

EXECUTIVE

Date: Tuesday 27 June 2023

Time: 5.30 pm

Venue: Rennes Room, Civic Centre, Paris Street, Exeter

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

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

Entry to the Civic Centre can be gained through the rear entrance, located at the back of the Customer Service Centre, Paris Street.

Membership -

Councillors Bialyk (Chair), Wright (Deputy Chair), Denning, Foale, Morse, Parkhouse, Pearce, 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 6 June 2023.

(Pages 5 -
8)

3 Declarations of Interest

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

4 Local Government (Access to Information) Act 1985 - Exclusion of Press and Public

RECOMMENDED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of

items 16 - 18 on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1, 2, and 3 of Part I, Schedule 12A of the Act.

5 Questions from the Public Under Standing order No. 19

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

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

6 Overview of General Fund Revenue Budget 2022/23

To consider the report of the Director Finance.

(Pages 9 - 32)

7 General Fund Capital Monitoring 2022/23 and Revised Capital Programme for 2023/24 and Future Years

To consider the report of the Director Finance.

(Pages 33 - 52)

8 2022/23 HRA Budget Monitoring Report - Outturn

To consider the report of the Director Finance.

(Pages 53 - 74)

9 Treasury Management 2022/23

To consider the report of the Director Finance.

(Pages 75 - 84)

10 The Household Support Fund - Scheme 4

To consider the report of the Director Finance.

(Pages 85 - 120)

11 Economic Vulnerability Fund

To consider the report of the Director Finance.

(Pages 121 - 140)

12 Review of the Corporate Risk Register

To consider the report of the Director Finance.

(Pages 141 - 144)

13 Revised Local Development Scheme 2023

To consider the report of the Director of City Development.

(Pages 145 - 174)

14 Water Lane Compulsory Purchase Order

To consider the report of the Director of City Development.

(Pages
175 - 204)

15 **Honorary Alderman of the City**

To consider the report of the Director Corporate Services.

(Pages
205 - 208)

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.

16 **Vaughan Road Development Site**

To consider the report of the Director of City Development.

(Pages
209 - 220)

17 **Social Housing Development Opportunities Report**

To consider the report of the Director of City Development.

(Pages
221 - 232)

18 **Proposals regarding staffing at RAMM**

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

(Pages
233 - 242)

Date of Next Meeting

The next scheduled meeting of the Executive will be held on **Tuesday 5 September 2023** 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

Tuesday 6 June 2023

Present:

Councillor Bialyk (Chair)

Councillors Wright, Denning, Foale, Morse, Parkhouse, Pearce, Williams and Wood

Also present:

Councillor Jobson (as an opposition group Leader);

Councillor K. Mitchell (as an opposition group Leader); and

Councillor D. Moore (as an opposition group Leader).

Also present:

Chief Executive, Director Corporate Services and Democratic Services Manager

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MINUTES

The minutes of the meeting held on 4 April 2023, were taken as read, approved and signed by the Chair as a correct record.

58

DECLARATIONS OF INTEREST

No declarations of disclosable pecuniary interests were made.

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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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APPOINTMENT TO OUTSIDE BODIES 2023

The Executive received the annual report on appointing Members to the outside bodies, to ensure that there was Council representation to maintain effective partnerships with the external organisations.

Reference was made to Members having a duty of responsibility to an organisation, should the appointment hold a position of responsibility. Members were also reminded to update their Other Registerable Interest forms accordingly, for any appointments made, as set out under statutory requirements.

The Leader moved an updated list of proposed appointments which were tabled at the meeting and also advised on the following additional amendments:-

- Exeter Canal & Quay Trust Ltd - to remove Councillor Josie Parkhouse (Portfolio Holder for Climate & Ecological Crisis); and
- Exeter Church Charities – Councillor Alison Sheridan to replace Alderman John Landers.

The proposed amendments and updated list of appointments are appended to the minutes.

The Leader advised that several of the proposed appointments were for the Portfolio Holders, given the relationship with the portfolio holder's work. He also advised that appointments to outside bodies were not governed by the Local

Government Act and were being made to provide suitable Council representation accordingly.

Members noted that the outside bodies would be reviewed to ensure that the Council interests for appointments on the outside body would continue to be relevant.

Councillor M. Mitchell, as an opposition group leader, spoke on this item. He suggested that an audit be undertaken to assess which outside bodies were still in operation and if it was still a requirement for Members to be appointed. An annual report from Members would also be welcomed to review the work that had been undertaken with the outside bodies, which he suggested could be reported to either a Scrutiny Committee or to the Executive.

In response to a question from a Member, the Democratic Services Manager advised that each year, all outside bodies were written to, notifying them of the respective appointments. This year they would also be requested to provide any administrative updates, a summary of the number of meetings held and work undertaken.

The Leader in concluding, advised that there was long history of appointing Councillors to outside bodies which needed to be maintained, however, it was important to ensure that any appointments made continued to be relevant.

RECOMMENDED that Council:-

- (1) approve the appointments contained in the updated Appendix presented at the meeting (appended to the minutes) and as amended at the meeting with immediate effect; and
- (2) grant delegated authority to the Director Corporate Services, in consultation with the Group Leaders, to appoint representatives to outside bodies when necessary, during the course of the Municipal Year.

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MEMBERS' ALLOWANCES AND EXPENSES PAID 2022/23

The Executive received the report on expenses and allowances paid to elected Members in 2022/23, which, the Council had a statutory obligation to publish each financial year.

Particular reference was made to the Members Allowances which were set accordance with the recommendations of the Independent Remuneration Panel.

RESOLVED that Executive Committee note the allowances paid and the expenses claimed by Members in 2022/23.

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MEMBERS' TRAINING

The Executive received the report which provided an update on the progress of work on the Members' training programme. Members were reminded that the Councillor Development Steering Group had requested regular reports to be presented to the Executive providing a regular update on the Members' training programme. The report highlighted Members' attendance for the various training sessions held since December 2022, and provided Councillor Feedback to date on training or briefing sessions that they had attended.

Particular reference was made to number of events held during the period had equated to an 8% increase in attendance since the last report. Although, the volume of feedback had decreased, of the responses received, 82% were very satisfied with the training provided. Members were also encouraged to continue using the Councillor Feedback forms and where they were unable to be in attendance, to view the session recordings and notify Democratic Services accordingly. Members noted that SSS Training Platform licence would expire later in year and were also encouraged to complete any available training as soon as possible.

Councillor D. Moore, as an opposition group leader, spoke on this item. She welcomed the report and thanked officers for the training that had been provided. She highlighted the need to bring Scrutiny training forward, particularly for new Members.

In response to a question raised, the Democratic Services Manager advised that feedback was made through the provided form links and that Members would continue to be encouraged to send the forms in, following each training session. It was hoped that with more training being provided, that the response rate would increase.

During the discussion the following points were made:-

- the SSS Training system provided many training courses, which were highly relevant to Members to undertake;
- Members were individually responsible for GDPR matters and GDPR training was available on the SSS Training platform, which Members, should consider completing; and
- there was an issue with links to the feedback forms on the Councillor iPad's, and alternative means of navigation to the forms were often difficult for Members and needed to be addressed.

RESOLVED that the Executive note the Members' Training report.

(The meeting commenced at 5.30 pm and closed at 5.45 pm)

Chair

The decisions indicated will normally come into force 5 working days after publication of the Statement of Decisions unless called in by a Scrutiny Committee. Where the matter in question is urgent, the decision will come into force immediately. Decisions regarding the policy framework or corporate objectives or otherwise outside the remit of the Executive will be considered by Council on 18 July 2023.

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REPORT TO EXECUTIVE

Date of Meeting: 27 June 2023

REPORT TO COUNCIL

Date of Meeting: 18 July 2023

Report of: Director Finance

Title: Overview of General Fund Revenue Budget 2022/23

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 2022/23 financial year and to seek approval for the General Fund working balance, a number of supplementary budgets and the creation of new earmarked reserves.

2. Recommendations:

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

1. That the net transfer of £12,346,956 from Earmarked Reserves as detailed in paragraph 8.11 is approved;
2. That the supplementary budgets of £6,447,320 and budget transfers as detailed in paragraph 8.13 are approved;
3. That the Earmarked Reserves at 31 March 2023 be noted
4. That the Council Tax account and collection rate be noted
5. That the outstanding sundry debt, aged debt analysis and debt write-off figures be noted
6. The creditors payments performance be noted
7. By taking into account the overall financial position of the Council, the General Fund working balance at 31 March 2023 be approved at £6,151,289.
8. The One Exeter programme update

3. Reasons for the recommendation:

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

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

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

5. Section 151 Officer comments:

2022-23 was undoubtedly a challenging year financially across the Country. Significant inflation fuelled by high energy prices, a higher than anticipated national pay settlement and income streams still struggling to reach the budget meant that the Council had to take action to address significant issues.

Whilst the headline figures set out that, some £629,000 is being added to the General Fund Reserve, this is offset by supplementary budget requests totalling £1.807m to be funded from the Reserve. In addition to this, the Council used £2 million from the earmarked reserve set aside to address budget volatility. Owing to the challenging economic circumstances that the Country faced, the Council spent £3.2 million more than it received in income in 2022-23. Whilst the Council was protected by its decision to set aside funds, this is an untenable position that the Council cannot afford to reoccur. This was a good example of a situation, outside the control of the Council, which causes significant financial pressure. It also gives a strong endorsement to the reason for holding a General Fund Reserve level at £3 million.

Some of the issues faced have been addressed in the 2023-24 budget (energy and Leisure), but there are areas of concern around income targets. Business Rates, Parking, Trade Waste, Home Call Alarm and Civic Centre rental were all under target and this will require close monitoring during the year to ensure that a financial shortfall requiring action does not arise.

The Council's medium term financial plan anticipates reserves being reduced to the minimum required by 2024-25. Any further reduction in the balance required during this financial year will bring forward further reductions being required to balance the 2024-25 budget.

6. What are the legal aspects?

Section 28 of the Local Government Act 2003 imposes a statutory duty on the Council to monitor during the financial year its expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such action as it considers necessary to deal with the situation. This might include, for example, action to reduce spending in the rest of the year, or to increase income, or to finance the shortfall from reserves.

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

7. Monitoring Officer's comments:

The Monitoring should remind members that they are under an obligation to exercise their fiduciary duty carefully. The meaning of fiduciary duty can be summarised as a duty to conduct administration in a business-like manner with reasonable care, skill and caution and with due regards to the council's rate payers. When discharging their fiduciary duties councillors will need to consider the following:

- a. Prudent use of the council's resources, including the raising of income and the control of expenditure;
- b. Financial prudence both long and short term;
- c. Striking a fair balance between the interest of the council tax payers on the one hand and the community interest and adequate and efficient services on the other hand;

8. Report details:

Overview of General Fund Revenue Budget 2022/23

8.1 Financial Summary

FUND	Planned Transfer To / (From) Working Balance £	Budget Variance Over / (under) £	Outturn Transfer 2022/23 £
General Fund	(1,815,600)	2,444,316	628,716

8.2 General Fund (Appendix 1 & Appendix 2)

The Services show an overall underspend of £4,665,598 against a revised budget of £20,870,960. Variances of more than +/- £30,000 are detailed below 8.3

8.3 Chief Executive

Budget Heading	Over / (Underspend)
IT Services	(£156,767)
Responsible Officer: Chief Executive The year-end underspend is predominantly due to ECC's share of the overall Strata savings. £135,500 of this has been requested back as a supplementary budget in 2023/24.	
Affordable Housing Development	(£190,000)
Responsible Officer: Chief Executive The remaining business cases were not started in 2022/23 and will not be commissioned in 2023/24. Therefore, the entire budget is given up as a saving.	

8.4 Housing and Supporting People

Budget Heading	Over / (Underspend)
Housing Needs and Homelessness	(£343,466)

Responsible Officer: Service Lead, Housing Needs & Homelessness

It is proposed that unspent grant income is transferred to earmarked reserves, corresponding supplementary budgets have been requested for 2023/24.

GF Housing – Property

£59,632

Responsible Officer: Tenancy Services Lead

The cumulative effect of a number of factors has led to an overspend. In addition to the high costs of physical and material resources, a shortage of labour has increased turnaround times, leading to longer periods with rental loss. Landlords are paid at an incremental rate of CPI+1% every year, however LHA remains static, so rental income remains the same but the rent

Revenues, Benefits & Customer Access

(£430,883)

Responsible Officer: Service Revenues, Benefits & Customer Access

The generation of new overpayments has been on the decline over the last 3 years. This is due to:

- caseloads dropping as working age Housing Benefit (HB) cases migrate over to Universal Credit (UC),
- being more up to date with our work on a regular basis, and
- the introduction of data feeds such as VEP (Earnings & pensions data) which means our caseload overall is kept more accurate, so reducing the number of overpayments and the size of them, as changes are picked up sooner.

The cases that have migrated to UC so far are also those most likely to generate overpayments i.e. working age with frequent changes, in and out of work etc. so the opportunity to create an overpayment is declining. The shift away from HB to UC also shifts the recovery of overpayments away from deductions from ongoing HB towards UC deductions which we have no control over and unfortunately our deductions are not classified as high priority meaning it will take longer to collect our debt.

Business as usual within the service has been put on hold for the last 3 years in order to administer government support schemes during the Covid-19 pandemic and latterly for the cost of living crisis. Each scheme attracts new burdens funding to cover the cost of administration however most of the new burdens funding is paid in arrears, substantially so in the case of the Household Support fund schemes, so normal service budgets and resources cover the cost meantime. The service still has the Household Support Fund scheme 4 and Economic Vulnerability Fund schemes to deliver as well as catching up on business as usual work, such as discount reviews, that have been put on hold over this period. The grant income now received needs to be utilised to resource and administer those schemes and the catching up of business as usual. It is proposed that unspent grant income is transferred to earmarked reserves, corresponding supplementary budgets have been requested for 2023/24.

Organisational Change Programme

(£228,887)

Responsible Officer: Organisational Transformation Programme Lead

The budget is funded from an earmarked reserve and has been re-profiled to reflect the on-going future programme, the underspend has been included as a supplementary budget request for 2023/24.

8.5 City Development

Budget Heading	Over / (Underspend)
Planning	(£564,108)
<p>Responsible Officer: Service Lead, City Development</p> <p>There an underspend of £377k on the local plan budget. This is as a result of a re-profiling exercise of planned expenditure. This took account of an additional consultation added to the plan preparation process and a review of evidence requirements and how the evidence would be put together.</p> <p>The budget required for CIL charging schedule consultancy work has not yet been spent and a supplementary budget requested for 2023/24.</p> <p>Income collected in respect of habitats mitigation contributions from developers will be transferred to an earmarked reserve.</p>	
Liveable Exeter Garden City	(£1,272,917)
<p>Responsible Officer: Director</p> <p>Grant funding has been provided from DLUCH to progress Liveable Exeter, the money can be spent in any given financial year so the flexibility remains to apportion the money as projects are developed. Therefore the unspent grant money will be transferred into an earmarked reserve and a supplementary budget requested in 2023/24.</p>	

8.6 Communications, Culture and Leisure Facilities

Budget Heading	Over / (Underspend)
Culture	(£121,159)
<p>Responsible Officer: Service Lead – Communications, Tourism & Culture</p> <p>This underspend is predominantly due to the supplementary budget of £100k not being utilised for special events; this will be requested again in 23/24. The remainder is small underspends in pay and supplies & services.</p>	
Markets & Halls	(£251,785)

Responsible Officer: Facilities & Markets Manager

There are several contributing factors to this underspend, the majority of which is in the Matford Centre. Underspends in staffing has led to saving of £42k, with vacancies not being filled until a restructure was finalised. It has proven another successful year for Kivells, the Livestock Auctioneers and ECCs portion of the profit share has led to a surplus to budgeted income of £77.4k. Solar panel energy has provided additional income of £96k above budget and there has also been an additional £20k in car-parking. The remainder is savings elsewhere, including the Corn Exchange (£21.7k), which has shown a return to pre-pandemic levels of business. However, with the continuing cost of living crisis, it is hard to predict if this level of activity is sustainable over the coming year.

Museum Services

(£111,810)

Responsible Officer: Museums Manager & Cultural Lead

This year's underspend can be mainly attributed to three one-off situations. Firstly, the positive outcome of the rates Tribunal case has led to a rebate of £80k for rates and Exeter bid levy. Secondly, income has exceeded budget by £47.6k predominantly due to the successful Lego exhibition. There have also been material savings against staffing due to vacancies. These savings has offset the £53.k loss against income in RAMM's shop. Redundancy costs of £26k will be covered by the redundancy reserve. It should be noted that this year's underspend has been created by circumstances that are not likely to be repeated – vacancies will be filled, the rates rebate will not be repeated and there are no large exhibits planned to bring in revenue.

Leisure & Sport

£1,046,331

Responsible Officer: Director - Communications, Culture & Leisure

Leisure's final out-turn position is an overspend of £1,046,331; however, £66,639 of redundancy costs will be covered by reserves giving an adjusted out-turn of £979,692.

As previously reported, this overspend is due to higher business rates and electricity costs. Membership income has exceeded expectations, helping to mitigate the impact of these.

A restructure has now taken place reducing the operating budget significantly: the loss making crèche has been replaced, opening hours have been adjusted to reflect the new reduced staffing levels and prices have increased where appropriate. All these mitigation measures are designed to allow leisure to operate in its new budget parameters and keep facilities open to the public.

St Sidwells Point

(£59,850)

Responsible Officer: Director - Communications, Culture & Leisure	
The £59,850 will be requested as a supplementary budget in 2023/24 as the final pieces of work are completed at St Sidwells Point	
Active & Healthy People	(£569,587)
Responsible Officer: Active & Healthy People Programme Lead	
As previously reported the CIL funded contract with Exeter Community Initiatives to deliver the VCSE infrastructure support for 'Exeter Connect' completed in November 2022 although the programme was able to continue to 31 March 2023 due to an accrued operational underspend.	
There was an underspend of £485k against the budgeted £750k to formally progress the Wonford Community Wellbeing Hub programme. This was a proposed 15 month programme of work from July 2022 so the remainder of the budget will be spent in 2023/24 to develop and finalise the detailed final designs and business case for planning.	
Exeter Community Grants Programme	(£37,575)
Responsible Officer: Active & Healthy People Programme Lead	
There is an underspend of £37,575 on the discretionary community grants programme due to the non-allocation of the full budget of ward and small grants. The grants budget for 2023/24 is currently paused and will be confirmed following the accrual of further neighbourhood CIL receipts to be received based on the planning forecasts.	

8.7

Net Zero Exeter and City Management

Budget Heading	Over / (Underspend)
Environmental Protection	(£110,685)
Responsible Officer: Service Lead – Environmental Health & Community Safety	
Vacancies within the Neighbourhood Team in particular, coupled with funding received associated with the reallocation of existing staff to support the Homes4Ukraine initiative, have more than compensated for extra costs of the pay award across the service unit.	
Licensing, Food, Health & Safety	£210,816
Responsible Officer: Service Lead – Environmental Health & Community Safety	
Home Call income continued to fall short of the income target due to a loss of customers in recent years. The marketing strategy which sought to raise the profile of this service area has generated an increase in enquiries about the service and which should result in growth of the customer base over 2023.	
Parking Services	£601,865

Responsible Officer: Service Lead – Net Zero and Business	
<p>Car Park charges have fallen back from the 98% achievement of the budget profile to the end of September. Quarter 4 revenues were in line with the year to date average at quarter 3 with an achievement rate of 95.8% for the year (-0.4%).</p> <p>Season ticket income remained affected by changes in demand from commuters and was only 56% of the budgeted level.</p> <p>RingGo and other card payment fees were significantly over budget, this reflects customers switching payment for parking from cash to credit card and by RingGo.</p>	
Waterways	£379,054
Responsible Officer: Service Lead – Harbour Master	
<p>The sinking of a vessel badly affected this management unit – clean-up costs and dismantling / disposal of the wreck exceeded £133k. At 2021/22 year-end £44k of income was incorrectly accrued in that year whilst a further £85k resulted from targets being too high £70k (canal licences and laying alongside) or rent re-negotiations beyond the unit's control £15k. The service has also been impacted by the pay offer, there are no compensating vacancies, and agency cover has been required for staff absence increasing costs £60k over budget. Boat, fuel and other transport costs overspent (£28k) whilst buoy costs, electricity and preparatory work for dredging, thereafter postponed, added a further £52k.</p>	
Engineering Services	(£223,413)
Responsible Officer: Service Lead – Public and Green Space	
<p>The service has struggled to recruit staff which has had a knock on effect for project starts in year. Vacancies have now been recruited to and the one-off funds issued in-year have been requested to be rolled forward to help tackle the backlog that now exists.</p>	
Parks & Green Spaces	(£106,748)
Responsible Officer: Service Lead – Public and Green Space	
<p>The additional allocation to Children's Play Area maintenance has remained unspent with only a limited choice of companies in the market for such provision. Significantly higher capital expenditure during the year has been seen as a greater priority, but with a reduction in the recurrent budget agreed for 23/24 in the budget reduction process, more reliance will be put on ad hoc funds and the service has requested the £99,700 balance be rolled forward to cover the transition to a lower base level of activity.</p>	
Street Cleaning	(£123,780)
Responsible Officer: Service Lead – Public and Green Space	
<p>Vacancies within Street Sweeping team, through both the inability to recruit and the difficulty in sourcing agency staff, more than compensated for the pay award.</p>	
Domestic Waste Collection	(£358,899)
Responsible Officer: Service Lead – Waste, Recycling & Fleet	
<p>The service has struggled to recruit and this caused operational difficulties, partially offset by a temporary closure of the green waste service for 6 weeks. The delayed roll out of the food waste programme released savings in the year due to vacancies and vehicles not yet being leased for those areas where the service still has to be activated.</p>	

<p>These savings more the income that wasn't able to be recovered from Devon County Council without a full service being in operation.</p>	
Waste Chargeable Services	£564,472
<p>Responsible Officer: Service Lead – Waste, Recycling & Fleet</p> <p>As reported in previous years there is a shortfall in the trade waste income budgets, which it was hoped would be addressed by securing new agreements. The service made a surplus having recovered well since the pandemic and has secured both new and extended existing high profile contracts. However there is an ongoing shortfall against the income targets of £425,000. The higher cost of bins and skips (£53k), fuel (£27k) and the extra cost of the pay award and use of agency (£51k) added to this overspend</p> <p>Difficulties with staff recruitment and retention had an impact on the surplus from green waste. Collections were discontinued over the summer due to a shortage of drivers, so there was an income reduction as renewals were delayed to reflect the break in service.</p>	
Waste and Fleet Overheads	£104,503
<p>Responsible Officer: Service Lead – Waste, Recycling & Fleet</p> <p>Costs of PPE (gloves) have risen significantly (£34k) as have Electricity (£25k), Trade Effluent (£11k) and Property Insurance (£9k) charges whilst pay and agency costs have also exceeded budgets.</p>	
Recycling and MRF	(£38,868)
<p>Responsible Officer: Service Lead – Waste, Recycling & Fleet</p> <p>Significant increases in the values receivable for recyclates boosted income. This more than compensated for the pay award's financial impact.</p>	
Net Zero and Business	(£161,913)
<p>Responsible Officer: Service Lead – Net Zero and Business</p> <p>Achieving external funding and significant underspends, against budgets issued from the Net Zero Exeter £1m reserve, have been reflected in supplementary budget requests for project continuations during 23/24, at £127,920.</p>	

8.8 Finance

Budget Heading	Over / (Underspend)
Major Projects	(£1,079,031)

Responsible Officer: City Surveyor	
This underspend is due to two projects not been fully utilised – ECL Property Support (£187,810 underspent) and Bus Station Demolition (£897,000 underspent). Both these underspends have been requested as supplementary budgets in 23/24, as well as £100,000 for Bus Station Wider Site options.	
Corporate Property – Estates	(£1,529,711)
Responsible Officer: City Surveyor	
This surplus to budget is almost exclusively due to the Guildhall Shopping Centre (£1.4m surplus). 2022/23 is the first year that this has been included and has been challenging in managing this new revenue stream. Others savings are due to staff vacancies in the Estates team and the budget for Asset Challenge not being used.	
Corporate Property – Assets	(£108,473)
Responsible Officer: City Surveyor	
There have been savings caused by staff vacancies in the Assets teams, totalling £77.8k. There is also a saving of almost £40k in Property Maintenance, a reduction in forecast saving from quarter 3 due to more resources being available to carry out essential maintenance in the winter months.	
Corporate	£31,415
Responsible Officer: Chief Financial Officer	
An audit fee overspend of £23.6k has been offset by a Redmond Review grant of the same amount. Bank charges, subscriptions and other expenses have all contributed to this overspend.	
Unapportionable Overheads	£185,127
Responsible Officer: Chief Financial Officer	
Since quarter three, several pension strain payments have been included into the accounts, including the out-going Chief Executive. These additional costs of £258k have been offset by an underspend in pension charges to Devon County Council of £61k and an additional £12k in contributions to pension backfunding by the HRA.	

8.9 Corporate Services

Budget Heading	Over / (Underspend)
Human Resources	(£31,254)
Responsible Officer: Service Lead – Human Resources	
The staff training budget was under-utilised in 22/23 and there were savings against staffing and supplies & services – both these gave a total saving against budget of	

almost £61,000. However, this has been offset by an overspend in apprenticeship levies and a slight drop in support services recharge income, leaving an overall saving of £31,254.	
Elections & Electoral Registration	£51,013
<p>Responsible Officer: Service Lead – Democratic Support</p> <p>This overspend is predominantly due to the two years’ of polling card postage falling into 22/23. This should have been accounted for in 21/22 but was missed due to a miscoding error; subsequently, the 21/22 out-turn showed a saving.</p>	
Civic Ceremonials	£60,687
<p>Responsible Officer: Service Lead – Democratic Support</p> <p>Just over half this overspend is due to the activities around the death of Her Late Majesty, Queen Elizabeth II. The remaining overspend is due to several factors affecting the Guildhall – increases in utilities and property insurance premiums (£12,000), a reduction in lettings income (£6,000 below budget) and unbudgeted staff costs (£7,000 overspend</p>	
Corporate Support	£291,949
<p>Responsible Officer: Service Lead – Democratic Support</p> <p>The majority of this overspend is due to vacant office space at the Civic Centre and although this loss of rental income has been mitigated with savings elsewhere (in staffing and supplies & services), the loss is still almost £214,000. This situation is unlikely to change in the near future, so it is probable that there will be a similar loss of income in 23/24. The remaining overspend is in the Mail Room, with an overspend on postage of £20,000 and the addition of a redundancy payment of £58,756.</p>	

8.10 **Other Financial Variations**

Budget Heading	Over / (Underspend)
Net interest	£423,192)
<p>The budgeted interest payable for 2022/23 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, but these were not required. However, this also means that the expected interest from ECL will not be receivable.</p> <p>The slippage within the capital programme lead to a reduced borrowing requirement resulting in less interest needing to be paid. Increased rates of interest were earned on investments.</p>	
Minimum Revenue Provision & Voluntary Revenue Provision	(£529,162)

The budgeted voluntary revenue provision in respect of the Guildhall was not required in 2022/23 but will be required in future years.

8.11 Earmarked Reserves

During 2022/23 there has been an overall net transfer from Earmarked Reserves of £12.347 million. The details of all Earmarked Reserve movements are shown in Appendix 3.

Movement	2022/23
Opening Balance, as at 01/04/22	£25,743,137
Net transfer	£12,346,956
Balance, as at 31/03/23	£13,396,181

8.12 General Fund Balance

During 2022/23 there has been an overall surplus of £628,716. The minimum requirement for the General Fund working balance was approved by Council in February 2023 at £3 million.

Movement	2022/23
Opening Balance, as at 01/04/22	£5,522,573
Net	£628,716
Projected Balance at Year End	£6,151,289

8.13 Supplementary Budgets & Budget Transfers

There is a requirement for some supplementary budgets in 2023/24 as the Council has identified at the end of the year a number of revenue budgets that have not been spent but where a commitment is required in the following financial year.

It is therefore proposed that supplementary budgets totalling £6,447,320 identified in Appendix 4 are approved and added to the 2023/24 budget. The supplementary budgets will be financed from Earmarked Reserves (£4,582,200), CIL (£56,830), S106 (£1,250) and the General Fund working balance (£1,807,040).

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

8.14 Outstanding Sundry Debt

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

Age of Debt	March 2021	March 2022	March 2023
Up to 29 days (current)	£2,399,454	£1,154,547	£1,436,904
30 days – 1 Year	£1,530,103	£2,129,058	£1,697,735
1 – 2 years	£451,358	£387,330	£1,645,793
2 – 3 years	£550,482	£623,164	£199,426
3 – 4 years	£276,837	£280,899	£539,002
4 – 5 years	£417,580	£180,759	£254,721
5 + years	£752,772	£1,136,701	£1,186,130
Total	£6,378,586	£5,892,458	£6,959,711

8.15 Council Tax

As at 1 April 2023, arrears amounted to £7.768m, the movements during 2022/23 were as follows:

	£m	£m
Arrears as at 1 April 2022		6.533
Add:		
2022/23 debits raised net of discounts	£79.949	
Less:		
Payments received	(£79.870)	
Refunds and change in pre-payments	£1.316	
Write-offs	(£0.160)	
Arrears as at 31 March 2023		7.768

Against the arrears of £7.768m, a bad and doubtful debt provision of £3.150m has been provided, calculated in accordance with the appropriate accounting guidelines.

The 'in-year' council tax collection rate for 2022/23 was 95.89% compared with 96.5% in 2021/22.

8.16 Debt Write-Offs

The following amounts have been written-off during 2022/23:

	2021/22 Total	2022/23
• Council Tax	£251,786	£160,603
• Business Rates	(£4,273)	£487,464
• Sundry Debt	£36,402	£2,320
• Housing Rents	£86,948	£70,467
• Non-HRA Rents	£111,991	£76,325
• HB Overpayments	£150,304	£54,507

8.17 Creditor Payments Performance

Creditors' payments continue to be monitored in spite of the withdrawal of statutory performance indicator BVPI8. The percentage paid within 30 days was 96.74% for the 2022/23 compared with 93.04% for 2021/22.

9. One Exeter Update

As Members will be aware, One Exeter is the Council's transformation programme and is a critical priority for the council.

The One Exeter Team are continuing to work with the Members, the Union, the Strategic Management Board (SMB) and the Operational Management Board (OMB) to deliver the work programme which was agreed by Council.

A report was presented to Executive in February 2022 which set out how the council would reduce the budget for 2022/23 by £1.3 million. Appendix 5 sets out how the Council has performed against the 2022/23 approved cost reductions. At year end, it is reported that £162k of the £1.3m prediction has not been realised.

The report also identified a funding gap between 2023/24 – 2026/27 of £6.6m. However, over the last year, this position has changed due to inflationary pressures causing higher wages and energy costs, together with higher interest rates. As a result of this, the funding gap identified over the remaining life of the MTFP has increased and is now showing at £9.675m. The MTFP has been re-profiled to reflect the increased funding gap. Appendix 6 sets out progress against the seven work streams identified to reduce costs and assessed risk status.

A further report was taken to Executive in February 2023, reflecting the additional financial challenges facing the council and the subsequent additional cost reductions required. The cost reductions required for 2023/24 are £2.236m and proposals have been agreed to deliver this target. Work has now started on identifying cost reduction proposals for 2024/25.

Since the last update, a new Chief Executive has been appointed who has signalled a shift in focus to deliver on the strategic priority of 'Leading a Well-Run Council'. It is

recognised that the One Exeter Programme will be integral to the delivery of this priority and going forward the programme will be structured around the six pillars of Leading a Well- Run Council, as set out below:

- A balanced budget
- Good governance
- Value-for-money services
- Customer-focussed services
- Supported and developed staff and members
- Well-managed assets

Future update reports will be structured around the six pillars set out above.

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

This is a statement of the 2022/23 financial position.

11. 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.

12. 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.

13. Carbon Footprint (Environmental) Implications:

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

14. Are there any other options?

Not applicable.

