub and work spaces and changing rooms for the adjacent playing fields.

Particular reference was made to an updated annual infrastructure funding statement and to work on a Community Infrastructure Levy funding programme, which would set out financial commitments to future infrastructure projects and would be presented to the Executive later in 2022.

In the absence of Councillor Leadbetter, the following questions were read out:-

- In consideration of the External Auditor's Findings and Recommendations as presented to Audit & Governance Committee 25.11.20 re Pinhoe Hub would the City Council be able to assist with ongoing support if ongoing running costs monies could not be raised from other sources; and
- Were there any future proposals for the existing library site?

The Leader in responding, highlighted that he would seek clarification from Councillor Leadbetter on the points raised and a response would be provided.

Councillor D. Moore, as an opposition leader, spoke on this item and welcomed the work of the community and trustees and acknowledged that a community hub was important for the area and raised several issues:-

- Clarification was sought on ensuring that the building would be built to the highest environmental standards in construction and operation, and achieve a recognised low carbon standard for its construction to meet the Councils climate target and ensure that the community wasn't left with any expensive liability.
- Clarification was sought on the lease arrangements, which should be clear to ensure funders could commit to substantial funding;
- The Community Grants Panel determined how the neighbourhood portion of the community infrastructure funded a range of projects for communities. There had been concern that the process for any recommendation being returned to the Executive and Council for determination circumvented the agreed grants process. The Annual Infrastructure Funding Statement also made reference to smaller projects being funded from the neighbourhood proportion of CIL. Why had the Community Hub not followed the same process?

- Would the Leader agree for any recommendation around CIL would follow the Councils' agreed grants process for the allocation of CIL monies, rather than return to the Executive.

The Leader responded that the report sought approval for Officers to continue working with Pinhoe Trustees to develop the business case. This would involve the future approach to its' environmental impact, establishing a lease and setting up the necessary governance. The Leader confirmed that any recommendations would be taken to the Executive and Council.

The Portfolio Holder for City Management stated that the project had been developed in response to concerns over the loss of library facilities which had expanded to encompass the development of other services and that some £750,000 had been raised by the Trustees themselves.

The Portfolio Holder for Communities and Culture agreed that a new facility was needed for residents and supported the work of the business case. She confirmed that the Council funding had not come from the 15% of CIL monies relating to community grants but from the remaining balance of 85%.

**RECOMMENDED** that Council:-

- (1) note the contents of the Business Case; and
- (2) authorise officers to work with the community group to assess the viability of the business case, noting that any recommendation around CIL would return to Executive and Council for determination.

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### **ANNUAL INFRASTRUCTURE FUNDING STATEMENT 2021**

The Executive received the report on the Annual Infrastructure Funding Statement for 2021, which had been published on the Council website in December 2021, as required by the Community Infrastructure Levy Regulations, providing Members with information relating to funding from the Community Infrastructure Levy (CIL) as well as Section 106 monies. The report further outlined a series of projects which could benefit from future Community Infrastructure funding.

Councillor D. Moore, as an opposition leader, spoke on this item, raising the following matters:-

- clarification was sought on what was meant by sustainable transport measures for a number of projects and whether it is for walking, cycling and/or road building and, if the latter, how would road building or road widening contribute to improving air quality and reducing carbon emissions; and
- how would CIL monies be used towards projects if the brief for the review of CIL suggests that Liveable Exeter sites are zero rated.

The Leader undertook to provide answers to the issues raised.

Members welcomed the information in the report.

**RESOLVED** that the content and publication of the Annual Infrastructure Statement for 2021 be noted.

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

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 had been included on the agenda with the statement of response to the representations.

The reason for the exemptions was that it was in the public interest to maintain the confidentiality of the company's business plan and business case respectively and the recommendation that minutes 42 and 43 be taken under Part 2 be maintained.

Councillor D. Moore, as an opposition leader, made a representation, objecting to the recommendation to move into Part II, excluding the press and public for minutes 42 and 43. She stated that the items related to proposed development by a residential property company for which Exeter City Council, as the local planning authority and prospective owner of that residential property company, may grant itself planning permission and, as such, the discussion should not be held privately.

The Director Corporate Services advised that neither report related to planning permission. The first report (Minute. 42) was a business plan and the second report (Minute. 43) was a business case and both contained information relating to the financial or business affairs of the respective companies and that the recommendation to move to Part II was legally acceptable.

The recommendation to move into Part II for the following three items was moved and seconded and carried unanimously.

**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 3 of Part 1, Schedule 12A of the Act.

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### **HAMLIN GARDENS HOUSING SCHEME**

The Executive received the report on the Hamlin Gardens Housing scheme. The Report provided an overview of the previously approved budget in October 2019 of £4m for this Scheme as well as the procurement and budget challenges that had occurred since the approval of the budget.

Particular reference was made to circumstances arising since the initial budget approval related to the impact of both of Brexit and the Covid Pandemic on materials availability and costs, skills shortages in the industry. This, coupled with a buoyant market, mean that the latest procurement exercise conducted in October 2021 concluded that it was no longer possible to deliver the scheme for the approved budget allocation.

Members were reminded that they had previously agreed a sum of £3m to be used to realise development opportunities and it was proposed that £1.3m of this be used to increase the budget available to develop the Hamlin Gardens site.

It was confirmed that the revised costed Scheme was still assessed as being financially viable.

**RECOMMENDED** that Council:-

- (1) note the procurement and budget issues that had arisen in implementing the previously agreed decision on the development of the Hamlin Gardens site; and
- (2) approve an increase in the approved budget by £1.3 million to £5.3 million to allow the Council to enter into a construction contract with the chosen main contractor.

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### **EXETER CITY LIVING BUSINESS PLAN 2022-23**

The Director Corporate Services declared an interest as a Director of Exeter City Living and the Exeter City Group and left the meeting during consideration of the following item.

The Executive received the report on the Exeter City Living Business Plan 2022-23, which sought the City Council's Shareholder approval to move into an ambitious delivery phase, with over 426 new homes in the development of nine Exeter City Living sites and a further 150 - 250 new homes on four Housing Revenue Account Sites. The vision and plans for the coming years would require a substantial funding commitment to enable the opportunity for Exeter City Council to lead a Net Zero urban regeneration in the central area of the city and provide much needed housing, while protecting the green ridge line of the city from development.

The Chief Executive & Growth Director explained that the report provided a timeline for the delivery of new homes and explained the background to developing the Business Plan for Exeter City Living, and the failure in the market to deliver homes in the central areas of the city. The company had been established to address a range of factors, including raising the quality of development especially in the context of environmental performance, design quality and place shaping objectives. Many developers had focussed on Purpose Built Student Accommodation in central areas.

The Exeter City Living would set a standard for a Net Zero or Passivhaus approach, accessibility and sustainability. The Business Plan was necessary as a financial model to ensure that ECL would be profitable and successful going forward. There were financial challenges ahead and the report provided a timescale for delivery of the developments.

The Chief Executive & Growth Director referred to assistance through the Brownfield Land Release Fund and the bid to the One Public Estate Funding. He set out the proposed scenario for developing five sites already identified in terms of mix of properties. All developments, and the mix within each, would be subject to planning permission.

During the discussion the following points were raised:-

- there would be a difficulty competing with other companies but there would be focus on delivering the Councils key objectives;
- all developments would be subject to planning permission; and
- there was a focus on timely developments around the challenges related to the sensitivity of the identified sites.

The Leader endorsed the business case and recognised the challenges and work to deliver the vision for sustainable and Net Zero homes for the city.

**RECOMMENDED** that Council:-

- (1) approve the 2022-23 Exeter City Living Business Plan, and commit to funding and expenditures as outlined in the plan and include the provision to recruit in accordance with the Business Plan based on a committed development pipeline;
- (2) agree to the principle to dispose of the sites identified in Appendix A of the Business Plan to achieve the objectives of the City Council, namely, building homes, and to authorise the City Surveyor, in consultation with the Leader of the City Council, to enter into negotiations to sell the sites identified in Appendix A of the Business Plan;
- (3) agree to strive to achieve a timely and efficient process of site disposal in support of the Business Plan in accordance with the 'Sale Methodology' outlined in Appendix B of the Business Plan, and to standardise option agreements for the sites outlined in Appendix C of the Business Plan. The timeline for the development programme demonstrates the importance of timetables being met in order to comply with funding agreements and the implications of construction inflation;
- (4) note for clarity, that the Developments outlined in the Appendices are over and above Clifton Hill and Vaughan Road (The Gardens, Whipton) which Exeter City Living are already committed to deliver in line with their 2020-2021 Business Plan;
- (5) note that, in relation to the Housing Revenue Account new build and asset remodelling projects, Exeter City Living will be the developer of choice and given opportunity of first refusal;
- (6) note that, Exeter City Living will pioneer the transition to a Net Zero future delivering Passivhaus standards or a Net Zero standards as the default position (unless otherwise instructed by the Shareholders on specific sites), demonstrating climate resilience and delivering healthy buildings, with low or zero car parking provision, depending on location and access to facilities; and
- (7) note for clarity, that the Business Plan does not include an assumption that Exeter City Living will act as a property management company for the purposes of built to rent accommodation, and any such requirement may require a change in the scope of the management agreement and a refresh of the Business Plan.

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### **A BUSINESS CASE FOR THE CREATION OF A RESIDENTIAL PROPERTY COMPANY**

The Director Corporate Services declared an interest as a Director of Exeter City Living and the Exeter City Group and left the meeting during consideration of the following item.

The Executive received the report which related to a business case supporting the operation of a Residential Property Company (Exeter City Homes) under the Exeter City Group (ECG) to further the aims of Exeter City Council in relation to housing and the environment. The report appendices provided legal and financial advice to address the feasibility of making the Residential Property Company operational and whether any of the initial advice or legislation had changed that would impact on the original advice provided.

The purpose of setting up the Residential Property Company Exeter was City Homes was rooted in the provision of greater social benefits around housing, quality of accommodation and a fair tenancy basis. It is also seen as an opportunity to raise the game across the housing sector in Exeter.

The Business Case, which accompanied the report, provided the Council with a framework of structured thinking and assurance that the establishment of a Residential Property Company aligned with Exeter City Council's strategy and addressed legal and tax implications. A number of scenarios had been modelled and demonstrated a viable business that would generate a profit for the company. But the advice was that a two company structure, i.e. Exeter City Living and Exeter City Homes, would not be necessary, and there were significant advantages with Exeter City Living also carrying out a property management function, and this was the approach being recommended to Members.

The Business Case had been modelled using a mix of sites and number of units, setting out potential risks and mitigation measures and to help determine whether it would be appropriate to proceed with the Residential Property Company. If the business case is approved a business plan would need to be developed using real project costs and actual incomes to demonstrate viability before it is entered into.

Councillor D. Moore, as an opposition leader, spoke on this item, stating that excellent work had been made to develop Council houses to sustainable standards, but expressed concern that, notwithstanding the intention to provide affordable homes, the rentals offered could still be beyond the reach of some. She further enquired on the impact of the proposal for Brownfield developments in relation to Government guidance on affordable homes.

The Leader in responding, requested detailed questions be submitted to him, to help inform the debate on the item at the Extraordinary Council meeting.

The Chief Executive & Growth Director stated that the Housing Needs Assessment being prepared for the Greater Exeter area would identify the demand for affordable forms of tenure. This would inform the planning process and that planning applications would be presented to the Planning Committee as the decision maker on the appropriateness of the mix of units proposed for individual developments.

Members welcomed the report and were pleased that the means for delivering built to rent and environmentally friendly properties was moving forward.

**RECOMMENDED** that Council:-

- (1) approve the Business Case and support the operation of a property management function and that a single company structure (Exeter City Living) be the vehicle for delivery, rather than Exeter City Homes being made operational;
- (2) agree to the production of a Business Plan outlining the objectives, planned activities, deliverables, performance management framework and forecast financial performance for the property management function, using the financial model developed with actual projects costs and actual incomes to demonstrate that the venture would be feasible, viable and profitable, before it is entered into; and
- (3) agree to the review and amendment of the original Management Agreement between any involved subsidiary company and the Council as the shareholder

of the parent company Exeter City Group, to permit Exeter City Living to exercise the function of a property management company, with the proposed amendments brought back to Council.

(The meeting commenced at 5.30 pm and closed at 6.56 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 Extraordinary Council on 10 March 2022.**

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## REPORT TO EXECUTIVE

Date of Meeting: 4 April 2022

## REPORT TO COUNCIL

Date of Meeting: 19 April 2022

Report of: Director Net Zero and City Management

Title: Additional Staffing at Control Centre

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Executive / Council

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

Staffing levels within the Authority's Control Centre.

#### 2. Recommendations:

To recruit an additional 3 x full time equivalent staff in order to increase the capacity to proactively monitor city centre CCTV.

#### 3. Reasons for the recommendation:

To ensure staffing provision is at a level to make best use of the recent joint Council, Police and Home Office investment of £550K in upgrading and extending the existing CCTV network with the aim of supporting improved public safety.

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

A revenue sum of £87,000 would be needed to cover salary and on-costs of the proposed additional staff. The Council received around £87,000 extra from the Government in funding that will be used to fund the proposal in 2022-23. The amount will be added to the One Exeter discretionary services work to be undertaken during 2022-23 to address the requirement for a balanced budget.

#### 5. Section 151 Officer comments:

As set out above, the Council received an additional £87,000 in the final settlement from Government as the Business Rates multiplier was increased by RPI rather than CPI and a small amount was added to the one-off Services Grant. This will fully fund the proposal in 2022-23. In the long term, members are aware of the financial challenges facing District Councils and the amount will be added to the discretionary services piece of work, which will seek to prioritise the discretionary services provided by the Council.

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

Please see below.

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

The request for this additional funding is in accordance with the Council's Organisational Change Policy. There are no changes to additional post but the request is to fund the creation of 3 additional posts.

## **8. Report details:**

- 8.1 The Council operates a 24/7/365 Control Centre from a city centre location away from the Civic Centre.
- 8.2 From this Control Centre a team of 9 x full time equivalent staff proactively monitor public space CCTV cameras, operate the Council's own community alarm scheme (Homecall) and deal with all 'out of hours' calls into the Authority (with the exception of Housing Repairs enquiries).
- 8.3 The current staffing levels provide for two people to be on duty at any one time and a Control Centre Operations Manager post does offer additional support (mainly during the daytime Monday – Friday).
- 8.4 Staff sickness and annual leave is usually covered by existing team members on an overtime basis or bank staff when available.
- 8.5 It has become evident that the above arrangement does not necessarily offer the appropriate level of service resilience, particularly in instances of short notice sickness ahead of a night shift.
- 8.6 Additional staff resource at night and over weekends would dramatically reduce any instances of staff having to lone work in emergency situations. This could be achieved by employing an additional 3 x FTEs at a total sum of £87,000 per annum.
- 8.7 The provision of extra staff at these times would also ensure full benefit can be obtained from the CCTV upgrade and extension works being carried out between March and September 2022 by enabling increased proactive CCTV monitoring, around the evening economy in particular.

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

This would help demonstrate a well-run Council and contribute greatly towards public safety and confidence in the city centre.

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

None identified.

## **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 a safer city centre has only beneficial impact for all.

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

12.1 Important to complete this section in light of the Council declaring a Climate Emergency. Consider whether the recommendations you are making in the report will help, hinder or have no direct impact on delivering our carbon reduction target (carbon neutral by 2030).