Director Finance & S151 Officer, Dave Hodgson

Authors: Nicola Morley, Bridget Kendrick and Mark Neville Smith

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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OUTTURN

	Original Budget £	Supplementary Budgets & Transfers £	Revised Budget £	Outturn £	Variance to Budget £
Chief Executive & Growth Director	3,116,820	400,630	3,517,450	3,189,083	(328,367)
Housing & Supporting People	3,874,140	350,050	4,224,190	3,280,585	(943,605)
City Development	954,300	1,987,420	2,941,720	1,126,614	(1,815,106)
Communications, Culture and Leisure Facilities	7,550,910	(395,830)	7,155,080	7,013,721	(141,359)
Net Zero Exeter and City Management	3,764,620	869,490	4,634,110	5,336,251	702,141
Finance	(1,326,740)	1,315,670	(11,070)	(2,516,176)	(2,505,106)
Corporate Services	2,424,540	172,020	2,596,560	2,962,364	365,804
less Notional capital charges	(4,903,640)	716,560	(4,187,080)	(4,187,080)	0
Service Committee Net Expenditure	15,454,950	5,416,010	20,870,960	16,205,362	(4,665,598)
Net Interest	1,083,000		1,083,000	659,808	(423,192)
Revenue Contribution to Capital	0		0	71,372	71,372
Minimum Revenue Provision	958,240		958,240	1,909,078	950,838
Voluntary Revenue Provision	0		0	(1,480,000)	(1,480,000)
General Fund Expenditure	17,496,190	5,416,010	22,912,200	17,365,620	(5,546,580)
Transfer To/(From) Working Balance	25,550	(1,841,150)	(1,815,600)	628,716	2,444,316
Transfer To/(From) Earmarked Reserves	(234,290)	(3,483,230)	(3,717,520)	(1,542,743)	2,174,777
General Fund Net Expenditure	17,287,450	91,630	17,379,080	16,451,593	(927,487)
Formula Grant	(4,985,380)		(4,985,380)	(4,985,380)	0
Business Rates Growth / Pooling Gain	(3,274,000)		(3,274,000)	(2,595,417)	678,583
Sales, Fees and Charges Scheme	0		0	(15,750)	(15,750)
New Homes Bonus	(1,362,350)		(1,362,350)	(1,362,354)	(4)
CIL Income	(1,250,160)	(91,630)	(1,341,790)	(1,077,147)	264,643
Council Tax	(6,415,560)		(6,415,560)	(6,415,545)	15
	0	0	0	(0)	(0)

Working Balance March 2022 £ 5,522,573

£ 6,151,289 March 2023

2022/23 GENERAL FUND OUTTURN - DETAIL

	YEAR END FIGURES			
	APPROVED BUDGET	OUTTURN	VARIANCE	QTR 3 FORECAST VARIANCE
	£	£	£	£
TOTAL GENERAL FUND NET EXPENDITURE	25,058,040	20,392,442	(4,665,598)	(743,010)
Chief Executive & Growth Director				
IT SERVICES	2,070,460	1,913,693	(156,767)	(15,670)
STRATEGIC MANAGEMENT	932,400	943,730	11,330	(46,720)
AFFORDABLE HOUSING DEVELOPMENT	190,000	0	(190,000)	(190,000)
CENTRAL SUPPORT	324,590	331,659	7,069	10,620
NET EXPENDITURE	3,517,450	3,189,083	(328,367)	(241,770)
Housing Needs & Homelessness				
HOUSING NEEDS & HOMELESSNESS	1,314,510	971,044	(343,466)	50,000
SUNDRY LANDS MAINTENANCE	95,460	95,460	0	0
GF HOUSING - PROPERTY	144,070	203,702	59,632	0
REVENUES, BENEFITS & CUSTOMER ACCESS	2,227,740	1,796,857	(430,883)	150,000
ORGANISATIONAL CHANGE PROGRAMME	442,410	213,523	(228,887)	(200,000)
NET EXPENDITURE	4,224,190	3,280,585	(943,605)	0
City Development				
BUILDING CONTROL & LAND CHARGES	51,780	73,700	21,920	0
PLANNING	1,303,990	739,882	(564,108)	(300,000)
LIVEABLE EXETER GARDEN CITY	1,585,950	313,033	(1,272,917)	(1,000,000)
NET EXPENDITURE	2,941,720	1,126,614	(1,815,106)	(1,300,000)
Communications, Culture and Leisure Facilities				
CULTURE	460,700	339,541	(121,159)	(105,010)
TOURISM	190,810	170,924	(19,886)	(35,400)
MARKETS & HALLS	(410,000)	(661,785)	(251,785)	(180,690)
MUSEUM SERVICE	2,215,900	2,104,090	(111,810)	(99,580)
LEISURE & SPORT	2,298,420	3,344,751	1,046,331	1,066,000
ST SIDWELLS POINT	59,850	0	(59,850)	0
VISITOR FACILITIES	52,250	62,758	10,508	20,780
COMMUNICATIONS	415,230	388,684	(26,546)	(101,890)
ACTIVE & HEALTHY PEOPLE	1,627,920	1,058,333	(569,587)	(530,000)
EXETER COMMUNITY GRANTS PROGRAMME	244,000	206,425	(37,575)	(39,000)
NET EXPENDITURE	7,155,080	7,013,721	(141,359)	(4,790)
Net Zero Exeter & City Management				
ENVIRONMENTAL PROTECTION	503,600	392,915	(110,685)	(61,320)
LICENCING, FOOD, HEALTH & SAFETY	779,950	990,766	210,816	200,180
PARKING SERVICES	(5,954,130)	(5,352,265)	601,865	550,090
WATERWAYS	376,310	755,364	379,054	411,340
ENGINEERING SERVICES	1,035,120	811,707	(223,413)	(47,370)
PARKS & GREEN SPACES	2,008,220	1,901,472	(106,748)	29,800
BEREAVEMENT SERVICES	120,280	107,298	(12,982)	9,450
STREET CLEANING	1,718,940	1,595,160	(123,780)	(54,270)
PUBLIC CONVENIENCES	211,410	190,130	(21,280)	(20,230)
DOMESTIC REFUSE COLLECTION	2,841,170	2,482,271	(358,899)	(147,000)
WASTE CHARGEABLE SERVICES	(644,220)	(79,748)	564,472	528,160
WASTE AND FLEET OVERHEADS	140,500	245,003	104,503	106,720
RECYCLING	701,510	662,642	(38,868)	(86,590)
NET ZERO AND BUSINESS	795,450	633,537	(161,913)	(28,990)
NET EXPENDITURE	4,634,110	5,336,251	702,141	1,389,970
Finance				
MAJOR PROJECTS	1,231,760	152,729	(1,079,031)	(1,028,020)
CORPORATE PROPERTY - ESTATES	(4,580,890)	(6,110,601)	(1,529,711)	494,450
CORPORATE PROPERTY - ASSETS	837,220	728,747	(108,473)	(198,640)
CORPORATE	148,230	179,645	31,415	11,480
UNAPPORTIONABLE OVERHEADS	1,586,310	1,771,437	185,127	(50,000)
FINANCIAL SERVICES	570,610	558,711	(11,899)	16,000
INTERNAL AUDIT	100,340	98,059	(2,281)	(1,230)
PROCUREMENT	95,350	105,098	9,748	22,960
NET EXPENDITURE	(11,070)	(2,516,176)	(2,505,106)	(733,000)
Corporate Services				
HUMAN RESOURCES	644,060	612,807	(31,254)	(45,360)
LEGAL SERVICES	167,320	191,301	23,981	(29,000)
ELECTIONS & ELECTORAL REG	405,000	456,013	51,013	24,010
DEMOCRATIC REPRESENTATION	663,410	641,462	(21,948)	(15,120)
CIVIC CEREMONIALS	291,200	351,887	60,687	54,490
CORPORATE SUPPORT	468,570	760,519	291,949	167,560
TRANSPORTATION	(43,000)	(51,625)	(8,625)	(10,000)
NET EXPENDITURE	2,596,560	2,962,364	365,804	146,580

Earmarked Reserves

Account	Account description	Opening Balance £	Transfers In £	Transfers Out £	Closing Balance £
09413	CONSERVATION	(2,339)			(2,339)
09416	VEHICLE LICENSING	(40,133)		11,169	(28,964)
09417	S 57 GRANTS	(19,613)			(19,613)
09419	SURE START	(20,000)			(20,000)
09420	BUILDING CONTROL	(58,070)		45,955	(12,115)
09422	LOCAL DEV FRAMEWORK	(36,642)		36,642	0
09427	MALLINSON	(89,671)			(89,671)
09428	OLD MILL	(5,499)			(5,499)
09434	SHIP	(7,438)			(7,438)
09437	HOUSING ASSESSMENT	(1,245)			(1,245)
09444	Climate Change	(6,709)			(6,709)
09448	DEVON HOME CHOICE	(49,184)		14,693	(34,490)
09451	TRANSFORMATION	(683,431)		92,503	(590,928)
09455	Habitat Assessment	(30,533)			(30,533)
09456	Green Travel	(131,320)	(51,625)		(182,945)
09457	AFU Archiving	(4,352)			(4,352)
09458	Countryside Grants	(14,500)			(14,500)
09460	Redundancy reserve	(937,777)	(706,264)	595,683	(1,048,358)
09463	EBAC	(113,065)		13,374	(99,691)
09464	Museum of the Year	(31,682)			(31,682)
09465	RAMM Legal Costs	(93,387)			(93,387)
09467	Natura 2000	(202,074)			(202,074)
09473	NHB - Local Community Infra	(73,577)			(73,577)
09475	NHB - Active Exeter	(59,849)			(59,849)
09480	NNDR Deficit	(11,098,267)		10,804,213	(294,054)
09485	Capital Fund	(500,000)			(500,000)
09486	LOCAL WELFARE SUPPORT (T006)	(2,427)			(2,427)
09487	PINHOE COMMUNITY HUB	(53,756)			(53,756)
09489	RIVERSIDE DILAPIDATIONS	(242,264)		242,264	0
09491	IFRS 9	(1,000,000)		500,000	(500,000)
09494	LAND CHARGES	(324,772)	(17,293)		(342,065)
09495	BUSINESS RATE PILOT	(298,197)		131,090	(167,107)
09496	PLANNING INCOME	(141,374)	(80,312)	69,998	(151,688)
09497	RAMM - NDR REFUND	(350,000)		350,000	0
09498	GESP	(148,869)		148,869	0
09501	RAMM INFRASTRUCTURE RESERVE	(257,343)		758	(256,585)
09502	ECL BUSINESS CASE	(191,489)		0	(191,489)
09503	GOVERNANCE REVIEW	(75,000)		20,000	(55,000)
Covid - Acting as principal:					
09504	WELL-BEING SUPPORT FUND	(13,921)	(67,576)	5,060	(76,437)
09505	CEV RESPONSE	(51,030)			(51,030)
09521	Contain Outbreak Management Fund	(124,280)		114,962	(9,319)
09522	Protect & Vaccinate	(29,000)		12,719	(16,282)
09510	Garden Communities - Grant 2	(628,332)		161,081	(467,250)
09511	Development Corporation Comp	(811,834)		3,083	(808,751)
09512	Leisure	(50,000)		50,000	0
09513	Budget Volatility	(4,000,000)	(386,000)	2,000,000	(2,386,000)
09514	ECL - Corporate Property Support	(1,000,000)		101,750	(898,250)
09515	Net Zero Exeter	(968,215)		102,493	(865,722)
09516	Council Tax Deficit support	(61,679)			(61,679)
09517	Business Rates Volatility	0			0
09518	Cathedral Yard Bollard	(25,000)		15,305	(9,695)
09519	Future events	(100,000)		0	(100,000)
09520	Bull Meadow culvert	(100,000)		100,000	0
09523	Strata	(184,000)	(135,500)	184,000	(135,500)
09524	Wellbeing Exeter	(200,000)		12,400	(187,600)
09525	Revs & Bens New Burdens	0	(342,850)		(342,850)
09526	Household Support Fund Admin Grant	0	(165,290)		(165,290)
09527	RSAP Revenue Grant	0	(57,313)		(57,313)
09528	Homelessness New Burdens	0	(258,904)		(258,904)
09529	Accommodation for Ex-Offenders	0	(23,270)		(23,270)
09530	Surplus Guildhall income	0	(1,300,912)		(1,300,912)
		(25,743,137)	(3,593,109)	15,940,065	(13,396,181)

PROPOSED SUPPLEMENTARY BUDGETS & BUDGET TRANSFERS

Supplementary Budgets

Description	£	Funded by:
Chief Executive & Growth Director		
Office 365 Project	42,220	Grant funded
Office 365 Project	(42,220)	Grant funded
Strata	135,500	Earmarked reserves
ECL Review	25,700	GF Balances
ECL Review	7,000	Earmarked reserve
City Development		
Local Plan	376,500	GF Balances
Devon Wildlife Trust contribution	30,000	Self-financing
Habitats Mitigation income	(30,000)	Self-financing
CIL Consultancy	44,830	CIL Admin
Liveable Garden City	467,250	Earmarked Reserve
Exeter Development Fund	808,750	Earmarked Reserve
Housing & Supporting People		
Enhanced Housing Options	257,950	Earmarked Reserve
Vulnerable Renters	950	Earmarked Reserve
RSAP Property Maintenance	57,310	Earmarked Reserve
Accommodation for Ex-Offenders Expenditure	23,270	Earmarked Reserve
Rough Sleeping Initiative Grant Funded Expenditure	1,607,950	Self-financing
Rough Sleeping Initiative Grant	(1,607,950)	Self-financing
Protect & Vaccinate	16,280	Earmarked Reserve
Well Being Support Fund	76,430	Earmarked Reserve
Reduction in Recovery of Overpayments	200,000	GF Balances
Household Support Fund - Staffing Costs	165,290	Earmarked Reserve
Staff to be funded from New Burdens	155,850	Earmarked Reserve
Other New Burdens Expenditure	187,000	Earmarked Reserve
Organsitional Change Programme	474,890	Earmarked Reserve
Communications, Culture and Leisure Facilities		
Exeter Community Grants Programme - Large Grants Scheme	7,000	Neighbourhood CIL
Exeter Community Lottery	5,000	Neighbourhood CIL
Ward Grants	39,000	Self-financing
Community Buildings Grants	27,000	Self-financing
VAT Rebate on Leisure	(76,000)	Self-financing
Wonford Health & Wellbeing Hub	484,830	GF Balances
Wonford Playing Fields Feasibility Study	1,250	S106 Funding
Sport England Pathfinder	84,670	Self-financing
Sport England Pathfinder	(84,670)	Self-financing
Wellbeing Exeter	187,600	Earmarked Reserve
Homes for Ukraine Scheme - Expenditure	591,230	Self-financing
Homes for Ukraine Scheme - Income	(591,230)	Self-financing
Special Event	100,000	Earmarked reserve
Additional NPO Support (Northcott Theatre)	10,000	Self-financing
SSP Tender	59,850	Earmarked reserve
Net Zero Exeter & City Management		
Homes 4 Ukraine surplus to create supp for 23/24. Works on condition surveys etc put on hold to perform H4U work	93,860	GF Balances
Net Zero project work part of Earmarked £1m funding for Net Zero	78,530	Earmarked Reserve
Exeter Net Zero project work - part of Earmarked £1m funding for Net Zero	49,390	Earmarked Reserve
Engineering staffing underspend on pay and agency to create Engineer (Waterways) post for approx. 3 years	121,350	GF Balances
Cathedral Green Bollard - project has overrun year-end and not now completing till w/c 25/04/23	9,690	GF Balances
North Street overbridge demolition project - won't now be undertaken for 12 months	153,750	GF Balances
Children's Play Area - one off allocation unspent in year - requested to roll forward under One Exeter proposals	99,700	GF Balances
New Waterways work boat (funded from virement from C029 £20,000 and M303 £10,000)	23,080	GF Balances
Shoreline Survey	40,000	Self-Financing
Shoreline Survey	(40,000)	Self-Financing
Street Cleansing Work	24,000	Earmarked Reserve
Commercialisation - Advanced Accreditation	12,840	GF Balances
Shared Prosperity Fund 23/24 revenue allocation plus carry forward of unspent 22/23 grant	349,650	Self-financing
Shared Prosperity Fund 23/24 revenue allocation plus carry forward of unspent 22/23 grant	(349,650)	Self-financing
Inspiring Girls	52,250	Grant funded
Inspiring Girls	(52,250)	Grant funded
Howmet BEEP	24,760	Grant funded
Howmet BEEP	(24,760)	Grant funded
Air Quality Project	318,430	Self-financing
Air Quality Project	(318,430)	Self-financing
New Burdens Licensing	4,300	Earmarked Reserve
Air Quality New Burdens	11,710	Self-financing
Air Quality New Burdens	(11,710)	Self-financing
Building Greater Exeter	24,410	Self-financing
Building Greater Exeter	(24,410)	Self-financing
Kerbside recycling roll out budget to be spent in future years	94,240	GF Balances
Finance		
Maternity cover - Financial Services	60,000	GF Balances
Corporate Asset Challenge	60,000	Earmarked Reserve
ECL Property Support	187,810	Earmarked Reserve
Bus Station Demolition	897,000	Earmarked Reserve
Bus Station Wider Options	100,000	Earmarked Reserve
Demolition of Exton Road pumping station	30,000	GF Balances
Corporate Services		
Elections - New burdens grant	16,450	Grant funded
Elections - New burdens grant	(16,450)	Grant funded
Elections - New burdens grant	32,910	Grant funded
Elections - New burdens grant	(32,910)	Grant funded
Corporate Subscriptions - Key Cities membership	5,000	GF Balances
Member Services	16,500	GF Balances
Total	6,447,320	

Budget Transfers
















£325k from Guildhall Shopping Centre to Commercial Properties for ECCs ring-fenced income
£73,170 from Corporate Support Unit to Finance for staff redeployment




Monitoring One Exeter Budget Reductions - 2022/23 Year-end Update

Description	2022/23 Budget Reduction (£)	2022/23 Actual Saving (£)	Comment
Discretionary Service Review			
Guildhall Chambers	4,640	4,472	Small amount of expenditure in respect of food
Mayoralty	7,500	7,377	Lord Mayor is now using one of the pool electric vehicles therefore savings met, except a minor spend on Lord Mayor's expenses
Civic Centre	4,400	(441)	Committee room food and drinks and Civic Centre stationery expenditure incurred of £4,841, so saving not achieved
Civic Centre	3,290	3,290	Saving achieved
Public Celebrations & Twinning	10,280	(17,200)	Operation London Bridge which marked the occasion of the Queen's death resulted in spend of £31k, partially offset by £3.5k savings against the supplementary budget for the Queens Jubilee Celebrations.
Mail	50,750	30,357	£20k overspend at year-end in respect of postage
Communications & Marketing	40,000	40,000	Budget monitored closely by Service Lead to keep spend at budgeted levels with any overspends met by compensating savings
Arts & Events	20,000	20,000	Grants issued in-line with budget
Staff awards	10,000	10,000	No Staff Award event
Net Zero & Business Admin	2,500	2,500	Planned activity reduced in line with the identified savings
Business Projects	20,000	20,000	Planned activity reduced in line with the identified savings
Customer Service Centre	85,200	85,200	1 post deleted and 2 posts funded by grant income
Underground Passages	45,094	38,804	Running costs and income adjusted to reflect revised opening hours but final establishment greater than original 2022/23 estimates. Higher casual staff costs due to vacant Visitor Guide posts
Active & Healthy	95,367	43,494	Staff costs to be met from CIL
Sub Total Discretionary Service Review	399,021	287,853	
Enabling & Support Services			
Corporate Support Unit	34,092	34,092	2 posts removed & hours reduced from establishment so saving achieved
Accountancy Services	18,195	18,195	Post removed from establishment so saving achieved
Procurement	8,902	8,902	Post removed from establishment so saving achieved
Internal Audit	990	990	No spend against these account lines
Democratic Services	(7,000)	(7,000)	Post upgraded to Team Leader and met from above employee cost savings
HR	(24,730)	(24,730)	HR Business Partner post partly met from above employee cost savings
Major projects consultancy	30,000	30,000	No spend against these account lines
Sub Total Enabling & Support Services	60,449	60,449	
Organisational Change Programme			
Corporate Support Unit	26,068	26,068	Post removed from establishment so saving achieved, due to redesign of complaints process
Sub Total Organisational Change Programme	26,068	26,068	
Asset Disposal & Management			
Capitalisation of fleet lease	550,000	550,000	Saving achieved
Sub Total Asset Disposal & Management	550,000	550,000	
Self-financing Services			
Review of support service recharges to self-financing services	252,930	202,043	Recharges for 2022/23 lower than budgeted, as actual recharges calculated on timesheet data for Legal Services, in order to ensure recharges are fair and reasonable
Sub Total Self-financing Services	252,930	202,043	
One Exeter Programme Savings	1,288,468	1,126,413	

162,054 Year-end variance

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Work stream	Budget area	Risk Rating	Update
Service Review			
1	Leisure Services		Leisure is now operating with a reduced operating budget of £2.2million and is on track to achieve all targets set within that financial envelope. It follows a reduction of staff, a reduction in operating hours, a rise in membership costs and a review of services which include the closure of the crèche, opening of commercial birthday facilities, and significant change of operations at the Spa at SSP and a rise in commercial targets. All are in place and delivering as expected. Membership is stable and it is not anticipated these measures would need to be replicated in the near future. At the same time the, teams are working with Live and Move to increase social prescribing at facilities and look into reducing costs where they are a barrier to exercise. All six sites still require subsidies and modelling shows all will be required to do so, bar SPP, which has the potential to become cost neutral at year 5. In 23/24 a business case for Wonford will come to council which will include a potential new business model if regeneration is to take place. Work to see if a multimillion pound government grant to reduce the energy consumption at Riverside is feasible is underway and will come to council at the same time. It would also address roof leaks. Capital repairs are also being looked at across five sites, including better support where repairs and maintenance have an impact against commercial activity. A facilities strategy is also being developed.
Target Operating Model / Service reductions			
2	Organisational Change Programme		All services have undertaken a review to identify opportunities to deliver a fit for purpose organisation and identify a 15% budget reduction over the life of the MTFP. The savings targets for 2023/24 have been met and work has now started on identifying savings proposals for 24/25. Members will be closely involved in this process.
2	Statutory, non-discretionary services		
2	Enabling and support services		Two key areas of focus for 23/24 will be: 1. Developing a Digital Customer Service Strategy to enable customers to interact with the council wherever they like, whenever they like, on whichever device they have and on whatever channel they choose. 2. Reviewing cross cutting functions to understand if there are opportunities to bring them together.
2	Cessation / reduction of discretionary functions		The Director of Finance / Chief Executive has worked with the Leader and Deputy Leader to identify cost reductions from the cessation/reduction of Discretionary Services. The review has identified a significant cost reduction. The majority of these cost reductions will come through a merger of the Communications, Tourism and Marketing Team and the removal of part of the budget to fund NPO organisations. Additional proposed cost reductions have been identified by funding the skills function and Building Greater Exeter with UKSPF funding instead of the General Fund.
2	Changes to management structure and operating model		It is planned for a new structure to be in place from April 2024. The LGA will be supporting the Council with this work.
Technical Accounting			
3	Self-financing services		A review of support services was conducted for 2022/23, a further review of internal recharges for 23/24 has also been conducted which has resulted in the identification of additional cost reductions.
Corporate Property			
4	Asset disposal and management		Achieved
4	Corporate Property		Savings due to be delivered in 2026/27
Seek External Funding			
5	Contribution from ring-fenced discretionary services		Achieved
5	Externally funded services		Savings achieved for 23/24. Work continues to find new opportunities for increasing external funding.
HR			
6	Staff costs		Options are currently being explored.
Income Generation			
7	Commercialisation		Delivery of the anticipated income against this work stream is high risk due to an outstanding legacy deficit and uncertainty around markets and securing contracts. As part of the Service Review process, some services have identified further opportunities to generate an income and these will be explored as part of the cross cutting work referred to above.
7	Exeter City Living group activities		Income predicted against this work stream could be impacted by rising interest rates.
7	Car park income		A review of car parking has been undertaken. As a result of the review, it has been agreed to re-zone some of the car parks located in or near that city centre so that their charges are all the same. It has also been agreed to extend the hours that the council charges for car parking to include evenings and night time.

Assessment	Risk Rating
Work-stream either delivered, on track to deliver or has sufficient time remaining to achieve indicative contribution as profiled over the MTFP	
Work-stream subject to some risks (e.g. influenced by external factors) and/or some doubt on ability to achieve indicative contribution as profiled over MTFP	
Work-stream subject to high degree of risk (e.g. income generation) and/or insufficient time remaining to achieve indicative contribution as profiled over the MTFP	

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REPORT TO EXECUTIVE

Date of Meeting: 27 June 2023

REPORT TO COUNCIL

Date of Meeting: 18 July 2023

Report of: Director Finance

Title: General Fund Capital Monitoring 2022/23 and Revised Capital Programme for 2023/24 and Future Years

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 performance of the Council for the 2022/23 financial year in respect of the annual capital programme.

To seek approval of the 2023/24 revised capital programme, including commitments carried forward from 2022/23.

2. Recommendations:

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

(1) The overall financial position for the 2022/23 annual capital programme.

(2) The amendments and further funding requests to the Council's annual capital programme for 2023/24.

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

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

5. Section 151 Officer comments:

Delivery of the capital programme remains extremely challenging. The revised programme for 2022-23 at the start of the year totalled £131m of which less than half was spent. Given that £44m of the £59m spent related to the Guildhall Shopping Centre, it can be seen just how difficult delivery is with the resources available and wider economic conditions. Unfortunately, the delays have coincided with significant rises in interest rates, which will add pressure to the financial position of the Council unless other forms of funding can be identified.

6. What are the legal aspects?

Monitoring of capital expenditure is required in order to comply with the provisions of the Local Government Act 2003.

The requirements imposed on the Council by the Act are set out in section 3 of the report.

7. Monitoring Officer's comments:

The Monitoring officer has no comment to make

8. Report details:

8.1. REVISIONS TO THE CAPITAL PROGRAMME

The 2022/23 Capital Programme was last reported to Council on April 18 2023. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
Capital Programme, as reported to Council 18 April 2023	83,447,890	
Budget Deferred to 2022/23 & Beyond at Quarter 3	(19,921,580)	Approved by Council 18 April 2023
Overspends/(Underspends) reported at Quarter 3	(293,540)	
Brownfield Land Relief Fund - Lower Wear Road	293,390	
Cathedral Green Display Case Enhancement	35,000	
Topsham Museum	150,000	
New Harbour Workboat	30,000	

Shared Prosperity Fund	130,370	Council 19 July 2023
Revised Capital Programme	63,871,530	

8.2. PERFORMANCE

Capital expenditure in the year amounted to £59,448,525. The actual expenditure during 2022/23 represents 93.08% of the revised Capital Programme, it is proposed to carry forward a total of £4.593 million budget into future years, as indicated in Appendix 1.

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

8.3. CAPITAL FINANCING

The capital expenditure in 2022/23 of £59,448,525 was financed as follows:

	£
Capital Grants & Contributions	4,816,919
Capital Receipts	2,980,157
Community Infrastructure Levy	3,227,055
Revenue Contributions	71,372
Borrowing	58,353,022
TOTAL	59,448,525

8.4 AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2022/23 are £14.044 million. Total General Fund capital expenditure is £59.449 million of which £48.353 million will be funded from borrowing, allowing £2.949 million of capital receipts to be carried forward.

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 year in respect of the General Fund are:

	General Fund £
Balance as at 1 April 2022	3,020,582
New Receipts	2,908,146
Balance as at 31 March 2023	5,928,728

8.4. EXPENDITURE VARIANCES

The main (greater than +/- £30k) variances and issues concerning expenditure are as follows:

Scheme	Variance £
Energy Saving Projects	191,370
<p>Officer Responsible: Service Lead – Net Zero and Business</p> <p>Additional spend was incurred due to unforeseen works such as contaminated land at Exton Road, additional electrical infrastructure requirements and disconnection charges imposed by the Distribution Network Operator, a highly complex Private Wire installation and CCTV costs to connect with the Council's Control Centre.</p>	

8.5. SCHEMES TO BE DEFERRED TO 2023/24 AND BEYOND

Schemes which have been identified as being wholly or partly deferred to 2023/24 and beyond are:

Scheme	Budget to be Deferred £
ECC Civic Centre HFX Door Access Replacement	100,000
<p>Officer Responsible: Chief Executive</p> <p>This project has been put on hold as discussions regarding the future of the Civic Centre continue.</p>	

Scheme	Budget to be Deferred £
Northbrook Wild Arboretum	42,980
Play Areas	(33,006)
Pinhoe Playing Field Upgrades	42,050
District Street Lighting	35,239
<p>Officer Responsible: Service Manager - Parks & Green Spaces</p> <p>The Wild Arboretum project is still awaiting sign off. Works will not commence until 2023/24.</p> <p>There are only three main contractors in the market for work on Play Areas and therefore it is necessary to accept schemes occurring outwith the expected time-cycle planned. The Lakeside Avenue play area works commenced in March because of contractor availability; this year's overspend will be carried forward to reduce the sum available for the 2023/24 programme.</p> <p>It has been reported in previous quarters that there was likely to be significant slippage within the Engineering capital programme for 2022/23. Project re-prioritising has identified that the above schemes will also be deferred, in whole or part, due to Engineering's on-going capacity issues.</p>	
Waste Infrastructure	451,410
Improved Recycling Containers	(46,216)
Fleet Lease Costs	177,203
<p>Officer Responsible: Service Lead – Waste, Recycling & Fleet</p> <p>Waste Infrastructure – the next phase of this scheme is to refurbish glass banks but other aspects of the scheme are in scoping stage and require discussions with other stakeholders. With priority having been given to the roll out of food waste, there is no current timescale for this element of the project.</p> <p>The incremental roll out of kerbside collection has required continued purchase of additional and replacement bins for use on the existing service provision at levels above those expected when the budget was apportioned between years. The overspend will be carried forward to reduce the available 2023/24 programme, itself carried forward from 2022/23.</p> <p>Delays in the roll out of kerbside collections has slowed the procurement of additional fleet vehicles this year, costs that should be incurred in the early part of 2023/24 as the scheme accelerates.</p>	
Disabled Facilities Grants	852,117
CCTV Improvements	188,280
Noise Monitoring Equipment	45,000

Officer Responsible: Service Lead – Environmental Health & Community Safety

There are delays between DFG application, approval and works completion that can span many months with funds committed but no spend yet due. At the end of 2022/23 this pipeline was in excess of £150k, whilst still to be agreed proposals amounted approximately to a further £475k before adding the administrative charge.

CCTV - There has been an element of inter-linking between this scheme and the Shared Prosperity Fund (SPF) capital one with strategic delays here to accommodate the faster timeline required by the SPF grant. The project is anticipated to be completed by Q2 2023/24.

Noise Monitoring Equipment procurement has yet to commence with staff working on higher priority areas such as Homes4Ukraine delaying plans.

Scheme	Budget to be Deferred £
Next Steps Accommodation Programme Property Acquisition	517,933

Officer Responsible: Service Lead, Housing Needs & Homelessness
The acquisition programme will continue into 2023/24.

Scheme	Budget to be Deferred £
Riverside Leisure Centre	50,480
Leisure Complex – Fit Out	204,730
Leisure Complex – Build Project	(65,760)
Bus Station Construction	(38,570)

Officer Responsible: Director- Communications, Culture & Leisure
The Build Project (including the Bus Station) has outstanding commitments in 2023/24, including retention payments and any additional work that will need to be completed as a result of End of Defects reviews. The over- and under- spends will be rolled forward to become part of the 2023/24 budgets. A review of capital requirements will be taking place in the new financial year and after this, the budgets will be re-allocated to reflect the on-going maintenance needs of the Leisure facilities.

Scheme	Budget to be Deferred £
Commercial Property Purchase	490,250
<p>Officer Responsible: City Surveyor</p> <p>The remainder of this programme's budget has been slipped into 2023/24 to continue the regeneration of the Guildhall Shopping Centre through a combination of capital contributions to incoming tenant's fit out works and capital works to be delivered to re-purpose areas of the Centre.</p>	
Fire Risk Assessment Works	46,950
Civic Centre Phase 3 Roof Repair	49,510
<p>Officer Responsible: City Surveyor</p> <p>FRA works are pending the outcomes of further surveys to provide greater clarity during the tender processes.</p> <p>Phase three roof repair is being redesigned to align with changes to insurance industry guidance.</p>	
City Wall	30,480
<p>Officer Responsible: City Surveyor</p> <p>Consultant-driven surveys and work plan designs are nearing completion. Work is due to be tendered in summer 2023.</p>	
BLRF – Bonhay Meadows	46,420
BLRF – Mary Arches Car Park	38,900
BLRF – Cathedral & Quay Car Park	33,680
LRF – Clifton Hill	225,000
BLRF – Lower Wear Road	293,390
<p>Officer Responsible: City Surveyor</p> <p>The Brownfield Land Release Fund programmes are on-going, with ECL progressing the work at each of these sites.</p> <p>The funding for Lower Wear Road has only recently been received therefore planning work will commence in 2023/24</p>	
Depot Relocation	375,970
<p>Officer Responsible: City Surveyor</p> <p>The costs of relocation have proved to be excessive so we are re-visiting alternative approaches.</p>	
Guildhall Roof Replacement	91,420

Officer Responsible: City Surveyor	
The Jury room and robing room roofs have been replaced and the internal reinstatement works are now commencing. Completion expected summer 2023.	
Cathedral Green Display Cases	35,000
Topsham Museum	150,000
Officer Responsible: City Surveyor	
Both the above projects are new programmes and work will begin on each in 2023/24.	
Event display cases at the entrance to Cathedral Green will be reconstructed and refurbished.	
Essential and urgent work at Topsham Museum can now be started, including extensive rendering repairs and other maintenance to ensure the building remains suitable as a Museum.	

8.6. ACHIEVEMENTS

SAN Replacement Programme

A project, managed by Strata, was started in 2021/22 to replace two Storage Area Networks (SANs) which hold all the council data and systems, with the purpose of replacing the existing SANs that were going out of support (end of life). Despite a challenging supply environment, due to a world-wide shortage of electronic components, this project was completed during 2022/23. The project cost during the planning stage was over-estimated, therefore a saving was achieved against the budget.

Play Areas

2022/23 has seen the refurbishment or additional equipment provided across a number of play areas. Lloyds Crescent, Burrator Drive, Devonshire Place, Lakeside, Bury Meadow and a number of smaller sites have all seen works carried out to replace and enhance play value on site.

8.7 CAPITAL PROGRAMME 2023/24 (Appendix 3)

The revised Capital Programme for 2023/24, after taking into account the carried forward requirements from 2022/23 now totals £62,483,270:

Description	£	Approval/Funding
2023/24 Capital Programme, as reported to Council February 2023	37,481,610	
Budget Deferred to 2023/24 at Quarter 3	19,921,580	Approved by Council on 18 April 2023

Budget Deferred to 2023/24 at Quarter 4	4,592,630	
Shared Prosperity Fund	44,300	Council 19 July 2023
Heavitree Paddling Pool	443,150	CIL Funded
Revised 2023/24 Capital Programme	62,483,270	

8.8 FURTHER FUNDING REQUESTS

Riverside & RAMM Decarbonisation Projects (£6,391,660)

Exeter City Council has been awarded £6,391,664 to deliver heat decarbonisation projects at the Royal Albert Memorial Museum (RAMM) and the Riverside Leisure Centre (Riverside). The Royal Albert Memorial Museum is the largest in Exeter which holds over one million objects in areas such as zoology, anthropology, fine art and archaeology. The museum is housed in a Grade II listed Gothic Revival building, a local New Red Sandstone. RAMM will install a new air sourced heat pump system, replacing existing gas fired boilers that are at the end of their life. This system will enable RAMM to reduce its overall energy consumption by utilising free cooling from the heat pump system. The Riverside Leisure Centre features a 25m swimming pool, a 6 court sports hall and 2 squash courts amongst other facilities. Riverside will replace an end of life boiler and heating plant with air sourced heat pumps, integrate a heat recovery system and upgrade its roof to improve its thermal efficiency and accommodate the roof mounted air sourced heat pumps. The expenditure will be spent in advance and claimed back monthly. £1.25m will be required in 2023/24 and £5.141664 in 2024/25.

DEFRA Air Quality Grant (£49,000)

This grant is to support the development and installation of a virtual Air Quality (AQ) monitoring package along the Heavitree Corridor.

RAMM Roof Repair & Insulation – MEND funding (£498,000)

This grant from the Museum Estate & Development Fund (MEND) is matched by an existing capital programme budget. This project will provide vital funds to address the maintenance backlog of the RAMM roof and will include installation of a permanent access system to the roof, upgrading the roofs' insulation and the re-decoration of damaged ceilings

Fleet Lease Costs (£750,000)

The Council's policy is to lease vehicles rather than purchase. In order to address the on-going MTFP issues it is proposed to finance these costs from capital receipts and the budget to form part of the capital programme.

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, Dave Hodgson

Author: Nicola Morley, Bridget Kendrick and Mark Neville-Smith

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

Background papers used in compiling this report:-

None

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2022/23 CAPITAL MONITORING TO MARCH 2023

Responsible Officer	Scheme	2022/23 Capital Programme	2022/23 Spend	2022/23 Budget	2022/23
				to be Carried Forward to 2023/24 and Beyond	Programme Variances (Under)/Over
		£		£	£
Chief Executive & Growth Director					
	Annual Contribution to Strata	69,580	69,581	0	1
	PTSN Replacement	25,000	25,408	0	408
	ECC Civic Centre HFX Door Access Replacement	100,000	0	100,000	0
	System Upgrade Cost 2012 Server replacement	35,940	20,217	15,720	(3)
	GIS Cloud Migration	3,590	1,080	2,510	0
Chief Executive & Growth Director	Cash and Income Management	16,200	16,200	0	0
	Idox System Upgrades	1,900	1,900	0	0
	Financial Management	49,390	39,790	10,880	1,280
	SAN Replacement	103,430	103,432	0	2
	Door Access RAMM	50,000	79,358	0	29,358
	IT Replacement programme	50,000	58,173	0	8,173
TOTAL		505,030	415,139	129,110	39,218
Net Zero Exeter and City Management					
	Parks Infrastructure	24,000	23,985	15	0
	Parks Anti-Incursion Measures	12,100	9,314	2,786	0
	Ash Die Back Tree Replacement	29,210	15,141	14,069	0
	Binrastructure	2,960	2,960	0	0
	Columbarium	18,920	20,709	0	1,789
	Northbrook Wild Arboretum	42,980	0	42,980	0
	Play Areas	250,000	283,006	(33,006)	0
	Topsham Flood Prevention Scheme	0	0	(5,000)	(5,000)
	Pinhoe Playing Field Upgrades	91,830	49,780	42,050	0
	Trews Weir refurb	20,000	0	20,000	0
	Exeter Arena Skatepark	19,320	19,321	(23,430)	(23,429)
Service Manager - Public & Green Spaces	District Street Lighting	50,000	14,761	35,239	0
	Piazza Terracina	40,000	38,941	1,059	0
	Holman Way, Topsham CP Copse	10,150	10,146	0	(4)
	Exeter Quay Cellars cliff face	19,730	12,849	6,881	0
	Yaroslavl Bridge	21,910	21,908	0	(2)
	Farm Hill Retaining Walls (23 no.)	18,110	18,107	0	(3)
	Underground Passages	0	4,950	(15,000)	(10,050)

Responsible Officer	Scheme	2022/23 Capital Programme	2022/23 Spend	2022/23 Budget to be Carried Forward to 2023/24 and Beyond	2022/23 Programme Variances (Under)/Over
		£		£	£
	St Davids Church Boundary Wall	5,000	2,875	0	(2,125)
	Flowerpot Skate Park	1,430	1,431	0	1
	Bromhams Farm Playing Fields	15,000	1,475	13,525	0
	Salmonpool swingbridge / Clapperbrook lane	70,000	70,000	0	0
	St Thomas Splashpad	5,000	0	5,000	0
Service Lead - Recycling, Waste & Fleet	Waste Infrastructure	463,300	11,890	451,410	0
	Cleansing Bins and Boxes	80,000	102,200	0	22,200
	Improved recycling containers	34,520	80,736	(46,216)	0
	Enhance the Materials Reclamations Facility	96,510	82,226	14,284	0
	Fleet lease costs	2,110,830	1,933,627	177,203	0
Service Lead - Environmental Health & Community Safety	Disabled Facility Grants	1,607,460	755,343	852,117	0
	CCTV improvements	241,240	52,960	188,280	0
	Noise Monitoring Equipment	45,000	0	45,000	0
Harbour Master	Harbour Team Workboat	30,000	6,918	23,082	0
Service Lead - Net Zero & Business	Energy Saving Projects	1,911,770	2,103,140	0	191,370
	Shared Prosperity Fund	130,370	129,778	592	0
TOTAL		7,518,650	5,880,477	1,812,921	174,747
City Development, Housing & Supporting People					
Director	Agile & Flexible Rollout	20,000	0	0	(20,000)
	Next Steps/Rough Sleepers Accommodation Programme Property Acquisition	2,661,230	2,143,298	517,933	0
TOTAL		2,681,230	2,143,298	517,933	(20,000)
Communications, Culture and Leisure Facilities					
Director	Council Signage Improvement	10,000	0	10,000	0
	Leisure Centre Essential Enhancements	32,360	26,295	6,060	(5)
	Riverside Leisure Centre	100,770	50,293	50,480	3
	Riverside Sports Hall Roof	1,023,840	1,023,840	0	0
	Leisure Complex - Fit Out	422,910	218,178	204,730	(2)
	Leisure Complex - Build Project	2,934,910	3,000,671	(65,760)	1
	Bus Station Construction	226,430	265,004	(38,570)	4
TOTAL		4,751,220	4,584,281	166,940	1

Responsible Officer	Scheme	2022/23 Capital Programme	2022/23 Spend	2022/23 Budget to be Carried Forward to 2023/24 and Beyond	2022/23 Programme Variances (Under)/Over
		£	£	£	£
Finance					
Director	Loan to Exeter City Living	1,500,000	1,500,000	0	0
	Commercialisation Options	428,650	428,652	0	2
	Commercial Property Purchase	44,539,030	44,048,784	490,250	4
City Surveyor	Building Management System (BMS)	24,330	0	0	(24,330)
	Fire Risk Assessment Works	50,000	3,052	46,950	2
	Civic Centre Phase 3 Roof Rep	50,000	489	49,510	(1)
	City Wall	50,000	19,516	30,480	(4)
	BLRF - Bonhay Meadows	50,000	3,575	46,420	(5)
	BLRF - Exeter Canal Basin	20,000	4,428	15,570	(2)
	BLRF - Mary Arches Car Park	50,000	11,095	38,900	(5)
	BLRF - Belle Isle	20,000	4,634	15,370	4
	BLRF - Cath & Quay Car Park	50,000	16,318	33,680	(2)
	BLRF - Clifton Hill	425,000	200,000	225,000	0
	Depot Relocation	500,000	124,027	375,970	(3)
	BLRF - Lower Wear Road	293,390	0	293,390	0
	Guildhall Roof Replacement	140,000	48,579	91,420	(1)
	RAMM Roof Replacement	40,000	12,181	27,820	1
	Cathedral Green Display Cases	35,000	0	35,000	0
Topsham Museum	150,000	0	150,000	0	
TOTAL		48,415,400	46,425,331	1,965,730	(24,339)
GENERAL FUND SERVICES TOTAL		63,871,530	59,448,525	4,592,633	169,628

SIGNIFICANT CAPITAL SCHEMES SPANNING MORE THAN ONE FINANCIAL YEAR

Responsible Officer	Scheme	Total Capital Budget £	Total Spend to Date £	Programme Variances (Under)/Over £
Director	Leisure Complex - Build Project	45,012,390	44,181,193	0
	Bus Station Construction	8,955,050	8,712,682	0
	Riverside Leisure Centre	6,751,940	6,701,466	0
TOTAL		60,719,380	59,595,341	0

BUDGETS CARRIED FORWARD TO 2023/24 AND BEYOND

Responsible Officer	Scheme	2023/24 Budget as per Budget Book/Council Approvals	Budget Carried Forward to 2023/24 and Beyond at Qtr 3	Proposed Budget to be Carried Forward to 2023/24 and Beyond at Qtr 4	Total 2023/24 Capital Programme	2024/25 Budget as per Budget Book/Council Approvals
		£	£	£	£	£
Chief Executive & Growth Director						
	Customer Contact Platform	0	161,030	0	161,030	0
	Annual Contribution to Strata	53,910	0	0	53,910	53,910
	ECC Civic Centre HFX Door Access Replacement	0	0	100,000	100,000	0
	System Upgrade Cost 2012 Server replacement	0	0	15,720	15,720	0
	GIS Cloud Migration	0	0	2,510	2,510	0
	IT Replacement Programme	50,000	0	0	50,000	50,000
	Idox System for Planning	0	60,680	0	60,680	0
Chief Executive & Growth Director	Financial Management	344,800	0	10,880	355,680	0
	Datacentre Relocation	35,940	0	0	35,940	0
	NCSC Zero Trust	53,910	0	0	53,910	0
	PSTN Replacement	30,000	0	0	30,000	0
	Microsoft Purview	9,000	0	0	9,000	0
	Microsoft Power Apps	35,930	0	0	35,930	0
	Software Upgrade	28,750	0	0	28,750	0
	Sharegate	5,750	0	0	5,750	0
TOTAL		647,990	221,710	129,110	998,810	103,910
Net Zero Exeter and City Management						
	Parks Infrastructure	149,190	6,000	15	155,205	0
	Cemeteries & Churchyards Infrastructure Improvements	134,790	0	0	134,790	0
	Parks Anti-Intrusion Measures	0	12,110	2,786	14,896	0
	Ash Die Back Tree Replacement	237,630	50,000	14,069	301,699	0
	Northbrook Wild Arboretum	245,600	0	42,980	288,580	0
	Play Areas	350,000	0	(33,006)	316,994	225,000
	Outdoor Leisure Facilities - Newcourt	121,270	0	0	121,270	0
	Bowling Green Marshes Coastal Defence Scheme	260,000	50,000	0	310,000	160,000
	Topsham Flood Prevention Scheme	0	5,000	(5,000)	0	0
	Pinhoe Playing Field Upgrades	0	0	42,050	42,050	0
	Cricklepit Bridge	153,750	0	0	153,750	0
	Trews Weir refurb	3,500,000	30,000	20,000	3,550,000	0
	Exeter Arena Skatepark	0	23,430	(23,430)	0	0
	District Street Lighting	500,000	242,150	35,239	777,389	168,750
	Piazza Terracina	0	0	1,059	1,059	157,500
	Exeter Quay Cellars cliff face	487,050	20,000	6,881	513,931	0
	Farm Hill Retaining Walls (23 no.)	552,900	11,890	0	564,790	281,250
	Riverside Walls at Quay	50,000	0	0	50,000	0
	Bonhay Rd/Andlaw House Footpath	150,000	0	0	150,000	0
	Underground Passages	0	15,000	(15,000)	0	0
	St James' Weir & Ducks Marsh Meadow banks	50,000	25,000	0	75,000	0
	Heavitree Paddling Pools	0	25,000	0	25,000	0
	Landfill Gas Extraction Systems	250,000	20,000	0	270,000	0
	Mincinglake Valley Park Reed Beds & Pipe Inlet	157,600	25,000	0	182,600	0
	Exeter Canal Bank Repairs	50,000	26,890	0	76,890	0
	Bromhams Farm Playing Fields	250,000	0	13,525	263,525	0
	Longbrook Street wall behind 30-38	5,000	0	0	5,000	0
	St Thomas Splashpad	0	95,000	5,000	100,000	0
	ECC Bridge Repair Programme	750,000	0	0	750,000	0

BUDGETS CARRIED FORWARD TO 2023/24 AND BEYOND

Responsible Officer	Scheme	2023/24 Budget as	Budget Carried	Proposed Budget to	Total 2023/24	2024/25 Budget as
		per Budget	Forward to 2023/24	be Carried Forward	Capital Programme	per Budget
		Book/Council	and Beyond at Qtr 3	to 2023/24 and		Book/Council
		Approvals		Beyond at Qtr 4		Approvals
		£	£	£	£	£
	Countess Wear Retaining Wall Rebuild	150,000	0	0	150,000	0
	Oxford Road Car Park Retaining Wall	200,000	0	0	200,000	0
	Canal Basin Bridge Refurbishment	50,000	0	0	50,000	0
	Improved Car Park Security Measures at King William Street & Arena Park	19,670	0	0	19,670	0
	Bank Repairs & Stabilisation to Watercourses	0	20,000	0	20,000	0
Service Manager - Recycling, Waste & Fleet	Waste Infrastructure	0	0	451,410	451,410	0
	Improved recycling containers	257,580	0	(46,216)	211,364	0
	Enhance the Materials Reclamations Facility	4,081,600	(36,510)	14,284	4,059,374	0
	Fleet Lease costs	0	0	177,203	177,203	0
Service Manager - Environmental Health & Community Safety	Disabled Facility Grants	800,000	0	852,117	1,652,117	800,000
	CCTV improvements	0	0	188,280	188,280	0
	Noise Monitoring Equipment	0	0	45,000	45,000	0
Harbour Master	Harbour Team Workboat			23,082	23,082	0
Service Manager - Net Zero & Business	Energy Saving Projects	0	0	0	0	0
	Shared Prosperity Fund	0	0	592	592	178,550
Miscellaneous	Capitalised Staff Costs	281,700	0	0	281,700	150,000
TOTAL		14,245,330	665,960	1,812,921	16,724,211	2,121,050
City Development, Housing & Supporting People						
Director	Next Steps/Rough Sleepers Accommodation Programme Property Acquisitions	0	0	517,933	517,933	0
TOTAL		0	0	517,933	517,933	0
Communications, Culture and Leisure Facilities						
Director	Council Signage Improvement	0	69,090	10,000	79,090	0
	Leisure Centre Essential Enhancements	0	310,160	6,060	316,220	0
	Riverside Leisure Centre	0	0	50,480	50,480	0
	Riverside Sports Hall Roof	0	976,160	0	976,160	0
	Leisure Complex - Fit Out	0	290,520	204,730	495,250	0
	Leisure Management	0	245,440	0	245,440	0
	Leisure Complex - Build Project	0	804,900	(65,760)	739,140	0
	Bus Station Construction	0	280,940	(38,570)	242,370	0
	Leisure Property enhancements	2,126,800	0	0	2,126,800	0
	Leisure Equipment replacement Programme	100,000	0	0	100,000	100,000
	Pinhoe Community Hub	0	1,276,470	0	1,276,470	0
TOTAL		2,226,800	4,253,680	166,940	6,647,420	100,000

BUDGETS CARRIED FORWARD TO 2023/24 AND BEYOND

Responsible Officer	Scheme	2023/24 Budget as per Budget Book/Council Approvals	Budget Carried Forward to 2023/24 and Beyond at Qtr 3	Proposed Budget to be Carried Forward to 2023/24 and Beyond at Qtr 4	Total 2023/24 Capital Programme	2024/25 Budget as per Budget Book/Council Approvals
		£	£	£	£	£
Finance						
Director	Loan to Exeter City Living	10,641,560	3,500,000	0	14,141,560	0
	Commercial Property Purchase	0	10,460,970	490,250	10,951,220	0
	Civic Centre Air Conditioning Replacement	0	25,000	0	25,000	0
	Fire Risk Assessment Works	953,190	700,550	46,950	1,700,690	0
	Exmouth Buoy Store	119,010	93,710	0	212,720	0
	John Lewis MSCP	0	0	0	0	424,400
	Princesshay 2 MSCP	0	0	0	0	424,400
	Leighton Terra & KW St MSCP	618,000	0	0	618,000	0
	Civic Centre Phase 3 Roof Rep	180,000	0	49,510	229,510	0
	City Wall	459,480	0	30,480	489,960	0
	Backlog Maintenance	508,810	0	0	508,810	64,790
	BLRF - Bonhay Meadows	957,430	0	46,420	1,003,850	0
	BLRF - Exeter Canal Basin	578,550	0	15,570	594,120	0
	BLRF - Mary Arches Car Park	1,256,840	0	38,900	1,295,740	0
	BLRF - Belle Isle	651,800	0	15,370	667,170	0
	BLRF - Cath & Quay Car Park	2,317,450	0	33,680	2,351,130	0
	BLRF - Clifton Hill	0	0	225,000	225,000	0
	Depot Relocation	0	0	375,970	375,970	0
	BLRF - Lower Wear Road	0	0	293,390	293,390	0
	Guildhall roof replacement	0	0	91,420	91,420	0
	RAMM - roof replacement	669,500	0	27,820	697,320	0
	Cathedral Green Display Cases	0	0	35,000	35,000	0
	Topsham Museum	0	0	150,000	150,000	0
	Commercial Property Ancillary Accommodation flat roof recovering	142,600	0	0	142,600	0
	Wat Tyler House - resolving ongoing water ingress with new rainwater system	277,270	0	0	277,270	0
	Commercial Properties - capital improvements to enable ongoing income (compliance with EPC legislation)	30,000	0	0	30,000	40,000
TOTAL		20,361,490	14,780,230	1,965,730	37,107,450	953,590
GENERAL FUND SERVICES TOTAL		37,481,610	19,921,580	4,592,633	61,995,823	3,278,550

GENERAL FUND AVAILABLE RESOURCES

GENERAL FUND	2022-23 £	2023-24 £	2024-25 £	2025-26 £	TOTAL £
CAPITAL RESOURCES AVAILABLE					
Capital Receipts Brought Forward	3,020,582				3,020,582
GF Capital Receipts	2,908,146	0	0	0	2,908,146
Revenue Contributions to Capital Outlay	71,372	558,082	168,750	0	798,204
Disabled Facility Grant	755,343	1,652,115	800,000	800,000	4,007,459
Community Infrastructure Levy	3,227,055	1,887,319	225,000	200,000	5,539,374
Other - Grants/External Funding/Reserves/S106	4,061,576	9,077,524	385,000	0	13,524,099
Total Resources Available	14,044,074	13,175,040	1,578,750	1,000,000	29,797,864
GENERAL FUND CAPITAL PROGRAMME					
Capital Programme	63,871,530	57,403,190	3,278,550	2,287,310	126,840,580
Overspends/(Savings)	169,628				169,628
Slippage	(4,592,633)	4,592,633			0
Total General Fund	59,448,525	61,995,823	3,278,550	2,287,310	127,010,208
UNCOMMITTED CAPITAL RESOURCES:					
Capital Receipts Brought Forward	3,020,582	2,948,571	644,275	440,365	3,020,582
Resources in Year	11,023,492	13,175,040	1,578,750	1,000,000	26,777,282
Less Capital Receipts to carry forward	(2,948,571)	(644,275)	(440,365)	(340,365)	(340,365)
Less Spend in Year	(59,448,525)	(61,995,823)	(3,278,550)	(2,287,310)	(127,010,208)
Borrowing Requirement	48,353,022	46,516,488	1,495,890	1,187,310	97,552,709

REPORT TO EXECUTIVE

Date of Meeting: 27 June 2023

REPORT TO COUNCIL

Date of Meeting: 18 July 2023

Report of: Director Finance

Title: 2022/23 HRA Budget Monitoring Report – Outturn

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To advise Members of any major differences, by management unit, between the approved budget and the outturn for the financial year up to 31 March 2023 in respect of the Housing Revenue Account and the Council's new build schemes.

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

2. Recommendations:

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

- 1) The supplementary budget of £300,000 as detailed in paragraph 8.5;
- 2) The HRA financial position for 2022/23 financial year;
- 3) The revision of the HRA Capital Programme to reflect the reported variations detailed in Appendix 3; and
- 4) The Social Housing Decarbonisation Fund capital project as detailed in paragraph 8.14.

3. Reasons for the recommendation:

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

The Housing Revenue Account is a statutory account and local housing authorities have a duty to keep a HRA in accordance with proper accounting practices and to review the account throughout the year. Members are presented with a quarterly financial update in respect of the HRA and this is the final update for 2022/23.

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 2022/23 are set out in the body of this report.

4.2 The impact on the HRA's available financial resources are set out in Appendix 2.

5. Section 151 Officer comments:

5.1 The improved position on the HRA outturn is driven entirely by addition interest earned from the General Fund on its balances. The outlook remains tight and rising interest rates, whilst beneficial to the HRA, do cause the same challenges as they do for the General Fund capital programme. New build, in particular are likely to struggle to cover borrowing costs at least in the short term and this will therefore have an impact on the size of the wider capital programme. Members must therefore ensure that they are satisfied that the balance between investing in existing stock and new build is in line with their priorities.

5.2 Whilst Finance will work to ensure that the impact is as low as possible, the impact is built into each viability assessment for new build and will be reported to Members at the time a decision is required.

6. What are the legal aspects?

6.1 The statutory requirement for a Housing Revenue Account (HRA) is set out in Part VI of the Local Government and Housing Act 1989. Section 74 of the Act sets out the duty to keep a Housing Revenue Account as a ring-fenced fund and sets out the structure within which the HRA operates. Part VI of the Act sets out the detailed statutory provisions on the operation of the HRA, including credits to the account (income) and debits to the account (expenditure). Section 76 sets out the duty to prevent a debit balance on the HRA. The authority must implement proposals that will secure that the account for each financial year will not show a debit balance. Members will also note the provisions of Schedule 4 of the Act which sets out the requirements concerning 'The Keeping of the Housing Revenue Account'.

7. Monitoring Officer's comments:

The Monitoring should remind members that they are under an obligation to exercise their fiduciary duty carefully. The meaning of fiduciary duty can be summarised as a duty to conduct administration in a business-like manner with reasonable care, skill and caution and with due regards to the council's rate payers. When discharging their fiduciary duties councillors will need to consider the following:

- a. Prudent use of the council's resources, including the raising of income and the control of expenditure;
- b. Financial prudence both long and short term; and
- c. Striking a fair balance between the interest of the council tax payers on the one hand and the community interest and adequate and efficient services on the other hand.

8. Report details:

HRA FINAL ACCOUNTS TO 31 MARCH 2023

8.1 Background to the HRA

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

8.2 Projected transfer from the working balance

	£
Approved Budgeted transfer from the working balance	1,154,130*
Supplementary budgets – Council approved 19 July 2022	550,500
Edward's Court 2022/23 budget – Council approved 22 February 2022	(80,990)
Revenue Contribution to Capital deferred from 2021/22 – 19 July 2022	3,000,000
Revised Budgeted transfer from the working balance	4,623,640

*2022/23 Approved Budget Represented By	£
85A1 MANAGEMENT	1,545,220
85A2 TENANCY SERVICES	1,511,160
85A3 SUNDRY LANDS MAINTENANCE	614,170
85A4 REPAIR & MAINTENANCE PROGRAMME	6,898,350
85A5 REVENUE CONTRIB TO CAPITAL	2,000,000
85A6 CAPITAL CHARGES	3,830,620
85A7 HOUSING ASSETS	2,298,160
85A8 RENTS	(19,849,110)
85B2 INTEREST	2,305,560
85B4 MOVEMENT TO/(FROM) WORKING BALANCE	(1,154,130)

The HRA has built up a considerable working balance of £11.146 million as at 31 March 2022. 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.

8.3 The 2022/23 financial year has ended with an overall net deficit of £3.903m. This represents a movement of £721k compared to the budgeted deficit of £4.624m for 2022/23. This represents a 16% underspend compared with the original budget.

A projected under-spend of £242k was previously reported at Quarter 3 as part of the quarterly budget monitoring updates. The variances in the final quarter of the financial year have therefore resulted in further savings of £479k. The reasons for this and the main deviations from budget for the financial year are set out below. Please also refer to Appendix 1.

Budget Heading	Forecast Variance at Quarter 3 (Under)/ Overspend	Actual Budget Variance (Under)/ Overspend
Management	£17,500	(£23,958)
<p>Officers Responsible: Assistant Directors of Housing (AP and LB)</p> <ul style="list-style-type: none"> • £157k overspend on general management overheads which is primarily due to increased tenant decant costs associated with the housing development programme, as a result of a number of incidents which include fires and cases of damp and mould. • £176k saving on resident involvement. This relates to supplementary budgets which were brought forward from 21/22 for additional salary costs, publications, consultants and resident involvement activity and projects which have not been fully spent in year. • The corporate recharge for statutory officers was £4k lower than budgeted. 		
Tenancy Services	(£15,600)	(£160,663)
<p>Officer Responsible: Assistant Director of Housing (LB)</p> <ul style="list-style-type: none"> • There was a £35k saving on Right to Buy administration as the budget anticipated 28 property sales in 2022/23 but the actual was 39. This resulted in additional admin fee income, but also a loss of council homes. • Lettings and home ownership underspent by £56k due to savings on agency staff and the downsizing budget. • There is a general £68k saving on tenancy services across staffing and travel, cleaning, court and legal fees. 		
Sundry Land Maintenance	(£333,000)	(£353,743)

Officers Responsible: Assistant Directors of Housing (AP and LB)

- The Estate Maintenance budget has underspent by £333k which is primarily as a result of new expectations around when Ash Die Back is likely to impact in Exeter. Current National guiding bodies indicate that the disease will result in 90% loss over 10 years, with only 5% of trees showing any resilience to the disease.

£300k was brought forward from 2021/22 and it is requested to carry forward again to 2023/24 as the budget will still be required in future years, so there will be no overall impact on the Medium Term Financial Plan. Officers will continue to monitor the situation to ensure that there is appropriate budget provision for works needed.

- Further savings of £20k were made in the garden assistance budget.

Repair & Maintenance Programme**£261,000****£270,012****Officer Responsible: Assistant Director of Housing (AP)**

- Re-pointing budget has underspent by £174k.
- The asbestos surveys and removal budgets are overspent by £169k due to decisions taken to remove as much asbestos as possible when safe opportunities arise (when properties are vacated or when capital works are carried out), but this is offset by savings on the re-pointing and internal decoration programme.
- The General Maintenance budget overspent by £662k as this budget is still under pressure due to the cost of living crisis prompting more work with insulation, windows and doors, heating etc. along with significant activity on damp, condensation and mould investigations and cleaning and mitigation which we project will continue to rise steadily.
- Void numbers were down and ended the year with a £175k underspend. This budget is difficult to predict but strict management of decoration expenditure has kept costs down and not impacted letting times. During 22/23 we trialled tailoring the void work to the needs of the incoming tenant and not necessarily doing everything on the specification for every void, which has kept the budget down. This has been discussed with and received the support of Tenant's Voice.
- Service contracts were £86k underspent, of which £82k was due to savings on the gas and central heating budget. This is due to work done over the last 4 years in updating less reliable boilers which has enabled a reduction in repairs and maintenance requirements.
- Low maintenance and painting flats was overspent by £58k.
- The internal decoration programme was underspent by £195k.
- Other variance netted a £11k overspend.

Housing Assets	£134,500	£143,145
<p>Officer Responsible: Assistant Director of Housing (AP)</p> <ul style="list-style-type: none"> • Staff costs were overspent across this service by £124k, mainly due to agency costs to cover for vacancies. • Consultancy fees and contract payments were £16k over budget, including low carbon consultancy, support from Echelon on a review of the response repairs contract this year. • Other variances netted a £3k overspend 		
Edwards Court	£36,132	£160,570
<p>Officer Responsible: Assistant Director of Housing (LB)</p> <ul style="list-style-type: none"> • The 2022/23 budget for Edwards Court Extra Care was based on a full 12 months of occupancy, however due to a re-procurement exercise the first residents did not move in until half way through the year. • In addition to this we have seen that our original forecasting of services such as utilities, cleaning and delivering the catering in-house have increased costs. This trend in higher costs is being reflected across the sector and presents challenges in accurately projecting the costs in a fluid market. • There has also been unforeseen expenditure during the first year including IT works. 		
Capital charges	£242,470	£242,470
<p>Officer Responsible: not applicable (statutory accounting charge)</p> <p>Depreciation charges are higher than budgeted due to a valuation increase of the properties in the portfolio at 2021/22 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>		
Interest	(£584,560)	(£806,694)
<p>Officer Responsible: Assistant Director of Housing (AP)</p> <p>The 2022/23 budget included interest cost for additional £5.6m approved borrowing. This included £1.7m for a development budget which has now been removed from the capital programme. The remaining £3.9m of borrowing has been delayed whilst interest rates are at elevated levels and are likely to be drawn down over the next couple of years, and this saved £232k in interest payments during the year.</p> <p>Interest rates continued to increase throughout the year resulting in improved interest receivable of £575k higher than budgeted on HRA balances.</p>		
Rents	£0	(£191,939)

Officers Responsible: Assistant Director of Housing (LB) & Service Lead Revenues, Benefits and Customer Access

The rent collected for 2022/23 was largely in line with budget – the variance is 1% of the budget.

Total budget (underspend)/overspend	(£241,558)	(£720,800)
2022/23 HRA Deficit / (Surplus)		£3,902,840

8.4 Impact on HRA Working Balance

The total budget variances for 2022/23 have resulted in a deficit of £3,902,840 which will be transferred from the HRA working balance, as set out below.

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

The balance, as at 31 March 2023, is set out below:

Movement	2022/23
Opening HRA Working Balance, as at 1 April 2022	£11,145,944
Deficit for 2022/23	(£3,902,840)
Balance resolved to be retained (HRA contingency)	(£4,000,000)
Balance Available, as at 31 March 2023	£3,243,104

The significant transfer from the working balance for 2022/23 brings the working balance as at 31 March 2023 down closer to the HRA balance resolved to be retained of £4m.

8.5 Supplementary Budgets

There is a requirement for a supplementary budget in 2023/24 as the HRA has identified an under-spend against the Estate Maintenance – communal trees budget. This was brought forward from 2021/22 as the spread of Ash Die Back disease is slower than originally anticipated, but the budget will still be required.

It is therefore proposed that a supplementary budget of £300k is submitted to Executive for approval and added to the 2023/24 budget.

8.6 Major Repairs Reserve

Councils are expected to set aside some of their income each year into the Major Repairs Reserve, in order to ensure appropriate provision is made towards financing future capital

works or to repay debt. The balance held in the reserve at the end of the financial year is set out below:

Movement	2022/23
Opening Major Repairs Reserve, as at 1 April 2022	£18,066,602
Revenue monies set aside during 2022/23	£4,073,090
Amount used to finance capital expenditure during 2022/23	(£4,076,555)
Balance, as at 31 March 2023	£18,063,137

8.7 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 2 for the period to 2026/27.

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 variances in both revenue budgets detailed in section 8.3 above and variances in capital budgets detailed in section 8.9 below.

The forecast total available resources over the Medium Term Financial Plan (MTFP) has reduced by £214k since last reported at 2022/23 Quarter 3. This reflects increased Right to Buy receipts in the last quarter, the announcement of flexibilities in the use of these receipts which can be fully retained in 2022/23 and 2023/24, and the additional approvals for Vaughan Road phase 1.

Total available reserves over the MTFP are now expected to be £875k after deducting the £4 million balance resolved to be retained (HRA contingency).