12.2 You should think about things like:-

- Travel (and, if travel is unavoidable, whether lower carbon options will be pursued e.g. walking, public transport, electric car);
- Infrastructure (e.g. LED lighting, energy efficient heating/hot water, solar panels, electric car charging points);
- Waste (e.g. recycling, composting, reducing non-recyclable waste); and
- Any other specific carbon reduction initiatives.

12.3 If there are no direct carbon/environmental implications for the decision please state:

No direct carbon/environmental impacts arising from the recommendations.

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

13.1 The use of volunteer staff has been explored but discounted as it provides no contractual control over staff attendance/behaviours etc within a sensitive working environment.

Director Net Zero and City Management: David Bartram

Author: Steve Carnell

## **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: Additional Staffing at Control 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.

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
Executive 4 April 2022 Council 19 April 2022	Control Centre Staffing	Approval of £87,000 revenue budget to recruit 3 x FTE staff	None

**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

<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).	<b>Positive</b>	<b>Medium</b>	<b>Safer city centre a benefit for all users</b>
<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>Positive</b>	<b>Medium</b>	<b>Safer city centre a benefit for all users</b>
<b>Sex/Gender</b>	<b>Positive</b>	<b>High</b>	<b>Particular focus on CCTV contributing to safer streets at night for females</b>
<b>Gender reassignment</b>	<b>Positive</b>	<b>Medium</b>	<b>Safer city centre a benefit for all users</b>
<b>Religion and belief</b> (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	<b>Positive</b>	<b>Medium</b>	<b>Safer city centre a benefit for all users</b>
<b>Sexual orientation</b> (including heterosexual, lesbian, gay, bisexual).	<b>Positive</b>	<b>Medium</b>	<b>Safer city centre a benefit for all users</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)	<b>Positive</b>	<b>High</b>	<b>Particular focus on CCTV supporting safety across the evening economy, mainly aimed at young people CCTV instrumental in searching for missing people and often these cases are people suffering from dementia and similar issues (usually amongst older people)</b>

<b>Protected characteristic/ area of interest</b>	<b>Positive or Negative Impact</b>	<b>High, Medium or Low Impact</b>	<b>Reason</b>
as overriding consideration should be given to needs).			
<b>Pregnancy and maternity</b> including new and breast feeding mothers	<b>Positive</b>	<b>Medium</b>	<b>Safer city centre a benefit for all users</b>
<b>Marriage and civil partnership status</b>	<b>Positive</b>	<b>Medium</b>	<b>Safer city centre a benefit for all users</b>

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

**Officer: Steve Carnell**

**Date: 25 March 2022**

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## REPORT TO EXECUTIVE

Date of Meeting: 4 April 2022

## REPORT TO COUNCIL

Date of Meeting: 19 April 2022

Report of: Director Finance

Title: Overview of General Fund Revenue Budget 2021/22 – Quarter 3

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

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

To advise Members of the overall financial position of the General Fund Revenue Budgets for the 2021/22 financial year after six months.

#### 2. Recommendations:

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

- (1) The General Fund forecast financial position for the 2021 financial year;
- (2) The supplementary budgets as detailed in paragraph 8.12;
- (3) The outstanding Sundry Debt position as at December 2021; and
- (4) The creditors payments performance

#### 3. Reasons for the recommendation:

To formally note the Council's projected financial position and to approve additional expenditure required during the financial year.

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

The impact on the General Fund working balance is set out in section 8.10.

The General Fund Working Balance is projected to stand at £4.645 million at year end.

#### 5. Section 151 Officer comments:

The overall projection for the General Fund is positive, however Members must note that there will be a number of supplementary budget requests. At this stage it is expected that they will be within the amount available and not add further pressure. The budget volatility earmarked reserve will be used this year to offset income reductions mainly in Car Parking and the Civic Centre, but there will be sufficient available to support the 2022/23 budget.

## 6. What are the legal aspects?

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

## 7. Monitoring Officer's comments:

This report raises no legal issues for the Monitoring Officer but obviously highlights some areas of budgetary pressure.

## 8. Report details:

### Overview of General Fund Revenue Budget 2021/22 – Quarter 3

#### 8.1 Financial Summary

<b>FUND</b>	<b>Planned Transfer To / (From) Working Balance £</b>	<b>Budget Variance Over / (under) £</b>	<b>Outturn Transfer 2021/22 £</b>
General Fund	(732,830)	681,540	(51,290)

#### 8.2 General Fund (Appendix 1 & Appendix 2)

The current forecasts show an overall projected service underspend of £683,253 against a revised budget of £21,452,470. This includes supplementary budgets of £5,406,210 already agreed by Council. Variances of more than +/- £30,000 are detailed below:

#### 8.3 **Chief Executive & Growth Director**

<b>Budget Heading</b>	<b>Over / (Underspend)</b>
<b>Affordable Housing Development</b>	<b>(£173,656)</b>

**Responsible Officer: Chief Executive & Growth Director**

This underspend is due to the budget for three ECL business cases not being fully utilised. It is likely that there will only be approximately £100,000 in spend this year therefore the remainder has been forecast as savings.

#### 8.4 Transformation

Budget Heading	Over / (Underspend)
<b>Exeter Community Grants Programme</b>	<b>(£42,000)</b>
<p><b>Responsible Officer: Active &amp; Healthy People Programme Lead</b></p> <p>There will be an end of year forecasted underspend of £42k against the Community Grants programme. This is as a result of community groups, charities and the voluntary sector taking time to have the confidence and capacity to stand back up projects, events and initiatives in communities following COVID-19 restrictions and uncertainty. The Community Grants Programme is funded by Neighbourhood CIL, the funding will be available to re-allocate in future years.</p>	

#### 8.5 City Development, Housing & Supporting People

Budget Heading	Over / (Underspend)
<b>Building Control &amp; Land Charges</b>	<b>(£79,000)</b>
<b>Planning Services</b>	<b>(£448,560)</b>
<p><b>Responsible Officer: Interim Service Lead for City Development</b></p> <p>Income from Land Charges has increased due to the stamp duty holiday resulting in increased property sales. Building Control income is also higher than budgeted levels due to an increase in home improvements and the construction industry in general. Any surplus from these services is transferred to a ring fenced reserve at year end.</p> <p>There have been a number of vacant posts within the planning service resulting in savings in pay costs. Planning fee income is higher than budgeted levels at the 6 month stage, this will be monitored closely for the remainder of the year.</p> <p>The local plan budget has been re-profiled in line with expenditure plans, it is estimated that £100k will now be spent in 2022/23 instead of the current year.</p> <p>Income collected in respect of habitats mitigation contributions from developers will be transferred to an earmarked reserve at the end of the year.</p>	
<b>Liveable Exeter Garden City</b>	<b>(£470,000)</b>
<p>New grant funding has been received that will be transferred into an earmarked reserve and spent in the new financial year.</p>	
<b>Organisational Change Programme</b>	<b>(£150,000)</b>
<p><b>Responsible Officer: Deputy Chief Executive</b></p> <p>The budget has been re-profiled to reflect a three year programme, any underspend will be requested as a supplementary budget in 2022/23 and 2023/24.</p>	

#### 8.6 Communications, Culture and Leisure Facilities

Budget Heading	Over / (Underspend)
<b>Culture</b>	<b>(£210,720)</b>
<p><b>Responsible Officer: Service Lead – Communications, Culture, Leisure &amp; Tourism</b></p> <p>The effect of the pandemic is still being felt in the volume of activity that is being carried out across the arts, tourism and communications budgets. Planning for 21/22 was difficult as it was unclear at the time what restrictions would be in place or if there were going to be any further lockdowns. Therefore, the volume of activity has been reduced in comparison to a normal year which is reflected in the under-spend. The £100,000 supplementary budget for special events has not been utilised this year and there will be an estimated saving of £49,000 against other costs. It has also been a quiet year in issuing arts and entertainment grants, with a saving of £65,000 anticipated.</p>	
<b>Museum Service</b>	<b>(£119,889)</b>
<p><b>Responsible Officer: Service Lead – Museums Manager</b></p> <p>The under-spend is due to staff savings over this challenging year at the Museum, including the reduced activity that relies on casual staff. However, this saving has been used to offset the loss in income at RAMM and the RAMM shop; with public confidence not yet fully restored, RAMM is only experiencing about 50% of normal footfall. There may still be some significant savings in the annual rates but the matter has still not been resolved with the Valuation Office so a decision on how to proceed will be made at year-end.</p>	
<b>Leisure &amp; Sport</b>	<b>£270,920</b>
<p><b>Responsible Officer: Service Lead – Communications, Culture, Leisure &amp; Tourism</b></p> <p>Covid-19 has still had a significant impact on the leisure industry, with part of the year on lockdown and a slow recovery of public confidence. However, the delay in opening St Sidwells Point has contributed the most to this budget being overspent; targets had been set on the assumption that it would be open from September 2021. The savings across the wider service has offset this loss, reducing the impact to the general fund.</p>	
<b>St Sidwells Point</b>	<b>(£59,850)</b>
<p><b>Responsible Officer: Service Lead – Communications, Culture, Leisure &amp; Tourism</b></p> <p>This budget will not be used this year; however, there may be some additional costs in regards to St Sidwell's Point that may arise next year therefore this supplementary budget will be requested again</p>	

**Communications****(£115,289)****Responsible Officer: Service Lead – Communications, Culture, Leisure & Tourism**

As with Arts & Events, it has been a quiet year for communications, with reduced spend in areas of public relations, marketing and the outsourcing of design work. This has led to a forecasted underspend of £27,000 in supplies and services. However, advertising income is expected to exceed budget by £25,000 and additional income of £49,796 has been received from Devon County Council. This is ECC's share of Clear Channel advertising revenue – it was expected but the timing was uncertain. There has also been no staff award ceremony, which gives a further saving of £10,000. 22/23 is expecting to be a much busier year so savings are anticipated to be much reduced.

8.7 Net Zero Exeter and City Management

Budget Heading	Over / (Underspend)
<b>Public Safety</b>	<b>£49,600</b>
<p><b>Responsible Officer: Engineering, Waterways &amp; Parking Service Manager</b></p> <p>Home call income continues to fall against the budgets due to increased competition and alternatives offered by other providers.</p>	
<b>Parking Services</b>	<b>£1,622,470</b>
<p><b>Responsible Officer: Engineering, Waterways &amp; Parking Service Manager</b></p> <p>Parking income to the end of December has achieved 83% of the profiled budget. We originally assumed that we would receive 75% of the budgeted income, so the projected overspend against budget has improved on Quarter 2. In Quarter 4 we traditionally rely on commuter parking income and early indications show that income is down, no doubt partly due to the omicron variant, so we remain prudent in our full year projections.</p>	
<b>Engineering</b>	<b>(£249,450)</b>
<p><b>Responsible Officer: Engineering, Waterways &amp; Parking Service Manager</b></p> <p>The supplementary budgets for the removal of North St footbridge and works at Bull Meadow are unlikely to be spent before the end of the financial year, and we will request that these be carried forward to 22/23.</p>	
<b>Cleansing Chargeable Services</b>	<b>£329,430</b>
<p><b>Responsible Officer: Interim Waste, Recycling &amp; Fleet Manager</b></p> <p>There has been little change to the projected variance reported in Quarter 2 - In order to balance the budget for 2021/22 trade waste income was increased in anticipation of securing additional contracts in the city. These losses are partly offset by green waste exceeding expectations. As for domestic waste there have been significant pressures in service delivery due to the ongoing pandemic but this has had minimal impact on domestic and trade refuse and recycling collections. The additional costs of retaining qualified drivers have been offset within the service.</p>	
<b>Recycling</b>	<b>(£174,890)</b>
<p><b>Responsible Officer: Interim Waste, Recycling &amp; Fleet Manager</b></p> <p>The balance of the £200,000 kerbside recycling service change revenue budget is included in the 21/22 budget, but most of this will be spent in 22/23 and 23/24 with the appointment of a Recycling Officer and roll out of food waste collection across the city.</p>	

## 8.8 Finance

Budget Heading	Over / (Underspend)
<b>Major Projects</b>	<b>(£350,981)</b>
<p><b>Responsible Officer: City Surveyor</b></p> <p>The underspend is due to various supplementary budgets not being utilised in-year due to lack of resources; these budgets are for major projects, ECL property support and most of the budget for the bus station wider site options project.</p>	
<b>Corporate Property - Estates</b>	<b>£101,829</b>
<p><b>Responsible Officer: City Surveyor</b></p> <p>This year has continued to be challenging and the impact of Covid has impacted significantly on rent streams dependent on occupancy rates in the hospitality industry. This has resulted in a shortfall in income expectations from the Southgate Hotel of £162,000. Other bad debt provisions have been debited against several other properties including £60,000 in Cowick Street and smaller amounts elsewhere. This has been mitigated by bad debt reversal of £40,000, a saving of £31,000 in Estate Services due to in-year vacancies and the supplementary budget for the Corporate Asset Challenge not being used. In regards to bad debt provision, it should be noted that a more extensive exercise is carried out at year-end to accurately calculate the bad debt therefore the overall loss may change materially at the end of quarter four.</p>	
<b>Corporate Property – Assets</b>	<b>(£276,848)</b>
<p><b>Responsible Officer: City Surveyor</b></p> <p>The majority of this underspend is a £200,000 saving in the property maintenance budget. There has also been material savings in salaries due to one vacancy and a reduction in hours against budget and £14,000 of staff cost is transferred to the ERDF project to be capitalised.</p>	
<b>Corporate</b>	<b>£44,311</b>
<p><b>Responsible Officer: Director, Finance</b></p> <p>An increase in core audit fees are partly responsible for this overspend; the budget has been increased in 22/23 to address this. A one-off Public Works Loan Board fee of £15,400 has also been incurred this year.</p>	

## 8.9 Corporate Services

Budget Heading	Over / (Underspend)
<b>Human Resources</b>	<b>(£87,299)</b>
<p><b>Responsible Officer: Service Lead, Human Resources</b></p> <p>The underspend is predominantly due to the training budget being under-utilised in the year; this trend is not expected to continue in the new financial year</p>	
<b>Legal Services</b>	<b>(£65,762)</b>
<p><b>Responsible Officer: Service Lead, Legal Services</b></p> <p>21/22 has been a productive year for the Legal team with a successful implementation of their new business plan, resulting in the creation of additional revenue streams and income surplus to budget. This success is anticipated to continue into the new financial year, allowing them to recruit additional resources to ensure this level of performance can be maintained.</p>	
<b>Elections &amp; Electoral Registration</b>	<b>(£49,251)</b>
<p><b>Responsible Officer: Service Lead, Democratic/Civic Support</b></p> <p>This underspend is due to the change in the process of electoral registration which impacts the associated costs. Less door-to-door canvassing is required, resulting in a £30,000 saving in temporary staff; the rest is the reduction in other expenses, such as postage and stationery. The City Council elections held in May 2021 were combined with elections for Devon County Council and the Police &amp; Crime Commissioner, meaning that costs were shared between the elections. This led to an overall decrease in the costs for the ECC elections.</p>	
<b>Corporate Support</b>	<b>£155,496</b>
<p><b>Responsible Officer: Service Lead, Democratic/Civic Support</b></p> <p>Many units in the Civic Centre are still vacant leading to a significant reduction in the income received, roughly £260,000. This has been offset with material reductions in other areas due to the pandemic such as stamps and postage, utilities and other supplies and services; there is also a £22,000 forecasted savings in staff. There is some optimism that the rent income situation will improve, with potential tenants showing an interest; however, this will not materially affect this financial year.</p>	

## 8.10 Other Financial Variations

Budget Heading	Over / (Underspend)
<b>Net interest</b>	<b>£609,000</b>
<p>The budgeted interest payable for 2021/22 anticipated that the Council would take out additional borrowings in the year, to finance a further loan to the wholly owned property development company; ECL. It is now anticipated that additional borrowings will not be required in 2021/22, therefore saving £490k of interest payable.</p> <p>The interest receivable for 2021/22 is anticipated to be £891k lower than budget. This is due to two key factors; the above mentioned loan to ECL will now not take place in 2021/22 and therefore the expected interest will not be receivable; and the Council is receiving significantly lower than expected interest on investments, investment interest rates still remain at record lows following the economic recession caused by the global pandemic.</p>	
<b>Minimum Revenue Provision</b>	<b>(£390,616)</b>
<p>The Council has provided fully for the vehicles it has leased, this has resulted in the reduction in minimum revenue provision. This will be an ongoing saving over the life of the medium term financial plan.</p>	
<b>Sales, Fees &amp; Charges Compensation</b>	<b>(£440,000)</b>
<p>On 2 July 2020, the Secretary of State announced a new support measure to reimburse councils for income from sales, fees and charges that are irrecoverable due to the pandemic. The scheme has been extended to the first quarter of 2021/22 with the claim totalling £440k.</p>	

## 8.11 General Fund Balance

In 2021/22 it is projected that there will be an overall net contribution from the General Fund Balance of £51,290. The minimum requirement for the General Fund working balance was approved by Council in February 2021 at £3 million.