8.8 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 2023, 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 £5.6 million. £1.7m was for a development budget and is no longer required, and the remaining £3.9m will likely be required in the next 12 to 24 months.

8.9 HRA Capital Programme

The 2022/23 HRA Capital Programme was last reported to Council on 18 April 2023. Since that meeting the following changes have been made that have increased the 2022/23 programme.

Description	2022/23	Approval / Funding
HRA Capital Programme	£20,821,330	
Budgets deferred to future financial years	(£3,068,800)	Council - 18 April 2023
Underspends	(£1,924,840)	Council - 18 April 2023
Revised HRA Capital Programme	£15,827,690	

8.10 Performance

HRA Capital expenditure in the year amounted to £13,598,264 which equates to 86% of the revised approved capital programme (as set out above). The nature of capital investment in the financial year comprised:

HRA Capital Expenditure	£
Capital investment in existing stock	10,287,411
Capital investment in the provision of new council homes	3,310,853
Total HRA Capital Expenditure	13,598,264

A detailed list of HRA capital budgets and actual expenditure is set out in Appendix 3.

It is proposed to carry forward a net total of £2.272 million budget into future years, and £42k more has been spent than was projected at Quarter 3.

8.11 HRA Capital Financing

The total HRA capital expenditure for 2022/23 will be financed as follows:

HRA Capital Finance	£
Major Repairs Reserve	4,076,555
Revenue Contribution to Capital	5,000,000
Capital Receipts	4,331,117
Commuted sums (S106)	112,579
Borrowing	0
External contributions	78,013
Grants	0
Total HRA Capital Financing	13,598,264

The impact on the capital resources available to the HRA over the next 4 years is set out in Appendix 2.

8.12 Capital Budget Variances

The details of key (greater than +/- £50k) variances from budget are set out below.

Scheme	Overspend / (Underspend)
LAINGS refurbishments	£85,731
Officer Responsible – Assistant Director of Housing (AP)	
<ul style="list-style-type: none"> 12 of the 18 properties have been completed and a report to Members in June will seek approval for the final phase of the regeneration project, including the associated budget provision taking account of the current balance. 	
Fire Safety storage facilities	(£88,124)
Re-roofing Flats	£92,375
Officer Responsible – Planned	
<ul style="list-style-type: none"> The fire safety storage facilities underspend is due to fewer bin stores to blocks of flats on programme for the year requiring re-siting. Roofing (flats) overspend is due to unexpected responsive roofing works required to blocks of flats that were not on programme for the year. 	

8.13 Schemes to be deferred to 2023/24 and beyond

Schemes identified as being wholly or partly deferred to 2023/24 and beyond are:

Scheme	Budget deferred to/(brought forward from) future years
Council House Building Programme – Hamlin Gardens	(£178,055)
Council House Building Programme – Vaughan Road	(£113,094)
Social Housing acquisitions – Section 106	£589,507
Social Housing acquisitions – open market	£503,649
St Loyes Extracare scheme	£191,544
<p>Officer Responsible – Assistant Director of Housing (AP)</p> <ul style="list-style-type: none"> The Hamlin Road and Vaughan Road developments are progressing on site and Members will be updated as part of the June development report. 	
Estate Improvements	£50,000
<p>Officer Responsible – Assistant Director of Housing (LB)</p> <ul style="list-style-type: none"> This budget is for smaller projects such as fencing and bin stores and there are plans for spending this in 2023/24. 	
Balcony walkway improvements	£91,001
Bathroom replacements	£141,808
Re-roofing - Houses	£52,851
Structural repairs	£86,607
<p>Officer Responsible – Planned</p> <ul style="list-style-type: none"> The Balconies and Walkways underspend is down to delays in completing the programme for the year. Completion of one project has slipped into 2023/24 and will absorb this underspend. The underspend on Bathrooms is down to issues around our incumbent contractor going into administration last year and difficulties around the novation of that contract. This has hampered and impacted on our ability to deliver the full programme for the year but we are working behind the scenes to procure a new principle contractor as soon as possible. The Roofing (houses) underspend is as a result of a reduced number of single houses on programme requiring full roof replacements during 22/23, but will be absorbed within the 2023/24 programme. There have been delays in commencing some structural repair works so some projects will slip into 2023/24. 	

Boiler Replacement Programme and central heating	£244,646
Fire Risk Assessment works	£160,919
Electrical Rewires - Domestic	£322,715
<p>Officer Responsible – Compliance</p> <p>The carry forward on boiler replacements and central heating has been necessary due to an industry wide shortage of gas engineers but this work will need to be done in the future. A new contract will commence in October 2023.</p> <p>It became evident during the year that we were under-resourced to manage the fire risk assessment works effectively and have been able to supplement staff levels for a short period to enable us to catch up with the works.</p> <p>An overspend of £705k was reported in Quarter 1 as a result of increased electrical testing and this catch up has identified additional Code 2 and 3 electrical remedial work. This compliance work has been ongoing throughout the year but there is some re-profiling to 2023/24 to continue to improve tenant safety. A new contract commenced in August 2022 which facilitated the catch up programme.</p>	

8.14 Further requests

Exeter City Council has been successful in their bid to the Social Housing Decarbonisation Fund Wave 2.1 and have been awarded a grant of up to £1,494,402 over the next two years. This will be in addition to the existing energy retrofit capital approval.

9. Historic Council own build Final Accounts to 31 March 2023

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

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

The 2022/23 year has ended with an overall net deficit of £9,620, which will be transferred to the COB working balance. This represents a decrease of £23,485, compared to the budgeted transfer from the working balance of £33,105. Please refer to Appendix 1 for more details.

The variance is largely due to higher interest receivable on balances and lower than expected repairs and maintenance costs in relation to the properties.

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; Building 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.

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: Claire Hodgson

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

Background papers used in compiling this report:-

None

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**HOUSING REVENUE ACCOUNT
REVENUE OUTTURN**

APPENDIX 1

APRIL 2022 TO MARCH 2023

Code	MANAGEMENT UNIT	APPROVED BUDGET	QUARTER 3 FORECAST OUTTURN	2022/23 OUTTURN	VARIANCE SINCE QUARTER 3	OVERALL VARIANCE TO BUDGET	VARIANCE TO BUDGET
		£	£	£	£	£	%
85A1	MANAGEMENT	1,629,220	1,646,720	1,605,262	(41,458)	(23,958)	(1)
85A11	EDWARD'S COURT	(80,990)	(44,858)	79,580	124,438	160,570	198
85A2	TENANCY SERVICES	1,523,160	1,507,560	1,362,497	(145,063)	(160,663)	(11)
85A3	SUNDRY LAND MAINTENANCE	914,170	581,170	560,427	(20,743)	(353,743)	(39)
85A4	REPAIRS & MAINTENANCE PROGRAMME	7,052,850	7,313,850	7,322,862	9,012	270,012	4
85A5	REVENUE CONTRIBUTION TO CAPITAL	5,000,000	5,000,000	5,000,000	0	0	0
85A6	CAPITAL CHARGES	3,830,620	4,073,090	4,073,090	0	242,470	6
85A7	HOUSING ASSETS	2,298,160	2,432,660	2,441,305	8,645	143,145	6
85A8	RENTS	(19,849,110)	(19,849,110)	(20,041,049)	(191,939)	(191,939)	(1)
85B2	INTEREST	2,305,560	1,721,000	1,498,866	(222,134)	(806,694)	(35)
85B4	MOVEMENT TO/(FROM) WORKING BALANCE	(4,623,640)	(4,382,082)	(3,902,840)	479,242	720,800	(16)
	Net Expenditure	0	0	0	0	0	
	Working Balance 1 April 2022	11,145,944	31 March 2023	7,243,104			

COUNCIL OWN BUILD SITES

Code		APPROVED BUDGET	QUARTER 3 FORECAST OUTTURN	2022/23 OUTTURN	VARIANCE SINCE QUARTER 3	OVERALL VARIANCE TO BUDGET	VARIANCE TO BUDGET
		£	£	£	£	£	%
H005	MANAGEMENT	83,650	83,650	80,300	(3,350)	(3,350)	(4)
H006	ROWAN HOUSE	(11,235)	(11,235)	(12,599)	(1,364)	(1,364)	12
H007	KNIGHTS PLACE	(65,090)	(65,090)	(77,777)	(12,687)	(12,687)	19
H008	INTEREST	7,590	7,590	947	(6,643)	(6,643)	(88)
H009	CAPITAL CHARGES	18,190	18,750	18,749	(1)	559	3
H010	MOVEMENT TO/(FROM) WORKING BALANCE	(33,105)	(33,665)	(9,620)	24,045	23,485	(71)
	Net Expenditure	0	0	0	0	0	
	Working Balance 1 April 2022	321,938	31 March 2023	312,318			

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HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2022-23 £	2023-24 £	2024-25 £	2025-26 £	2026-27 £	TOTAL £
CAPITAL RESOURCES AVAILABLE						
Usable Receipts Brought Forward						9,917,820
Major Repairs Reserve Brought Forward						18,066,602
Other HRA Sales	175,000	150,000	150,000	200,000	150,000	825,000
RTB sales	4,020,880	875,000	875,000	875,000	875,000	7,520,880
Surrender back to DLUHC - pending investment in replacement affordable housing					-1,180,338	(1,180,338)
Retain central government share cap		424,444				
Major Repairs Reserve	4,073,090	4,073,090	3,998,090	3,948,090	3,948,090	20,040,450
Revenue Contributions to Capital	5,000,000	4,000,000	2,500,000	3,350,000	3,550,000	18,400,000
External contributions	78,013	2,890,024				2,968,037
Commuted sums	112,578					112,578
Borrowing	0	2,400,000	1,500,000			3,900,000
Total Resources available	13,459,561	14,812,558	9,023,090	8,373,090	7,342,752	80,571,029
CAPITAL PROGRAMME						
HRA Capital Programme	13,598,264	27,429,020	16,854,010	11,155,711	11,517,358	80,554,363
Total Housing Revenue Account	13,598,264	27,429,020	16,854,010	11,155,711	11,517,358	80,554,363
UNCOMMITTED CAPITAL RESOURCES:						
Usable Receipts Brought Forward	9,917,820	9,782,583	6,562,109	2,602,851	1,677,851	9,917,820
Major Repairs Reserve Brought Forward	18,066,602	18,063,137	8,667,149	4,795,487	2,937,866	18,066,602
Resources in Year	13,459,561	14,812,558	9,023,090	8,373,090	7,342,752	53,011,051
Less Estimated Spend	(13,598,264)	(27,429,020)	(16,854,010)	(11,155,711)	(11,517,358)	(80,554,363)
Uncommitted Capital Resources	27,845,719	15,229,258	7,398,338	4,615,717	441,111	441,110
WORKING BALANCE RESOURCES:						
Balance Brought Forward	11,145,944	7,243,104	4,401,374	4,584,689	4,415,885	11,145,944
HRA Balance Transfer - to/(from) Working Balance	(4,623,640)	(2,541,730)	183,315	(168,804)	18,311	(7,132,548)
Cumulative forecast under/(over)spend 2022-23	720,800					720,800
Supplementary budget requests		(300,000)				(300,000)
Balance Carried Forward	7,243,104	4,401,374	4,584,689	4,415,885	4,434,196	4,434,196
Balance Resolved to be Retained	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Uncommitted HRA Working Balance (after balance resolved to be retained of £4m)	3,243,104	401,374	584,689	415,885	434,196	434,196
TOTAL AVAILABLE CAPITAL RESOURCES (after balance resolved to be retained of £4m)	31,088,823	15,630,632	7,983,027	5,031,602	875,307	875,306

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**2022-23
CAPITAL MONITORING - OUTTURN**

	2022-23 Capital Programme	2022-23 Spend	2022-23 Budget to be Carried Forward to Future Years	TO 2023-24	TO 2024-25	TO 2025-26	2022-23 Programme Variances Under ()
	£	£	£	£	£	£	£
HRA CAPITAL							
EVERYONE HAS A HOME							
Adaptations	482,782	435,540	47,242	47,242			0
Balcony Walkway Improvements	562,204	471,203	91,001	91,001			0
Bathroom Replacements (inc. Communal)	771,896	630,088	141,808	141,808			0
Boiler Replacement Programme & Central Heating	612,859	368,213	244,646	122,323	122,323		0
Common Area Footpath & Wall Improvements	168,646	144,356	24,290	24,290			0
Communal Area Improvements - New Flooring	23,010	12,513					10,497
Communal Door and Screen Replacements	85,000	65,100	19,900	19,900			0
Door Replacements (inc. Outbuildings)	278,283	289,628	(11,345)	(11,345)			0
Electrical Central Heating	22,040	9,486	12,554	12,554			0
Electrical Rewires - Communal	197,682	182,489	15,193	15,193			0
Electrical Rewires - Domestic	1,006,000	683,285	322,715	322,715			0
Energy Conservation	2,096,478	2,051,256					45,222
Estate Improvements	50,000	0	50,000	50,000			-
Fire Risk Assessment Works - Compliance	759,804	598,885	160,919	160,919			0
Fire Risk Assessment Works - Planned	373,872	362,580					11,292
Fire Safety Storage Facilities	132,882	44,758					88,124
Kitchen Replacements (inc. Communal)	855,541	876,782	(21,241)	(21,241)			0
LAINGS Refurbishments	255,000	340,731					85,731
Reroofing - Flats	454,285	546,660					92,375
Reroofing - Houses (outbuildings, chimney, gutters, downpipes, fascia)	654,501	601,650	52,851	52,851			0
Porch Canopies	1,031	2,266	(1,235)	(1,235)			0
Rennes House Structural Works	0	0					-
Soil Vent Pipe Replacement	8,000	13,513	(5,513)	(5,513)			0
Structural Repairs	491,966	405,359	86,607	86,607			0
Window Replacements	1,040,696	1,052,796					12,100
Housing Management system	19,114	19,012					102
Zebcat Project	72,000	79,261					7,261
HOUSING REVENUE ACCOUNT TOTAL	11,475,572	10,287,411	1,230,392	1,108,069	122,323	0	42,231
COUNCIL OWN BUILD CAPITAL							
Social Housing Acquisitions - Section 106	589,507	0	589,507	589,507			-
Social Housing Acquisitions - Open Market	1,023,546	519,897	503,649	503,649			-
St Loyes Extracare Scheme	1,111,727	920,183	191,544	191,544			-
Council House Building Programme - Bovemoors Lane	10,203	494	9,709	9,709			-
Council House Building Programme - Hamlin Gardens	1,260,000	1,438,055	(178,055)	(178,055)			-
Council House Building Programme - Vaughan Road	226,000	339,094	(113,094)	(113,094)			-
DP budget	0	0					-
Council Own Build (Phase 3)	131,131	93,129	38,002	38,002			-
COUNCIL OWN BUILD TOTAL	4,352,114	3,310,853	1,041,261	1,041,261	0	0	0
OVERALL HOUSING REVENUE ACCOUNT TOTAL	15,827,686	13,598,264	2,271,653	2,149,330	122,323	0	42,231

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REPORT TO EXECUTIVE

Date of Meeting: 27 June 2023

REPORT TO COUNCIL

Date of Meeting: 18th July 2023

Report of: Director Finance

Title: Treasury Management 2022/23

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To report on the current Treasury Management performance for the 2022/23 financial year and the position regarding investments and borrowings at 31 March 2023. The report is a statutory requirement and is for information only with no key decisions required.

2. Recommendations:

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

3. Reasons for the recommendation:

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

4. What are the resource implications including non financial resources

The report is an update on the overall performance in respect of treasury management for the 2022/23 financial year. Therefore, there are no financial or non-financial resource implications.

5. Section 151 Officer comments:

Rising interest rates have had a positive impact on the Council's financial position, for both the General Fund and HRA. Moving forward however, this will present challenges as the Council has to borrow to finance its capital programme. Whilst the Council will use its own resources as far as possible to push out the requirement to borrow, the cashflow position means that it is likely that borrowing will be undertaken this year. The Council will utilise short term borrowing where possible to reduce the longer term impact of these high rates.

6. What are the legal aspects?

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

Chapter 1 of the Act sets out capital finance and accounts requirements. Section 1 states that local authorities have the powers to borrow money for any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs. Sections 2 to 6 of the Act cover the duty to control borrowing and the duty to determine affordable borrowing limits. Section 12 covers the power to invest.

The Treasury Management Strategy is based on the requirements of DLUHC's Guidance on Local Government Investments and the CIPFA Treasury Management code.

This report confirms that the section 151 Officer is satisfied that Council borrowing is affordable and in accordance with the provisions of the Local Government Act 2003, the DLUHC's Guidance and CIPFA Code of Practice.

7. Monitoring Officer's comments:

This report is for Members information and such the Monitoring Officer has no comment to make.

8. Report details:

8.1. Economic Context and Interest Rate forecast

Forecasts at the time of approval of the Treasury Management Strategy report for 2022/23 were as follows:

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

However by the end of the year our advisers were projecting the following:

Link Group Interest Rate View 27.03.23													
	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	
BANK RATE	4.50	4.50	4.25	4.00	3.50	3.25	3.00	2.75	2.75	2.50	2.50	2.50	
3 month ave earnings	4.50	4.50	4.30	4.00	3.50	3.30	3.00	2.80	2.80	2.50	2.50	2.50	
6 month ave earnings	4.50	4.40	4.20	3.90	3.40	3.20	2.90	2.80	2.80	2.60	2.60	2.60	
12 month ave earnings	4.50	4.40	4.20	3.80	3.30	3.10	2.70	2.70	2.70	2.70	2.70	2.70	
5 yr PWLB	4.10	4.10	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20	3.20	3.10	
10 yr PWLB	4.20	4.20	4.00	3.90	3.80	3.70	3.50	3.50	3.40	3.30	3.30	3.20	
25 yr PWLB	4.60	4.50	4.40	4.20	4.10	4.00	3.80	3.70	3.60	3.50	3.50	3.40	
50 yr PWLB	4.30	4.20	4.10	3.90	3.80	3.70	3.50	3.50	3.30	3.20	3.20	3.10	

Interest rate forecasts were initially suggesting only gradual rises in short, medium and longer-term fixed borrowing rates during 2022/23 but by August it had become clear that inflation was moving up towards 40-year highs, and the Bank of England engaged in monetary policy tightening at every Monetary Policy Committee meeting during 2022, and into 2023, either by increasing Bank Rate by 0.25% or 0.5% each time. Currently the CPI measure of inflation is still above 10% in the UK but is expected to fall back towards 4% by year end. Nonetheless, there remain significant risks to that central forecast.

Investment returns picked up throughout the course of 2022/23 as central banks, including the Bank of England, realised that inflationary pressures were not transitory, and that tighter monetary policy was called for.

Starting April at 0.75%, Bank Rate moved up in stepped increases of either 0.25% or 0.5%, reaching 4.25% by the end of the financial year, with the potential for a further one or two increases in 2023/24.

The sea-change in investment rates meant local authorities were faced with the challenge of pro-active investment of surplus cash for the first time in over a decade, and this emphasised the need for a detailed working knowledge of cashflow projections so that the appropriate balance between maintaining cash for liquidity purposes, and “laddering” deposits on a rolling basis to lock in the increase in investment rates as duration was extended, became an on-going feature of the investment landscape.

With bond markets selling off, equity valuations struggling to make progress and, latterly, property funds enduring a wretched Q4 2022, the more traditional investment options, such as specified investments (simple to understand, and less than a year in duration) became more actively used.

Meantime, through the autumn, and then in March 2023, the Bank of England maintained various monetary policy easing measures as required to ensure specific markets, the banking system and the economy had appropriate levels of liquidity at times of stress.

9. Treasury Management Strategy

The Council approved the 2022/23 Treasury Management Strategy at its meeting on 22nd February 2022. The Council’s stated investment strategy was to continue to hold small surplus funds and to seek to utilise its Call Accounts, Money Market Funds, use the Government’s Debt Management Office and use short dated deposits which would be placed with Local Authorities, Banks or Building Societies which are on the Council’s counterparty list.

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

The Council is currently maintaining an under-borrowed position; so the actual borrowings of the Council are below the Council’s borrowing requirement, as it has taken advantage of internal borrowings. This means that the Council’s borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt, as cash supporting the Council’s reserves, balances and cash flow has been used as a temporary measure

instead of borrowing at elevated levels. This strategy is prudent as investment returns were initially low and minimising counterparty risk on placing investments also needed to be considered.

10. Net Interest Position

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

	Estimate £	Actual Outturn £	Variation £
Interest paid	2,490,000	1,879,192	(610,808)
Interest earned			
Temporary investment interest	(339,700)	(1,332,043)	(992,343)
ECL Loan	(1,178,000)	(438,105)	739,895
Other interest earned	(9,300)	(9,485)	(185)
Science Park Loan	(25,780)	(25,779)	1
CVS Loan	(4,220)	(4,651)	(431)
Guildhall	0	(£14,444)	(£14,444)
Less			
Interest to HRA	250,000	713,571	463,571
Interest to S106 agreements	95,000	108,717	13,717
Interest to deposits held	0	4,811	4,811
Interest to Trust Funds	4,900	10,556	5,656
Lord Mayors Charity	100	176	76
GF interest (received) / paid out	(1,207,000)	(986,675)	220,325
Net Interest	1,283,000	892,517	(390,483)
CCLA – LAPF Dividend	(200,000)	(232,710)	(32,710)
Investment Loss – General Fund	0	0	0
Net Interest after dividends	1,083,000	659,808	(423,192)

Net interest for 2022/23 was £423k lower than budget. An expected underspend of £72k was reported in the Treasury Management half year update to Council at its meeting on 13th December 2022.

The key reasons for the variance to budget are as follows:

The budgeted interest payable for 2022/23 anticipated that the Council would take out additional borrowings in the year to finance a further £15.6m loan to the wholly owned property development company; ECL. The additional borrowings were not required during the year saving £611k of interest payable. However the budget also included interest from ECL on this loan and the saving is more than offset by the loss of interest of £740k.

The interest receivable for 2022/23 was £1,041k higher than budget as the Council received significantly higher than expected rates of interest on its investments during 2022/23, of which £488k more than budgeted was passed on to the HRA and other funds held.

10.2 The Housing Revenue Account (HRA) earned £713,571 interest on its balances. This is calculated on the following:

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

However it has also had to pay interest on borrowing. As members will be aware, the Council had to borrow £56,884,000 to buy itself out of the HRA subsidy scheme, since the borrowing cap was lifted in October 2018, the HRA has borrowed a further £15.36m towards new Council housing development projects.

Interest of £2,180,779 has been charged to the HRA to cover the interest payment. Additionally £9,485 has been charged on the borrowing used to fund the Council's Own Build properties

11. Investment Interest

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

11.1 The Council has made two investments, totalling £5m, in the CCLA – LAMIT property fund (April and November 2016). As at 31 March 23 the fund size was approximately £1,203.1 million, the dividend yield as at the end of March was 4.26%. The investment in the property fund is a long term commitment which will mean that there will be fluctuations in the return over the period of the investment. Details of the current value of the investment are provided later in the report.

11.2 The Council's investments as at 31st March 2023 are:

Money Market Funds

Amount	Investment	Interest rate*
£nil	Federated Investors	2.09%
£9,000,000	Aberdeen Standard Investments	2.20%
£6,000,000	CCLA - The Public Sector Deposit Fund	2.17%
£10,000,000	Black Rock Asset Management	2.05%

* Interest rate is variable (therefore rates quoted are an average of 2022/23 rates)

Fixed Term Deposits – Current

Amount	Investment	Interest rate	Date Invested	Maturity Date	No. of Days
£3,000,000	Standard Chartered Sustainable deposit *	4.32%	14/10/2022	14/04/2023	182
£3,000,000	Goldman Sachs	3.73%	15/12/2022	15/06/2023	182
£5,000,000	Cheltenham Borough Council	2.70%	13/09/2022	13/07/2023	303
£5,000,000	Woking Borough Council	3.75%	21/12/2022	21/06/2023	182
£2,000,000	Barclays Green notice account	1.60%	19/07/22	65 days from notice date	Min: 65
£1,000,000	Barclays Standard notice account	1.60%	19/07/22	65 days from notice date	Min: 65

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

Property Funds

Amount	Investment	Dividend Yield
£5,000,000	CCLA – LAMIT Property Fund	4.65%

The value of the investment as at 31 March 2023 was £4,594,359. At the end of the financial year the value of the investment in the Property Fund is adjusted to equal the number of units held multiplied by the published bid price, with the gain or loss taken to the Available for Sale Reserve. Movements in the unit price therefore have no impact on the General Fund until the investment is sold or impaired.

12. Borrowings

12.1 The Council's long term borrowing is currently £166.277 million (£94.033 million General Fund and £72.244 HRA) and there is currently no short-term borrowing. Details of loans are set out below.

12.2 The Council made a one-off payment on 28 March 2012, to buy itself out of the HRA subsidy system. The final settlement figure of £56.884 million was confirmed in February 2012. The amount was borrowed from the Public Works Loans Board over a 50 year period and is repayable on maturity at the end of the loan term. The interest rate was 3.48% fixed for the term of the loan.

Existing loans

Due to investment concerns no additional borrowing was undertaken during the year. The section 151 Officer confirms that borrowing has only been undertaken for a capital purpose and that Council borrowing is affordable and in accordance with the provisions of the Local Government Act 2003 the DLUHC's Guidance and CIPFA Code of Practice.

Amount as at 31/3/2023	Lender	Interest rate	End date
£56,884,000	PWLB maturity (HRA)	3.48%	28/03/2062
£1,928,038	PWLB 25 year annuity	2.34%	11/01/2044
£1,911,646	PWLB 25 year annuity	2.08%	04/04/2044
£4,215,488	PWLB 30 year annuity	1.61%	26/09/2049
£8,136,761	PWLB 35 year annuity	1.71%	26/09/2054
£34,392,682	PWLB 50 year annuity	1.80%	26/09/2069
£15,360,000	PWLB maturity (HRA)	1.31%	14/04/2070
£43,448,157	PWLB 50 year annuity	1.78%	24/12/2071

13. Future Position

13.1 The capital financing forecast includes a borrowing requirement of £34.736 million over the medium-term financial plan (£30.836 million General Fund and £3.9 million HRA). The decision of whether to take external long-term borrowing will be made in light of current and forecast interest rates and the decision is delegated to the section 151 Officer and Leader of the Council.

13.2 The Council's four Money Market Funds which are AAA rated, currently offer rates which vary from 4.06% to 4.12%, these rates are likely to reduce throughout 2022/23.

13.3 The short term investments that are made through the call accounts and money market funds ensure cash can be accessed immediately. This has an ongoing impact on returns but increases the security of our cash.

13.4 We will also lend, when possible, to institutions on the Council's counterparty list which includes other Local Authorities, UK and Foreign owned banks and the Debt Management Office. The rates received for Local Authority deposits are currently between 4.1% and 4.4% per annum, these rates are likely to reduce throughout 2022/23.

14. New Investment Opportunities

14.1 Officers meet with the Council's treasury advisors in order to explore alternative investment opportunities.

14.2 Officers will continue to liaise to treasury advisors in respect of new investment opportunities. Any decisions taken will comply with the code of practice that requires the council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield.

14.3 If an amendment to the current treasury management strategy is required, a report will be presented to committee requesting the necessary amendments.

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

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

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

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

17. Equality Act 2010 (The Act)

17.1 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.

17.2 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.

17.3 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.

17.4 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.

18. Carbon Footprint (Environmental) Implications:

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

19. Are there any other options?

None.

Director Finance, David Hodgson

Author: Claire Hodgson

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

Background papers used in compiling this report:-

None

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REPORT TO EXECUTIVE

Date of Meeting: 27th June 2023

REPORT TO COUNCIL

Date of Meeting: 18th July 2023

Report of: David Hodgson, Director Finance

Title: The Household Support Fund – Scheme 4

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

This report seeks members' agreement on the scheme for disbursing funding from the fourth Household Support Fund.

2. Recommendations:

That Executive agrees and RECOMMENDS to Council that the proposed Household Support Fund – scheme 4 (HSF4) is adopted. The proposed scheme consists of three projects:

- 1) One-off support targeted at households identified through Council Tax Support records. Awards to be paid by cash voucher posted to customers by the end of September 2023. Details in paragraph 8.7.
- 2) An application based scheme for people with characteristics identified as having a priority need where households cannot be individually identified from existing records. Applications to open from October 2023. Details in paragraph 8.12.
- 3) A flexible scheme allowing unspent funding to be allocated to individuals or groups needing extra support between January and March 2024.

3. Reasons for the recommendation:

3.1 The fourth Household Support Fund covers 12 months unlike the previous three schemes which were each for a 6 month period. The longer timeframe allows for a more comprehensive scheme with help provided to more households in need.

3.2 The proposed scheme learns from the success of previous schemes, in particular HSF3 and fills gaps that existed in earlier schemes.

3.3 Using Council Tax Support data to identify low income households with particular needs allowed us to distribute nearly £700,000 of support during 2022/23. There is good reason to expect that the groups identified for this direct support in HSF3 still represent those most in need of help during HSF4.

3.4 Adding an application based element to the scheme allows us to support other households who we are not already aware of through our Council Tax Support records. Identifying the characteristics that will be supported through the scheme will help to keep the administration of the application scheme manageable and mean the limited support can be focussed on priority groups.

3.5 Expenditure on the application scheme can be capped at a maximum amount. If eligible applications are lower than predicted it may leave funds unspent. Being able to flexibly reallocate any underspend will ensure the most support possible can be provided to low income residents.

3.6 The Funding Agreement with Devon County Council includes a requirement to use 45% of the allocated amount before the end of September 2023 with the remainder to be spent in the second half of the year. Allocating direct support during the summer and running an application scheme through the autumn will allow us to meet those conditions.

4. What are the resource implications including non financial resources

The Household Support Fund is funded by a Central Government grant from Department for Work and Pensions. Payment of customer grants under this scheme will be funded up to the agreed value. The grant agreement with Devon County Council includes administration funding at 15% of the value of awards made. Some of this administration funding is planned to bring in additional staff on a temporary basis to support the scheme. Otherwise the scheme will be administered using existing staff resources within Benefits & Welfare and Customer Support. Beyond officer time there is therefore no cost to Exeter City Council.

5. Section 151 Officer comments:

Given that the funding from Devon County Council covers administrative costs, there are no financial implications for the General Fund arising out of the scheme.

6. What are the legal aspects?

Section 31 of the Local government Act 2003 provides a power for Ministers of State to pay grants to local authorities for expenditure incurred or to be incurred by authorities. In accordance with section 31 of the Act, Devon County Council has received funding from the Department for Work and Pensions (DWP) for the provision of grants in the form of the Household Support Fund. Devon districts, including Exeter City Council, are allocated funding by Devon County Council to deliver local support schemes in accordance with the Household Support Fund 4 Grant Agreement. The conditions on the allocation of the grant funds is set out in the agreement between Devon County Council and Exeter City Council. Guidance is provided by the DWP as set out in the link at the end of this report.

The funding is intended to be provided to households most in need of support with, for example, energy bills, food and other essentials in order to address the significant increases in the cost of living. The funds are not to be used for any economic undertaking. Accordingly, the allocation of the grant funds falls outside the scope of the Subsidy Control Act 2022.

7. Monitoring Officer's comments:

The Monitoring Officer has no issues to raise relating to the content of this report

8. Report details:

8.1 Exeter City Council has been allocated £675,706 by Devon County Council to deliver support to low income residents struggling with the cost of living up to the end of March 2024. The Central Government funding is to be spent in line with the Department for Work and Pensions (DWP) guidance and the framework agreed with Devon County Council.

8.2 The fourth Household Support Fund runs for 12 months unlike all previous schemes which were for 6 months only. The funding amount for 12 months is roughly double the earlier 6 month allocations.

8.3 The DWP requires that support is available to residents throughout the funding period. Exeter City Council's scheme is only one of many strands that are being funded through Devon County Council's overall Household Support Fund.

8.4 The framework agreement with Devon County Council anticipates districts using their data to target support at local priority groups. The DWP guidance highlights several groups that should be considered when considering scheme design. There are no requirements to provide support to any particular group – the decision on scheme design is down to local circumstances.

8.5 DWP guidance says the Fund is intended "to support households in the most need; particularly those who may not be eligible for the other support government has recently made available but who are nevertheless in need." It goes on to say "There may be groups who are vulnerable to rising prices even though they are supported through these schemes... It is important to stress that The Fund is intended to cover a wide range of low income households in need..."

8.6 The most complete data for low income households in Exeter comes from the means tested Council Tax Support database. In preparing for the HSF 3 scheme this was combined with data on Council Tax arrears in order to give a better picture of the type of households which may be finding it most difficult to manage rising bills.

8.7 That picture showed a strong overlap with the groups highlighted in the DWP guidance as needing support from HSF 3 with two notable exceptions, these being pension age households and households including a disability premium within their calculated Council Tax Support. These groups actually show less arrears than other groups.

8.8 Overall, arrears proportions are higher in all working age claims which is likely to be due to the maximum council tax support award available limited to 80%. The highest proportion of cases in arrears were seen in groups:

- Large families (3 or more children);
- Large properties (bands E,F & G);
- Deduction for adult family member;

- Disabled child in household;
- Carer in household;
- In receipt of Universal Credit; and
- In employment

8.9 Maintaining the support model adopted for HSF3 will provide consistency for those households helped previously and keep the scheme relatively easy to understand and explain to customers. That model would see direct support awards as below paid by the end of September 2023. It additionally meets the spending requirement in the Funding Agreement with Devon County Council.

Priority characteristic		Component value	Number of customers
Disabled child		£100	415
Carer		£100	925
Non dependant deduction		£150	213
In work		£150	715
Large family	3 or more children	£100 OR	249
	4 or more children	£150	125

Award breakdown		
HSF pyt	Households	Cost
£100	588	£58,800
£150	600	£90,000
£200	172	£34,400
£250	159	£39,750
£300	107	£32,100
£350	97	£33,950
£400	10	£4,000
£450	25	£11,250
£500	24	£12,000
£600	1	£600
Total	1783	£316,850

8.10 Eligibility for the payment will be based on the household circumstances as recorded on their Council Tax Support award on the Eligibility Date of 19 July 2023. Based on caseload data at 10 May 2023, the estimated breakdown of awards and total cost are shown above.

8.11 The remaining funding would then be available for an application based scheme to run from October 2023. This scheme will allow us to provide support to customers that we are unaware of through our Council Tax Support records but are nonetheless in need of extra help.

8.12 An application that is open to everyone was tried as part of the original HSF scheme in December 2021. That resulted in higher numbers of applications than could be reasonably managed. It was also mostly accessed by customers that had already received support. It was not successful in reaching other customers in need that were not already being helped.

8.13 By opening applications to specific groups of customers, support can be targeted at those households who have missed out on other help but are identified as being in need. It should also help to limit overall application numbers to a manageable level.

8.14 The DWP guidance identifies several groups as being priority for support from the Household Support Fund. Additionally, relevant research into Local Welfare Assistance and the local picture for food and fuel insecurity have been taken into account. Some of the groups mentioned are already picked up through our targeting support project described above. Others by their nature cannot be identified from our data, so lend themselves to an application scheme. The reports and guidance are included for reference.

8.15 Throughout 2023 further help will be provided by Department for Work and Pensions to people in receipt of certain benefits. These Cost of Living Payments will be paid automatically to anyone meeting the conditions on the qualifying date. There are different schemes for different benefits and different qualifying dates for each.

8.16 There are a number of reasons why a person may not be entitled to receive a Cost of Living payment that they would expect to receive. This would include claims with a start date after the qualifying date, Universal Credit customers who have nil awards for one month due to frequency of wage payments or starting to receive another benefit or having their claim sanctioned for non-compliance. Also Housing Benefit is not a qualifying benefit for the Cost of Living payments. So a customer who receives Housing Benefit without also receiving Universal Credit, Pension Credit or one of the other qualifying benefits will miss out.

8.17 The Household Support Fund guidance emphasises this group as being a priority for support in local schemes. There is no practicable way to reliably identify who these customers are in order to make a direct award. However they can be invited to make an application for support from the Household Support Fund 4 scheme.

8.18 The recommended groups to be included in the application based scheme are:

- Low income households not entitled to a DWP Cost of Living payment – including those entitled from a date after a qualifying date for payment, those with a pending decision or appeal with DWP, those receiving Housing Benefit without a qualifying CoL benefit award; and
- Low income households with a qualifying priority characteristic who were not entitled to a targeted payment from Exeter City Council HSF4 – for example receiving a means tested benefit but not Council Tax Support because of no Council Tax liability, no claim or decision at the eligibility date.

8.19 Household Support Fund is only for households on low income. For the purposes of this scheme that will mean a household income at or around the level that would give entitlement to means tested benefits for their household circumstances.

8.20 Applicants with any of the characteristics listed below will be prioritised for support. These groups are identified in the sources in 8.11 as having a generally higher need for support.

- Unpaid carers;
- Care leavers;
- Disabled household member;
- Household member of pensionable age;
- In low paid or insecure work; and
- Residents of temporary accommodation

8.21 Support amounts will be broadly aligned with the targeted support amounts in 8.7 and the value of national Cost of Living payments. Decision makers will have flexibility based on an applicant's household circumstances.

8.22 The application scheme will be promoted and publicised through third sector and community organisations who are working with customers who may otherwise not know to apply.

8.23 The support method will principally be by award of an online shopping voucher, giving the customer flexibility to choose how and where to spend the award. Cash vouchers could be offered as an alternative in individual cases.

8.24 The amount available to be awarded through the application scheme will be the amount left once the targeted support scheme has been completed. The awards cannot exceed the total agreed funding from Devon County Council. Once the allocation has been spent, no further awards will be made.

8.25 Applications will be by way of an electronic form accessed through the Exeter City Council website. Support will be offered to make a claim for customers who are digitally excluded, including through the Customer Services and Benefits & Welfare teams or a third party working with the customer.

8.26 The application gateway may be closed without notice where large volumes of claims are outstanding to be decided or once all funds have been spent. No claims can be accepted after the end of the HSF4 scheme in March 2024.

8.27 Application volumes and expenditure will be monitored throughout the scheme period. If it appears that the full allocation will not be spent through the application route a further direct award to priority groups may be made before the end of March 2024. This will be in line with the principles and priority groups agreed by members but may also take account of new data and emerging need that come up during the scheme period.

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

The Household Support Fund scheme 4 will support Exeter's communities and neighbourhoods by helping low income residents manage increased costs.

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

If a scheme is not agreed and delivered before 30 September 2023, the available funding for the first 6 months will not be able to be provided to Exeter's low income residents.

11. Equality Act 2010 (The Act)

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

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

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

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

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

12. Carbon Footprint (Environmental) Implications:

12.1 Distributing vouchers in paper form may carry a higher environmental cost than electronic methods such as email or SMS voucher. However records of customer email and mobile contact methods is limited. The groups being supported may also be digitally excluded and less willing or able to transact online.

12.2 By utilising the Post Office network for redemption of the vouchers there is a better chance that customers can collect their money as part of day to day activities. If a special trip is required, the journey should be local for most people and achieved by foot or public transport.

13. Are there any other options?

13.1 The funding for Household Support Fund allows for a large amount of local flexibility in how support is delivered. The Funding Agreement with Devon County Council aims to preserve as much of this flexibility as possible. Several alternatives were considered as part of developing the proposed scheme.

13.2 A similar approach to HSF3 would allocate the great majority of funding to direct awards. As the scheme this time is 12 months instead of 6, this could be delivered in two tranches throughout the year to customers entitled at each point. This would have the advantage of being the simplest option to deliver the support and would ensure that no fewer households received support than in the last scheme.

13.3 However this would not allow us to reach the households in need that we are not aware of from our existing data. Including an application based element within the scheme allows us help households that we may not have supported through previous schemes.

13.4 Making the whole scheme application based would allow for more support to be given to households who were not included in earlier schemes. However it would deny support to the large number of households where we have identified a strong rationale for supporting through direct awards. It would also be more labour intensive to administer. Due to the time required to set up the process and decide claims it also may not be feasible to have the required amount of support delivered by the end of September.

13.5 The recommended scheme applies the knowledge and experience gained from delivering previous support schemes as well as local and national research. It offers a balance between using data to identify households in need and providing a method of accessing support for other households.

Director Finance, David Hodgson

Author: Chris Buckman, Benefits & Welfare Lead

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

Background papers used in compiling this report:-

[Household Support Fund: guidance for local councils - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/household-support-fund-guidance-for-local-councils)

[Evaluation-of-Local-Welfare-Assistance-Policy-in-Practice-January-2023-2.pdf \(policyinpractice.co.uk\)](https://policyinpractice.co.uk/evaluation-of-local-welfare-assistance-policy-in-practice-january-2023-2.pdf)

[Food and Fuel Insecurity in Devon, 2023 - Devon Health and Wellbeing](#)

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Exeter City Council Household Support Fund scheme 4 (HSF4)

Context

The Household Support Fund initiative is funded by the Department for Work and Pensions through Devon County Council. The fourth scheme runs to 31 March 2024. HSF4 does not contain any requirement to allocate any proportion to particular groups. Exeter City Council is receiving an allocation of £675,706 from Devon County Council to support local residents in need as part of a District Council Hardship scheme.

The purpose of this document is to set out the objectives of the scheme and to outline the process for Exeter City Council's administration of the grant, in line with the overall purpose as detailed in the agreed shared framework for Devon. The Team Devon agreed framework and approach to administering the Household Support Fund scheme aims to ensure a degree of consistency across Devon.

Objective – The fund is designed to provide rapid short-term financial support to address economic vulnerability and financial hardship. It is to be used to support households in the most need with food, energy, and water bills. It can also be used to support households with essential costs related to those items and with wider essential costs. In exceptional cases of genuine emergency it can additionally be used to support housing costs where existing housing support schemes do not meet this exceptional need.

Team Devon framework for deployment of the District Council Hardship Schemes

“All district/city councils will be provided with a funding allocation based on the universal credit uptake in their respective areas, enabling each of them to provide direct and targeted financial help and assistance to households who they have identified as eligible against their criteria and who are vulnerable and struggling financially to secure food, water, energy, essential and exceptional (e.g. rent arrears prior to being in receipt of appropriate housing benefits) provisions. In particular, District/City Councils will look to identify and help those who may not be eligible for the other support government has recently made available but who are nevertheless in need. This is especially the case for low-income households who are struggling with meeting the cost of their energy needs.

Each district/city council will use appropriate and accessible datasets, which are compliant with data protection requirements, to proactively identify vulnerable and in need households; making contact with them and offering ‘one-off’ financial assistance.”

Exeter City Council Policy

Types of assistance that can be provided

This scheme is designed to help ease financial pressure on households with low incomes and to support those most in need during the funding period. The scheme offers a one-off financial support payment to assist with meeting basic living needs. Where a support payment is made to a household, the grant can be used for:

- **Food**

- **Energy and water bills**- support with energy bills for any form of fuel that is used for the purpose of domestic heating, cooking or lighting, including oil or portable gas cylinders. It can also be used to support with water bills including for drinking, washing, cooking, and sanitary purposes and sewerage.
- **Essentials linked to energy and water** - including sanitary products, warm clothing, soap, blankets, boiler service/repair, purchase of equipment including fridges, freezers, ovens, etc.
- **Wider essentials** – support with essential household items which may include, but are not limited to, support with other essential monthly expenditure which cannot be deferred including broadband or phone bills, clothing, and essential transport-related costs such as repairing a car, buying a bicycle or paying for fuel.
- **Housing costs** - in exceptional cases of genuine emergency where existing housing support schemes do not meet this exceptional need, the Fund can be used to support housing costs with the following caveats:
 - Where eligible, ongoing housing support for rent must be provided through the housing cost element of Universal Credit (UC) and Housing Benefit (HB) rather than the Household Support Fund.
 - Eligibility for Discretionary Housing Payments (DHPs) must first be considered before emergency housing support is offered through the Household Support Fund. The Authority must also first consider whether the claimant is at statutory risk of homelessness and therefore owed a duty of support through the Homelessness Prevention Grant (HPG).
 - In exceptional cases of genuine emergency, households in receipt of HB, UC, or DHPs can still receive housing cost support through the Household Support Fund if it is deemed necessary by their Authority. However, the Fund should not be used to provide housing support on an ongoing basis or to support unsustainable tenancies.
 - Individuals in receipt of some other form of housing support could still qualify for the other elements of the Household Support Fund, such as food, energy, water, essentials linked to energy and water and wider essentials.
 - The Fund can exceptionally and in genuine emergency be used to provide support for historic rent arrears built up prior to an existing benefit claim for households already in receipt of Universal Credit and Housing Benefit. This is because these arrears are excluded from the criteria for Discretionary Housing Payments. However, support with rent arrears is not the primary intent of the fund and should not be the focus of spend.

Eligibility

Eligible households must:

- Contain at least one member who is over the age of 16; and
- Live in Exeter City Council area (as their main residence); and
- Be without sufficient resources to meet the immediate short-term needs of themselves or dependents.
- Be identified from existing data sets or through application and evidence supplied as meeting the respective eligibility criteria

Project 1

Direct support to eligible households identified from Council Tax Support records

To be eligible for the one off direct financial support the household must:

1. Be in receipt of Council Tax Support from Exeter City Council on the Entitlement Date and
2. Have included in the calculation of their Council Tax Support at the Entitlement Date one or more of the Priority Characteristics detailed below

Entitlement date

Awards that are live and in payment as at 19 July 2023 will meet the entitlement date condition. In cases where entitlement to Council Tax Support is decided after the entitlement date and before the scheme closes on 31 March 2024, an exceptional payment can be considered.

Priority Characteristics

Council Tax Support is a means tested reduction of a household's Council Tax bill. It is based on a detailed assessment of the household's needs and income and is available to people on low income, whether they are in or out of work. Most householders will be liable for Council Tax and therefore eligible to apply for Council Tax Support. This makes Council Tax Support records a good source of data for low income households in Exeter.

Combining information about households from award data with Council Tax arrears data creates a picture of where debt levels are highest. This provides insight into the characteristics that may indicate a household is finding it harder to manage the current increased cost of living.

The characteristics below have been identified from this data as being associated with higher rates of indebtedness:

- Disabled child in household (entitled to the Disabled Child premium in the calculation of their Council Tax Support award)
- Large families (3 or more dependent children included in the calculation of their Council Tax Support award)
- Carers (entitled to the Carers Premium in the calculation of their Council Tax Support award)
- In work while entitled to Council Tax Support
- Non dependant deduction made from Council Tax Support award

Each of these priority characteristics will entitle the customer to a payment from HSF4. The amount of the support component for each priority characteristic has been informed by the average value of Council Tax arrears associated with that group.

Entitlement is based on possessing the relevant characteristic. It is not a requirement for any individual receiving a payment to also have Council Tax arrears. The arrears data has been used purely to identify the likelihood of any particular group having more difficulty managing their increased bills.

Award Calculation

The support component values for this scheme are as set out below. Components are cumulative, so total awards will range between £100 and £650 with the highest amounts payable to households with multiple priority characteristics. A single award will be calculated and granted to eligible households based on their Council Tax Support records as at the Entitlement Date.

Priority characteristic	Component value
Disabled child	£100

Priority characteristic	Component value
Carer	£100
Non dependant deduction	£150
In work	£150
3 or more children	£100
4 or more children	£50

Method and timing of payments

One-off direct financial support will be provided to each eligible household. Payment will be made by way of a cash voucher posted to the recipient's claim address for redemption at a Post Office branch. The amount of the support voucher will be calculated based on the Award Calculation table above.

The fourth Household Support Fund runs to March 2024. All funding under the scheme must be spent before the scheme closes on 31 March 2024. Vouchers for direct awards are expected to be sent in August 2023.

Process

No application will be required. Data already held will be used to identify and make contact with those households eligible for a one-off support payment.

Project 2

Application scheme for households in eligible groups

Recognising that people may have missed out on a support payment for a variety of reasons, a payment from HSF4 will be available for these households through an application process. This will include people who should have received a Cost of Living payment from Department for Work and Pensions as well as those who missed out on a direct payment from HSF4 Project 1.

Some of the reasons a payment might have been missed include:

For DWP Cost of Living Payment

- Qualifying benefit award starting after the eligibility date
- Award not in payment waiting for decision on claim or appeal
- Universal Credit nil award due to earning payment cycle (i.e. two payments in one month)
- Receiving Housing Benefit without a qualifying DWP benefit

For HSF4 Project 1

- Not liable for Council Tax (renting a room, exempt property / person etc)
- Council Tax Support not claimed in time or no decision at the Eligibility date

This list is not exhaustive and other reasons will be considered.

Entitlement

Awards under HSF4 Project 2 will only be made to low income households in line with DWP guidance on the purpose of Household Support Fund. "Low income" for this scheme will be considered to be household income at or below the level that would give eligibility to the

relevant means tested benefit as may apply. An income that is not significantly above this level can be considered where there are exceptional circumstances that justify considering this as low income in a particular case. This could include where a customer has unavoidably high essential costs such as visiting a child receiving treatment in a hospital out of the area.

Applicants will only be considered to have missed out on a payment under HSF4 Project 1 if their household meets one or more of the Priority Characteristics for that scheme.

Applicants will not be considered to have missed out on a DWP Cost of Living payment if they are excluded by benefit rules from claiming the relevant means tested benefit.

Application route and timing

All applications for support through HSF4 Project 2 will be made through the dedicated online application on Exeter City Council's website. The application route will not be open before October 2023. Claims will be assessed and decisions notified as quickly as possible allowing time for appropriate checks. The claim gateway will remain open until all available funds have been spent or until the end of the funding period in March 2024. New applications may be paused without notice to allow time for submitted claims to be assessed.

Award calculation

There is no fixed award level for awards under Project 2. Decision makers will have regard to the circumstances giving rise to eligibility and the level of payment that has been missed out on. Award amounts will be calculated with reference to volume of applications received and budget available.

Awards will normally be made by way of an electronic voucher which can be used in a variety of retailers either online or in person. Other methods may be agreed in individual cases.

Repeat Awards

Support will generally be provided from the fund once only. In exceptional circumstances repeat awards will be considered on merit. In such cases, further work and referrals to other agencies will be discussed with the recipient and may be conditional on having further financial support (e.g. such as being referred to Citizens Advice).

Fraud

Applicants may be asked questions or to provide evidence to establish the facts before making a decision to make an award. Failure by the recipient to disclose a material fact or to make a false application or provide false information may be considered a fraudulent act. Where fraud has been detected the recipient will be refused any further assistance and may be required to repay awards made as a result of fraudulent actions.

Data

For the purposes of this scheme Exeter City Council will use data collected for the purpose of Council Tax Support and identify those households eligible for this Household Support financial payment (see Eligibility above).

Data will be held on Exeter City Council's digital platform and will be protected using up-to-date technical and organisational security measures

Data will be used to

- Determine eligibility for this HSF one-off support payment
- Make contact about decisions or updates related to that financial support payment
- Issue the voucher letter to an eligible recipient
- Where necessary to deliver the payment, names and addresses of eligible households will be shared with external organisations (including Post Office Ltd & Blackhawk Network) who are delivering awards on behalf of Exeter City Council.

Data may be shared within the organisation to support efforts to redirect an applicant to other support that may be available.

Data may also be shared within the organisation or with other Government agencies in order to prevent and/or detect potentially fraudulent activity. Subject to a legal gateway, information may also be shared for the prevention of fraud and criminal activity with (list not exhaustive):

- The police
- Immigration service, absconder services and/or UK Border Agency
- Health and social care organisations
- Other local authorities

Personal data will not be kept longer than necessary in line with data retention schedules.

Monitoring and Reporting

Exeter City Council is required to complete the standard Management Information (MI) reporting template agreed with Devon County Council to record the amount provided or paid to vulnerable households under the remit of this grant scheme.

Funding model

Allocations of funds to DCC from DWP is on a payment in arrears basis; on the condition that accurate management information is submitted monthly.

In turn, DCC will make staged payments to Exeter City Council in arrears via a standard grant agreement, once payment has been received from DWP. The Fund will be monitored on a monthly basis.

The Funding Agreement contains a requirement to ensure there are sufficient funds available for winter 2023. There is therefore a split in the allocation of a maximum 45% to be spent in the first 6 months to the end of September 2023 and 55% to be spent between October 2023 and the end of March 2024.

Ongoing Policy Review

The fourth Household Support Fund has been established to respond rapidly to economic vulnerability and financial hardship through to the end of March 2024. The available funding will be subject to ongoing monthly review, to inform any potential changes to support that might be needed for the remainder of the funding period.

If it appears that the available funding will not be fully spent through the two projects then changes will be implemented to ensure the maximum support possible can be delivered. This could involve sending further direct awards or widening the eligibility conditions for the application route. Any changes made will preserve the principles of the scheme outlined in

this document. Changes to the scheme will be published on our website at www.exeter.gov.uk/hsf

The HSF4 scheme is due to run until 31 March 2024 but once all funds have been disbursed, the fund will be closed. In order to maximise the support we can provide to all our residents we will always redirect residents to other forms of support where we feel this is more appropriate to support their needs.

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Household Support Fund (HSF4): Devon's approach

Context

Devon County Council (DCC) has been awarded funding of £10,129,752 by the Department for Work and Pensions (DWP) for a fourth Household Support Fund (HSF4) for the period 1st April 2023 to 31st March 2024. The HSF4 must be spent or committed by 31st March 2024 and cannot be held over for future usage. As HSF4 is a finite fund: once the money has been spent the fund will close (this potentially therefore may be earlier than 31/03/24). This HSF4 allocation covers the DCC administrative area of Devon (You can contact Torbay Council and/or Plymouth City Council for information concerning their respective HSF4 approach.).

The fund is designed to provide rapid short-term financial support to address economic vulnerability and financial hardship. It should be used to support households who are struggling to meet their food, energy, water and other essential living needs. It can also be used to support households with essential costs related to those items and with wider essential costs. In exceptional cases of genuine emergency, it can additionally be used to support housing costs where existing housing support schemes do not meet this exceptional need.

Deployment of Household Support Funds

As the DWP payment to Devon will be in arrears and subject to DCC submitting timely management information (MI) returns, Devon must have a robust policy and process in place to meet the DWP requirements.

DCC has worked with district/city councils and other partners to identify households experiencing financial hardship. The approach to deploy the HSF4 is on the following basis:

- **Free School Meal (FSM) Holiday Food Vouchers:**

If a child/young person in a household qualifies for Free School Meals in term time, then currently the child/young person automatically qualifies for free school meal holiday vouchers (These vouchers are funded by HSF4). The vouchers ensure families of children/young people eligible for free school meals during term time, are also able to purchase food over the holidays to replace the meals a child/young person would have received during a school day. Households currently in receipt of free school meals are eligible for a supermarket voucher to the value of £15 per child per week of the school holidays (13 weeks holiday in total for this HSF4 funding period), to help pay for groceries over the break. The vouchers will automatically be distributed to eligible households prior to the Easter and the May half-term (3 weeks), the summer holiday (6 weeks), October half-term (1 week), and the Christmas and February half-term breaks (3 weeks).

Further information on applying for Free School Meals: [Free school meals - Support for schools and settings \(devon.gov.uk\)](https://www.devon.gov.uk/free-school-meals-support-for-schools-and-settings)

- **Team Devon District / City Council Hardship Schemes**

All district/city councils will be provided with a funding allocation based on the universal credit uptake in their respective areas, enabling each of them to provide direct and targeted financial help and assistance to households who they have

identified as eligible against their criteria and who are vulnerable and struggling financially to secure food, water, energy, essential and exceptional (e.g. rent arrears prior to being in receipt of appropriate housing benefits) provisions. In particular, District/City Councils will look to identify and help those who may not be eligible for the other support the Government has recently made available but who are nevertheless in need. This is especially the case for low-income households who are struggling with meeting the cost of their energy needs.

Each district/city council will use appropriate and accessible datasets, which are compliant with data protection requirements, to proactively identify vulnerable and in need households; making contact with them and offering 'one-off' financial assistance.

Visit the Cost of Living pages on your district council's pages to find out more about support in your local area.

- [East Devon](#)
- [Exeter](#)
- [Mid Devon](#)
- [North Devon](#)
- [South Hams](#)
- [Teignbridge](#)
- [Torridge](#)
- [West Devon](#)

- **Citizens Advice Devon (CA Devon) Energy Relief Scheme (pre-payment and credit meters)**

CA Devon will manage an Energy Relief Scheme for those using pre-payment / credit meters and who are struggling to meet their energy needs. Such meters are often used by those struggling to meet their energy needs and those on the lowest incomes; often resulting in them paying more for their energy requirements. A mixture of households will be helped in this way. The scheme runs until 31 March 2024 but may close earlier if the fund has been dispersed fully.

For further information: [About Us - Citizens Advice Devon \(cabdevon.org.uk\)](#)

- **DCC Early Help – Families on low incomes can get help with food and utility costs, which Early Help are administering locally.**

Through this fund, Early Help is able to provide a support grant to eligible households. Referral applications can be made via a professional working with the family concerned. The scheme runs until 31 March 2024 or may close earlier if the funds have been dispersed and are exhausted.

Further information: [Early Help Household Support Fund - Devon Children and Families Partnership \(dcfp.org.uk\)](#)

Communication

Communication will be released on the HSF4 allocation for Devon and the support gateways put in place to support households. Where appropriate, further direct, timely and specific communication to the individual households concerned will then follow nearer to the actual implementation of the above initiatives.

Ongoing Review

Following a review of the above actions and the subsequent confirmation of the funds being dispersed in the way described, and assuming HSF funds still remain available, a further review and deployment of the HSF will then be considered.

District / City (Team Devon) Council Hardship Schemes: Local Approach

The remainder of this document outlines the Team Devon agreed policy approach to administrating this fund to ensure a degree of consistency in relation to delivery across Devon district and city councils.

All district/city councils will be provided with a funding allocation based on the universal credit uptake in their respective areas, enabling each of them to provide direct and targeted financial help and assistance to households who they have identified as eligible against their criteria and who are vulnerable and struggling financially to secure food, water, energy, essential and exceptional (e.g. rent arrears prior to being in receipt of appropriate housing benefits) provisions. This is especially the case for low-income households who may be struggling with meeting the cost of their energy needs.

In addition, and at the discretion of the district/city council, an open application process may also be operated if their resources allow. As HSF4 is a finite fund, once the money has been spent the fund will close. The closing date may therefore be earlier than 31/03/24 which is the date the HSF4 funding period ends officially.

District / city councils will use appropriate and accessible datasets, which are compliant with data protection requirements, to proactively identify vulnerable and in need households; making contact with them and offering 'one-off' financial assistance. In particular, district/city councils will look to identify and help those who may not be eligible for the other support government has recently made available but who are nevertheless in need.

Those eligible for support may contact the respective district/city council to decline any financial offer, if they so wish. On receipt of such a notification the respective council will take steps to ensure the eligible household does not receive a support payment.

1. Types of assistance that can be provided

This scheme is designed to help ease financial pressure on households with low incomes and to support those most in need over this period. The scheme offers a one-off financial support (within a six month period) payment to assist with meeting basic living needs including:

- **Food** – this could be through a variety of methods including bank transfer, vouchers, cash or a food parcel (dependant on local arrangements)
- **Energy and water bills**- support with energy bills for any form of fuel that is used for the purpose of domestic heating, cooking or lighting, including oil or portable gas cylinders. It can also be used to support with water bills including for drinking, washing, cooking, and sanitary purposes and sewerage.
- **Essentials linked to energy and water** - including sanitary products, warm clothing, soap, blankets, boiler service/repair, purchase or repair of equipment including fridges, freezers, ovens, thermostatically controlled radiators, insulation and other small measures to help reduce energy consumption.
- **Wider essentials** – support with essential household items which may include, but are not limited to, support with other essential monthly expenditure which cannot be deferred including broadband or phone bills, clothing, and essential transport-related costs such as repairing a car, buying a bicycle or paying for a monthly bus pass.
- **Housing costs** - in exceptional cases of genuine emergency where existing housing support schemes do not meet this exceptional need, the Fund can be used to support housing costs with the following caveats:

- Where eligible, ongoing housing support for rent must be provided through the housing cost element of Universal Credit (UC) and Housing Benefit (HB) rather than the Household Support Fund.
- Eligibility for Discretionary Housing Payments (DHPs) must first be considered before emergency housing support is offered through the Household Support Fund. The Authority must also first consider whether the claimant is at statutory risk of homelessness and therefore owed a duty of support through the Homelessness Prevention Grant (HPG).
- In exceptional cases of genuine emergency, households in receipt of HB, UC, or DHPs can still receive housing cost support through the Household Support Fund if it is deemed necessary by their Authority. However, the Fund should not be used to provide housing support on an ongoing basis or to support unsustainable tenancies.
- Individuals in receipt of some other form of housing support could still qualify for the other elements of the Household Support Fund, such as food, energy, water, essentials linked to energy and water and wider essentials.
- The Fund can exceptionally and in genuine emergency be used to provide support for historic rent arrears built up prior to an existing benefit claim for households already in receipt of Universal Credit and Housing Benefit. This is because these arrears are excluded from the criteria for Discretionary Housing Payments. However, support with rent arrears is not the primary intent of the fund and should not be the focus of spend.

2. Eligibility

Prospective eligible households must:

1. Contain at least one member who is over the age of 16; and
2. Live in a Devon district/city council area (as their main residence); and
3. Evidence being without sufficient resources to meet the immediate short-term needs of themselves or dependents.

4. Be identified from existing data sets or via an application process (if the latter is able to be offered by the district/city council), as meeting the respective eligibility criteria

3. Process

The district/city council's eligibility criteria and process will be defined clearly on their respective website. Districts may contact a potential household recipient to proactively offer direct financial assistance; basing such contact on local data and intelligence indicating that the household may be struggling to meet their basic living needs. Where an open application process is being operated by the district/city council, only one application per household (within a 6 month period) will be allowed (see Section 5 for exceptions). An application can be made by a household member or their appointee, carer, advocate or a third party acting on the household's behalf. Direct referrals from trusted third party partners will be encouraged to avoid unnecessary duplication.

4. Award levels and restrictions

- There is no maximum award level as it is a discretionary fund determined on a case-by-case basis according to need as evidenced. Some districts may have a 2-step process in place (decision and sign off) involving a front-line assessor and manager; where an award is over an agreed amount.
- Awards are made in a variety of methods (including cash via BACS payment, pre-paid cards, vouchers) depending on existing local arrangements/processes.

Financial Awards to qualifying households cannot be used to pay for:

- Mortgage support - Where a homeowner is having difficulty with their mortgage payments, they should contact their lender as soon as possible to discuss their circumstances as lenders will have a set procedure to assist.
- Personal Advice such as financial, debt and mortgage advice.

However households could still qualify for other eligible elements of the Fund (such as support for food, energy, water, essentials linked to energy and water and wider essentials). District Councils will also seek to sign-post applicants to other sources of help and support, especially in relation to advice, such as Citizens Advice Devon, CHAT (Mid Devon). Organisations offering financial advice can be found on the community services directory, Pinpoint: [Money matters - Search Results | Pinpoint Devon](#)

5. Repeat Awards

Support will be provided from the fund once only in any 6 month period. In exceptional circumstances repeat awards may be considered on merit. In such cases, further work and referrals to other agencies will be discussed with the recipient and may be conditional on having further financial support (e.g. such as being referred to Citizens Advice).

6. Fraud

Where the district/city council operates an application process, questions will be asked or evidence sought to establish the facts before making a decision to grant an award to an applicant. Failure by the prospective recipient to disclose a material fact or to make a false application or provide false information will be treated as a fraudulent act. Where fraud has been detected the recipient/applicant will be refused any further assistance and where appropriate, the district/city council may prosecute them.

7. Award Process

Where an open application process is being operated by the district/city council, each case will be assessed. Further information may be requested to enable an accurate assessment.

As part of the assessment, relevant information and data will be taken into account such as:

- The prospective recipient's financial circumstances and those of their household members
- The prospective recipient's access to other forms of financial support
- The circumstances and reasons associated with the case
- Preventative measures taken by the prospective recipient and their household members
- The potential impact of making or not making the award
- The budgetary situation of the fund

A declaration will be signed by the recipient which will allow the Council to share information with third parties to help prevent fraud. Records will be kept on each case received for the duration of the scheme.

8. Data

(Suggested text follows but local subsidiarity will apply, with local circumstances published by the district/city council on its website)

- The types of information required to determine eligibility may vary between district/city councils according to local processes – but any request for supporting evidence will be reasonable and proportionate according to the merits of the case.

- For the purposes of this scheme district/city councils will only collect data relevant to a household's application.
- Data will be held on the relevant district/city council's digital platform and will be protected using up-to-date technical and organisational security measures
- Data will be used to
 - Determine eligibility for the Household Support Fund
 - Make contact about decisions or updates related to the prospective recipient and/or application
 - Issue the Household Support Fund payment to a nominated Bank or Building Society account where appropriate
- Data may be shared with both internal and external organisations for the purposes of validating any applications. Information will be cross matched with other data held by the council and third-party agencies e.g. Department for Work and Pensions (DWP), HM Revenue & Customs (HMRC) for verification purposes.
- Data may be shared within the organisation to support efforts to redirect an applicant to other support that may be available.
- Data may also be shared within the organisation or with other Government agencies in order to prevent and/or detect potentially fraudulent activity. Subject to a legal gateway, information may also be shared for the prevention of fraud and criminal activity with (list not exhaustive):
 - The police
 - Immigration service, absconder services and/or UK Border Agency
 - Health and social care organisations
 - Other local authorities and public agencies
- Personal data will not be kept longer than necessary (according to each Districts retention schedule)

9. Monitoring and Reporting

District/city councils are required to complete the standard Management Information (MI) reporting template provided by DWP to record the amount provided or paid to vulnerable households under the remit of this grant scheme. DCC will make one MI return on behalf of Devon in accordance with the specified dates set out by the DWP. Guidance around monitoring and reporting spend will be agreed with district/city councils in a separate document.

10. Funding model

Allocations of funds to DCC from DWP is on a payment in arrears basis; on the condition that accurate management information is submitted according to the timetable (outlined below) and specific support targets are met.