Movement	2021/22
Opening Balance, as at 01/04/21	<b>£4,696,282</b>
Net	(£51,290)
<b>Projected Balance at Year End</b>	<b>£4,644,992</b>

## 8.12 Supplementary Budgets

It is proposed that the supplementary budgets identified in Appendix 3 are approved and added to the 2021/22 budget.

- The depreciation adjustment will have no impact on the projected General Fund working balance.
- The remaining requests are all self-financing and will have no impact on the projected General Fund working balance.

### 8.13 Outstanding Sundry Debt

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

Age of Debt	March 2020	March 2021	December 2021
Up to 29 days (current)	£2,399,454	£1,075,975	£1,208,542
30 days – 1 Year	£1,530,103	£2,234,973	£2,561,413
1 – 2 years	£451,358	£1,249,353	£502,120
2 – 3 years	£550,482	£341,134	£615,185
3 – 4 years	£276,837	£208,302	£301,666
4 – 5 years	£417,580	£240,861	£191,457
5 + years	£752,772	£1,030,325	£1,127,924
<b>Total</b>	<b>£6,378,586</b>	<b>£6,380,923</b>	<b>£6,508,307</b>

### 8.14 Debt Write-Offs

The following amounts have been written-off during 2021/22:

	2020/21 Total	2021/22 (Qtr 3)
• Council Tax	£100,805	£209,085
• Business Rates *	(£19,497)	£0
• Sundry Debt	£37,336	£29,078
• Housing Rents	£61,893	£73,966
• Non-HRA Rents	£59,823	£95,743
• HB Overpayments	£194,205	£81,528

\* Business Rate write offs dealt with annually

### 8.15 Creditor Payments Performance

Creditors' payments continue to be monitored in spite of the withdrawal of statutory performance indicator BVPI8. The percentage paid within 30 days was 92.93% for the first nine months of 2021/22 compared with 97.66% after the first nine months of 2020/21.

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

This is a statement of the projected financial position to the end of the 2021/22.

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

The risks relate to overspending the Council budget and are mitigated by regular reporting to the Strategic Management Board and Members. Members have a legal responsibility to take action where balances are projected to reach an unsustainable level and the Strategic Management Board are working to address the current projected shortfall in reserves.

Areas of budgetary risk are highlighted in this report. The key areas of budgetary risks are attached as Appendix 4, for reference.

## **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 there are no significant equality and diversity impacts associated with this decision.

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

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

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

Not applicable.

**Director Finance & S151 Officer, Dave Hodgson**

Authors:

Nicola Matthews-Morley, Bridget Kendrick and Claire 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

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## 2021/22 GENERAL FUND BUDGET MONITORING - SUMMARY

APPENDIX 1

## QUARTER 3

	Original Budget £	Supplementary Budgets & Virements £	Revised Budget £	Year End Forecast £	Variance to Budget £
Chief Executive & Growth Director	2,933,980	315,950	3,249,930	3,061,731	(188,199)
Transformation	1,184,020	73,660	1,257,680	1,215,680	(42,000)
City Development, Housing & Supporting People	4,744,710	2,266,450	7,011,160	5,824,700	(1,186,460)
Communications, Culture and Leisure Facilities	5,490,450	412,300	5,902,750	5,676,784	(225,966)
Net Zero Exeter and City Management	3,358,890	1,829,140	5,188,030	6,731,900	1,543,870
Finance	23,380	484,480	507,860	15,300	(492,560)
Corporate Services	2,548,880	24,230	2,573,110	2,481,172	(91,938)
less Notional capital charges	(4,238,050)	0	(4,238,050)	(4,238,050)	0
<b>Service Committee Net Expenditure</b>	<b>16,046,260</b>	<b>5,406,210</b>	<b>21,452,470</b>	<b>20,769,217</b>	<b>(683,253)</b>
Net Interest	150,000		150,000	759,000	609,000
New Homes Bonus	(1,940,880)		(1,940,880)	(1,940,880)	0
Revenue Contribution to Capital	0		0	0	0
Minimum Revenue Provision	692,000		692,000	301,384	(390,616)
Voluntary Revenue Provision	0		0	0	0
<b>General Fund Expenditure</b>	<b>14,947,380</b>	<b>5,406,210</b>	<b>20,353,590</b>	<b>19,888,721</b>	<b>(464,869)</b>
Transfer To/(From) Working Balance	(349,530)	(383,300)	(732,830)	(51,290)	681,540
Transfer To/(From) Earmarked Reserves	570,000	(4,920,910)	(4,350,910)	(4,129,182)	221,728
<b>General Fund Net Expenditure</b>	<b>15,167,850</b>	<b>102,000</b>	<b>15,269,850</b>	<b>15,708,249</b>	<b>438,399</b>
Formula Grant	(4,732,030)		(4,732,030)	(4,732,030)	0
Business Rates Growth / Pooling Gain	(2,334,000)		(2,334,000)	(2,373,432)	(39,432)
Covid 19 Grant	(760,000)		(760,000)	(760,967)	(967)
Sales Fees & Charges Compensation	0		0	(440,000)	(440,000)
CIL Income	(1,090,000)	(102,000)	(1,192,000)	(1,150,000)	42,000
Council Tax	(6,251,820)		(6,251,820)	(6,251,820)	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Working Balance March 2021

£ 4,696,282

£ 4,644,992

March 2022

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## 2021/22 GENERAL FUND BUDGET MONITORING - DETAIL

## QUARTER 3

ACTUAL TO DATE			YEAR END FORECAST							
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	APPROVED BUDGET	CURRENT OUTTURN FORECAST	FORECAST VARIANCE	QTR 2 FORECAST VARIANCE				
£	£	£	£	£	£	£				
15,401,815	13,050,673	(3,235,285)	TOTAL GENERAL FUND NET EXPENDITURE				25,690,520	25,007,267	(683,253)	385,932
<b>Chief Executive &amp; Growth Director</b>										
1,407,465	1,288,468	(118,997)	IT SERVICES	1,840,080	1,840,080	0	0			
739,871	716,142	(23,729)	STRATEGIC MANAGEMENT	820,290	808,978	(11,312)	0			
205,119	33,858	(171,261)	AFFORDABLE HOUSING DEVELOPMENT	272,950	99,294	(173,656)	(170,000)			
238,461	194,919	(43,542)	CENTRAL SUPPORT	316,610	313,379	(3,231)	0			
2,590,916	2,233,387	(357,529)	NET EXPENDITURE	3,249,930	3,061,731	(188,199)	(170,000)			
<b>Transformation</b>										
594,163	525,078	(69,085)	ACTIVE & HEALTHY PEOPLE	892,020	892,020	0	0			
289,980	231,050	(58,930)	EXETER COMMUNITY GRANTS PROGRAMME	365,660	323,660	(42,000)	0			
0	756,128	(128,015)	NET EXPENDITURE	1,257,680	1,215,680	(42,000)	0			
<b>City Development, Housing &amp; Supporting People</b>										
263,000	204,742	(58,264)	HOUSING NEEDS & HOMELESSNESS	1,211,970	1,211,970	0	0			
0	0	0	SUNDRY LANDS MAINTENANCE	92,680	92,680	0	0			
128,076	100,684	(27,392)	GF HOUSING - PROPERTY	170,920	150,920	(20,000)	0			
(29,837)	(122,784)	(92,947)	BUILDING CONTROL & LAND CHARGES	50,150	(28,850)	(79,000)	(59,000)			
824,906	220,608	(604,298)	PLANNING SERVICES	1,122,100	673,540	(448,560)	(439,620)			
2,959,918	2,966,016	6,098	REVENUES, BENEFITS & CUSTOMER ACCESS	2,996,110	2,977,210	(18,900)	(25,000)			
770,168	130,421	(639,747)	LIVEABLE EXETER GARDEN CITY	1,026,890	556,890	(470,000)	0			
255,255	52,132	(203,123)	ORGANISATIONAL CHANGE PROGRAMME	340,340	190,340	(150,000)	(100,000)			
5,171,492	3,551,819	(1,619,673)	NET EXPENDITURE	7,011,160	5,824,700	(1,186,460)	(623,620)			
<b>Communications, Culture and Leisure Facilities</b>										
392,281	213,987	(178,294)	CULTURE	522,880	312,160	(210,720)	(159,112)			
95,121	70,608	(24,513)	TOURISM	126,490	126,374	(116)	(21,639)			
(370,569)	(589,803)	(219,234)	MARKETS & HALLS	(370,260)	(348,740)	21,520	101,072			
1,611,814	1,162,869	(448,945)	MUSEUM SERVICE	2,502,420	2,382,531	(119,889)	(270,560)			
1,319,909	1,614,598	294,689	LEISURE & SPORT	2,453,150	2,724,070	270,920	0			
44,888	0	(44,888)	ST SIDWELLS POINT	59,850	0	(59,850)	0			
92,620	119,641	27,021	VISITOR FACILITIES	116,680	104,138	(12,542)	37,252			
369,852	260,122	(109,730)	COMMUNICATIONS	491,540	376,251	(115,289)	(130,080)			
3,555,915	2,852,022	(703,893)	NET EXPENDITURE	5,902,750	5,676,784	(225,966)	(443,067)			
<b>Net Zero Exeter &amp; City Management</b>										
271,416	183,984	(87,432)	ENVIRONMENTAL PROTECTION	372,240	372,240	0	0			
307,296	304,569	(2,727)	LICENCING, FOOD, HEALTH & SAFETY	460,460	460,460	0	0			
86,359	130,988	44,629	PUBLIC SAFETY	339,780	389,380	49,600	35,000			
(4,800,270)	(3,778,993)	1,021,277	PARKING SERVICES	(6,218,960)	(4,596,490)	1,622,470	1,987,130			
223,476	244,705	21,229	WATERWAYS	357,180	357,180	0	0			
463,862	297,689	(166,173)	ENGINEERING SERVICES	949,270	699,820	(249,450)	(128,750)			
1,356,483	1,247,665	(108,818)	PARKS & GREEN SPACES	2,040,350	2,015,350	(25,000)	23,160			
(6,524)	44,711	51,235	BEREAVEMENT SERVICES	60,340	88,980	28,640	14,610			
1,056,903	933,705	(123,198)	STREET CLEANING	1,743,060	1,726,960	(16,100)	(6,080)			
132,991	97,397	(35,594)	PUBLIC CONVENIENCES	387,720	375,370	(12,350)	(22,810)			
1,368,480	1,349,741	(18,739)	DOMESTIC REFUSE COLLECTION	2,259,010	2,259,010	0	21,560			
(668,813)	(401,999)	266,814	CLEANSING CHARGEABLE SERVICES	(565,940)	(236,510)	329,430	330,650			
122,737	154,190	31,453	EXTON ROAD OVERHEADS AND FLEET	141,610	159,710	18,100	5,500			
479,168	(11,169)	(490,337)	RECYCLING	844,810	669,920	(174,890)	(174,890)			
1,739,374	1,641,758	(97,616)	NET ZERO & BUSINESS	2,017,100	1,990,520	(26,580)	0			
2,132,938	2,438,941	306,003	NET EXPENDITURE	5,188,030	6,731,900	1,543,870	2,085,080			
<b>Finance</b>										
303,945	3,563	(300,382)	MAJOR PROJECTS	405,660	54,679	(350,981)	(199,829)			
(2,796,403)	(2,632,736)	163,667	CORPORATE PROPERTY - ESTATES	(3,445,300)	(3,343,471)	101,829	21,505			
842,825	516,669	(326,156)	CORPORATE PROPERTY - ASSETS	1,132,620	855,772	(276,848)	(316,019)			
86,514	87,341	827	CORPORATE	115,350	159,661	44,311	14,413			
1,147,752	1,144,024	(3,728)	UNAPPORTIONABLE OVERHEADS	1,556,370	1,556,370	0	(26,030)			
402,771	365,095	(37,676)	FINANCIAL SERVICES	533,940	533,940	0	0			
76,948	73,582	(3,366)	INTERNAL AUDIT	102,030	97,467	(4,563)	0			
81,035	78,166	(2,869)	PROCUREMENT	107,190	100,882	(6,308)	0			
145,387	(364,296)	(509,683)	NET EXPENDITURE	507,860	15,300	(492,560)	(505,960)			
<b>Corporate Services</b>										
485,950	397,638	(88,312)	HUMAN RESOURCES	647,190	559,891	(87,299)	(25,200)			
134,318	74,903	(59,415)	LEGAL SERVICES	176,730	110,968	(65,762)	(51,680)			
291,465	221,638	(69,827)	ELECTIONS & ELECTORAL REG	388,520	339,269	(49,251)	6,256			
480,378	462,313	(18,065)	DEMOCRATIC REPRESENTATION	643,490	620,522	(22,968)	(24,150)			
171,998	158,888	(13,110)	CIVIC CEREMONIALS	290,070	267,916	(22,154)	(27,081)			
241,058	306,578	65,520	CORPORATE SUPPORT	427,110	582,606	155,496	165,354			
0	(39,286)	(39,286)	TRANSPORTATION	0	0	0	0			
1,805,167	1,582,672	(222,495)	NET EXPENDITURE	2,573,110	2,481,172	(91,938)	43,499			

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## PROPOSED SUPPLEMENTARY BUDGETS &amp; BUDGET TRANSFERS

Supplementary Budgets

Description	£	Funded by:
Additional Safer Streets funding grant income	(50,000)	Self-financing
Additional Safer Streets expenditure	50,000	Self-financing
Further Additional Restrictions Grant income	(187,810)	Self-financing
Further Additional Restrictions Grant expenditure	187,810	Self-financing
Devon Household Support Fund - expenditure	90,000	Self-financing
Devon Household Support Fund - grant income to be reimbursed	(90,000)	Self-financing
Self Isolation Accommodation - expenditure	65,000	Self-financing
Self Isolation Accommodation - grant income	(65,000)	Self-financing
Vulnerable Renters - expenditure	124,820	Self-financing
Vulnerable Renters - grant income	(124,820)	Self-financing
Protect & Vaccinate - expenditure	254,590	Self-financing
Protect & Vaccinate - grant income	(254,590)	Self-financing
RSAP Revenue Grant - expenditure	191,850	Self-financing
RSAP Revenue Grant - grant income	(191,850)	Self-financing
General Fund Depreciation Budgets	8,089,660	Not applicable
<b>Total</b>	<b>8,089,660</b>	

Budget Transfers

There are no budget transfer requests this quarter

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**2021/22 BUDGET MONITORING**  
**AREAS OF BUDGETARY RISK**

The table below notes service-areas that, based on either experience last year or market factors this year, have been identified as having significant budgetary risk within the 2021/22 revenue budgets.