MI Return	Reporting period: from	Reporting period: to	Deadline
Interim 1	1 April 2023	30 June 2023	10 July 2023

Interim 2	1 April 2023	30 September 2023	10 October 2023
Interim 3	1 April 2023	31 December 2023	10 January 2024
Final Return	1 April 2023	31 March 2024	10 April 2024

In turn, DCC will make staged payments to district/city councils, in arrears, via a standard grant agreement once payment has been received from DWP. **The Fund and its deployment (MI returns) will be monitored on a monthly basis.**

11. Ongoing Policy Review

The fourth Household Support Fund has been established to respond rapidly to economic vulnerability and financial hardship over the period. It is therefore not possible to accurately forecast spend. The funding available will be subject to ongoing monthly review, to inform any potential changes to support that might be needed for the remainder of the funding period.

The HSF4 is due to run until 31st March 2024 but once all funds have been dispersed, the fund will be closed. In order to maximise the support we can provide to all our residents district/city councils will always seek to redirect residents to other forms of support where they feel this is more appropriate to support their needs.

HOUSEHOLD SUPPORT FUND 4 GRANT AGREEMENT

between

DEVON COUNTY COUNCIL

and

EXETER CITY COUNCIL

THIS AGREEMENT is dated 22nd March 2023.

PARTIES

- (1) **DEVON COUNTY COUNCIL** of County Hall, Topsham Road, Exeter EX2 4QD
(Funder)
- (1) **EXETER CITY COUNCIL**
of Civic Centre, Paris Street, Exeter. EX1 1JN

BACKGROUND

Household Support Fund 4 (01 April 2023 - 31st March 2024)

The Government announced a new Household Support Fund (HSF) grant that will be made available to County Councils and Unitary Authorities in England to support those most in need to help with significantly rising living costs. This new grant will run from 01/04/23 – 31/03/24 – See Appendix 1 for additional information applying.

- A** The Funder has agreed to pay the Grant to the Grantee to assist it in carrying out a project to primarily support households in the most need who would otherwise struggle. Energy bills may be of particular concern to low-income households during the period of the scheme, and Authorities should prioritise supporting households with the cost of energy. The fund can also be used to provide support with food, essentials linked to energy and water, wider essentials. It can also be used to support housing costs in exceptional cases of genuine emergency.
- B** This Agreement sets out the terms and conditions on which the Grant is made by the Funder to the Grantee.
- C** These terms and conditions are intended to ensure that the Grant is used for the purpose for which it is awarded.

AGREED TERMS

1. Interpretation

- 1.1 Reference to any statute or statutory provision includes a reference to:
- (a) that statute or statutory provision as from time to time amended, extended, re-enacted or consolidated; and
 - (b) all statutory instruments or orders made pursuant to it.
- 1.2 Words denoting the singular number only shall include the plural and vice versa. Words denoting any gender include all genders and words denoting persons shall include firms, corporations and vice versa.
- 1.3 Unless the context otherwise requires reference to any clause, sub-clause or schedule is a reference to a clause, sub-clause or schedule (as the case may be) of or to this Agreement.
- 1.4 The headings in this document are inserted for convenience only and shall not affect the construction or interpretation of this Agreement.

2 The Grant

- 2.1 Subject always to clause 2.3 and the conditions set out in this Agreement, the Funder shall pay to the Grantee the funding in the sum of £675,706.00 (six hundred and seventy five thousand, seven hundred and six pounds) PLUS 15% of the funding amount deployed for the purpose of administration, £101,355.90 (one hundred and one thousand, three hundred and fifty five pounds, 90 pence) TOTAL MAXIMUM **£777,061.90** (seven hundred and seventy seven thousand, sixty one pounds and 90 pence) (**Grant**). Please note: Appendix 2, 3 and 4 which detail the additional funding arrangements and conditions that apply under this Agreement.

[The Grant shall be paid in accordance with the following details:

Payment	Date due
£304,067.70 allocation plus 15% administration*, £45,610.15 = £349,677.85 45% of the total funding allocation for deployment by the grantee between April – September 2023	Only once DCC has submitted MI returns and received the funding from Dept. of Work & Pensions and not before.
£371,638.30 allocation plus 15% administration* ££55745.75 = £427,384.05 55% o of the total funding allocation for deployment by the grantee between October – March 2024	Only once DCC has submitted MI returns and received the funding from Dept of Work & Pensions and not before.
Total Funding Allocation: £675,706.00 plus 15% administration, £101,355.90 = £777,061.90	

*The Grantee shall provide Management Information (MI) outlining the numbers of beneficiaries and the amount spent (use the template below). 15% for administration will relate to the cumulative funding allocation actually deployed and spent by the grantee.

- 2.2 The Grantee shall use the Grant for the purpose only of contributing towards the Project and for no other purpose whatsoever without the prior written agreement of the Funder. The Grantee further undertakes that any part of the Grant which remains unexpended shall be repayable to the Funder on demand.
- 2.3 In the event that the Grantee fails to use the Grant for the purpose outlined in this Agreement or any information it supplied to the Funder was completed fraudulently, incorrectly or materially misleadingly or the Grantee acts fraudulently or negligently at any time during the completion of the Project or otherwise fails to comply with any of the conditions contained in this Agreement the Funder shall be entitled to terminate this Agreement and require the Grantee to repay some or all of the Grant as the Funder at its sole discretion shall determine.
- 2.4 The Grantee must ensure that the Project at all times complies with all relevant and necessary statutory requirements, including without limitation, those arising under the Health and Safety at Work etc Act 1974, and any other acts, orders, regulations and codes of practice which may apply to employees and other persons working on, or affected by, the Project and that any and all consents, authorities, permissions, licences and insurances are obtained and maintained throughout the Project.
- 2.5 Grant Period: **For use between 01/04/23 and 31/03/2024**

3 Records

- 3.1 The Grantee must make available to the Funder, at such times as it shall reasonably request, such information as the Funder requires enabling it to satisfy itself that the Grantee is using the Grant in accordance with the terms and conditions of this Agreement. In particular the Grantee will maintain a financial audit trail in respect of the Project and make such audit trail available to the Nominated Officer (as defined in clause 10) upon reasonable notice together with all other financial records concerning the Project.

4 Data Protection

- 4.1 Both parties will comply with all applicable requirements of and all their obligations which arise in connection with this Agreement under the General Data Protection Regulation (*Regulation (EU) 2016/679*) and / or any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK.

5 Monitoring

- 5.1 The Funder shall monitor the operation of this Agreement and the Grantee shall co-operate with and assist the Funder by:- 5.1.1 providing it with such information as the Funder may from time to time require in undertaking the monitoring; and

5.1.2 meeting the Funder as required from time to time to discuss any issues relevant to this Agreement.

6 Liability

- 6.1 The Funder accepts no liability whatsoever for the Project whether before, during or after its completion and the Grantee undertakes to indemnify and keep the Funder indemnified from and against any and all loss, damage, liability (whether criminal or civil) and costs (including legal fees) suffered by the Funder in respect of any matter arising under this Agreement including any breach thereof by the Grantee or in respect of the Project resulting in any successful claim by a third party.

7 Freedom of Information

- 7.1 The Grantee acknowledges that the Funder is subject to the requirements of the Freedom of Information Act 2000 (**FOIA**) and the Environmental Information Regulations 2004 (**EIRs**)

- 7.2 The Grantee shall:

7.2.1 provide all necessary assistance and cooperation as reasonably requested by the funder to enable the Funder to comply with its obligations under the FOIA and EIRS.

7.2.2 transfer to the Funder all requests for information relating to this Agreement that it receives as soon as practicable and in any event within 3 working days of receipt;

7.2.3 provide the Funder with a copy of all information belonging to the Funder requested in the request for information which is in its possession or control in the form that the Funder requires within 8 working days (or such other period as the Funder may reasonably specify) of the Funder's request for such information; and

7.2.4 not respond directly to a request for information unless authorised in writing to do so by the Funder.

- 7.3 The Grantee acknowledges that the Funder may be required under the FOIA and EIRs to disclose information without consulting or obtaining consent from the Grantee. The Funder shall take reasonable steps to notify the Grantee of a request for information (in accordance with the Secretary of State's Section 45 Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FOIA) to the extent that it is permissible and reasonably practicable for it to do so but (notwithstanding any other provision in this Agreement) the Funder shall be responsible for determining in its absolute discretion whether any information is exempt from disclosure in accordance with the FOIA and/or the EIRs.

8 Nominated Officer

- 8.1 The Funder will identify an officer (**Steven Edwards**) who will liaise with the Grantee over all aspects of this Agreement.

9 No Partnership or Agency

- 9.1 This Agreement shall not create any partnership or joint venture between the Funder and the Grantee, nor any relationship or principal and agent, nor

authorise any party to make or enter into any commitments for or on behalf of the other party.

10 Assignment

- 10.1 The Grantee may not assign any or all of its rights under this Agreement without the prior written agreement of the Funder.

11 Counterparts

- 11.1 This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one agreement.

12 Governing Law

- 12.1 This Agreement shall be governed by and construed in accordance with the law of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

SIGNED by
Simon Kitchen, Head of Communities - for and on behalf of
DEVON COUNTY COUNCIL



Authorised Signatory

SIGNED by
Michelle White, - for and on behalf of
Exeter City Council



Authorised Signatory

Appendix 1 – Household Support Fund 4 (01 April 2023 - 31st March 2024)

The Government announced a new Household Support Fund (HSF) grant that will be made available to County Councils and Unitary Authorities in England to support those most in need to help with significantly rising living costs. This new grant will run from 01 April 2023 – 31st March 2024.

The expectation is that the fund should primarily be used to support households in the most need who would otherwise struggle. Energy bills may be of particular concern to low-income households during the period of the scheme, and Authorities should prioritise supporting households with the cost of energy. The fund can also be used to provide support with food, essentials linked to energy and water, wider essentials. It can also be used to support housing costs in exceptional cases of genuine emergency.

In administering this funding allocation, the District/City Council is to take note of the guidance below and in accordance with the Team Devon agreed Policy approach attached at **Appendix 4 see end of document.**

Establishing eligibility

There is no requirement for Authorities to undertake a means test or conduct a benefit check unless this specifically forms part of the Authority's local eligibility criteria.

In accordance with their general legal duties, Authorities must have a clear rationale and documented policy/framework outlining their approach including how they are defining eligibility and how households' access/ will receive payment from the scheme. This policy/framework needs to be communicated and held on the Authority's website – see **appendix 4** for the agreed Team Devon approach. We expect Authorities to review any existing approach and to have a strong rationale for their targeting so that funding is available to the households who most need it.

Reasonable administrative costs of 15% of the total amount deployed will be paid to conduct this task. This includes reasonable costs incurred administering the scheme. These include for example:

- staff costs
- Advertising, publicity and public information & communication to raise awareness of the scheme
- web page design and content
- producing application forms (printed/online)
- small IT changes, for example, to facilitate MI production

The District/City Council scheme needs to note (especially for signposting purposes) that as part of a wider package of solutions the Council has provided HSF (Household Support Fund) initial funding allocations to other settings and support gateways, currently including:

- the DCC Free School Meals Holiday Food Vouchers scheme
- Citizens Advice Devon (energy relief scheme for those struggling to meet pre-payment and credit meter fuel costs).
- Early Help
- Sustainable Warmth
- Devon Community Foundation

Appendix 2 – The Funding Allocation and Payment Arrangements

The Funding Allocation of £675,706.00 (six hundred and seventy five thousand, seven hundred and six pounds).

Actual funding payments to your organisation will be in arrears and based upon actual spend shown within your Management Information (MI) cumulative returns, which must be submitted by the dates shown in Appendix 3.

In addition, 15% admin costs of the amount deployed, as stated on your cumulative MI returns, can be allocated toward the purpose of administering the scheme.

Payment timescales will be dependent on DWP funds being received by DCC in due course, following DCC's MI return to DWP.

Appendix 3 – Management Information (MI) Reporting Requirements

Funding from DWP to DCC will be paid in arrears and this should in theory cover the expenditure by the District/City Council Scheme, but the DWP payment will be dependent upon the receipt of accurate Management Information (MI) on the dates shown in the table below:

Reporting period to	Date due
01.04.23- 31.05.23	05.06.2023
01.04.23- 30.06.23	05.07.2023

01.04.23 -31.07.23	07.08.2023
01.04.23- 31.08.23	05.09.2023
01.04.23- 30.09.23	05.10.2023
01.04.23- 31.10.23	07.11.2023
01.04.23- 31.11.23	05.12.2023
01.04.23- 31.12.23	05.01.2024
01.04.23- 31.01.24	05.02.2024
01.04.23- 29.02.24	05.03.2024
01.04.23- 31.03.24	05.04.2024

We understand the DWP will issue a payment to DCC upon receipt of the following MI returns, and in turn we will issue a payment to you thereafter, and only on receipt of payment from DWP:

30.06.2023
30.09.2023
31.12.2023
31.03.2024

The MI returns template (MS Excel – see attachment below) following must be used for making cumulative MI returns from your organisation to Devon County Council (DCC). Completion of MI returns must be in line with DWP guidance (see attachment below).

[HSF4 Excel Spreadsheet for MI template](#)



Copy of FINAL Household Support

[MI Reporting Requirements](#)



FINAL Household Support Fund (2023)

DCC will review spending in May 2023 following the first cumulative MI return, and monthly thereafter. Following the first overall MI submission to DWP and just after every other monthly cumulative MI return (as in the table above) - the initial allocated funding amounts and the levels of actual dispersal will be reviewed. If Management Information indicates that the funding allocation is not being fully utilised by your **District/City Council** scheme and/ or by another support gateway, and/or there is another support gateway that is nearing depletion of its funding allocation, then the amounts allocated to the gateways will be amended to reflect this; ensuring people struggling financially receive the support they need via the preferred gateways and that the fund is spent in full. Any changes will be communicated clearly with the organisation concerned. Your administrative costs will also be adjusted accordingly

Appendix 4 – Agreed Approach - Household Support Fund 4

This District/City Councils agreed approach (which must be aligned to the Team Devon agreed approach – attached below) needs to be communicated and held on the Authority’s website .



HSF4 Team Devon Approach Scheme FI

For information and future reference the DWP HSF4 guidance is also attached for future reference; as shown below.

Word guidance



FINAL Household
Support Fund (2023

Equality Impact Assessment: *The Household Support Fund – scheme 4*

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 27 th June 2023 Council 18 th July 2023	The Household Support Fund – scheme 4	Adopt policy for disbursement of grant funding for the fourth Households Support Fund. To include a direct award to low income households with high likelihood of having Council Tax arrears and an application process for customers who have missed out on other support payments.	Disability Sex / Gender Age

Factors to consider in the assessment: For each of the groups below, an assessment has been made on whether the proposed decision will have a **positive, negative or neutral impact**. This must be noted in the table below alongside brief details of why this

conclusion has been reached and notes of any mitigation proposed. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

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

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

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

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	Neutral		Entitlement based on Council Tax Support award details which do not distinguish. Application scheme will be promoted widely. DCC are also allocating HSF 4 funds directly to support groups for Black, Asian and other ethnically diverse people.
Disability: as defined by the Equality Act – a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse impact on their ability to carry out normal day-to-day activities.	Both	Low	Group not specifically targeted by the HSF 4 direct award scheme, other than households including a disabled child. Data available in Council Tax Support gives an incomplete picture of householder disability, so wouldn't be possible to identify all cases. Many will have been entitled to a disability Cost of Living payment and may also have received the income related benefit and / or pensioner payments. Application based scheme will prioritise awards for households with a disabled member who missed out on other support payments.
Sex/Gender	Both	Low	The scheme does not specifically target one gender over another. A higher proportion of households receiving a direct payment from HSF4 are led by a single female than the overall Council Tax Support population.
Gender reassignment	Neutral		Entitlement to a direct payment is based on Council Tax Support award details which do not distinguish on these grounds. Applications made to the scheme will not require this information.
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	Neutral		Entitlement to a direct payment is based on Council Tax Support award details which do not distinguish on these grounds. Applications made to the scheme will not require this information.

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	Neutral		Entitlement to a direct payment is based on Council Tax Support award details which do not distinguish on these grounds. Applications made to the scheme will not require this information.
Age (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older people 81+; frail older people; people living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).	Both	Low	Households with 3 or more children will be positively affected with an award from HSF4. This group is often disadvantaged in the welfare system with rules limiting support to 2 children. They are also likely to face higher absolute costs than smaller families. Older people are not specifically helped through this scheme, but the support they receive through the Council Tax Support scheme is higher than their working age equivalents. They will also receive the Cost of Living payment linked to the Winter Fuel Payment. The application based scheme will prioritise awards for households with a member of pensionable age who missed out on other support payments.
Pregnancy and maternity including new and breast feeding mothers	Neutral		Children count towards eligibility for a payment from birth. Customers who miss out on a payment due to the birth date of a child falling after the entitlement date will be able to claim from the application based scheme.
Marriage and civil partnership status	Neutral		Entitlement to a direct payment is based on Council Tax Support award details which do not distinguish on these grounds. Applications made to the scheme will not require this information.

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

- The groups who will be eligible for a direct payment are those that have been identified as needing extra help
- Other groups who could also be considered for help with be entitled to alternative support through the government's Cost of Living Payments or other Household Support Fund schemes funded by Devon County Council
- Vulnerable customers who have missed out on this or alternative direct support will be able to make an application for help through the HSF4 application based scheme which will be promoted through support networks
- Additional and crisis support will be available through the Economic Vulnerability Fund

Officer: Chris Buckman, Benefits & Welfare Lead

Date: 15 May 2023

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REPORT TO EXECUTIVE

Date of Meeting: 27th June 2023

REPORT TO COUNCIL

Date of Meeting: 18th July 2023

Report of: David Hodgson, Director Finance

Title: Economic Vulnerability Fund

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

This report seeks members' agreement on the scheme for disbursing funding from the Economic Vulnerability Fund.

2. Recommendations:

That Executive agrees and RECOMMENDS to Council that the proposed Economic Vulnerability Fund scheme is adopted. The proposed scheme provides crisis support to low income residents through to the end of March 2024.

3. Reasons for the recommendation:

3.1 During the funding period Exeter City Council will be offering support with the cost of living through Household Support Fund scheme 4. HSF4 is designed to provide support to a large number of households in need. However there will be customers who are missed by the scheme and others who need more help than the scheme provides.

3.2 The Economic Vulnerability Fund will operate in support of Household Support Fund to provide additional support to low income households where additional unmet needs are identified.

4. What are the resource implications including non financial resources

Funding is received from Devon County Council to cover customer grants up to the agreed amount of £68,918. There is no administrative costs element within this funding so staffing and other costs are met from the existing Benefits and Welfare and Customer Support team resources.

5. Section 151 Officer comments:

5.1 There are no significant financial implications for the Council. The scheme will complement HSF4 and enable further support those most financially vulnerable.

6. What are the legal aspects?

Devon County Council have agreed to redistribute unspent and retained contingency funding originally received as part of the Covid-19 Wellbeing fund. Distribution to Exeter City Council is through a Grant Funding agreement between Devon County Council and Exeter City Council which outlines the scheme principles. The funding is limited to £68,918 and is to be utilised by 31 March 2024 and is to provide “immediate financial relief to ... local people who have become financially vulnerable as a result of the Cost of Living Crisis”.

The funding is intended to be applied to households most in need of support and in particular to those households where shortfalls in support are identified in priority groups, including those identified in the report ‘Food and Fuel Insecurity in Devon, January 2023’ undertaken by Transform Research on behalf of Devon County Council Food and Fuel insecurity. A link to the report is set out at the end of this report.

The funds are not to be used for any economic undertaking. Accordingly the allocation of the grant funds falls outside the scope of the Subsidy Control Act 2022.

7. Monitoring Officer’s comments:

This report raises no issues of concern to the Monitoring officer.

8. Report details:

8.1 Exeter City Council routinely works to support our lowest income residents experiencing financial crisis. This work, loosely referred to as Local Welfare Support, has been ongoing since 2013. We provide no cost and low cost help with essentials such as food and fuel to customers who have run out of options elsewhere.

8.2 This work is not directly funded so the help available is largely limited to advice, signposting to other services and referral to third party organisations such as Exeter Foodbank.

8.3 Utilising the Economic Vulnerability Fund to continue this work will allow more financial support to be given to customers in crisis. A small intervention for customers who are most in need can have a large impact on their situation.

8.4 London Councils recently commissioned research into the effectiveness of Local Welfare schemes. Their findings in January 2023 prompted the response from Peter Gadson, a Director at Brent Council: “What is most apparent is how relatively small sums of money can play a critical role in preventing financially catastrophic impacts for households facing crisis.”

8.5 There has been significant national investment in financial support responding to crises in recent years including through the pandemic and now the increased cost of living. These schemes provide standardised support to large numbers of people at a scale close to the main welfare support system. For Exeter City Council that currently includes running the local Household Support Fund schemes which have been in place since October 2021.

8.6 Research for Devon County Council shows a significant increase in food insecurity in the 18 months to October 2022, despite these national interventions. The *Food and Fuel Insecurity in Devon* report highlights groups that are particularly likely to be food and or fuel insecure locally. It is perhaps unsurprising that there is a strong link between food and fuel insecurity and household income. The group with the highest proportion facing food insecurity were households including at least one child with household income below £20,000. The rate of food insecurity for this group is more than double the survey average.

8.7 Other groups highlighted within this report have been included for direct support or prioritised for application based support in the Household Support Fund scheme. The Economic Vulnerability Fund will also give special consideration for the needs of customers in these groups including:

- Customers in receipt of passported benefits
- Other low income households
- Renting accommodation in private or social sector
- Long term sick, disabled or unemployed
- Households containing 5 or more members / 3 or more children
- Households containing a child under 5

8.8 The fourth Household Support Fund scheme runs to end March 2024 and will again aim to provide direct support to large numbers of low income residents. This scheme recognises that some households will find it harder to cope with increased costs than others. This support will undoubtedly be welcome to all of those who receive it. However included in that group will be households in particularly severe need for who the payment will not lift them out of crisis.

8.9 While the Household Support Fund is quite flexible, to allow for effective administration, eligibility criteria have to be defined. That will inevitably mean that there are some people needing help that will miss out on a direct payment. They may be experiencing particular problems despite not being in a priority group for support.

8.10 The Economic Vulnerability Fund can help to fill any gaps left by the other support schemes available. By applying the principle of understanding the individual needs of a household, unmet needs can be identified and appropriate support given for their circumstances.

8.11 The Economic Vulnerability Fund will be operated by the Benefits & Welfare team with support from Customer Support team. It will be overseen by the Senior Benefits and Welfare Officers with most experience of providing Local Welfare Support.

8.12 Decision making will be in line with the principles of the Grant Agreement and complementary to the Household Support Fund scheme. The focus will be on meeting needs that are greater than support already provided. Priority will be given to those applicants with characteristics identified as indicating particular need of support including those in paragraph 8.7.

8.13 Support amounts and method will be flexible to the needs of the customer and available resources.

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

The Economic Vulnerability Fund will support Exeter's communities and neighbourhoods by helping low income residents manage unexpected and crisis expenditure.

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

Underspend of the EVF will mean less support being provided to Exeter's low income households. Overspend will be a direct and unbudgeted cost to Exeter City Council. Expenditure and demand will therefore be closely monitored throughout the year to ensure the available funding is maximised without incurring extra costs.

11. Equality Act 2010 (The Act)

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

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

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

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

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

12. Carbon Footprint (Environmental) Implications:

12.1 The scheme allows for support to be delivered by a range of different means. Largely this will be determined by the individual needs and circumstances of the customer. Part of this decision involves a consideration of how the customer will access the support. This will include whether the customer can access their support locally without having to travel.

12.2 Online vouchers allow the customer to choose a retailer most convenient for them and minimise travel distances.

13. Are there any other options?

There are very few restrictions placed on the use of this funding other than ensuring it is used to support residents facing hardship. The Household Support Fund – scheme 4

aims to help with the financial situation being faced by many residents. The flexibility of the Economic Vulnerability Fund allows for customers with a need for help over and above Household Support Fund to be supported.

Director Finance, David Hodgson

Author: Chris Buckman, Benefits & Welfare Lead

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

Background papers used in compiling this report:-

[Evaluation-of-Local-Welfare-Assistance-Policy-in-Practice-January-2023-2.pdf](#)
(policyinpractice.co.uk)

[Food and Fuel Insecurity in Devon, 2023 - Devon Health and Wellbeing](#)

Contact for enquires:
Democratic Services (Committees)
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01392 265275

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Exeter City Council Economic Vulnerability Fund (EVF)

Context

The Economic Vulnerability Fund is funded by Devon County Council. The scheme runs to 31 March 2024. Exeter City Council is receiving an allocation of £68,918 from Devon County Council to support local residents in need as part of a District Council scheme.

The purpose of this document is to set out the objectives of the scheme and to outline the process for Exeter City Council's administration of the grant, in line with the overall purpose as detailed in the agreed shared framework for Devon. The agreed framework and approach to administering the Economic Vulnerability Fund scheme aims to ensure a degree of consistency across Devon while allowing for local variation.

Objective – The fund is designed to provide immediate financial relief to people who are economically vulnerable as a result of the cost of living crisis. It aims to allow Exeter City Council to provide support over and above that provided by Household Support Fund.

Team Devon framework for deployment of the District Council Hardship Schemes

“Team Devon councils put into place several ways to support Devon’s communities through the response and recovery phases of the COVID19 crisis. Amongst other support this included distributing a £1.295m Economic Vulnerability Fund (EVF) to Team Devon Councils. This EVF funding allocated from government grants provided to Devon County Council has continued to provide support to vulnerable people affected; facilitating greater connections and support approaches between all Team Devon partners. This grant agreement provides an adaptation and extension of the existing EVF to help Team Devon Councils respond to the continuing hardship challenges (similarly encountered under the pandemic) within Devon which have been compounded by the ongoing cost of living crisis.”

Exeter City Council Policy

Types of assistance that can be provided

This scheme is designed to run alongside the fourth Household Support Fund (HSF4), providing additional support where needed. As such the scheme shares many of the same characteristics of HSF4. It is intended to help ease financial pressure on households with low incomes and to support those most in need during the funding period. The scheme offers a one-off financial support payment to assist with meeting basic living needs that has not been met by other support schemes. Where a support payment is made to a household, the grant can be used for:

- **Food**
- **Energy and water bills**- support with energy bills for any form of fuel that is used for the purpose of domestic heating, cooking or lighting, including oil or portable gas cylinders. It can also be used to support with water bills including for drinking, washing, cooking, and sanitary purposes and sewerage.
- **Essentials linked to energy and water** - including sanitary products, warm clothing, soap, blankets, boiler service/repair, purchase of equipment including fridges, freezers, ovens, etc.

- **Wider essentials** – support with essential household items which may include, but are not limited to, support with other essential monthly expenditure which cannot be deferred including broadband or phone bills, clothing, and essential transport-related costs such as repairing a car, buying a bicycle or paying for fuel.

Eligibility

Eligible households must:

- Contain at least one member who is over the age of 16; and
- Live in Exeter City Council area (as their main residence); and
- Be without sufficient resources to meet the immediate short-term needs of themselves or dependents and

Customers may have received a payment from Household Support Fund scheme 4 at the time of receiving support from the EVF. They may also be eligible for a payment from HSF4 later in the funding period. They may also be eligible for help from one or more of the DWP Cost of Living payment schemes. It is the customer's situation at the time of making a decision that is relevant. If they have an immediate unmet need for short term support they will be eligible for support.

Entitlement

Awards under Economic Vulnerability Fund will only be made to low income households in line with DWP guidance on the purpose of Household Support Fund. "Low income" for this scheme will be considered to be household income at or below the level that would give eligibility to the relevant means tested benefit as may apply. An income that is not significantly above this level can be considered where there are exceptional circumstances that justify considering this as low income in a particular case. This could include where a customer has unavoidably high essential costs such as visiting a child receiving treatment in a hospital out of the area.

Application route and timing

Most applications for payments will come from internal or external referral from staff identifying a customer with a need for additional discretionary support. Some of the teams that may refer into the scheme for a payment include:

Customer Support Officers – the frontline team for Exeter City Council deal with customers approaching for many different services and routinely identify customers with additional or crisis support needs.

Benefits and Welfare team – as part of daily work they will be in contact with many low income households and may identify additional needs not being met through mainstream benefits.

Payments and Collection team – dealing with customers experiencing difficulty making payments of rent, Council Tax or repaying overpayments. This may highlight customers in need of short term additional help.

Tenancy Services – through working with tenants on a range of housing issues, financial difficulties may become apparent.

Temporary accommodation and homeless services – routinely dealing with customers in vulnerable housing and financial situations where crisis support could be needed.

Jobcentre Plus Work Coaches – working with Universal Credit customers.

Exeter Foodbank – volunteers talk to customers presenting for free food and may identify additional financial support needs.

During the course of the scheme a direct application route may be developed for customer to apply for a payment without referral. If this is the case details will be included on the relevant Benefits and Welfare pages of the Exeter City Council website.

Award calculation

There is no fixed amount for awards under Economic Vulnerability Fund. Decision makers will have regard to all of the relevant circumstances. They will take account of other support received and the customer's remaining needs. Award amounts will be calculated with reference to volume of applications received and budget available.

Awards will normally be made by way of an electronic voucher which can be used in a variety of retailers either online or in person. Other methods may be agreed in individual cases.

Repeat Awards

Support will generally be provided from the fund once only. In exceptional circumstances repeat awards will be considered on merit. In such cases, further work and referrals to other agencies will be discussed with the recipient and may be conditional on having further financial support (e.g. such as being referred to Citizens Advice).

Fraud

Applicants may be asked questions or to provide evidence to establish the facts before making a decision to make an award. Failure by the recipient to disclose a material fact or to make a false application or provide false information may be considered a fraudulent act. Where fraud has been detected the recipient will be refused any further assistance and may be required to repay awards made as a result of fraudulent actions.

Data

Data relating to applications and payments will be held on Exeter City Council's digital platform and will be protected using up-to-date technical and organisational security measures

Data will be used to

- Determine eligibility for this EVF one-off support payment
- Make contact about decisions or updates related to that financial support payment
- Issue the voucher letter to an eligible recipient
- Where necessary to deliver the payment, names and addresses of eligible households will be shared with external organisations (including Post Office Ltd & Blackhawk Network) who are delivering awards on behalf of Exeter City Council.

Data may be shared within the organisation to support efforts to redirect an applicant to other support that may be available.

Data may also be shared within the organisation or with other Government agencies in order to prevent and/or detect potentially fraudulent activity. Subject to a legal gateway, information may also be shared for the prevention of fraud and criminal activity with (list not exhaustive):

- The police
- Immigration service, absconder services and/or UK Border Agency

- Health and social care organisations
- Other local authorities

Personal data will not be kept longer than necessary in line with data retention schedules.

Monitoring and Reporting

Exeter City Council is required to report to Devon County Council a summary of the amount of support provided and the number of households helped under the remit of this grant scheme.

Ongoing Policy Review

The Economic Vulnerability Fund has been established to respond rapidly to economic vulnerability and financial hardship through to the end of March 2024. The available funding will be subject to ongoing monthly review, to inform any potential changes to support that might be needed for the remainder of the funding period.

If it appears that the available funding will not be fully spent during the funding period, changes will be implemented to ensure the maximum support possible can be delivered. Any changes made will preserve the principles of the scheme outlined in this document. Changes to the scheme will be published on our website.

The EVF scheme is due to run until 31 March 2024 but once all funds have been disbursed, the fund will be closed. In order to maximise the support we can provide to all our residents we will always redirect residents to other forms of support where we feel this is more appropriate to support their needs.

Economic Vulnerability Fund (EVF)

GRANT AGREEMENT

between

DEVON COUNTY COUNCIL

and

EXETER CITY COUNCIL

THIS AGREEMENT is dated 02/03/2023.

PARTIES

- (1) **DEVON COUNTY COUNCIL** of County Hall, Topsham Road, Exeter EX2 4QD
(Funder)
- (2) **EXETER CITY COUNCIL**
- (3) of Civic Centre, Paris Street, Exeter. EX1 1JN (Recipient). (Recipient).

BACKGROUND

Team Devon councils put into place several ways to support Devon's communities through the response and recovery phases of the COVID19 crisis. Amongst other support this included distributing a £1.295m Economic Vulnerability Fund (EVF) to Team Devon Councils. This EVF funding allocated from government grants provided to Devon County Council has continued to provide support to vulnerable people affected; facilitating greater connections and support approaches between all Team Devon partners. This grant agreement provides an adaptation and extension of the existing EVF to help Team Devon Councils respond to the continuing hardship challenges (similarly encountered under the pandemic) within Devon which have been compounded by the ongoing cost of living crisis.

- A** The Funder has agreed to pay the Grant to the Recipient to assist it in providing:
- support, over and above that provided by any Household Support Fund scheme in operation
 - immediate financial relief to meet the presenting and evidenced needs of local people who have become financially vulnerable as a result of the Cost-of-Living Crisis.

Such support will be via the respective District Council Hardship scheme(s), or via further District agreements with local voluntary and community organisations/groups to deliver responsive packages of help and support with agreed outcomes that meet the emerging needs of those impacted locally by the Cost-of-Living Crisis.