The revenue budget areas of risk are:

Service	21/22 Approved Budget	Risk Rating	Risk and mitigation
<b>City Development, Housing &amp; Supporting People</b>			
<b>Planning Services</b> Revenue	£782,320		There have been a number of recent planning decisions which have been appealed. This generally results in a need for external consultancy and legal advice. Significant expenditure has been incurred in this area in previous financial years.
<b>Revenues and Benefits</b> Housing Benefit Subsidy	£32,697,040		The Council currently administers over £33 million of Housing Benefit payments for rent allowances and rent rebates. Not all expenditure can be claimed back as subsidy. Certain supported and temporary accommodation costs are not eligible for full subsidy; these claim types will remain in Housing Benefit and not move to Universal Credit. As more Housing Benefit claims move onto Universal Credit the amount of unsubsidised expenditure will be an increased proportion of total expenditure. Errors made by ECC officers are not subsidised in full if they go over a set percentage of total expenditure. As total expenditure reduces due to Universal Credit rollout, the margins within which error payments are subsidised will reduce, increasing the risk of a subsidy loss in this area.
<b>Communications, Culture and Leisure Facilities</b>			
<b>Leisure &amp; Sport</b> (Revenue)	£2,477,380		Despite a challenging start to the year and sector, the leisure facilities are making steady progress in recovering lost time – a robust recruitment drive is filling vacant posts and membership income is continuing to rise with an expected spike in the New Year. However, there was an expectation that St Sidwells Point would have opened in September so targets set at the beginning of the year have not been met, resulting in an overspend against the budget

Service	21/22 Approved Budget	Risk Rating	Risk and mitigation
<b>Markets &amp; Halls</b> (Revenue)	(£370,260)		Covid restrictions may have lifted but recovery has been slow especially at The Corn Exchange. Many events have been affected and there is still uncertainty amongst promoters, artists and the public, resulting in reduced tickets sales and a significant amount of refunds. Also, performances are being postponed until further in the year, in the hope that confidence in the industry will be regained and attendance numbers return to a level of normality. However, the auction house at the Matford Centre has continued to successfully trade lessening the impact on the general fund.
<b>Visitor Facilities</b> (Revenue)	£116,680		The Underground Passages remain closed and will now not open until the new financial year. This is due to a continued water egress issue that has led to flooding. However, the other two facilities are showing a steady increase of visitors
<b>Net Zero Exeter and City Management</b>			
<b>Trade Waste Fees &amp; Charges</b>	(£1,294,160)		Income from existing trade waste customers has generally recovered well from the impact of the pandemic, however when the budgets were prepared it was anticipated that ECC could secure some significant contracts within the city. Progress on these has been delayed, with few opportunities for making cost savings.
<b>Car Parking Fees &amp; Charges</b>	(£8,882,350)		The ongoing impact of the pandemic due to restrictions and changing working patterns has reduced income to 83% of the original budget.
<b>Home Call Fees &amp; Charges</b>	(£278,540)		There has been reduced demand for the Home Call offer from ECC as there are alternative, cheaper services available in the marketplace. A consultant has been engaged to advise on increasing sales, however equipment needs to be digitalised over the next 3 years which will require investment.

**Risk Rating Key:**

	<p>Current forecasts indicate either a favourable variance compared to the budget or no variance at all</p>
	<p>Current forecasts indicate an adverse budgetary variance of between 0% and 5% that will be kept under review</p>
	<p>Current forecasts indicate an adverse budgetary variance of more than 5% and will be monitored closely</p>

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## **REPORT TO EXECUTIVE**

Date of Meeting: 4 April 2022

## **REPORT TO COUNCIL**

Date of Meeting: 19 April 2022

Report of: Director Finance

Title: 2021/22 General Fund Capital Monitoring Statement – Quarter 3

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

No

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

Council

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

To report the current position in respect of the Council's revised annual capital programme and to advise Members of the anticipated level of deferred expenditure into future years.

The report seeks Member approval to amend the annual capital programme in order to reflect the reported variations.

### **2. Recommendations:**

It is recommended that Executive Committee supports and recommends to Council to approve:

- (1) The revision of the annual capital programme to reflect the reported variations detailed in 8.1 and Appendix 1; and
- (2) The additional budget detailed in 8.6

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

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

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

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

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

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

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

5.1 Members are reminded that the construction sector is under pressure from rising prices for materials and labour shortages. This will continue to impact the programme for some time, resulting in delays to the programme and likely requests for additional funding where the budget is now insufficient to deliver the planned scheme owing to rising prices. In the short term, this will be managed by seeking Council approval to vire funds from schemes which are delayed, particularly if the asset is under review.

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

None identified

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

This report raises no issues for the Monitoring Officer.

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

##### **2021/22 GENERAL FUND CAPITAL MONITORING STATEMENT – QUARTER 3**

##### **8.1. REVISIONS TO THE CAPITAL PROGRAMME**

The 2021/22 Capital Programme was last reported to Executive on 30 November 2021. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
<b>Capital Programme, as reported to Council 14 December 2021</b>	<b>106,985,890</b>	
Budget Deferred to 2021/22 & Beyond at Quarter 3	(17,590,370)	Approved by Council 14 December 2021
Overspends/(Underspends) reported at Quarter 3	(109,420)	
Brownfield Land Release Projects	6,391,470	
Improved Recycling Containers	(1,804,990)	
Enhance the Materials Reclamations Facility	2,669,000	Approved by Council 21 July 2021
Depot Relocation	3,500,000	
Disabled Facilities Grants	162,640	Increased DFG Funding
<b>Revised Capital Programme</b>	<b>100,204,220</b>	

## 8.2. PERFORMANCE

The revised capital programme for the current financial year is £100.204 million. During the first nine months of the year the Council spent £12.924 million on the programme, which equates to 12.90% of the revised programme. This compares with £22.940 million (32.22%) that was spent in the first nine months of 2020/21.

The current programme is detailed in Appendix 1. The Appendix shows a total forecast spend for 2021/22 of £71.145 million with £29.060 million of the programme potentially being deferred to 2022/23 and beyond.

Appendix 2 shows the approved budgets for 2022/23 with the proposed 2021/22 budget to be carried forward to 2022/23 and beyond for Executive and Council to consider for approval.

Appendix 3 shows the overall position for those schemes which span more than one financial year.

## 8.3. AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2021/22 are £11.565 million. An estimated spend of £71.145 million is required of which £63.927 million will be funded from borrowing with £2.833 million capital receipts carried forward to 2022/23.

Appendix 4 sets out the forecast use of the resources available for the General Fund and the likely amounts of borrowing that will be necessary to fund the capital programme over the next three years.

The value of actual capital receipts received in the quarter in respect of the General Fund are:

	<b>General Fund £</b>
<b>Balance as at 1 April 2021</b>	<b>3,580,539</b>
New Receipts	441,970
<b>Balance as at 31 December 2021</b>	<b>4,022,509</b>

#### 8.4. EXPENDITURE VARIANCES

There are no significant variances to report this quarter.

#### 8.5. SCHEMES TO BE DEFERRED TO 2022/23 AND BEYOND

Schemes which have been identified as being wholly or partly deferred to 2022/23 and beyond are:

<b>Scheme</b>	<b>Budget to be Deferred £</b>
<b>IT Replacement Programme</b>	<b>37,040</b>

**Officer Responsible: Chief Executive & Growth Director**

An audit of current IT equipment (including mobile phones) is currently underway but it is unlikely that it will be completed and replacement equipment purchased by year-end.

<b>Scheme</b>	<b>Budget to be Deferred £</b>
<b>Leisure Complex Build Project</b>	<b>667,760</b>
<b>Bus Station Construction</b>	<b>208,470</b>

**Officer Responsible : Director**

The budgets have been re-profiled in line with anticipated expenditure.

<b>Scheme</b>	<b>Budget to be Deferred £</b>
<b>Columbarium</b>	<b>362,850</b>
<b>Cemeteries &amp; churchyards infrastructure improvements</b>	<b>132,790</b>
<b>Cemetery Fields play area</b>	<b>10,000</b>
<b>Play areas</b>	<b>87,310</b>

**Officer Responsible: Service Manager – Public & Green Spaces**

The columbarium is at the initial design stage currently, and the tender process is yet to take place so it is unlikely to break ground and incur significant costs until 2022/23. The cemeteries and church yards infrastructure scheme is on hold pending the assessment and business case for a second phase of the columbarium.

The work at the Cemetery Fields play area is now likely to take place between 2022 and 2024 when the s106 is received. Work on other play areas has begun and will continue in earnest in the spring of 2022.

<b>Repairs to walls at Farm Hill</b>	<b>20,000</b>
<b>CCTV improvements</b>	<b>228,000</b>

**Officer Responsible: Service Manager – Engineering, Waterways & Parking**

The investigation on high risk walls at Farm Hill has been further delayed due to resourcing issues but it is anticipated these will be done in Quarter 4 and the work completed in 2022/23.

The CCTV tender is being prepared and the work is likely to be complete by September 2022. Up to £15,000 will be needed for consultancy fees in this financial year with the balance to be spent in 2022/23.

<b>Trews Weir refurb</b>	<b>103,000</b>
<b>Piazza Terracina</b>	<b>10,000</b>
<b>Underground passages</b>	<b>30,900</b>
<b>St David's Church boundary wall</b>	<b>8,490</b>
<b>Double Locks</b>	<b>5,300</b>
<b>Heavitree paddling pools</b>	<b>45,000</b>
<b>Flowerpot skate park</b>	<b>3,770</b>

**Officer Responsible: Engineering & Assets Manager**

Resourcing issues have delayed progress on the Trews Weir refurb scheme with up to £50k likely to be spent this year.

Work on Piazza Terracina is still on hold pending discussions with other parties.

A water leak in the underground passages has put this scheme on hold and this will probably now be completed in early 2022/23.

There have been difficulties sourcing appropriate materials and the availability of skills required to complete the stone work at St David's boundary wall.

It is anticipated that a survey will be undertaken at Double Locks but the main works will happen in 2022/23.

The Heavitree paddling pools project has not yet been tendered so the bulk of the works will happen next year.

There has been further slippage on the Flowerpot skate park project mainly due to difficulties in resourcing.

<b>Scheme</b>	<b>Budget to be Deferred £</b>
<b>Council Signage Improvement</b>	<b>79,090</b>

**Officer Responsible: Director, Communications, Culture & Leisure Facilities**

A supplier has been selected to provide the new information monoliths. However, this decision has been contested by another contractor who failed in their bid and the matter is now under legal review. Unfortunately, this means a delay to the start of this project and it is unlikely it will start this financial year.

<b>Riverside Sports Hall Roof</b>	<b>400,000</b>
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**Officer Responsible: Director, Communications, Culture & Leisure Facilities**

This project may soon be starting so £100,000 has been left to cover any cost incurred before the year end. However, the bulk of the work will be undertaken in 2022/23.

<b>Leisure Management</b>	<b>245,440</b>
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**Officer Responsible: Director, Communications, Culture & Leisure Facilities**

This budget will be used in 2022/23 as part of the continuing programme to update, improve and enhance the council's leisure facilities.

<b>Scheme</b>	<b>Budget to be Deferred £</b>
<b>Exmouth Buoy Store</b>	<b>95,000</b>

**Officer Responsible: City Surveyor**

This project has been put on hold therefore no work will be undertaken in 2021/22.

<b>Mary Arches MSCP</b>	<b>169,620</b>
<b>Guildhall MSCP</b>	<b>101,130</b>
<b>Cathedral &amp; Quay MSCP</b>	<b>369,330</b>
<b>John Lewis MSCP</b>	<b>124,330</b>
<b>Princesshay 2 MSCP</b>	<b>115,990</b>
<b>Princesshay 3 MSCP</b>	<b>56,590</b>
<b>Leighton Terra &amp; KW St MSCP</b>	<b>80,110</b>

**Officer Responsible: City Surveyor**

It is unlikely that any work will begin this year; however, a small amount of £20,000 has been left in case of any consultancy costs.

<b>City Wall</b>	<b>25,000</b>
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**Officer Responsible: City Surveyor**

The project is waiting for approval from Historic England. It is unlikely that work will start this year; however, £10,000 has been left to cover any early spend.

<b>BLRF – Bonhay Meadows</b>	<b>1,009,870</b>
<b>BLRF – Exeter Canal Basin</b>	<b>600,000</b>
<b>BLRF – Mary Arches Car Park</b>	<b>1,310,000</b>
<b>BLRF – Belle Isle</b>	<b>673,000</b>
<b>BLRF – Cathedral &amp; Quay Car Park</b>	<b>2,373,180</b>
<b>BLRF – Clifton Hill</b>	<b>425,000</b>
<b>Depot Relocation</b>	<b>£3,450,000</b>

**Officer Responsible: City Surveyor**

Work will start on these projects in 2022/23 and will last for approximately two years

## 8.6 FURTHER FUNDING REQUESTS

### **Bromhams Farm Playing Fields (£250,000)**

The Environment Agency have agreed to fund £150,000 as compensation for reinstating the pitches to a satisfactory standard. It would be opportune while this work is being completed to improve the drainage facilities of the pitches which is estimated at £100,000.

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

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

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

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

There are no other options.

**Director Finance & S151 Officer, Dave Hodgson**

Author: Nicola Matthews-Morley, Bridget Kendrick and Claire Hodgson

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

Background papers used in compiling this report:-

None

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## 2021/22 CAPITAL MONITORING - QUARTER 3

Responsible Officer	Scheme	2021/22 Capital Programme	2021/22 Spend to Date	2021/22 Forecast Spend	2021/22 Budget to be Carried Forward to 2022/23 and Beyond	2021/22 Programme Variances (Under)/Over
		£	£	£	£	£
<b>Chief Executive &amp; Growth Director</b>						
	Customer Contact Platform	5,000	1,812	5,000	0	0
	Annual Contribution to Strata	53,910	53,904	53,904	0	(6)
	Idox System for Planning	78,540	32,149	78,540	0	0
	HR System	5,680	0	5,680	0	0
	Cabinet & Network Replacement	5,000	5,095	5,095	0	95
	Cash and Income Management	73,720	7,018	73,720	0	0
	Land Charges	5,390	0	5,390	0	0
Chief Executive & Growth Director	Finance System Upgrades	36,250	0	49,050	0	12,800
	Idox System Upgrades	8,160	0	8,160	0	0
	Financial Management	228,000	0	215,200	0	(12,800)
	Idox Environmental Health	11,200	0	11,200	0	0
	SAN Replacement	179,700	0	179,700	0	0
	Door Access RAMM	100,000	0	100,000	0	0
	NCSC Zero Trust	53,910	0	53,910	0	0
	IT Replacement programme	50,000	12,956	12,956	37,040	4
<b>TOTAL</b>		<b>894,460</b>	<b>112,933</b>	<b>857,505</b>	<b>37,040</b>	<b>93</b>
<b>Transformation</b>						
Director	Leisure Complex - Build Project	9,361,370	8,143,980	8,693,610	667,760	0
	Bus Station Construction	724,760	209,085	516,290	208,470	0
	Pinhoe Community Hub	53,760	0	53,760	0	0
<b>TOTAL</b>		<b>10,139,890</b>	<b>8,353,066</b>	<b>9,263,660</b>	<b>876,230</b>	<b>0</b>

Responsible Officer	Scheme	2021/22 Capital Programme	2021/22 Spend to Date	2021/22 Forecast Spend	2021/22 Budget to be Carried Forward to 2022/23 and Beyond	2021/22 Programme Variances (Under)/Over
		£	£	£	£	£
<b>Net Zero Exeter and City Management</b>						
Service Manager - Public & Green Spaces	Parks Infrastructure	100,000	53,070	100,000	0	0
	Cemeteries & Churchyards Infrastructure Improvements	134,790	0	2,000	132,790	0
	Parks Anti-Incursion Measures	44,200	8,440	44,200	0	0
	Ash Die Back Tree Replacement	173,140	9,550	173,140	0	0
	Binfrastucture	20,000	11,340	20,000	0	0
	Columbarium	367,300	4,450	4,450	362,850	0
	Cemetery Fields Play Area	10,000	0	0	10,000	0
	Play Areas	140,000	19,740	52,690	87,310	0
Engineering & Assets Manager	Pinhoe Playing Field Upgrades	50,000	50,498	52,000	(2,000)	0
	Salmonpool Swing Bridge	45,210	45,211	45,210	0	0
	Trews Weir refurb	153,000	0	50,000	103,000	0
	Exeter Arena Skatepark	30,000	5,595	30,600	0	600
	District Street Lighting	50,000	0	50,000	0	0
	Piazza Terracina	10,000	0	0	10,000	0
	Holman Way, Topsham CP Copse	10,000	260	10,000	0	0
	Exeter Quay Cellars cliff face	75,000	0	75,000	0	0
	Underground Passages	30,900	0	0	30,900	0
	St James Weir & Ducks Marsh	2,360	2,356	2,360	0	0
	St Davids Church Boundary Wall	31,830	17,336	23,340	8,490	0
	Double Locks	10,300	0	5,000	5,300	0
	Heavitree Paddling Pools	50,000	3,850	5,000	45,000	0
	Flowerpot Skate Park	15,000	9,234	11,230	3,770	0
	Landfill gas extraction	0	0	4,200	(4,200)	0
	Mincinglake Valley Park	10,000	5,500	10,000	0	0
Exeter Ship Canal Bottleneck	0	4,136	10,000	(10,000)	0	
Service Manager - Engineering, Waterways & Parking	Car Park Resurfacing, Lining & Boundary Improvements	5,210	5,215	5,210	0	0
	Improved Car Park Security Measures at King William Street & Arena Park	19,670	0	19,670	0	0
	Repairs to Turf Lock Pier Head	10,000	3,193	10,000	0	0
	Repair to Walls at Farm Hill	25,000	0	5,000	20,000	0
Service Manager - Recycling, Waste & Fleet	CCTV improvements	243,000	0	15,000	228,000	0
	Cleansing Bins and Boxes	40,000	28,331	40,000	0	0
	Improved recycling containers	345,010	51,705	345,010	0	0
Service Manager - Environmental Health & Community Safety	Enhance the Materials Reclamations Facility	4,169,000	23,095	4,169,000	0	0
	Disabled Facility Grants	974,130	360,561	974,130	0	0
	Warm Up Exeter/PLEA Scheme	204,820	33,060	204,820	0	0
	Energy Saving Projects	2,470,030	726,084	2,520,030	(50,000)	0
Miscellaneous	Capitalised Staff Costs	50,000	0	0	50,000	0
<b>TOTAL</b>		<b>10,118,900</b>	<b>1,481,810</b>	<b>9,088,290</b>	<b>1,031,210</b>	<b>600</b>

Responsible Officer	Scheme	2021/22 Capital Programme	2021/22 Spend to Date	2021/22 Forecast Spend	2021/22 Budget to be Carried Forward to 2022/23 and Beyond	2021/22 Programme Variances (Under)/Over
		£	£	£	£	£
<b>City Development, Housing &amp; Supporting People</b>						
Director	Agile & Flexible Rollout	82,930	0	82,930	0	0
	Next Steps/Rough Sleepers Accommodation Programme Property Acquisitions	1,641,760	289,671	1,641,760	0	0
	Marsh Barton Station	1,300,000	1,300,000	1,300,000	0	0
<b>TOTAL</b>		<b>3,024,690</b>	<b>1,589,671</b>	<b>3,024,690</b>	<b>0</b>	<b>0</b>
<b>Communications, Culture and Leisure Facilities</b>						
Director	Council Signage Improvement	79,090	0	0	79,090	0
	Leisure Centre Essential Enhancements	47,880	21,108	47,880	0	0
	Riverside Leisure Centre	1,337,430	925,416	1,337,430	0	0
	Riverside Sports Hall Roof	500,000	0	100,000	400,000	0
	Leisure Complex - Fit Out	1,500,000	121,550	1,500,000	0	0
	Leisure Management	245,440	0	0	245,440	0
<b>TOTAL</b>		<b>3,709,840</b>	<b>1,068,074</b>	<b>2,985,310</b>	<b>724,530</b>	<b>0</b>
<b>Finance</b>						
Director	Commercialisation Options	4,912,720	0	500,000	4,412,720	0
	Commercial Property Purchase	55,000,000	0	44,000,000	11,000,000	0
	Building Management System (BMS)	80,000	55,505	80,000	0	0
	Civic Centre Air Conditioning Replacement	25,000	0	25,000	0	0
	Fire Risk Assessment Works	769,540	6,686	769,540	0	0
	Pinces Gatehouse Roof repairs	70,000	55,610	70,000	0	0
	Corn Exchange Roof Replacement	250,000	165,832	250,000	0	0
	Exmouth Buoy Store	95,000	0	0	95,000	0
	Mary Arches MSCP	172,950	3,333	3,333	169,620	(3)
	Guildhall MSCP	103,120	1,987	1,987	101,130	3
	Cathedral & Quay MSCP	377,220	7,891	7,891	369,330	(1)
	John Lewis MSCP	126,770	2,443	2,443	124,330	(3)
	Princesshay 2 MSCP	118,270	2,279	2,279	115,990	1
City Surveyor	Princesshay 3 MSCP	57,700	1,112	1,112	56,590	(2)
	Leighton Terra & KW St MSCP	81,680	1,574	1,574	80,110	(4)
	City Wall	35,000	0	10,000	25,000	0
	BLRF - Bonhay Meadows	1,009,870	0	0	1,009,870	0
	BLRF - Exeter Canal Basin	600,000	0	0	600,000	0
	BLRF - Mary Arches Car Park	1,310,000	0	0	1,310,000	0
	BLRF - Belle Isle	673,420	0	0	673,420	0
	BLRF - Cath & Quay Car Park	2,373,180	0	0	2,373,180	0
	BLRF - Clifton Hill	425,000	0	0	425,000	0
	Depot Relocation	3,500,000	0	50,000	3,450,000	0
	Guildhall Roof Replacement	100,000	0	100,000	0	0
	RAMM Roof Replacement	50,000	14,015	50,000	0	0
<b>TOTAL</b>		<b>72,316,440</b>	<b>318,266</b>	<b>45,925,159</b>	<b>26,391,290</b>	<b>(9)</b>
<b>GENERAL FUND SERVICES TOTAL</b>		<b>100,204,220</b>	<b>12,923,820</b>	<b>71,144,614</b>	<b>29,060,300</b>	<b>683</b>

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## BUDGETS CARRIED FORWARD TO 2022/23 AND BEYOND

Responsible Officer	Scheme	2022/23 Budget as per Budget Book/Council Approvals	Proposed Budget to be Carried Forward to 2022/23 and Beyond at Qtr 3	Total 2022/23 Capital Programme	2023/24 Budget as per Budget Book/Council Approvals
		£	£	£	£
<b>Chief Executive &amp; Growth Director</b>					
	Customer Contact Platform	157,840	0	157,840	
	Annual Contribution to Strata	53,910	0	53,910	53,910
	Financial Management	0	0	0	200,000
	PTSN Replacement	40,000	0	40,000	
Chief Executive & Growth Director	ECC Civic Centre HFX Door Access Replacement	100,000	0	100,000	
	System Upgrade Cost - 2012 Server Replacement	35,940	0	35,940	
	GIS Cloud Migration	3,590	0	3,590	
	Datacentre Relocation	35,940	0	35,940	
	IT Replacement Programme	50,000	37,040	87,040	50,000
<b>TOTAL</b>		<b>477,220</b>	<b>37,040</b>	<b>514,260</b>	<b>303,910</b>
<b>Transformation</b>					
	Leisure Complex - Build Project	0	667,760	667,760	
	Bus Station Construction	0	208,470	208,470	
<b>TOTAL</b>		<b>0</b>	<b>876,230</b>	<b>876,230</b>	<b>0</b>
<b>Net Zero Exeter and City Management</b>					
	Parks Infrastructure	141,880	0	141,880	
	Cemeteries & Churchyards Infrastructure Improvements	0	132,790	132,790	
	Parks Anti-Intrusion Measures	0	0	0	
Service Manager - Public & Green Space	Ash Die Back Tree Replacement	150,480	0	150,480	25,000
	Columbarium	0	362,850	362,850	
	Cemetery Fields Play Area	146,830	10,000	156,830	
	Play Areas	278,200	87,310	365,510	218,600
	Outdoor Leisure Facilities - Newcourt	121,270	0	121,270	
	Repair Canal Bank at M5	26,890	0	26,890	
	Bowling Green Marshes Coastal Defence Scheme	500,000	0	500,000	160,000
	Topsham Flood Prevention Scheme	800,000	0	800,000	
	Pinhoe Playing Field Upgrades	44,530	(2,000)	42,530	
	Cricklepit Bridge	153,750	0	153,750	
	Trews Weir refurb	901,850	103,000	1,004,850	
	District Street Lighting	262,150	0	262,150	163,950
	Piazza Terracina	0	10,000	10,000	
	Trews Weir Safety Improvements	60,000	0	60,000	
	Exeter Ship Canal M5 viaduct	164,500	0	164,500	
	Exeter Quay Cellars cliff face	400,800	0	400,800	
	Exhibition Way Bridge	210,960	0	210,960	
	Yaroslavl Bridge	77,250	0	77,250	
	Leypark Road Footbridge	210,960	0	210,960	

## BUDGETS CARRIED FORWARD TO 2022/23 AND BEYOND

Responsible Officer	Scheme	2022/23 Budget as	Proposed Budget to	Total 2022/23	2023/24 Budget as
		per Budget	be Carried Forward	Capital Programme	per Budget
		Book/Council	to 2022/23 and		Book/Council
		Approvals	Beyond at Qtr 3		Approvals
		£	£	£	£
Engineering & Assets Manager	Paul Street Car Park Bridge & Ramp	21,220	0	21,220	87,440
	King William Footbridge	21,220	0	21,220	87,440
	Farm Hill Retaining Walls (23 no.)	53,050	0	53,050	218,600
	Mallison Bridge	1,037,750	0	1,037,750	
	Riverside Walls at Quay	528,950	0	528,950	
	Bonhay Rd/Andlaw House Footpath	42,440	0	42,440	
	Underground Passages	0	30,900	30,900	
	St James' Weir & Ducks Marsh Meadow banks	209,840	0	209,840	1,093,000
	St David's Church Boundary Wall	0	8,490	8,490	
	Canal Basin Topsham Quay Countess Wear - Canal craning pads	188,500	0	188,500	
	Double Locks Access Road & paths		5,300	5,300	43,720
	Heavitree Paddling Pools	418,150	45,000	463,150	
	Taddiford Brook @ New North Road / Taddiford Road	10,300	0	10,300	43,720
	Flowepot Skate-park	10,750	3,770	14,520	
	Landfill Gas Extraction Systems @ Clifton Hill & Mincinglake Valley Park	53,050	(4,200)	48,850	601,150
	Mincinglake Valley Park Reed Beds & Pipe Inlet	147,600	0	147,600	
	Exeter Ship Canal - Bottleneck & Bird Hide	116,400	(10,000)	106,400	
	Exeter Ship Canal - Green Tip to Salmonpool	51,500	0	51,500	
	Okehampton Street & Parr Street Car Parks	0	0	0	54,650
	Exwick Cemetery	0	0	0	21,860
Higher Cemetery	0	0	0	21,860	
Budlake Road	0	0	0	109,300	
Salmonpool Swingbridge / Clapperbrook Lane	30,000	0	30,000	0	
Service Manager - Engineering, Waterways & Parking	Repairs to Turf Lock Pier Head	63,500	0	63,500	27,330
	Repair to Walls at Farm Hill	54,900	20,000	74,900	
	Bank Repairs & Stabilisation to Watercourses	20,000	0	20,000	
	CCTV improvements	0	228,000	228,000	
Service Manager - Recycling, Waste & Fleet	Waste Infrastructure	463,300	0	463,300	
Service Manager - Environmental Health & Community Safety	Disabled Facility Grants	800,000	0	800,000	800,000
	Energy Saving Projects	65,000	(50,000)	15,000	
Miscellaneous	Capitalised Staff Costs	50,000	50,000	100,000	50,000
<b>TOTAL</b>		<b>9,109,720</b>	<b>1,031,210</b>	<b>10,140,930</b>	<b>3,827,620</b>

**City Development, Housing & Supporting People**

Director	Rough Sleepers Accommodation Programme Property Acquisition	1,890,000	0	1,890,000	
<b>TOTAL</b>		<b>1,890,000</b>	<b>0</b>	<b>1,890,000</b>	<b>0</b>

**Communications, Culture and Leisure Facilities**

Director	Council Signage Improvement	0	79,090	79,090	
	Riverside Sports Hall Roof	1,500,000	400,000	1,900,000	
	Leisure Management	0	245,440	245,440	

BUDGETS CARRIED FORWARD TO 2022/23 AND BEYOND

Responsible Officer	Scheme	2022/23 Budget as per Budget Book/Council Approvals	Proposed Budget to be Carried Forward to 2022/23 and Beyond at Qtr 3	Total 2022/23 Capital Programme	2023/24 Budget as per Budget Book/Council Approvals
		£	£	£	£
<b>TOTAL</b>		1,500,000	724,530	2,224,530	0