Options may include rounded packages of financial and non-financial support tailored to the short-term and long-term needs of people who are in hardship due to particular circumstances (e.g. newly redundant etc).

- B** This Agreement sets out the terms and conditions on which the Grant is made by the Funder to the Recipient.
- C** These terms and conditions are intended to ensure that the Grant is used for the purpose for which it is awarded.

AGREED TERMS

1. Interpretation

- 1.1 Reference to any statute or statutory provision includes a reference to:
 - (a) that statute or statutory provision as from time to time amended, extended, re-enacted or consolidated; and
 - (b) all statutory instruments or orders made pursuant to it.
- 1.2 Words denoting the singular number only shall include the plural and vice versa. Words denoting any gender include all genders and words denoting persons shall include firms, corporations and vice versa.
- 1.3 Unless the context otherwise requires reference to any clause, sub-clause or schedule is a reference to a clause, sub-clause or schedule (as the case may be) of or to this Agreement.
- 1.4 The headings in this document are inserted for convenience only and shall not affect the construction or interpretation of this Agreement.

2 The Grant

2.1 Subject always to clause 2.3 and the conditions set out in this Agreement, the Funder shall pay to the Recipient the funding in the sum of **£55,092:00 (fifty-five thousand, and ninety-two pounds) (Grant)**. Please note Appendix 1 which details the additional funding arrangements and conditions that apply under this Agreement.

The Grant shall be paid in accordance with the following details:

Payment	Date due
£55, 092	15/03/2023
(This will be added to £13,826 already held by Exeter City Council, making a total fund of £68,918:00)	

This grant payment from DCC will be added to the existing and unspent EVF amount already held by Exeter City Council, amounting to £13,826:00, for the purpose of implementing Appendix 1. The total fund for Appendix 1 therefore equates to £68,918:00.

- 2.2 The Recipient shall use the Grant for the purpose only of contributing towards the Project and for no other purpose whatsoever without the prior written agreement of the Funder. The Recipient further undertakes that any part of the Grant which remains unexpended shall be repayable to the Funder on demand.
- 2.3 In the event that the Recipient fails to use the Grant for the purpose outlined in this Agreement or any information it supplied to the Funder was completed fraudulently, incorrectly or materially misleadingly or the Recipient acts fraudulently or negligently at any time during the completion of the Project or otherwise fails to comply with any of the conditions contained in this Agreement the Funder shall be entitled to terminate this Agreement and require the Recipient to repay some or all of the Grant as the Funder at its sole discretion shall determine.
- 2.4 The Recipient must ensure that the Project at all times complies with all relevant and necessary statutory requirements, including without limitation, those arising under the Health and Safety at Work etc Act 1974, and any other acts, orders, regulations and codes of practice which may apply to employees and other persons working on, or affected by, the Project and that any and all consents, authorities, permissions, licences and insurances are obtained and maintained throughout the Project.
- 2.5 Grant Period: **For use between 01/03/2023 and 31/03/2024**

3 Records

- 3.1 The Recipient must make available to the Funder, at such times as it shall reasonably request, such information as the Funder requires enabling it to satisfy itself that the Recipient is using the Grant in accordance with the terms and conditions of this Agreement. In particular the Recipient will maintain a financial audit trail in respect of the Project and make such audit trail available to the Nominated Officer (as defined in clause 10) upon reasonable notice together with all other financial records concerning the Project.

4 Data Protection

- 4.1 Both parties will comply with all applicable requirements of and all their obligations which arise in connection with this Agreement under the General Data Protection Regulation (*Regulation (EU) 2016/679*) and / or any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK.

5 Governance

- 5.1 Team Devon Councils (including Exeter City Council) are required to report to Devon County Council:
- expenditure incurred during 2022/23 and balances remaining by 30th April 2023
 - expenditure incurred during 2023/24 and balances remaining by 30th April 2024

Administration of the funds should fit with each District Council's financial regulations and records should be available to respective internal audit teams if required.

6 Liability

- 6.1 The Funder accepts no liability whatsoever for the Project whether before, during or after its completion and the Recipient undertakes to indemnify and keep the Funder indemnified from and against any and all loss, damage, liability (whether criminal or civil) and costs (including legal fees) suffered by the Funder in respect of any matter arising under this Agreement including any breach thereof by the Recipient or in respect of the Project resulting in any successful claim by a third party.

7 Freedom of Information

- 7.1 The Recipient acknowledges that the Funder is subject to the requirements of the Freedom of Information Act 2000 (**FOIA**) and the Environmental Information Regulations 2004 (**EIRs**)
- 7.2 The Recipient shall:
- 7.2.1 provide all necessary assistance and cooperation as reasonably requested by the funder to enable the Funder to comply with its obligations under the FOIA and EIRS.
 - 7.2.2 transfer to the Funder all requests for information relating to this Agreement that it receives as soon as practicable and in any event within 2 working days of receipt;
 - 7.2.3 provide the Funder with a copy of all information belonging to the Funder requested in the request for information which is in its possession or control in the form that the Funder requires within 5 working days (or such other period as the Funder may reasonably specify) of the Funder's request for such information; and
 - 7.2.4 not respond directly to a request for information unless authorised in writing to do so by the Funder.
- 7.3 The Recipient acknowledges that the Funder may be required under the FOIA and EIRs to disclose information without consulting or obtaining consent from the Recipient. The Funder shall take reasonable steps to notify the Recipient of a request for information (in accordance with the Secretary of State's Section 45 Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FOIA) to the extent that it is permissible and reasonably practicable for it to do so but (notwithstanding any other provision in this Agreement) the Funder shall be responsible for determining in its absolute discretion whether any information is exempt from disclosure in accordance with the FOIA and/or the EIRs.

8 Nominated Officer

- 8.1 The Funder will identify an officer (**Steven Edwards**) who will liaise with the Recipient over all aspects of this Agreement.

9 No Partnership or Agency

- 9.1 This Agreement shall not create any partnership or joint venture between the Funder and the Recipient, nor any relationship or principal and agent, nor authorise any party to make or enter into any commitments for or on behalf of the other party.

10 Assignment

10.1 The Recipient may not assign any or all of its rights under this Agreement without the prior written agreement of the Funder.

11 Counterparts

11.1 This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one agreement.

12 Governing Law

12.1 This Agreement shall be governed by and construed in accordance with the law of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

SIGNED by
Simon Kitchen, Head of Communities - for and on behalf of
DEVON COUNTY COUNCIL



Authorised Signatory

SIGNED by



SIGNED by
Michelle White, Deputy Chief Finance Officer - for and on behalf of
Exeter City Council

Authorised Signatory

Appendix 1

Exeter City Council proposes:

The Economic Vulnerability Fund will be used in line with the report agreed by Team Devon Leaders & Chiefs. It will be used to complement support provided through the Household Support Fund and bolster local hardship provision through to end of March 2024 or until funds are exhausted. Particular attention will be given to where shortfalls in support are identified for priority groups, including those identified in the recent Food & Fuel insecurity report. Detailed scheme design will depend on the level of funding for Household Support Fund 4 / 5 and any conditions attached to the deployment of that fund.

In line with the reporting requirement within Section 5, and as a minimum, the following information will be reported upon within the timescales stated:

The total EVF amount spent
The total number of households supported by the EVF

The total amount of EVF outstanding.

Equality Impact Assessment: *Economic Vulnerability Fund*

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 27 th June 2023 Council 18 th July 2023	Economic Vulnerability Fund	Disbursal of grant funding to support economically vulnerable households in line with draft policy.	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

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	Neutral		
Disability: as defined by the Equality Act – a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse impact on their ability to carry out normal day-to-day activities.	Positive		Households including a member with a disability are amongst those identified as particularly subject to food and fuel insecurity ¹ . They are therefore a priority group to receive support through the Economic Vulnerability Fund.
Sex/Gender	Neutral		
Gender reassignment	Neutral		
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	Neutral		
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	Neutral		

¹ [Food and Fuel Insecurity in Devon, 2023 - Devon Health and Wellbeing](#)

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Age (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older people 81+; frail older people; people living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).	Positive		Households with children or including a member of pensionable age are amongst those identified as particularly subject to food and fuel insecurity. They are therefore priority groups to receive support through the Economic Vulnerability Fund.
Pregnancy and maternity including new and breast feeding mothers	Neutral		
Marriage and civil partnership status	Neutral		

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

- The scheme is open to all low income households with a need for additional support. This will provide a flexible further route to access financial support for households missing out on other schemes. Customers with protected characteristics may face additional obstacles in accessing the support on offer elsewhere through standard entitlement schemes. The additional flexibility offered by EVF should allow more vulnerable households to receive support that is missed with rigid eligibility criteria in operation elsewhere.
- Promotion of the support available through EVF and the Household Support Fund will be carried out with organisations working to support vulnerable groups, including those with protected characteristics, helping to improve reach and uptake in these groups.

Officer: Chris Buckman, Benefits & Welfare Lead

Date: 15 May 2023

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REPORT TO EXECUTIVE

Date of Meeting: 27 June 2023

REPORT TO AUDIT & GOVERNANCE COMMITTEE

Date of Meeting: 26 July 2023

REPORT TO COUNCIL

Date of Meeting: 18 July 2023

Report of: Director Finance

Title: Review of the Corporate Risk Register

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 The report advises the committee of the council's progress in delivering a new, updated Corporate Risk Register, linked to the Council's Strategic Priorities.

2. Recommendations:

2.1 That the Executive and Council note the progress made in producing the new Corporate Risk Register.

3. Reasons for the recommendation:

3.1 To ensure that the risks associated with meeting the Council's strategic priorities are properly considered, managed and monitored.

3.2 Risk Management is an important element of the council's Code of Corporate Governance.

3.3 Regular monitoring of the council's corporate risks helps to ensure that the council's business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

4. What are the resource implications including non financial resources

4.1 The Executive, Directors, and Senior Managers, as appropriate, are asked to review the Corporate Risk Register on a quarterly basis. The Strategic Management Board reviews the register quarterly.

4.2 Any actions agreed to mitigate the risks identified in the Corporate Risk Register may result in some resource implication. These would be subject to a specific report and the resource implications would be considered in that report.

5. Section 151 Officer comments:

SMB and the Executive have produced a draft of the new register based on the Councils Corporate Priorities. A new summary page has been added setting out the level of intervention required and the impact of failing to address the risk.

6. What are the legal aspects?

Risk Management is an essential management tool in order to manage, assess and prioritise risks. Members will note the content of this report and the attached updated Corporate Risk register, which identifies risk to the Council.

7. Monitoring Officer’s comments:

Whilst there is no specific regulatory requirement to keep a risk register, it is an accepted tool which helps to identify potential risks in a project or an organisation. Put simply, it is an aid to identifying a range of issues that might or could derail intended outcomes.

8. Report details:

8.1 In light of a review of the council’s approach to risk management, the Corporate Risk Register is being revised following a workshop facilitated by the Council’s insurers, Zurich. The workshop involved both members of SMB and members of the Executive to enable a complete analysis of the risks to be made and agreement on what the register would cover to be agreed. The key changes to the Register are to focus on the Council’s Corporate priorities as set out in the Corporate Plan, along with a risk for each of the four pillars of the Council that underpin delivery Finance, Property and infrastructure, People and Digital. Each of the risks will have a risk owner at both Executive and Officer Level.

8.2 The Risk Register will include a new summary page, which will enable Members to see the scope of the corporate risks in one straightforward table.

8.3 Alongside each risk on the summary page, there is a table, which sets out an assessment of the resources required to manage the risks under the themes of Time, Financial, People and Assets. This will allow for an assessment of the resources required to mitigate each risk to an acceptable level allowing members to determine if the resources required are deliverable and achievable.

8.4 In addition, the summary page will include an assessment of how the risks will affect a range of drivers. The drivers are set out below and look at the impact of failing to deliver the corporate priorities and failure in each of the four pillars.

Political	Financial	Reputational	Regulatory	Legal	Compliance	Community
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8.5 The two tables above use Very high, High, Medium, Low and Very Low to assess the resources required and the risk drivers.

8.6 The Final Column will assess the Council's risk appetite, whether it is open to risk, more cautious or even risk averse.

8.7 The Corporate Risk Register will be presented to the Executive on a quarterly basis, ensuring that decision can be taken where action is needed. Audit & Governance will continue to have a role in ensuring that there is a proper process in place to adequately manage the risks.

8.8 Whilst the new register has been drafted, there is a need for each Officer risk owner to consult with the relevant Portfolio Holder to refine the risks and ensure that the register is complete. This work will take place over the summer and the new risk register will be presented to the Executive in September.

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

9.1 Good governance contributes to the Council's purpose of a "Well Run Council".

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

N/A

11. Equality Act 2010 (The Act)

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

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

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

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

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

11.4.1 The report is for information only; and

11.4.2 Actions to mitigate the risks identified in the Corporate Risk Register may result in some future impact, however, any actions proposed would be subject to a specific report and the impacts would be considered in that report.

12. Carbon Footprint (Environmental) Implications:

12.1.1 No direct carbon/environmental impacts arising from the recommendations.

12.1.2 Actions to mitigate the risks identified in the Corporate Risk Register may result in some future impact, however, any actions proposed would be subject to a specific report and the impacts would be considered in that report.

13. Are there any other options?

N/A

Director Finance, Dave Hodgson

Author: Director Finance, Dave Hodgson

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

Background papers used in compiling this report:-

None

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

REPORT TO EXECUTIVE

Date of Meeting: 27 June 2023

Report of: The Director of City Development

Title: Revised Local Development Scheme 2023

Is this a Key Decision?

Yes

Is this an Executive or Council Function?

Executive

1. What is the report about?

The report refers to a revised Local Development Scheme which identifies a brief scope and timetable for the preparation of Council planning policy documents including the emerging Exeter Plan (the new Local Plan) and other documents.

2. Recommendations:

That Executive approves the revised Local Development Scheme (Appendix A) as the basis for preparing local planning policy.

3. Reasons for the recommendation:

The existing Local Development Scheme was approved in June 2021. Since then, work on the Exeter Plan and other planning policy documents has progressed and there is a statutory requirement to keep the Local Development Scheme up to date. This report presents the necessary updates.

4. What are the resource implications including non financial resources

4.1 The evidence budgets required to prepare the planning policy documents listed in the Local Development Scheme have previously been agreed at various Executive meetings. The recommendation made in this report results in no direct additional budgetary implications at this stage.

4.2 However, the key premise throughout the emerging Exeter Plan is a switch to a predominantly brownfield development strategy. This will have resource implications. Robustly demonstrating the deliverability of large-scale and complex brownfield sites in the Exeter Plan when under scrutiny at a statutory examination will require a range of skills and experience, some of which lie outside the planning service, particularly in terms of land/property, development economics, master-planning, design, infrastructure coordination and delivery.

4.3 A further report will be brought to the Executive in due course to set out the additional resource requirements necessary to deliver an adoptable Exeter Plan. If further projects were identified staff capacity and policy timetables would need to be reviewed.

5. Section 151 Officer comments:

5.1 There are no immediate financial implications for Council to consider, but it should be noted that there is a clear suggestion that further resources will be required. Given the Council's financial position, there are no identified funds identified to support this further work and therefore Council will need to identify how to fund this prior to approving any expenditure.

6. What are the legal aspects?

A Local Development Scheme is required under section 15 of the Planning and Compulsory Purchase Act 2004 (as amended) and it must be maintained. The report seeks approval for a revised Local Development Scheme in line with this legislation.

7. Monitoring Officer's comments:

The Monitoring Officer has nothing further to add to this report.

8. Report details:

Background

8.1 In accordance with legislation set out in the Planning and Compulsory Purchase Act 2004¹, the Council has an existing Local Development Scheme (LDS) which identifies the planning policy documents which it intends to publish, the subject matter to be covered by each of the documents and a timetable for their preparation. The current LDS was approved by the Executive in June 2021.

Revisions to the Local Development Scheme

8.2 Legislation requires that Councils maintain and update their LDS. The updated document at Appendix A responds to this requirement.

8.3 In updating the LDS, specific focus has been given to the inclusion of detail regarding the following documents:

- The Exeter Plan (the local plan);
- Article 4 Direction and Houses in Multiple Occupation Supplementary Planning Document Review;
- The Water Lane Supplementary Planning Document;
- The Householder's Guide to Extension Design Supplementary Planning Document – review; and
- Community Infrastructure Levy (CIL): Charging Schedule Review.

8.4 Further explanatory detail on these projects is included in the following sections.

The Exeter Plan

¹ [Planning and Compulsory Purchase Act 2004 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

8.5 The Exeter Plan (the local plan) will be the primary Development Plan Document for the city. Once adopted it will replace the current Exeter Local Plan First Review and Core Strategy. In doing so it will include a vision, objectives, planning policies and site allocations for Exeter.

8.6 The first two milestones in the current LDS, the Issues consultation and an Outline Draft consultation, have been achieved enabling significant progress on this long term project. In particular, specific efforts were made to engage a wide audience during the consultation on the Outline Draft Plan which was held in the autumn of 2022 for 12 weeks, twice the statutory minimum period specific in legislation and in the Council's Consultation Charter.

8.7 The outline draft plan consultation saw a significant shift in the way in which the Council has undertaken planning policy engagement. The consultation included the launch of a new digital engagement platform, 15 exhibitions (including one in each Ward), social media presence and widespread advertising. These efforts resulted in more than 1,400 respondents, more than 3,000 responses, more than 1,000 people attending the exhibitions and more than 15,000 hits on the website. Response analysis showed clear support for the brownfield development strategy.

8.8 Following a review of future work required, the proposed revised LDS would see the plan progress through at least two further consultation phases before it is scheduled for adoption in December 2025.

8.9 It is proposed to amend the currently timetabled adoption date of June 2024 for a variety of reasons.

Additional consultation

8.10 Further consideration has been given to the level and depth of public engagement required for preparing the Exeter Plan. This has resulted in an extra draft plan consultation process being built into the programme. Furthermore, consultation on the draft plan stage will run for longer than the six week statutory and corporate requirement as per the Consultation Charter. This process provides a greater breadth of involvement for the public and improves officers' understanding of community issues. It does however mean that the timetable is extended through running longer consultation and spending additional time in preparing consultation activities and assessing responses.

Development strategy and demonstrating deliverability

8.11 The backbone of the emerging Exeter Plan is a review of the Council's current development strategy. This will see a significant move away from the approach in the Core Strategy which identified the majority of development on greenfield, urban extensions at Newcourt, Monkerton and Alphington, to a brownfield dominated approach. The predominantly brownfield strategy will support the Exeter 2040 vision and the priorities in the Corporate Plan relating to the local economy, health and activity, housing and communities, net zero and culture and heritage.

8.12 While the significant and widespread opportunities wholly justify this approach, there are various challenges associated with a brownfield strategy because of the need to deliver on previously developed sites with significant viability and infrastructure needs. Additional time and expertise is required to build the considerable evidence base to support the plan Examination. This evidence will include utilities, transport, land, viability, flood risk and master-planning.

8.13 A firm and deep understanding of these issues is critical to demonstrate the deliverability of the Exeter Plan which will be tested through robust scrutiny at a public Examination. A series of tests of soundness have to be overcome as part of this process. The plan must be demonstrably:

- Positively prepared
- Justified
- Effective
- Consistent with national policy.

8.14 The evidence base will be vital in meeting these tests. Taking the Exeter Plan prematurely to Examination without compelling delivery evidence risks the plan being found unsound.

Additional planning policy work

8.15 Beyond the Exeter Plan itself, the Council is currently progressing four other projects which are broadly running in parallel with the plan; the Article 4 Direction and SPD Review, the Water Lane SPD, the Householders Guide to Extension Design SPD review, and the CIL review. The first three projects were not included within the work programme when the current LDS was prepared but have been progressed subsequently in response to local planning issues and community concerns. These are necessary projects, will add to the body of planning policy to support the achievement of the 2040 Vision and the Corporate Plan and are making significant progress, however they have an impact on the timetable for the Exeter Plan as a result of the resources available.

8.16 There are myriad other projects which the planning team at the Council is progressing, relating to infrastructure planning, funding and delivery, CIL and housing monitoring, responding to appeals, cross-boundary working and responding to new and innovative areas of policy.

Timetable

8.17 It should be noted that although adoption is planned for December 2025, the final draft plan, and the majority of the supporting evidence, would be published in October 2024. The submission of the Exeter Plan is the final plan preparation stage decided by the Council. After this point, the timetable is determined by the Planning Inspectorate who manage the Examination process.

8.18 The principal milestones for preparing the Exeter Plan as set out in the proposed LDS are included below:

- Issues consultation (Regulation 18²): **Complete** September 2021
- Outline Draft Plan consultation (Regulation 18): **Complete** September 2022
- Draft Plan consultation (Regulation 18): October 2023
- Publication (Regulation 19): October 2024
- Submission to Planning Inspectorate (Regulation 22): March 2025

Indicative timetable (determined by Planning Inspectorate)

- Examination including hearings (Regulation 24): June 2025
- Adoption (Regulation 26): December 2025

8.19 This timetable position broadly reflects the approaches taken by our neighbouring Authorities who are pursuing timetables which would see the adoption of their Local Plans in either 2024 or 2025. Continual review of the timetable for a Local Plan is a necessary part of the preparation process. It should be noted that the adoption of the Exeter Plan is scheduled to take place before the deadlines set out in the national planning policy reforms.

Article 4 Direction and Houses in Multiple Occupation Supplementary Planning Document Review

8.20 The Executive approved a review of the Council's Article 4 Direction and associated Houses in Multiple Occupation Supplementary Planning Document (SPD) in November 2021. This follows concerns regarding the impact of student properties in areas close to the University campuses and the receipt of petitions on this matter.

8.21 Work on the Article 4 Review and accompanying SPD started in 2022 and consultation is currently ongoing. The proposed LDS timetable for this work is summarised below.

- Evidence gathering: 2022. **Complete**
- Consultation: May 2023. **Ongoing**
- Further assessment: July - September 2023
- Confirmation of Direction and SPD adoption: December 2023
- Implementation of updated Direction: December 2024

The Water Lane Supplementary Planning Document

² [The Town and Country Planning \(Local Planning\) \(England\) Regulations 2012](#)

8.22 The Water Lane SPD will provide both a development framework and design code for the area close to the canal basin and quayside. This work will deliver on the commitment in the adopted Core Strategy to produce a masterplan for the area. The work is required to steer the development of Water Lane as one of the key strategic brownfield development sites in Exeter. The majority of this site is already allocated in the current Local Plan First Review, is included in the Liveable Exeter initiative and is within the draft Exeter Plan. The area is also subject to a current application at Haven Banks retail park and other significant, emerging proposals. The site provides a tangible opportunity to deliver high quality development and place-making within an attractive waterfront location delivering on the Liveable Exeter principles which were consulted on in the Exeter Plan outline draft in 2022.

8.23 It is vital that the Council manages proposals in the area and sets clear parameters to ensure high quality development comes forward at Water Lane as a flagship site for the city. Preparing the SPD will enable this to happen by supporting the Exeter Plan, helping to steer the development management process and showing commitment to best practice and revisions to national planning policy by proactively pursuing an innovative design code.

8.24 This is a significant project in its own right and has associated resourcing requirements. Some limited additional funding has been allocated through the Liveable Exeter initiative, but further funding is dependent on Government grants which have not yet been announced.

8.25 The proposed LDS timetable for the work on the Water Lane SPD is summarised below.

- Evidence gathering: May – September 2023. **Ongoing**
- Consultation: October 2023
- Adoption: June 2024

Householder's Guide to Extension Design Supplementary Planning Document: Review

8.26 The Householders Guide to Extension Design SPD will provide a review of an existing adopted Council document of the same name. The document identifies the requirements in relation to domestic extensions and alterations and amplifies existing design policies DG1 and DG4 of the adopted Local Plan First Review.

8.27 The review is needed because the current document was adopted in 2008 and the national and local planning context has evolved subsequently. This review will bring the SPD up to date in the context of the Core Strategy and also the emerging Exeter Plan and Liveable Exeter initiative. It will also ensure it aligns with revisions to permitted development rights which have come forward in recent years.

8.28 The proposed LDS timetable for the work on the Householders Guide to Extension Design SPD Review is summarised below.

- Document review: May – September 2023. **Ongoing**
- Consultation: October 2023
- Adoption: June 2024

Community Infrastructure Levy (CIL): Charging Schedule Review

8.29 The Council is currently updating the CIL rates charged on development in the city. This review is needed to reflect changes in the development industry and the local housing market which have taken place since CIL was originally implemented in 2013.

8.30 The Executive considered a report in November 2022 which resulted in consultation on a review of a revised CIL Charging Schedule between December 2022 and January 2023.

8.31 The proposed LDS includes an up to date timetable on this work which is summarised below.

- Evidence gathering: 2021 – 2022. **Complete**
- Consultation: December 2022 – January 2023. **Complete**
- Submit: March 2023. **Complete.**
- Examination hearings: July 2023

Indicative timetable (determined following the outcome of the hearing)

- Implementation: December 2023

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

9.1 The revised Local Development Scheme is important for guiding the preparation of new planning policy which will be critical to ensure the delivery of the Council’s Corporate Plan. It will contribute to the aspirations of the Exeter Vision 2040 by helping to establish a robust policy framework which will support growth, shape places and deliver infrastructure and community services.

9.2 Future planning policy, as set out in the revised LDS will help to deliver the City Council’s strategic priorities of a prosperous local economy through improving Exeter as a place to attract investment. It will also provide policies to encourage health and activity in the city and to support place-making which will deliver housing and build neighbourhoods and communities. The emerging policies timetabled in the revised LDS will also support the progress towards a new zero carbon city and enhance the culture and heritage of the city.

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

10.1 There is some risk of slippage on the plan-preparation timetable for the Exeter Plan. This is because of the breadth and volume of policy work being pursued concurrently and as a result of the intricacies and challenges of a brownfield development strategy and the associated evidence requirements. Risk of slippage would increase if additional projects are added to the work programme.

10.2 There is also some level of risk associated with not meeting the requirements of a robust evidence base for the plan. If the evidence is insufficient, the Exeter Plan could be found unsound. If this were to take place, work on another new plan would need start and it would be many more years before that plan were to be adopted. This would have significant implications for the Council's land supply and the weight to be given to local planning policies.

10.3 The Government is currently progressing the Levelling Up and Regeneration Bill together with revisions to the National Planning Policy Framework and the future publication of National Development Management policies. This could have implications for the content of the proposed policy documents and their timetable. These proposals will be monitored to mitigate the potential risks.

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 preparation of a revised Local Development Scheme is a legislative requirement setting out a timetable of work and does not directly address any equalities issues. An Equalities Impact Assessment has been included in the background papers for Members' attention.

12. Carbon Footprint (Environmental) Implications:

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

13. Are there any other options?

13.1 There are no other options because the maintenance of an up-to-date Local Development Scheme is a statutory requirement.

Ian Collinson: Director of City Development

Author: George Marshall: Assistant Service Lead – Local Plans

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

Background papers used in compiling this report:-
Current Exeter Local Development Scheme.

Contact for enquires:
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Exeter City Council

Local Development Scheme -

Future planning policy work

June 2023

Version for Executive: Appendix A



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Please contact us to request this information in an alternative format or language.

We consider requests on an individual basis.

1. Introduction

- 1.1 This Local Development Scheme (LDS) is required to set out a programme of planning policy documents which the Council proposes to prepare for the city council administrative area.
- 1.2 The principal document the Council is progressing is the Exeter Plan, the new Local Plan for the city. We are also preparing:
- A review of the city's Article 4 position which manages the change of use of regular residential properties to houses in multiple occupation.
 - A Supplementary Planning Document for the Water Lane area;
 - A review of the Householder's Guide to Extension Design Supplementary Planning Document; and
 - A review of the Council's Community Infrastructure Levy (CIL) Charging Schedule which sets out CIL rates in the city.
- 1.3 This LDS replaces the previous LDS of June 2021. It will be updated as necessary to reflect the progress being made on the planning policy documents being prepared.

2. Current planning policy for Exeter: The ‘development plan’

- 2.1 Planning legislation¹ requires all local planning authorities to produce what is called a ‘Development Plan’.
- 2.2 The current Development Plan for Exeter consists of a series of plans called Development Plan Documents. Taken together, these provide a vision and a framework for the future development of the city. More specifically, the documents set out the priorities for the city, identify areas for development and provide a comprehensive set of policies which are used to make decisions on planning applications.
- 2.3 In Exeter, the Development Plan currently includes the following documents:
- The adopted Exeter Core Strategy and saved policies from the adopted Exeter Local Plan First Review.
 - The St James Neighbourhood Plan. This is currently the only ‘made’ Neighbourhood Development Plan in Exeter. Because neighbourhood development plans are not prepared by the Council they are not considered in detail here.
 - The adopted Devon Minerals Plan and adopted Devon Waste Plan. These are produced by Devon County Council. Because minerals and waste planning policy is not prepared by the Council these matters are not considered in detail here.
- 2.4 The policies in all these documents must be taken into account when making decisions on planning applications.

¹ [The Planning and Compulsory Purchase Act 2004](#)

3. Supplementary planning documents

- 3.1 In addition to formal Development Plan Documents such as the Exeter Plan, the Council occasionally produces other documents such as Supplementary Planning Documents (SPDs). SPDs provide further explanation of formal Development Plan policies, how they should be interpreted and expectations for their implementation. SPDs can be used to provide further guidance for development on specific sites or on a particular issue and are taken into account when making planning decisions. SPDs cannot not themselves set out policies.
- 3.2 The Council already has a series of SPDs covering topics such as affordable housing, planning obligations, public open space and various areas in the city. The list of SPDs will gradually need to be reviewed in the context of the new policies which emerge in the new Exeter Plan and to reflect changes in national planning policy which may result from the Levelling-up and Regeneration Bill, the review of the National Planning Policy Framework and the emergence of National Development Management Policies.
- 3.3 SPDs do not provide formal planning policy in the same way as a local plan and so the procedure for preparing them is simpler and shorter as explained by the planning regulations². They do however have to be prepared with supporting evidence, require public consultation and need to be formally adopted by the Council.
- 3.4 The Council is currently working on three SPDs:
- Houses in Multiple Occupation Supplementary Planning Document. This sits alongside a review of the associated Article 4 Direction.
 - Water Lane Supplementary Planning Document.
 - Householder's Guide to Extension Design Supplementary Planning Document: Review

² [The Town and Country Planning \(Local Planning\) \(England\) Regulations 2012](#)

4. The new Local Plan: The Exeter Plan

- 4.1 The Council is currently preparing a new Local Plan for the city. This will be known as the Exeter Plan. The Exeter Plan will replace the adopted Core Strategy and adopted Local Plan First Review. It will include a vision and objectives for Exeter, a spatial strategy, sites for development (allocations) and a series of planning policies. Some of these policies will be strategic policies covering themes and topics whilst others will be non-strategic policies covering requirements for development or specific areas.
- 4.2 Two formal public consultations to consider the Exeter Plan have already been held. An Issues Consultation was held between September and November 2021. This discussed the vision for the plan, a series of issues which the plan could cover and some of the principles to steer a future spatial strategy for the city.
- 4.3 Following the Issues Consultation, work on the Local Plan evolved and the name of the document was revised to become the Exeter Plan. A further consultation on an Outline Draft of the Exeter Plan was held between September and December 2022. The Outline Draft plan included a vision for the city, a spatial strategy, a series of Liveable Exeter principles to achieve high quality development, a number of draft policies on various themes and a suite of proposed development allocations for Exeter.
- 4.4 There is still some way to go on the preparation of the Exeter Plan. This will include the continued development of the evidence base, further policy drafting, additional consideration of potential development allocations, various consultations and an Examination. The key consideration for the timetable is the need for robust evidence to ensure the soundness and deliverability of the plan, in particular the predominantly brownfield development strategy.
- 4.5 The timetable for preparing the Exeter Plan is set out below:
- Issues consultation (Regulation 18³): September 2021
Complete
 - Outline Draft Plan consultation (Regulation 18): September 2022
Complete
 - Draft Plan consultation (Regulation 18): October 2023
 - Publication (Regulation 19): October 2024
 - Submission to Planning Inspectorate (Regulation 22): March 2025

³ [The Town and Country Planning \(Local Planning\) \(England\) Regulations 2012](#)

Indicative timetable (determined by Planning Inspectorate)

- Examination including hearings (Regulation 24): June 2025
- Adoption (Regulation 26): December 2025

4.6 It should be noted that the timetable after the submission is broadly outside the control of the council due to the Examination process being managed by the Planning Inspectorate.

4.7 Details of the steps required in preparing the Exeter Plan are set out in planning regulations⁴. The stages are summarised below.