## BUDGETS CARRIED FORWARD TO 2022/23 AND BEYOND

Responsible Officer	Scheme	2022/23 Budget as	Proposed Budget to	Total 2022/23	2023/24 Budget as
		per Budget	be Carried Forward	Capital Programme	per Budget
		Book/Council	to 2022/23 and		Book/Council
		Approvals	Beyond at Qtr 3		Approvals
		£	£	£	£
<b>Finance</b>					
Director	Loan to Exeter City Living	15,641,560	0	15,641,560	
	Commercialisation options	0	4,412,720	4,412,720	
	Commercial Property Purchase	0	11,000,000	11,000,000	
	Beacon Heath Martial Arts & Boxing Club - New Roof	14,650	0	14,650	
	Pinces Gatehouse Roof repairs	15,000	0	15,000	
	Exmouth Buoy Store	0	95,000	95,000	
	Mary Arches MSCP	3,427,430	169,620	3,597,050	
	Guildhall MSCP	0	101,130	101,130	1,014,340
	Cathedral & Quay MSCP	3,496,800	369,330	3,866,130	
	Harlequins MSCP	16,510	0	16,510	
	John Lewis MSCP	0	124,330	124,330	
	Princesshay 2 MSCP	2,384,310	115,990	2,500,300	
	Princesshay 3 MSCP	0	56,590	56,590	567,580
	Leighton Terra & KW St MSCP	606,660	80,110	686,770	1,071,350
	Civic Centre Phase 3 Roof Rep	230,000	0	230,000	
	City Wall	343,520	25,000	368,520	
City Surveyor	Backlog Maintenance	4,934,830	0	4,934,830	
	BLRF - Bonhay Meadows	0	1,009,870	1,009,870	
	BLRF - Exeter Canal Basin	0	600,000	600,000	
	BLRF - Mary Arches Car Park	0	1,310,000	1,310,000	
	BLRF - Belle Isle	0	673,420	673,420	
	BLRF - Cath & Quay Car Park	0	2,373,180	2,373,180	
	LRF - Clifton Hill	0	425,000	425,000	
	Depot Relocation	0	3,450,000	3,450,000	
	Guildhall roof replacement	514,190	0	514,190	
	RAMM - roof replacement	938,530	0	938,530	
	Commercial Property Ancillary Accommodation flat roof recovering	124,640	0	124,640	
	Bradinch Place heating system, roof access and removal of the BMS system.	242,350	0	242,350	
	Wat Tyler House water ingress	235,270	0	235,270	
	Verney House roof and drainage	121,000	0	121,000	
	Commercial Properties EPC Improvements	204,700	0	204,700	107,000
<b>TOTAL</b>		<b>33,491,950</b>	<b>26,391,290</b>	<b>59,883,240</b>	<b>2,760,270</b>
<b>GENERAL FUND SERVICES TOTAL</b>		<b>46,468,890</b>	<b>29,060,300</b>	<b>75,529,190</b>	<b>6,891,800</b>

## SIGNIFICANT CAPITAL SCHEMES SPANNING MORE THAN ONE FINANCIAL YEAR

Responsible Officer	Scheme	Total Capital Budget £	Total Spend to Date £	Programme Variances (Under)/Over £
<b>Transformation</b>				
Director	Leisure Complex - Build Project	41,987,040	40,677,605	0
	Bus Station Construction	8,939,050	8,423,376	0
	Pinhoe Community Hub	100,000	46,244	0
<b>TOTAL</b>		<b>51,026,090</b>	<b>49,147,225</b>	<b>0</b>
<b>Net Zero Exeter and City Management</b>				
Service Manager - Public & Green Space	Parks Infrastructure	500,000	311,188	0
	Cemeteries & Churchyards Infrastructure Improvements	180,000	45,205	0
Engineering & Assets Manager	Repair Canal Bank at M5	64,520	37,631	0
	Replacement of Mallison Bridge (Exeter Quay)	1,082,160	44,407	0
Service Manager - Engineering, Waterways & Parking	Repairs to Turf Lock Pier Head	242,950	4,693	0
<b>TOTAL</b>		<b>2,069,630</b>	<b>443,125</b>	<b>0</b>
<b>Communications, Culture and Leisure Facilities</b>				
Director	Leisure Centre Essential Enhancements	331,480	304,712	0
	Riverside Leisure Centre	7,062,100	6,650,086	0
<b>TOTAL</b>		<b>7,393,580</b>	<b>6,954,798</b>	<b>0</b>
<b>GENERAL FUND SERVICES TOTAL</b>		<b>60,489,300</b>	<b>56,545,148</b>	<b>0</b>

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## GENERAL FUND AVAILABLE RESOURCES

GENERAL FUND	2021-22 £	2022-23 £	2023-24 £	2024-25 £	TOTAL £
<b>CAPITAL RESOURCES AVAILABLE</b>					
Capital Receipts Brought Forward	3,329,009				3,329,009
GF Capital Receipts	2,427,195	48,275	0	0	2,475,470
Revenue Contributions to Capital Outlay	0	89,668	0	0	89,668
Disabled Facility Grant	1,178,950	800,000	800,000	800,000	3,578,950
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	3,330,234	10,445,980	160,000	160,000	14,096,214
<b>Total Resources Available</b>	<b>11,565,388</b>	<b>11,428,570</b>	<b>960,000</b>	<b>960,000</b>	<b>24,913,958</b>
<b>GENERAL FUND CAPITAL PROGRAMME</b>					
Capital Programme	100,204,220	46,468,890	6,891,800	7,350,250	160,915,160
Overspends/(Savings)	683				683
Slippage	(29,060,300)	29,060,300			0
<b>Total General Fund</b>	<b>71,144,603</b>	<b>75,529,190</b>	<b>6,891,800</b>	<b>7,350,250</b>	<b>160,915,843</b>

<b>UNCOMMITTED CAPITAL RESOURCES:</b>					
Capital Receipts Brought Forward	3,329,009	2,833,299	1,519,591	984,096	3,329,009
Resources in Year	8,236,379	11,428,570	960,000	960,000	21,584,949
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	(2,833,299)	(1,519,591)	(984,096)		0
Less Spend in Year	(71,144,603)	(75,529,190)	(6,891,800)	(7,350,250)	(160,915,843)
<b>Borrowing Requirement</b>	<b>63,926,685</b>	<b>63,530,015</b>	<b>5,677,890</b>	<b>5,406,154</b>	<b>138,540,744</b>

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## **REPORT TO EXECUTIVE**

Date of Meeting: 4 April 2022

## **REPORT TO COUNCIL**

Date of Meeting: 19 April 2022

Report of: Director Finance

Title: 2021/22 HRA Budget Monitoring Report – Quarter 3

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

No

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

Council

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

1.1 To advise Members of the financial position of the HRA Revenue and Capital Budgets for the 2021/22 financial year after nine months.

In addition to the budgetary over/under-spends reported to this committee, Appendix 1 also highlights areas of risk, so that Members are aware that certain budgets have been identified as being vulnerable to factors beyond the control of the Council, which may result in potential deviations from budget, and are therefore subject to close monitoring by officers.

### **2. Recommendations:**

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

(1) The HRA forecast financial position for 2021/22 financial year;

(2) The revision of the HRA Capital Programme to reflect the reported variations detailed in Appendix 4

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

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

The Housing Revenue Account is a statutory account and local housing authorities have a duty to keep a HRA in accordance with proper accounting practices and to review the account throughout the year. Members are presented with a quarterly financial update in respect of the HRA and this is the third update for 2021-22.

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

4.1. The financial resources required to deliver both housing services to Council tenants and to invest in new and existing housing stock during 2021/22 are set out in the body of this report.

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

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

5.1 There remains nothing significant to draw members' attention to in respect of the HRA other than to note the list of deferred capital schemes.

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

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

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

7.1 This is a financial update report and as such raised no issues for the Monitoring Officer.

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

##### **HRA BUDGET MONITORING – QUARTER 3**

##### **8.1 Background to the HRA**

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

##### **8.2 HRA Capital Programme**

The 2021-22 HRA Capital Programme was last reported to Council on 14 December 2021. Since that meeting the following changes have been made that have decreased the 2021/22 programme.

Description	2021/22	Approval / Funding
<b>HRA Capital Programme</b>	<b>£28,111,460</b>	
Budgets deferred to future financial years	(£5,049,223)	Council – 14 December 2021
2021/22 Budget overspend	£1,482,676	Council – 14 December 2021
Edward's Court fit-out	£350,000	Executive – 11 January 2022
<b>Revised HRA Capital Programme</b>	<b>£24,894,913</b>	

### 8.3 Financial Performance

Following the commencement of the Council housing retrofit programme early in 2021/22, we identified the need to carry out a fundamental review of the capital budget for the current year and the remainder of the MTFP. This was to align the budget towards the retrofit programme and also to match fund Government Grant of £1.6 million which was secured as part of the Green Homes Grant allocation. The award of grant and the Council's match-funding will result in approximately 350 properties being retrofitted during the year which is substantially more than we would usually deliver but was an excellent opportunity to utilise the available grant funding and commence the programme of work at pace.

Whilst this has resulted in the overspend as reported, as this position had been planned for, a number of compensating savings and funding sources have been secured to mitigate against the current budget position. Equally, as this situation relates just to 2021/22, the budget has now been realigned to enable the continuation of the retrofit works leaving the total available resources over the MTFP at £1.2 million plus the retained £4 million.

The current HRA Capital Programme is detailed in Appendix 4. The appendix shows a total forecast spend of £23,786,083 compared to the £24,894,913 approved programme; a decrease of £1,108,830.

The -£1.1 million movement is made up of; additional budget requirements of £4.1 million, identified savings/reapportioned budgets -£2.1 million, -£3.8 million budget deferred to future years and £0.6 million budget brought back from future years.

### 8.4 Capital Budget Variances

The details of key (greater than +/- £50k) variances from budget are set out below. The Assistant Director of Housing (AP) will be able to provide further details in respect of these areas, if required.

Scheme	Forecast Overspend / (Underspend)
<b>Energy Conservation</b>	<b>£2,108,892</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>Planned work programmes were refocussed from the start of 2021/22 to reflect the Council’s carbon neutrality ambitions and deliver affordable warmth for our tenants. This necessitated a period of budget realignment where some over and under spends will be reported this year as we transition to the revised capital programme.</p> <p>Additionally, the Council received Green Energy Grants towards funding carbon reduction works on the housing stock. These grants have significantly accelerated this energy retrofit programme of works for 2021/22 which includes; cavity wall insulation, solar PV panels, loft insulation and heating upgrades. The grant conditions dictate that a landlord contribution is expected, so the HRA does have to finance a proportion of each retrofit out of its available resources. The forecast overspend for Q3 &amp; Q4 of 2021/22 of £2.1 million is offset by grant funding of £0.5m, so the net additional cost to the HRA is £1.6 million.</p> <p>The 202/23 estimates process incorporated a detailed review of the carbon retrofit budget requirement, the entire HRA capital programme has been reviewed to identify areas where budgets can be reapportioned to the retrofit need.</p> <p>To work towards the Council’s commitment to carbon neutral by 2030 the Council will look to apply for any further grant funding available, but the required landlord contributions may require further reapportioning of budget from other areas of the HRA approved capital programme.</p>	
<b>Structural Repairs</b>	<b>£358,125</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>It has been identified that in order to prepare properties for carbon reduction upgrades, some structural repairs are required. This predominately relates to the failure of wall ties and some lintels and the need to clear wall cavities of building rubble prior to the reinstallation of cavity insulation. Whilst this work was not anticipated its completion will significantly improve the thermal performance of the wall structures and the associated affordable warmth for our tenants.</p>	
<b>Re-roofing – Houses</b>	<b>£165,195</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>It has been identified that in order to prepare properties for carbon reduction upgrades, some roofing works are required. Surveys confirmed that a significant number of roofs needed renewal including the installation of insulation and ventilation. Additionally, the roofing programme was accelerated in order to achieve Green Homes Grant full allocation and spend.</p>	

<b>Window replacements</b>	<b>£150,000</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>The window replacement programme has been accelerated in line with the retrofit programme. The future budget has been realigned in order to maximise spend across all retrofit areas including window and door replacements.</p>	
<b>Bathroom replacements</b>	<b>(£141,206)</b>
<b>Communal area – New flooring</b>	<b>(£158,351)</b>
<b>Communal doors</b>	<b>(£50,000)</b>
<b>Door replacements</b>	<b>(£46,274)</b>
<b>Fire Risk assessment works</b>	<b>(£163,025)</b>
<b>Kitchen replacements</b>	<b>(£63,469)</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>As highlighted above, the 2021/22 budget and the revised MTFP budget years have been restructured and the spend realigned to better match stock condition information and renewal timescales. Consequently, for a number of budget areas the profile of expenditure has been reapportioned or restated across the next 4 years, this includes some budget areas that were previously deferred to future years in the Q2 report.</p>	
<b>Hamlin Gardens</b>	<b>£1,300,000</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>The budget for the Hamlin Gardens development has been increased to reflect the tender results received following the contract re-tender. With a contractor now appointed, the budget has been re-profiled to reflect the expected timeline of the project with completion expected in 2023/24.</p>	
<b>Delegated Powers (DP) development budget</b>	<b>(£1,300,000)</b>

### **Assistant Director of Housing (AP)**

The DP budget is available to allow the Assistant director of housing the flexibility to make decisions that would result in increased housing stock, wither by property purchase or development.

A saving on this budget has been identified to compensate for the additional budget requirement on Hamlin Gardens. £1.7m remains on the DP budget and this amount is considered sufficient given the number of development commitments at present.

### **Schemes to be deferred to 2022/23 and beyond**

Schemes which have been identified as being wholly or partly deferred to or (from) 2022/23 and beyond are:

Scheme	Budget deferred to/(from) future years
<b>Boiler replacement programme</b>	<b>(£147,488)</b>
<p><b>Officer Responsible – Compliance Lead</b></p> <p>The boiler replacement programme has accelerated this year due to the need to replace a number of obsolete models which were unviable to maintain. With the contractor, Liberty making good progress with this replacement programme, getting ahead of the expected programme for 2021/22 budget is being brought forward from future years to accommodate.</p>	
<b>Electrical rewiring – Domestic</b>	<b>(£120,333)</b>
<p><b>Officer Responsible – Compliance Lead</b></p> <p>The electrical rewiring on domestic properties has accelerated during 2021/22. There is an element of catching-up following Covid-related delays in this programme in the previous year and from under investment in this area in previous years. Budget is being brought forward from future years to accommodate.</p>	
<b>Social Housing acquisitions – Section 106</b>	<b>£589,507</b>
<p><b>Assistant Director of Housing (LB)</b></p> <p>The budget is available to purchase properties offered to the Council as part of section 106 agreements. The purchase price is usually for a nominal amount. This budget will be carried forward and made available to purchase properties on the open market, as well as via section 106 agreements.</p>	
<b>Rennes House Structural Works</b>	<b>£400,000</b>
<p><b>Assistant Director of Housing (AP)</b></p> <p>Following a report to Executive in January 2022 and subject to Council approval in February 2022, progress will be made with the tenant engagement element of the Rennes House proposals. As agreed, a further report will be made to Members in the next few months to finalise plans prior to commissioning works.</p>	

<b>Vaughan Road</b>	<b>£1,000,000</b>
<p><b>Assistant Director of Housing (AP)</b></p> <p>Demolition works have now commenced on this site. The budget has been re-profiled to align with the current timeline but it should be noted that procurement of the new development has yet to be finalised due to current construction market conditions.</p> <p>The selected contractor is not minded to progress the contract on the current basis, which in effect brings the procurement process with them to an end. As such, we will need to revisit the procurement process and re-tender the project.</p>	

### 8.5 Projected Movement in Working Balance (Revenue)

	£
<b>Approved Budgeted transfer from/ (to) the working balance</b>	<b>6,647,075*</b>
Supplementary budgets – Council approved 20 July 2021	<b>333,000</b>
Revenue Contribution to Capital deferred from 2020/21 – Council approved 20 April 2021	<b>446,550</b>
<b>Revised Budgeted transfer from/ (to) the working balance</b>	<b>7,426,625</b>

<b>*2021/22 Approved Budget Represented By</b>	<b>£</b>
85A1 MANAGEMENT	1,267,435
85A2 TENANCY SERVICES	1,455,550
85A3 SUNDRY LANDS MAINTENANCE	604,910
85A4 REPAIR & MAINTENANCE PROGRAMME	6,393,320
85A5 REVENUE CONTRIB TO CAPITAL	7,950,000
85A6 CAPITAL CHARGES	3,742,940
85A7 HOUSING ASSETS	2,210,260
85A8 RENTS	(19,236,370)
85B2 INTEREST	2,259,030
85B4 MOVEMENT TO/(FROM) WORKING BALANCE	<b>(6,647,075)</b>

The HRA has built up a considerable working balance of £12.950 million as at 31 March 2021. This is considerably higher than the £4 million contingency resolved to be retained. The HRA approved Medium Term Financial Plan (MTFP) plans to reduce the working balance, largely through significant revenue contributions to capital. This enables the built-up working balance to be used to fund the HRA capital programme towards planned works, retrofits and Council House building developments.

The approved 2021/22 budget built-in a large anticipated revenue contribution to capital for the year of £7.950 million. A further £0.447 million contribution to capital was deferred from 2020/21, taking the anticipated revenue contribution to capital for 2021/22 to £8.397 million.

8.6 The budget variances anticipated at quarter 3, indicate that £7,404,140 will be taken from the working balance in 2021/22 – See appendix 2.

This represents a movement of -£22,485 compared to the revised budget £7,426,625 for 2021/22. The key budget deviations are explained below.

<b>Budget Heading</b>	<b>Forecast Outturn Budget Variance at Quarter 2  (Under)/Overspend</b>	<b>Forecast Outturn Budget Variance at Quarter 3  (Under)/Overspend</b>
<b>Management Costs</b>	<b>£30,000</b>	<b>£30,000</b>

**Officers Responsible:**

**Assistant Director of Housing (AP)**

**Assistant Director of Housing (LB)**

- £30k Forecast overspend in empty property council tax charges. A number of invoices relating to 2020/21 became payable in Q1 of 2021/22. These properties were empty longer term due to major works and the pandemic and being unable to let them. In addition to this during 2021/22, approximately 35 properties will be held empty for major works or redevelopment opportunities.
- £25k Forecast overspend in business rates. These are back-dated charges for the mobile offices provided to remote working housing officers.
- (£10k) Forecast underspend on new hardware for officers. It is expected that there will be a supplementary request at the Year end to carry forward this budget to buy new phones and hardware for officers in 2022/23.
- (£15k) amalgamation of smaller under and overspends.

<b>Tenancy Services</b>	<b>(£12,500)</b>	<b>£nil</b>
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**Officers Responsible:**

**Assistant Director of Housing (LB)**

- (£12.5k) forecast underspend on shared ownership costs. The 2021/22 budget allowed for costs in anticipation of shared-ownership arrangements. Shared-ownership is not expected to be offered during 2021/22 therefore this budget is not due to be spent.
- £23k forecast reduction in Right-to-buy sales fee income. The HRA is allowed to charge £1,300 per Right-to-buy sale as an admin charge. It is expected that there will be 28 Right-to-Buy sales in 2021/22 against a forecast of 45. This will result in lower admin fee income.
- (£11k) forecast underspend on property valuation fees. This is due to lower than expected number of valuations and also some valuations have been undertaken internally which has proved more cost-effective.

<b>Sundry Land Maintenance</b>	<b>(£39,640)</b>	<b>(£53,640)</b>
<p><b>Officers Responsible:</b>  <b>Assistant Director of Housing (AP)</b>  <b>Assistant Director of Housing (LB)</b></p> <ul style="list-style-type: none"> <li>• (£54k) forecast underspend on garden assistance. This is a service provided on a monthly basis and spend is therefore dependent on how many gardens are expected to be serviced each month.</li> </ul>		
<b>Repair &amp; Maintenance Programme</b>	<b>(£nil)</b>	<b>(£nil)</b>
<p><b>Officer Responsible: Service Lead – Housing Assets</b></p> <ul style="list-style-type: none"> <li>• £130k forecast overspend on general reactive repairs. The budgetary impact is consistent with national trends and is potentially a consequence of the COVID periods with people spending more time at home, properties exhibiting more 'wear and tear', less/delayed capital investment and increased expectations for repair completions. Close monitoring continues to be in place to scrutinise activity and expenditure.</li> <li>• £165k forecast overspend on voids. The recent void analysis indicates that we have had a larger than usual number of void properties this year returned to us with high void costs which are not capital repairs. Work by the Voids Review Group continues to examine reasons for this trend and ways to mitigate and it is hoped that Housing Officer visits will go some way to reducing this pressure. Additionally, as a priority action the Voids Review Group are currently reviewing the Recharge Policy to make it fit for purpose and it is anticipated that this will assist in the management of voids, and the associated costs, moving forward.</li> <li>• (£109k) forecast underspend on Older Persons' decoration. This service provision has been temporarily suspended (2021/22) following the COVID period and risk assessments relating to non-urgent work. Furthermore, we do not currently have significant demand from tenants. It is likely that we will review and recommence this service offer to tenants from April 2022.</li> <li>• (£200k) forecast underspend on gas and central heating servicing and maintenance. This is largely due to continuing efficiencies emerging from the Liberty contract, that started in 2019/20 and new boiler installs successfully reducing the number of call-outs.</li> <li>• £14k amalgamation of other under and overspends.</li> </ul>		

<b>Capital Charges</b>	<b>£101,155</b>	<b>£101,155</b>
<p><b>Officer Responsible: not applicable (statutory accounting charge)</b></p> <p>Depreciation charges are higher than budgeted due to a valuation increase of the properties in the portfolio at 2020/21 year end.</p> <p>Depreciation is a real cost to the HRA as it represents the amount of money which needs to be set aside in the Major Repairs Reserve to provide for future capital works or to repay debt.</p>		
<b>Interest</b>	<b>(£100,000)</b>	<b>(£100,000)</b>
<p><b>Officer Responsible:</b>  <b>Assistant Director of Housing (AP)</b>  <b>Assistant Director of Housing (LB)</b></p> <p>(£100k) forecast underspend on interest. The 2021/22 budget included interest cost for additional £3.9m approved borrowing. This additional borrowing is likely not to be undertaken in 2021/22.</p>		
<b>Total budget (underspend)/overspend</b>	(£20,985)	(£22,485)
<b>Projected transfer from/ (to) the working balance</b>	£7,405,640	£7,404,140

### 8.7. Impact on HRA Working Balance

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

The forecast balance, as at 31 March 2022, is set out below:

<b>Movement</b>	<b>2021/22</b>
Opening HRA Working Balance, as at 1 April 2021	£12,950,277
Forecast transfer (from)/to the working balance for 2021/22	(£7,404,140)
Balance resolved to be retained (HRA contingency)	(£4,000,000)
<b>Forecast Balance Available, as at 31 March 2022</b>	<b>£1,546,137</b>

The significant transfer from the working balance anticipated for 2021/22 brings the working balance as at 31 March 2022 down closer to the HRA balance resolved to be retained of £4 million.

### **8.8. HRA Available Resources over the Medium Term**

The forecast HRA available resources for delivering both housing services and capital investment are set out in Appendix 3 for the period to 2025/26.

The total available resources is made up of several reserve balances; the HRA working balance, the Useable Capital Receipts reserve and the Major Repairs Reserve.

The HRA working balance is the movement on revenue budgets, contributions can be made from this reserve towards financing capital budgets in the form of 'Revenue Contributions to Capital'. The useable capital receipts reserve is made up of both the Right-to-Buy (RTB) receipts reserve and the Non-RTB receipts reserve; these reserves are available to finance capital spend, some restrictions apply. The Major Repairs Reserve is increased each year by the HRA depreciation charge to revenue, this reserve is then available to spend on the HRA capital programme.

The total forecast HRA available resources is impacted by estimated variances in both revenue budgets detailed in section 8.6 above and estimated variances in capital budgets detailed in section 8.3 above.

The forecast total available resources has worsened by £749k since last reported. Additional capital budget requirements for 2021/22 (detailed in section 8.9), have been offset by Green Energy grant funding won during the period, an increase in right-to-buy receipts and the additional net revenue expected from Edward's Court from 2022-23 onwards.

### **8.9. HRA Debt**

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

Executive on 8 October 2019 approved the first Council House Building Programme, which will deliver 100 new homes into the HRA at a cost of £18 million. On 5 April 2020, the Council took out a loan of £15.36 million from the PWLB to support this programme. The remaining £2.64 million will be funded by capital receipts.

As at 31 March 2021, the HRA's borrowing stood at £73.242 million. The total of the £15.360 million new loan and the former 'debt cap' level of £57.882 million.

The HRA currently has approval to borrow a further £6.9 million, this will likely be required in the next 12 to 24 months.

## **9. Historic Council own build Final Accounts to 31 March 2022**

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

As the 21 units were built using HCA funding in conjunction with borrowing (£998k), they are accounted for separately in order to ensure that they self-financing. A separate COB working balance and Major Repairs Reserve are maintained until such time as a sufficient balance has been accumulated to repay the debt attributable to these properties, at which point the units can be accounted for with the wider HRA stock.

### **9.2. Key Variances from Budget**

A variance of £2,352 has been identified due to an increase in capital charges for 2021/22. The budgeted transfer from the COB working balance is now expected to be £28,122 for the year.

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

The Housing Revenue Account contributes to a key purposes, as set out in the Corporate Plan; Build great neighbourhoods.

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

For clarity, these are specific financial risks, alongside the risks captured in the corporate risk register.

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

Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates. Appendix 1 sets out the risks identified, at Quarter 3.

## **12. Equality Act 2010 (The Act)**

12.1 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.

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

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

12.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because there are no significant equality and diversity impacts associated with this decision.

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

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

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

None.

**Director Finance, David Hodgson**

Author: Kayleigh Searle

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

Background papers used in compiling this report:-

None

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A number of areas of budgetary risk have been identified within the HRA, as follows:

Budget Title	2021/22 Approved Budget	Risk Rating	Risk and mitigation
General Maintenance	£2,238,127 (revenue)		The volatility of the level of requested repairs due to factors beyond the control of the Council, for example adverse weather conditions represent a budgetary risk. The impact of property inspections undertaken by the Tenancy Services Team may also lead to the identification of additional repairs. Spend to month six is slightly ahead of profile. Mitigation measures include monthly contract meeting with the Contractor – the meetings include budget review and work in progress updates. Other supporting measures include weekly Surveyors meetings to highlight repair demand pressures.
Repairs to Void Properties	£1,262,493 (revenue)		Property turnover and the varying condition of properties when returned to the Council represent a budgetary risk. Spend to month six is ahead of profile. Mitigation includes a current review of the void standard – for inclusion in the currently commissioned Integrated Asset Management Contract. Additionally, property inspections by Housing Officers highlight sub-standard property conditions wherever possible and are an early alert to issues.
Rental Income from Dwellings	(£18,769,500) (revenue)		Right to Buy sales, number of new tenancies set at convergence rent levels, number of days lost through major works, rent lost in respect of void properties and welfare reform changes (for which an increased bad debt provision has been made) all impact on the annual rental income. The impact on rents due to COVID-19 was considered in 2020-21 and a two year recovery period was built into the medium-term financial plan. Rental income after the first 9 months is slightly behind profile, but payments made during the rent-free fortnights may mitigate, as in previous years. Mitigation has been impacted by the scale of work to some void properties. However, contract works are monitored to focus on timely completion of refurbishments.

**Risk Rating:**

	Potential for a favourable variance compared to the budget or no variance at all
	Potential for adverse budgetary variance of between 0% and 5% that will be kept under review
	Potential for an adverse budgetary variance of more than 5% and will be monitored closely

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HOUSING REVENUE ACCOUNTS BUDGET MONITORING 2021-22

APPENDIX 2

QUARTER 3

ACTUAL TO DATE			YEAR END FORECAST				
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	MANAGEMENT UNIT	APPROVED BUDGET	Qrt 2 FORECAST VARIANCE	Qrt 3 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£		£	£	£	£
701,510	738,685	37,175	MANAGEMENT	1,314,435	30,000	30,000	1,344,435
889,370	815,033	(74,337)	TENANCY SERVICES	1,445,550	(12,500)	0	1,445,550
363,800	196,600	(167,200)	SUNDRY LAND MAINTENANCE	744,910	(39,640)	(53,640)	691,270
5,254,060	5,174,780	(79,280)	REPAIRS & MAINTENANCE PROGRAMME	6,561,320	0	0	6,561,320
0	0	0	REVENUE CONTRIBUTION TO CAPITAL	8,396,550			8,396,550
0	0	0	CAPITAL CHARGES	3,742,940	101,155	101,155	3,844,095
1,441,400	1,399,035	(42,365)	HOUSING ASSETS	2,198,260	0	0	2,198,260
(15,228,800)	(15,018,736)	210,064	RENTS	(19,236,370)	0	0	(19,236,370)
1,694,273	1,090,389	(603,884)	INTEREST	2,259,030	(100,000)	(100,000)	2,159,030
			MOVEMENT TO/(FROM) WORKING BALANCE	(7,426,625)	20,985	22,485	(7,404,140)
			<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<b>Working Balance</b>	<b>12,950,277</b>	<b>31 March 2022</b>		<b>5,546,137</b>

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COUNCIL OWN BUILD SITES

PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	MANAGEMENT UNIT	APPROVED BUDGET	Qrt 2 FORECAST VARIANCE	Qrt 3 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£		£	£	£	£
56,123	42,389	(13,734)	MANAGEMENT	74,830	0	0	74,830
(8,048)	(5,938)	2,110	ROWAN HOUSE	(10,730)	0	0	(10,730)
(46,275)	(38,771)	7,504	KNIGHTS PLACE	(61,700)	0	0	(61,700)
0	0	0	INTEREST	7,590	0	0	7,590
0	0	0	CAPITAL CHARGES	15,780	0	2,352	18,132
			MOVEMENT TO/(FROM) WORKING BALANCE	(25,770)	0	(2,352)	(28,122)
			<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<b>Working Balance</b>	<b>317,178</b>	<b>31 March 2022</b>		<b>289,056</b>

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## HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2021-22 £	2022-23 £	2023-24 £	2024-25 £	2025-26 £	TOTAL £
<b>CAPITAL RESOURCES AVAILABLE</b>						
Usable Receipts Brought Forward						9,600,363
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	1,526,750	825,000	825,000	825,000	825,000	4,826,750
Surrender back to DCLG - pending investment in replacement affordable housing		(1,524,827)				(1,524,827)
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	2,000,000	3,000,000	3,100,000	18,496,550
External contributions	606,802		-	-		606,802
Grant funding - Green Energy	1,600,000					1,600,000
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>25,389,286</b>	<b>10,680,793</b>	<b>7,505,620</b>	<b>8,430,620</b>	<b>7,780,620</b>	<b>84,520,500</b>
<b>CAPITAL PROGRAMME</b>						
HRA Capital Programme	24,894,913	21,828,854	15,810,560	10,051,220	9,070,573	81,656,120
COB developments re-profiling		(2,989,793)	1,363,221	1,626,572		-
Q3 - Slippage / Re-profiling	(3,182,782)	756,467	2,635,021	(208,706)		-
Q3- Overspends / (Savings)	2,073,952					2,073,952
<b>Total Housing Revenue Account</b>	<b>23,786,083</b>	<b>19,595,528</b>	<b>19,808,802</b>	<b>11,469,086</b>	<b>9,070,573</b>	<b>83,730,072</b>
<b>UNCOMMITTED CAPITAL RESOURCES:</b>						
Usable Receipts Brought Forward	9,600,363	8,280,600	5,395,600	3,695,011	1,345,184	9,600,363
Major Repairs Reserve Brought Forward	15,133,198	18,056,164	13,551,256	2,948,663	735,197	15,133,198
Resources in Year	25,389,286	10,680,793	7,505,620	8,430,620	7,780,620	59,786,939
Less Estimated Spend	(23,786,083)	(19,595,528)	(19,808,802)	(11,469,086)	(9,070,573)	(83,730,072)
<b>Uncommitted Capital Resources</b>	<b>26,336,764</b>	<b>17,422,029</b>	<b>6,643,674</b>	<b>3,605,208</b>	<b>790,428</b>	<b>790,428</b>
<b>WORKING BALANCE RESOURCES:</b>						
Balance Brought Forward	12,950,277	5,546,137	4,472,981	4,394,903	4,277,806	12,950,277
HRA Balance Transfer - to/(from) Working Balance	(7,426,625)	(1,154,130)	(72,405)	114,280	164,311	(8,374,569)
Cumulative forecast under/(over)spend 2021-22	22,485					22,485
Supplementary budget - Edward's Court net revenue		80,974	194,327	268,623	276,465	820,389
Revenue Contribution to Capital update			(200,000)	(500,000)	(300,000)	(1,000,000)
Balance Carried Forward	5,546,137	4,472,981	4,394,903	4,277,806	4,418,582	4,418,582
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 (after balance resolved to be retained of £4m)</b>	<b>1,546,137</b>	<b>472,981</b>	<b>394,903</b>	<b>277,806</b>	<b>418,582</b>	<b>418,582</b>
<b>TOTAL AVAILABLE CAPITAL RESOURCES (after balance resolved to be retained of £4m)</b>	<b>27,882,901</b>	<b>17,895,010</b>	<b>7,038,577</b>	<b>3,883,014</b>	<b>1,209,010</b>	<b>1,209,010</b>

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**2021-22  
CAPITAL MONITORING - QUARTER 3**

	2021-22 Capital Programme	2021-22 Spend	2021-22 Forecast Spend	2021-22 Budget to be Carried Forward to Future Years	TO 2022-23	TO 2023-24	TO 2024-25	2021-22 Programme Variances (Under)/Over
	£	£	£	£	£	£	£	£
<b>HRA CAPITAL</b>								
<b>EVERYONE HAS A HOME</b>								
Adaptations	560,000	183,756	560,000					-
Balcony Walkway Improvements	115,360	0	90,000					(25,360)
Bathroom Replacements (inc. Communal)	836,206	181,833	695,000					(141,206)
Boiler Replacement Programme & Central Heating	707,512	363,848	855,000	(147,488)		(73,744)	(73,744)	-
Common Area Footpath & Wall Improvements	246,340	133,517	264,340	(18,000)	(18,000)			-
Communal Area Improvements - New Flooring	100,000	355	46,000	(104,351)		(52,176)	(52,176)	(158,351)
Communal Door and Screen Replacements	500,000	34,120	450,000					(50,000)
Door Replacements (inc. Outbuildings)	450,000	194,018	460,000	(56,274)		(56,274)		(46,274)
Electrical Central Heating	15,760	13,455	15,760					-
Electrical Rewires - Communal	174,159	57,974	136,000	38,159	38,159			-
Electrical Rewires - Domestic	309,667	154,057	430,000	(120,333)	(40,111)	(40,111)	(40,111)	-
Energy retrofit	2,635,548	1,693,512	4,744,440					2,108,892
Estate Improvements	45,221	1,699	20,000					(25,221)
Fire Risk Assessment Works - Compliance	400,000	11,179	400,000					-
Fire Risk Assessment Works - Planned	360,000	10,659	325,000	(128,025)	(42,675)	(42,675)	(42,675)	(163,025)
Fire Safety Storage Facilities	50,000	75	10,000					(40,000)
Garage Upgrades	2,171	2,171	2,171					-
Kitchen Replacements (inc. Communal)	923,469	156,890	860,000					(63,469)
LAINGS Refurbishments	937,025	364,420	937,025					-
Lift Upgrades	0	0	0					-
Reroofing - Flats	396,414	53,819	419,000					22,586
Reroofing - Houses (outbuildings, chimney, gutters, downpipes, fascia)	1,100,805	551,111	1,266,000					165,195
Porch Canopies	50,000	0	28,000	(20,413)	(20,413)			(42,413)
Rennes House Structural Works	500,000	0	100,000	400,000		400,000		0
Soil Vent Pipe Replacement	6,571	6,571	6,571		0			0
Structural Repairs	581,875	176,094	940,000					358,125
Window Replacements	1,200,000	393,496	1,350,000					150,000
Housing Management system	3,469	3,469	3,469					-
Zebcat Project	7,479	358	31,952					24,473
<b>HOUSING REVENUE ACCOUNT TOTAL</b>	<b>13,215,051</b>	<b>4,742,456</b>	<b>15,445,728</b>	<b>(156,725)</b>	<b>(83,040)</b>	<b>135,021</b>	<b>(208,706)</b>	<b>2,073,952</b>
<b>COUNCIL OWN BUILD CAPITAL</b>								
Social Housing Acquisitions - Section 106	589,507	0	0	589,507	589,507			-
Social Housing Acquisitions - Open Market	1,319,281	0	1,319,281					-
St Loyes Extracare Scheme	1,513,008	828,022	1,513,008					-
Council House Building Programme - Bovemoors Lane	105,358	198	105,358					-
Council House Building Programme - Hamlin Gardens	600,000	30,780	150,000	1,750,000	250,000	1,500,000		1,300,000
Council House Building Programme - Vaughan Road	2,000,000	6,504	1,000,000	1,000,000		1,000,000		-
Thornpark Rise	2,458,508	2,458,508	2,458,508					-
DP budget	3,000,000	0	1,700,000					(1,300,000)
Council Own Build (Phase 3)	94,200	0	94,200					-
<b>COUNCIL OWN BUILD TOTAL</b>	<b>11,679,862</b>	<b>3,324,012</b>	<b>8,340,355</b>	<b>3,339,507</b>	<b>839,507</b>	<b>2,500,000</b>	<b>0</b>	<b>0</b>
<b>OVERALL HOUSING REVENUE ACCOUNT TOTAL</b>	<b>24,894,913</b>	<b>8,066,468</b>	<b>23,786,083</b>	<b>3,182,782</b>	<b>756,467</b>	<b>2,635,021</b>	<b>(208,706)</b>	<b>2,073,952</b>

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## REPORT TO EXECUTIVE

Date of Meeting: 4 April 2022

## REPORT TO COUNCIL

Date of Meeting: 19 April 2022

Report of: Corporate Manager, Democratic and Civic Support

Title: Freedom of the City

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

### 1. What is the report about?

This report sets out a proposal to offer the Freedom of the City to Mr Philip Bostock in recognition of his civic service to the city of Exeter.

### 2. Recommendations:

That in accordance with Section 249 of the Local Government Act 1972, an Extraordinary meeting of the Council be arranged on the rising of the Ordinary meeting of the Council on 19 April 2022, to consider granting the Freedom of the City to Philip Bostock.

### 3. Reasons for the recommendation:

3.1 Section 249 of the Local Government Act 1972, gives Councils the power to grant "Freedom of the City" to any individual who it feels has given eminent service to the City.

3.2 To this end, an Extraordinary meeting of the full Council must be convened to specifically consider this matter, with two thirds of those present, voting in favour.

3.3 If the recommendation contained in this report is accepted by The Executive and subsequently adopted by full Council, an Extraordinary meeting of the Council will therefore be organised immediately after the ordinary meeting of the Council scheduled for 19 April 2022, when Members will be asked to consider granting the Freedom of the City to Philip Bostock.

3.4 Members are reminded of the following four criteria against which nominations for Freeman of the City are considered:-

- For those who have extraordinarily served the community over a number of years (minimum of 20 years) in a voluntary or professional capacity;

- For those who have achieved national, international or world recognition for excellence in their particular field of expertise (be it business, entrepreneurial, sport, or any other area);
- For those who have promoted Exeter during their career so as to significantly raise the profile of the City on a national, international or world basis; and
- For those who have via a particularly extraordinary act, or series of acts, put the safety or wellbeing of themselves secondary to those of others.

3.5 The following nomination has been received in respect of Philip Bostock:-

*“Philip has dedicated much of his life to various civic duties. He is the model custodian of everything great about Exeter and through the years shaped much of the city landscape, from Councils to education to preservation. Philip Bostock’s 40-year career in local government began in Cheshire, and led to a range of senior planning, economic development and environmental roles in the north west of England. He was Chief Executive of Exeter City Council from 1997 until his retirement in July 2013. During those 16 years Exeter experienced unparalleled growth, major city centre redevelopment, economic dynamism and a growing international reputation. He was instrumental in the setting up of the South West Regional Assembly in 1997, acting as its inaugural Secretary. He was appointed a member of the Government’s ‘Lifting the Burdens’ Task Force in 2006 and was a longstanding representative for south west district councils within the Local Government Association. He served for many years on the Professional Executive Committee of the Exeter PCT, and was the Chair of Governors of Exeter College during its main period of growth and success and is now a trustee and Vice Chair of the Ted Wragg Trust.*

*Philip was awarded an OBE for services to Local Government in the 2006 Queen’s Birthday Honours List and was made a Deputy Lieutenant for the County of Devon in 2013. We are proud to call Philip one of Exeter’s greatest ambassadors, with the City’s best interests running right through him!”*

3.6 The following additional supporting statements have been received from the Chief Executive Officer of Exeter College; The President of Exeter City Football Club; The Chief Executive Officer of the Ted Wragg Trust; and a fellow Trustee from the Ted Wragg Trust

1. “I wanted to write in support of giving Philip Bostock OBE DL Freedom of the City of Exeter. In addition to his massive contribution to Exeter in his paid employment as Chief Executive of Exeter City Council, he has made an immeasurable difference to Exeter and Devon more widely as a volunteer.

Philip was Governor at Exeter College for a full term of 8 years, he was also Chair of Governors for the maximum permitted period. During this time, he oversaw significant growth in turnover at the College and growing student recruitment, but also steered the ship through the challenges of austerity. In addition, he led the process of recruitment for a new Principal, following Sir Richard Atkins’ 15 years at the College. During Philip’s tenure, the College was judged to be Ofsted

Outstanding and won various national awards. In fact, it was judged to be the best College in the UK twice while he was Chair. For me, Philip is in action, word and deed a man of integrity, honesty and commitment, who always sets high standards through his own behaviours.

Philip was selected by the Lord Lieutenant of Devon to be one of his Deputy Lieutenants and in true Philip style, he has thrown himself into this endeavour and is often seen representing the Queen at various events around Devon taking the place of the Lord Lieutenant of Devon.

Finally, when Philip left the Board at Exeter College, he joined the Board of the Ted Wragg Multi-Academy Trust, where he is now Vice Chair. He has overseen a period of growth, innovation and improvement, but at its core, the Trust has followed Philip's core value about making a difference to "place."

2. "As Chairman and now President of Exeter City Football Club. I have, on numerous occasions, had to liaise, partner and seek solutions to further the endeavours of the Club and its associated community charity that support the City and whilst Philip was in his role as CEO of the City Council such meetings were amicable purposeful and always achieved beneficial solutions. He has been a significant asset to the City and some of his main projects changed the landscape and nature of what we are and what defines us.

Further to this, as alumni and a past staff member I have been privileged to see first-hand the progression, forward thinking and student need centric approach that has emanated from Exeter College over an extended period of time. During what was a critical time it was been Philip's guidance and leadership as the Chairman of the College Board that has championed the aforementioned aspects of the dynamic continued improvement in Further Education within in our city.

Most importantly, wherever and whenever you met with Philip you found a consistent, engaged individual always willing to listen, and as is very evident in so many ways, determined to support and progress all aspects of this City. I wholeheartedly support this application."

3. "Philip has been an exceptional Trustee of the Ted Wragg Trust for five years.

He has played a crucial role in supporting us to transform educational outcomes for our young people across the city and beyond. He epitomises the power of strategic governance to rapidly improve schools. He has demonstrated his skills at board level, also giving direct governance support to our most challenging Exeter schools when they needed skilled and intensive early support. During the last five years the Trust has been through rapid growth and Philip has always given us calm, knowledgeable and challenging support so that we can make the best strategic decisions for the good of all our children.

Philip is completely aligned to the values of the Trust; he is completely selfless and believes passionately in civic duty and the power of local partnerships to transform society. I am so privileged and humbled to work with such a wonderful, committed trustee who gives up so much time to support the young people of Exeter and who makes such a positive contribution to our local education community."

4. "I am extremely pleased to support the recommendation of Philip Bostock M.B.E for the freedom of the City of Exeter.

Philip as Chief Executive of the city oversaw a major period of growth in our City and indeed it was my working with him and his colleagues, I believe part of the reason why I was granted the freedom of the City.

Philip has since retirement made a significant contribution to education in the city initially as a governor of Exeter College and more recently as a trustee of the Ted Wragg trust, so his work has touched the lives of thousands of young people in the City.

I think Philip richly deserves the Freedom of Exeter and I wholeheartedly support the application.”

3.6 In response to this nomination, Philip Bostock has stated:-

*“Over the last 25 years I have devoted a large part of my life and energies to representing, supporting and developing the City of Exeter – for 16 years as Chief Executive of the City Council, then as Chair of the Exeter College Board and now as Vice-Chair of the Exeter-based Ted Wragg Multi-Academy Trust. I hope I have contributed in some way to the undoubted successes of all of these organisations, and ultimately to the success of the great city with which I am proud to be associated. Being honoured as a Freeman of the City of Exeter, in recognition of this service, means a huge amount to me and it will always be the award that I will prize above all others.”*

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

Other than the small cost in preparing a suitable ceremonial scroll and hosting a small reception, there are no resource implications.

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

There are no additional financial implications contained within this report, on the basis that the cost of a ceremonial scroll and reception will be met from approved budgets.

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

Section 249 of the Local Government Act 1972, gives Councils the power to grant “Freedom of the City” to any individual who it feels has given eminent service to the City.

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

This report raises no issues for the Monitoring Officer.

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

8.1 The Council is asked to consider bestowing the honour of Freedom of the City to Philip Bostock

8.2 Members are reminded that the way in which such nominations are considered by the Council was changed at the Executive Committee meeting on 10 April 2018 (minute number 46 refers) whereby an Assessment Panel would sit to consider the written submissions received.

8.3 This Panel was to comprise of:-

- The Leader of the Council (or nominee)
- The Leader(s) of other political groups on the Council (or nominee(s))
- The Chief Executive & Growth Director (or nominee from the Strategic Management Board)
- The Corporate Manager, Democratic & Civic Support
- An external representative (Professor Brian Kirby has taken up this role)

8.4 Due to the current coronavirus pandemic, the Panel considered the nomination via email, and felt satisfied that the necessary criteria had been met to forward the nominations to the Executive for acceptance and onward recommendation to an Extraordinary Council meeting, which, it should be noted, that legislation dictates should be convened specifically for this purpose. Statute also dictates that 2/3rds of those attending the Council meeting must vote in favour of the decision.

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

This decision will help promote the City as a regional capital and one which supports those who support and promote the City as such.

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

There are no risks associated with the proposal.

## **11. Equality Act 2010 (The Act)**

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

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

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

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

The Council could decide not to make the award, although it is felt that this would be against the Council's approved criteria.

### **Baan Al-Khafaji – Director, Corporate Services**

Author: John Street, Corporate Manager Democratic & Civic Support

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

Background papers used in compiling this report:-

Nomination

Council's approved process for considering such nominations

Contact for enquires:

Democratic Services (Committees)

Room 4.36

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of the Local Government Act 1972.

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