- **Issues consultation (complete):** This was the first stage of public consultation where the Council sought views on what the plan should cover and the key issues facing the city.
- **Outline Draft Plan consultation (complete):** After the issues consultation, responses were analysed and further evidence was prepared. From this work, an outline draft plan was produced. This included a series of draft policies and potential sites for consultation. This document was not yet a full draft of the plan.
- **Draft Plan consultation:** Following the Outline Draft Plan consultation, the responses are being reviewed, further evidence is being compiled, additional policies are being prepared and more detailed specific site proposals worked up.
- **Publication (Pre-submission Plan):** After the draft plan consultation, responses will be considered, amendments made and further work completed to produce a final draft of the plan. This 'publication' version is the plan which the Council intends to submit to the Planning Inspectorate for examination. A publication consultation will be held on this version of the plan to seek formal comments ('representations'). The nature and duration of this consultation have to follow strict regulatory requirements.
- **Submission to the Planning Inspectorate:** The publication version of the plan, the supporting evidence and the formal comments on the plan will be submitted to the Planning Inspectorate who will appoint an independent inspector to test the plan through an examination.
- **Examination hearings:** During the examination, the planning inspector will hold a set of public hearings to discuss the plan. These hearings can be attended by those making comments on the publication version of the plan. The discussions at the hearings help the inspector to reach conclusions regarding the soundness of the plan. The inspector will often identify modifications to the plan which may require further consultation. At the end of this process the Council will receive a report from the Planning Inspectorate which concludes whether the plan is 'sound'.

⁴ [The Town and Country Planning \(Local Planning\) \(England\) Regulations 2012](#)

- **Adoption:** After the Council receives the report from the inspector, the plan can be formally adopted by the Council. This means that the content of the plan, including the policies and development sites, become official planning policy for the city.

5. Houses in Multiple Occupation Supplementary Planning Document: Review

- 5.1 In 2010, the Council made an Article 4 Direction to restrict permitted development rights from dwellings to houses in multiple occupation (HMOs). The Article 4 Direction applies to an area around the University of Exeter's Streatham and St Luke's campuses and was introduced by the Council as one of two planning policy responses to help manage the potential impact of increasing numbers of students living in Exeter and studying at the University. The original HMO Supplementary Planning Document (SPD) was adopted in 2011 to accompany the Article 4 Direction. The current version of the document was adopted in 2014 and provides more detail on the implementation of policy H5 in the Local Plan First Review.
- 5.2 In November 2021, following receipt of petitions from local residents, the Council's Executive decided to review the Article 4 Direction and accompanying SPD.
- 5.3 In 2022, evidence was put together to consider the potential geographic scope of revisions to the Article 4 Direction and the SPD. The next steps are for the Council to continue the project through consultation and eventual implementation. The timetable for the work is set out below:
- Evidence gathering: 2022. **Complete**
 - Consultation: May 2023. **Ongoing**
 - Further assessment: July - September 2023
 - Confirmation of Direction and SPD adoption: December 2023
 - Implementation of updated Direction: December 2024

6. Water Lane Supplementary Planning Document

- 6.1 Water Lane, within the Canal Basin area, is allocated for development in policy KP6 of the adopted Local Plan First Review. The site is also identified as a regeneration area in the adopted Core Strategy with policy CP17 setting out key principles for the area.
- 6.2 An extended site was included in the original Liveable Exeter programme in 2019 and this area was also included for consultation in the outline draft of the Exeter Plan in 2022.
- 6.3 It is likely that Water Lane will be one of the earliest of the strategic sites in the Exeter Plan to come forward, with proposals currently emerging through the development management process. It is vital that development in this area sets the tone for delivering high quality, brownfield development across the city.
- 6.4 On this basis, an SPD is being developed to set clear parameters to support high quality development at Water Lane. This will provide a development framework for the site together with a design code.
- 6.5 The timetable for preparing the Water Lane SPD is included below.
- Evidence gathering: May – September 2023. **Ongoing**
 - Consultation: October 2023
 - Adoption: June 2024

7. Householder's Guide to Extension Design Supplementary Planning Document: Review

- 7.1. The Householders Guide to Extension Design SPD will provide a review of an existing adopted Council document of the same name. The document identifies the requirements in relation to domestic extensions and alterations and amplifies existing design policies DG1 and DG4 of the adopted Local Plan First Review. These policies cover themes including street pattern, landscaping, density, local distinctiveness, materials, townscape and outside space amongst others.
- 7.2. The review is needed because the current document was adopted in 2008 and the national and local planning context has evolved subsequently with the adoption of the Core Strategy and emergence of the Exeter Plan and Liveable Exeter initiative.
- 7.3. More specifically, there is a need to review the document so it aligns with:
- The National Planning Policy Framework and Planning Practice Guidance;
 - The Council Residential Design Supplementary Planning Document; and
 - Changes to the General Permitted Development Order.
- 7.4. The proposed LDS timetable for the work on the Householders Guide to Extension Design SPD Review is summarised below.
- Document review: May – September 2023. **Ongoing**
 - Consultation: October 2023
 - Adoption: June 2024

8. Community Infrastructure Levy (CIL): Charging Schedule Review

- 8.1 As the Local Planning Authority and Community Infrastructure Levy (CIL) Charging Authority for Exeter, the Council has the authority to charge CIL in the city. The Council has been charging CIL since December 2013. In the intervening years there have been significant changes in the city and the development industry which means the current CIL charges in the city are now being reviewed.
- 8.2 Viability work and a revised draft CIL Charging Schedule have been compiled and were subject to consultation between December 2022 and January 2023. The next steps are for the Council to continue through various stages towards implementation of the revised CIL rates. The timetable for the work on the CIL review is set out below:
- Evidence gathering: 2021 – 2022. **Complete**
 - Consultation: December 2022 – January 2023. **Complete**
 - Submit: March 2023. **Complete**
 - Examination hearing: July 2023

Indicative timetable (determined following the outcome of the hearing)

- Implementation: December 2023

9. Other work

- 9.1 As required by legislation, this Local Development Scheme has set out the key formal planning policy documents which the Council proposes to produce together with a timetable for this work.
- 9.2 It should be noted that the projects included in this document are not an exhaustive list. There is a series of other work which the Local Plans team carries out. This includes:
- Development delivery work, focusing on the Liveable Exeter initiative
 - Housing monitoring and land supply calculations
 - Infrastructure planning
 - CIL and s106 collection and monitoring
 - Maintenance of the brownfield land register
 - Maintenance of the custom and self-build register
 - Preparation of the Authority Monitoring Report
 - Evidence preparation
 - Partnership working including the preparation of the East Devon, Exeter, Mid Devon and Teignbridge joint strategy
 - Responding to planning consultations
 - Wider consultation and engagement activity
 - Management of the Building Greater Exeter programme

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Equality Impact Assessment: Revised Local Development Scheme 2023

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. 27.06.2023	Revised Local Development Scheme 2023	That Executive approves the revised Local Development Scheme (Appendix A) as the basis for preparing local planning policy	The Local Development Scheme (LDS) identifies the planning policy documents which the Council intends to produce, a brief description of their scope and the timetable for preparing them. The LDS does not itself set

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
			<p>out planning policy. The policy documents to which it refers will progress through project-specific evidence preparation, consultation and approval processes, including EQIA.</p> <p>On this basis, groups with specific, protected characteristics are not considered to be affected by the recommendation to approve the LDS.</p>

Factors to consider in the assessment: For each of the groups below, an assessment has been made on whether the proposed decision will have a **positive, negative or neutral impact**. This is must be noted in the table below alongside brief details of why this conclusion has been reached and notes of any mitigation proposed. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

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

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

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

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	Neutral	N/A	<p>The LDS does not itself set out planning policy. The policy documents to which it refers will progress through project-specific evidence preparation, consultation and approval processes, including EQIA.</p> <p>On this basis, groups with specific, protected characteristics are not considered to be affected by the recommendation to approve the LDS.</p>
Disability: as defined by the Equality Act – a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse impact on their ability to carry out normal day-to-day activities.	Neutral	N/A	<p>The LDS does not itself set out planning policy. The policy documents to which it refers will progress through project-specific evidence preparation, consultation and approval processes, including EQIA.</p> <p>On this basis, this group is not considered to be affected by the recommendation to approve the LDS.</p>
Sex/Gender	Neutral	N/A	<p>The LDS does not itself set out planning policy. The policy documents to which it refers will progress through project-specific evidence preparation, consultation and approval processes, including EQIA.</p> <p>On this basis, this group is not considered to be affected by the recommendation to approve the LDS.</p>
Gender reassignment	Neutral	N/A	<p>The LDS does not itself set out planning policy. The policy documents to which it refers will progress through project-specific evidence preparation, consultation and approval processes, including EQIA.</p> <p>On this basis, this group is not considered to be affected by the recommendation to approve the LDS.</p>
Religion and belief (includes no belief, some philosophical beliefs such	Neutral	N/A	<p>The LDS does not itself set out planning policy. The policy documents to which it refers will progress through project-specific evidence preparation, consultation and approval processes, including EQIA.</p>

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
as Buddhism and sects within religions).			On this basis, this group is not considered to be affected by the recommendation to approve the LDS.
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	Neutral	N/A	<p>The LDS does not itself set out planning policy. The policy documents to which it refers will progress through project-specific evidence preparation, consultation and approval processes, including EQIA.</p> <p>On this basis, this group is not considered to be affected by the recommendation to approve the LDS.</p>
Age (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older people 81+; frail older people; people living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).	Neutral	N/A	<p>The LDS does not itself set out planning policy. The policy documents to which it refers will progress through project-specific evidence preparation, consultation and approval processes, including EQIA.</p> <p>On this basis, this group is not considered to be affected by the recommendation to approve the LDS.</p>
Pregnancy and maternity including new and breast feeding mothers	Neutral	N/A	<p>The LDS does not itself set out planning policy. The policy documents to which it refers will progress through project-specific evidence preparation, consultation and approval processes, including EQIA.</p> <p>On this basis, this group is not considered to be affected by the recommendation to approve the LDS.</p>
Marriage and civil partnership status	Neutral	N/A	<p>The LDS does not itself set out planning policy. The policy documents to which it refers will progress through project-specific evidence preparation, consultation and approval processes, including EQIA.</p> <p>On this basis, this group is not considered to be affected by the recommendation to approve the LDS.</p>

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

N/A

Officer: George Marshall: Assistant Service Lead: Local Plans

Date: 24 May 2023

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REPORT TO EXECUTIVE

Date of Meeting: 27th June 2023

REPORT TO COUNCIL

Date of Meeting: 18th July 2023

Report of: Director of City Development and the City Surveyor

Title: Water Lane Compulsory Purchase Order

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive and Council

1. What is the report about?

- 1.1 The residential led redevelopment of the Water Lane area, on the west bank of the Exeter Ship Canal, is one of the Liveable Exeter aspirations, one of the Emerging Exeter Plan proposed site allocations and is an aspiration that has been identified in the Development Plan for at least a quarter of a century.
- 1.2 The Water Lane Development Management Company (“WLDMC” or “land promoter”), one of the major land promoters in the area, has approached Exeter City Council (“ECC” or “the Council”) to enquire whether the Council would consider using Compulsory Purchase Order (“CPO” or “the Order”) powers to assemble two strategic land parcels needed to facilitate servicing to the Water Lane site to enable redevelopment (see Appendix 1). The development vision is for a residential led mixed use waterside development aligning with Liveable Exeter principles. Subject to approval by Executive, the full cost of the CPO would be underwritten by the land promoter.
- 1.3 The purpose of this report is to seek approval for the Council to support WLDMC by using CPO powers to acquire and simultaneously dispose of land and properties to the land promoter on regeneration grounds, whilst also agreeing the principle of dedicating to Highways or disposing the northern tip of the Council’s Exton Road Depot Material Recycling Facility (see Appendix 2), at less than best consideration, to facilitate improved pedestrian, cycle and public transport routes in the area.

2. Recommendations:

That Executive recommends to Council to agree the following proposal:

- 2.1 Delegate authority to the City Surveyor, in consultation with the Leader, Director of City Development and the Director Finance (s.151 Officer) to: dedicate part of the Exton Road Depot Material Recycling Facility

("ERDMRF"), as shown on the site boundary plan in Appendix 2, to Devon County Council for Highways use; or, if necessary, and subject to the provisions of the subsidy Control Act 2022, dispose of the land (conditional on the underpass improvements works being commenced to adoptable standards) to WLDMC (or the relevant corporate vehicle), at less than best consideration but at a cost that covers the relocation of stored materials on the disposal site and the construction of an appropriate boundary treatment on the revised boundary line.

- 2.2 In the event of a proposed less than best disposal under 2.1 above, delegate authority to the City Surveyor, in consultation with the Leader, s.151 Officer and Director of City Development to assess and, subject to compliance with relevant statutory provisions, agree an undervalue.

That Executive RESOLVES to:

- 2.3 Subject to the S151 Officer being satisfied as to the financial standing of the party/parties providing the indemnity, delegate authority to the Director of City Development to enter into a Compulsory Purchase Order Indemnity Agreement ("CPOIA") and if necessary, a development agreement with the land promoter (and any other relevant third party) prior to undertaking any preparatory works in respect of a Compulsory Purchase Order to acquire the third-party proprietary interests identified in Appendix 1,
- 2.4 Agree that, subject to 2.3. above, the Director of City Development be authorised to take all necessary steps to secure the making, submission, confirmation and implementation of a Compulsory Purchase Order to acquire the third-party proprietary interests identified in Appendix 1,
- 2.5 Agree that the Director of City Development be authorised to issue all relevant notices and certificates in connection with the making, confirmation and implementation of any Compulsory Purchase Order,
- 2.6 Agree that the City Surveyor be authorised to acquire third party proprietary interests by private treaty negotiation,
- 2.7 Agree that the City Surveyor be authorised to dispose of any third party propriety interest acquired pursuant to the Compulsory Purchase Order to WLDMC (or the relevant corporate vehicle) in accordance with terms to be agreed and subject to compliance with relevant statutory provisions,
- 2.8 Agree that the Director of City Development be authorised to make General Vesting Declarations (GVDs) under the Compulsory Purchase (Vesting Declarations) Act 1981 and/or serve notices to treat and notices of entry (if required) following confirmation of a Compulsory Purchase Order by the Secretary of State,

- 2.9 Agree that the Director of City Development be authorised to issue and serve any warrants to obtain possession of property acquired by the Council following the execution of a General Vesting Declarations or service of a notice of entry if it was considered appropriate to do so; and
- 2.10 Delegate authority to the City Surveyor to agree the final terms for the disposal of the strip of land at Exton Depot and the final terms of the CPOIA subject to compliance with relevant statutory provisions.

3. Reasons for the recommendation:

- 3.1 In October '2022 the Council agreed the Corporate Plan 2022-2026 and the proposals will contribute towards the plan by:
- Contributing to the aspirations of the Exeter Vision 2040 by repurposing contaminated brownfield industrial land into a well-connected and sustainable new neighbourhood that makes Exeter a more liveable City; and
 - Building new homes on a substantial brownfield site within walking distance to the city centre will directly contribute towards the strategic aspirations for more housing and an active city centre.

4. What are the resource implications including non financial resources

- 4.1 WLDMC have agreed to underwrite the Council's costs in relation to any compulsory purchase order that ECC makes in order to facilitate the redevelopment of the Water Lane area. ECC will require WLDMC to enter into a Compulsory Purchase Order Indemnity Agreement ("CPOIA") prior to taking any action.
- 4.2 The CPOIA will cover all of ECC's costs in relation to the preparation, making, confirmation and implementation of any Compulsory Purchase Order. These costs include: the purchase price or any compensation for any land or interest which ECC has to acquire either pursuant to the Compulsory Purchase Order or in consequence of the service of valid blight notices, (including all payments made pursuant to the Compulsory Purchase Act 1965 and the Land Compensation Acts 1961 & 1973); any statutory interest payable and ECC's reasonable and proper internal and external costs (including legal, surveying and other professional costs).
- 4.3 ECC will seek to recover all CPO costs: including land acquisitions, legal costs and staff time meaning there is minimal resource or financial risk to ECC.
- 4.4 If the principle of the CPOIA is agreed, appropriate financial and legal due diligence will be undertaken to ensure that the agreement can be relied upon.

- 4.5 WLDMC, the entity that has approached ECC for support, is a development management company and depending on the due diligence mentioned in 4.4 above it may be necessary for the land owners Cillarda Group Holdings or their parent company to be party to the CPOIA.
- 4.6 Once acquired all third party interests will be transferred to WLDMC (or the associated corporate vehicle) in accordance with terms to be agreed.
- 4.7 There should be no negative impact on ECC cashflow. If and when assembled the CPO professional team will have a duty of care to both ECC and the land promotor but they would be paid directly by the land promotor and any acquisitions are going to require the land promotor's solicitors to be in funds before completion. The main cost recovery is likely to be internal officer time.
- 4.8 Although the proposed disposal of a section of land at Exton Depot will not generate a net receipt for the Council it will cover immediate costs whilst contributing to a circa million pound infrastructure improvement that could facilitate improved cycle, pedestrian and electric bus routes, reducing car usage and the savings associated with Exeter having a healthier population that is utilising active and emissions free travel (for further consideration on benefits see 8.43 below).
- 4.9 By their very nature large scale mixed use regeneration schemes are complex and require the vision, drive and participation of many private and public sector parties. Water Lane has been a council aspiration for at least a quarter of a century but ECC will need to look beyond planning policy aspirations if it to help foster the type of environment needed for this type of scheme to flourish.
- 4.10 In addition to planning policy there are a range of tools at ECC's disposal that can be used to encourage development and the recommendations put to Executive in this report are a great example of two of these tools. Through utilising Compulsory Purchase Order powers (underwritten by the land promotor) and dedicating (or disposing of) land for a use that will create greater social, economic and environmental value for local residents and businesses ECC can help facilitate the strategic vision for the area, whilst working in collaboration with the private sector and minimising the impact on ECC's resources.

5. Section 151 Officer comments:

- 5.1 Whilst the indemnity agreement may protect the Council from incurring expense, there is always a risk that failure of the Company providing the indemnity will leave the Council at risk of financial expense. It is essential therefore, that proper financial vetting is undertaken to ensure that the Company has the financial strength to comply with its obligations.
- 5.2 WLDMC is a Company set up to deliver this Development only and therefore is unlikely to have the financial strength to provide this assurance, meaning a

Parent Company Guarantee may be required. The report does not set out the potential sum required for the CPO and therefore the section 151 Officer cannot comment on the scale of risk entailed.

- 5.3 In respect of the proposed transfer of land, again there is no assessment of the value of the land involved. Given current borrowing costs and the lack of resources available for a capital programme, Members will have to balance the undoubted benefits of the proposal, against the Council's need to finance its own priorities.

6. What are the legal aspects?

- 6.1 Under Section 13 of the Planning and Compulsory Purchase Act 2004 the Council must keep under review the matters which may be expected to affect the development of their area or the planning of its development.
- 6.2 These matters include the principal physical, economic, social and environmental characteristics of the area, the principal purposes for which land is used in the area, the size, composition and distribution of the population of the area, the communications, transport system and traffic of the area, and any other considerations which may be expected to affect those matters. The matters also include any changes which the Council think may occur in relation to any other matter and the effect any such changes are likely to have on the development of the Council's area or on the planning of such development.
- 6.3 The Council has the power through various enactments to make Compulsory Purchase Orders and to apply to the Secretary of State for confirmation of any order.
- 6.4 Local authorities are generally under a duty to comply with Section 123(2) of the Local Government Act 1972 with regard to land held in the General Fund, as is the case here, which requires that except with the consent of the Secretary of State a Council shall not dispose of land under this section for a consideration less than the best that can reasonably be obtained.
- 6.5 The other two exceptions to the obligation to obtain best value are: short tenancies (terms/ assignments of 7 years or less) and General Disposal Consents (the purpose of which is for land to be disposed that is likely to contribute to the achievement of any one or more of: promotion/ improvement of economic well-being; promotion/ improvement of social well-being; promotion/ improvement of environmental well-being; and the 'undervalue' (difference between the unrestricted value of the interest to be disposed of and the consideration accepted) is £2 million or less.)
- 6.6 Councils should not divest themselves of valuable public assets unless they are satisfied that the circumstances warrant such action. A general disposal consent has therefore been issued to give local authorities autonomy to carry out their statutory duties and functions, and to fulfil such other objectives as

they consider to be necessary or desirable. However, when disposing of land at an 'undervalue', Council's must remain aware of the need to fulfil their fiduciary duty in a way which is accountable to local people.

6.7 A Circular issued in 2003 (Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003) gives authorities consent to a disposal of land at an undervalue provided that:-

a) a local authority considers that the disposal is likely to contribute to the achievement of:

i) the promotion or improvement of economic well-being;

ii) the promotion or improvement of social well-being;

iii) the promotion or improvement of environmental well-being; and

b) the best price reasonably obtainable for the property does not exceed £2,000,000 (two million pounds)

6.8 It is considered that the proposed disposal of a strip of land Exton Depot complies with both provisions a) and b) above.

Town and Country Planning Act 1990 Powers

6.9 Section 226(1)(a) of the Town and Country Planning Act 1990 (as amended by the Planning and Compulsory Purchase Act 2004) provides that a local authority shall, on being authorised to do so by the Secretary of State, have power to acquire compulsorily any land in their area if they are satisfied that the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land. However the power must not be exercised unless the authority thinks that the development, redevelopment or improvement is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of their area.

6.10 The compulsory acquisition of third-party proprietary interests and/or rights in relation to Water Lane will enable the delivery of hundreds of homes and will provide increased certainty with regard to land assembly and the implementation of the redeveloped.

6.11 The adopted development plan related to Water Lane (within which WLDMC's land sits) comprises the saved policies of the adopted Exeter Local Plan First Review (1995) and the adopted Exeter Core Strategy (2012). The Local Plan First Review makes detailed proposals for the regeneration of land in the Water Lane area, including for mixed use redevelopment incorporating housing. The Core Strategy identifies the Water Lane Area as a location for "comprehensive mixed-use redevelopment".

6.12 The emerging Exeter Plan, which was subject to draft outline consultation in the autumn of 2022, maintains this focus on regeneration by proposing the

Water Lane site for mixed use redevelopment including around 1,180 homes. Alongside this, the Council is preparing a Supplementary Planning Document (SPD) which will provide a development framework and design code for Water Lane. The land parcels shown at Appendix 1 are needed to facilitate servicing of Water Lane site, in particular for active travel modes, to enable the Council's longstanding redevelopment aspirations.

- 6.13 Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 provides for the acquisition of new rights over land where such rights are not in existence when the order specifying them is made. In order to facilitate the redevelopment of the site it may be necessary to acquire new rights over land for purposes such as crane oversailing.
- 6.14 Government guidance on the use of compulsory purchase powers is set out in the Department for Levelling Up, Housing and Communities "Guidance on Compulsory Purchase Process and the Crichel Down Rules Guidance". Paragraph 2 of the guidance states that compulsory purchase orders should only be made where there is a compelling case in the public interest.
- 6.15 The Council will be expected to demonstrate that it has taken reasonable steps to acquire all of the land and rights included in the Order by agreement. Where acquiring authorities can arrange to acquire land by agreement, they will pay compensation as if it had been compulsory purchased, unless the land was already on offer on the open market.
- 6.16 The proposed regeneration scheme is in the public interest and will improve the wellbeing of the area in a number of way:
- Social – enabling the proposed regeneration will facilitate and encourage the growth of a new community whilst generating improvements to existing surrounding neighbourhoods. It will open up better access to the valley parks, include new workspace, shops and schools and also seek to make major shifts in mobility to take pressure off busy road corridors.
 - Environmental – the proposed regeneration will be sustainable and incorporates a number of comprehensive environmental attributes including a strategic approach to flood risk mitigation, low car (or no car) residential areas supported by sustainable transport, phased development that ensures the continued operation of the Marsh Barton energy from waste plant and biogas power station. The proposed regeneration will also facilitate continued operation of the canal.
 - Economic – The proposed regeneration will incorporate new workspaces, shops, leisure facilities, community facilities and education facilities that will provide numerous growth and employment opportunities for the area and Exeter as a whole on what is currently underutilised brownfield land.

- 6.17 Officers are of the view that there is a compelling case in the public interest to secure the redevelopment of the site. To that end, officers are recommending that ECC utilise the powers under section 226(1)(a) of the Town and Country Planning Act 1990 and section 13 of the Local Government (Miscellaneous Provisions) Act 1976, because it is not certain that the required third-party proprietary interests and/or rights will be acquirable by agreement.

Human Rights

- 6.18 The Human Rights Act 1998 requires (amongst others) that every public authority acts in a manner which is compatible with the Convention for the Protection of Human Rights and Fundamental Freedoms (“the Convention”). The following parts of the Convention are relevant to the Council’s exercise of its compulsory purchase powers:

- Article 1 of the First Protocol – the right to peaceful enjoyment of possessions; and
- Article 8 – respect for private and family life and home.

- 6.19 Any decision to make a Compulsory Purchase Order (“CPO”) must strike a fair balance between the public interest in the redevelopment of the land and interference with private rights. Bearing in mind the fact that the exercise of compulsory purchase powers is a statutory process, the provisions for compensation to be paid to those affected and the compelling case in the public interest for the redevelopment, it is considered that the interference with private property rights is necessary, proportionate and strikes a fair balance towards meeting ECC’s objectives.

- 6.20 Those affected by a Compulsory Purchase Order will be informed and advised of their right to make representations to the relevant Secretary of State, to be heard at public inquiry and of a fair entitlement to compensation (where applicable). Thus ensuring consistency with Article 6: right to a fair hearing.

Subsidy Control Act 2022

- 6.21 The Subsidy Control Act 2022 (“SCA 2022”) prohibits financial assistance conferring an economic advantage on one or more enterprises which is capable of having more than an incidental or hypothetical effect on competition and investment within the UK or trade and investment between the UK and another country.
- 6.22 SCA 2022 seeks to be permissive rather than restrictive, starting from the point that subsidies are permitted if they comply with specified subsidy control principles which are:

- Subsidies should pursue a specific policy objective in order to remedy an identified market failure or address an equity rationale (such as local or regional disadvantage, social difficulties or distributional concerns) Subsidies should be proportionate to their specific policy objective and limited to what is necessary to achieve it,
- Subsidies should be designed to bring about a change of economic behaviour of the beneficiary. That change, in relation to a subsidy, should be conducive to achieving its specific policy objective and something that would not happen without the subsidy,
- Subsidies should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy,
- Subsidies should be an appropriate policy instrument for achieving their specific policy objective and that objective cannot be achieved through other, less distortive, means,
- Subsidies should be designed to achieve their specific policy objectives while minimising any negative effects on competition or investment within the United Kingdom; and
- Subsidies' beneficial effects (in terms of achieving their specific policy objective) should outweigh any negative effects, including, in particular, negative effects on competition or investment within the United Kingdom and / or international trade investment.

6.23 If the transfer of the land (at neutral cost to ECC) for the delivery of highways improvements, in the Marsh Barton/ Water Lane area, could be considered a subsidy, it is likely to comply with the principles above.

6.24 The works will be delivered to adoptable standards so the economic benefit of their delivery will be conferred to all residents and businesses in this part of Exeter rather than bestowing any special benefit to one individual or organisation.

6.25 The SCA 2022 has a Minimum Financial Assistance Provision which permits public authorities to award low level financial assistance if the recipient has not reached the allowance threshold of £315,000 over the applicable period. For financial assistance to qualify as Minimal Financial Assistance the conditions of the SCA 2022 must be met and the procedural requirements of the Subsidy Control Statutory Guidance complied with.

6.26 Further consideration will be given to the application of the provisions of the Subsidy Control Act 2022 during the process to acquire and dispose of land.

7. Monitoring Officer's comments:

Notwithstanding the requirement to enter into an indemnity agreement, the Monitoring Officer recommends that regular periodic financial checks of WLDMC are undertaken.

8. Report details:

Background

- 8.1 The Water Lane Regeneration Area lies to the west of the Exeter Ship Canal a couple of hundred metres south of the Exeter Quayside and adjacent to the Riverside Valley Park.
- 8.2 The residential redevelopment of the Water Lane Regeneration Area, is one of the Liveable Exeter aspirations and arguably the most exciting large scale brownfield regeneration opportunity in the city. The regeneration area has been identified in the adopted Development Plan for over a quarter of a century.
- 8.3 The emerging Exeter Plan is seeking to allocate this area as a strategic Liveable Exeter opportunity. To support the Exeter Plan a Vision and set of Design Principles for Water Lane have been produced by the Council envisaging a new vibrant mixed-use neighbourhood along the canal. The principles set an overarching place making framework for Water Lane in a series of requirements, including prioritising active travel (walking and cycling), public transport and low car ownership. Further work is underway to develop the principles into a detailed Design Code/ Development Framework. This work will be published as a Supplementary Planning Document for public consultation in the autumn, alongside the next stage of the Exeter Plan (see also paragraph 8.12 of this report).
- 8.4 In practice the area currently comprises the Northern and Southern Regeneration Zones (see Image 1 overleaf) with the Northern Regeneration Zone owned predominately by a conglomeration of National Grid (“NG”) and Wales and West (“W&W”), who are seeking to partner with a developer shortly, and the Southern Regeneration Zone owned predominately by Cilldara Group Holdings working in partnership with the Water Lane Development Management Company (“WLDMC”).

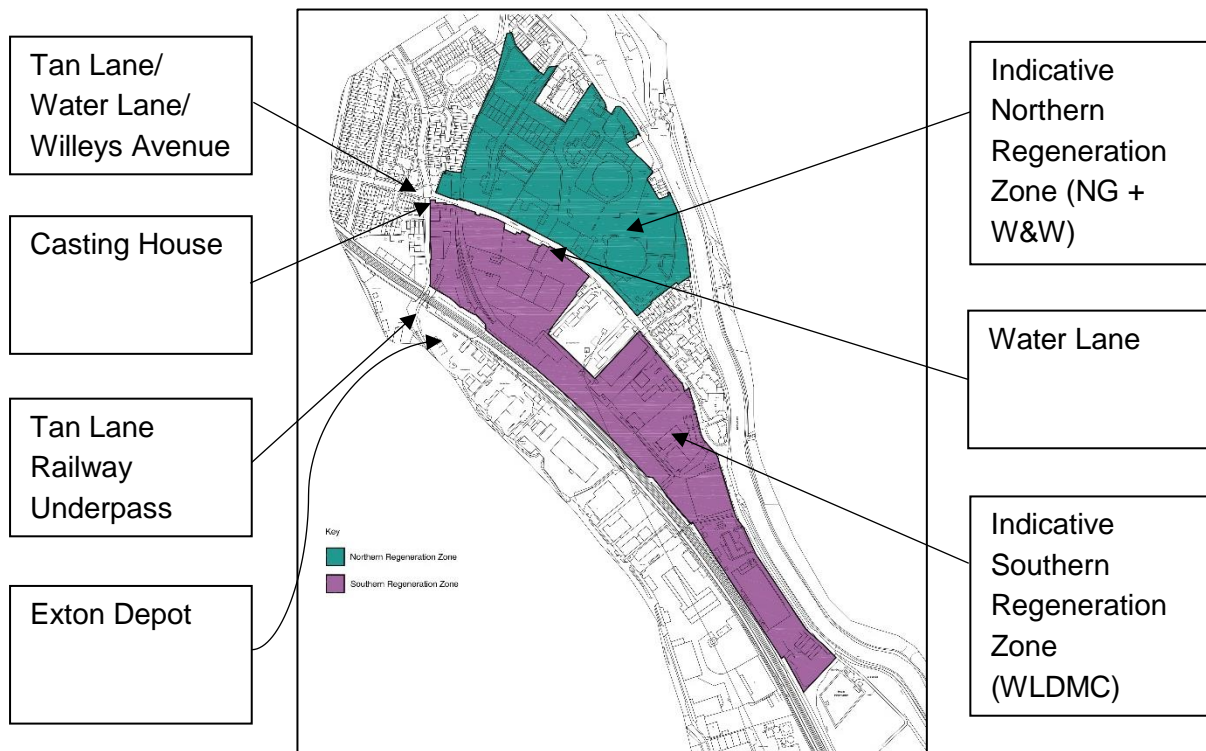


Image 1: Indicative Northern and Southern Water Lane Regeneration Zones

- 8.5 Both regeneration zones have aspirations for residential led mixed use schemes with the potential for a completely new neighbourhood of c. 1,500 homes. Both developments are seeking high density, low car ownership developments so quality safe pedestrian, cycle and bus access will be essential.
- 8.6 To get sufficient vehicular access to the area Highways proposals include improvements to the Willeys Avenue/ Water Lane junction, re-alignment of Tan Lane and the creation of a new service road (effectively avoiding a left in/ right out scenario at the Willeys Avenue/ Water Lane junction). The highway realignment / junction designs have been discussed with DCC who have confirmed that the proposals support the access plans for the redevelopment area..
- 8.7 To facilitate the desired access solution for the regeneration area two parcels of land are required. WLDMC has approached Exeter City Council (“ECC”) to seek Compulsory Purchase Order (“CPO”) support to facilitate the acquisition of a couple of strategic land holdings (see Appendix 1). Officers are seeking authority to enter into a Compulsory Purchase Order Indemnity Agreement (“CPOIA”) with WLDMC which will allow ECC to use their CPO powers, at WLDMC’s cost, to assist in the facilitation of the regeneration opportunity without anticipated financial cost or risk to ECC.

Planning Context

- 8.8 The development plan related to Water Lane comprises the saved policies of the adopted Exeter Local Plan First Review (1995) and the adopted Exeter

Core Strategy (2012). The Council is preparing a new Exeter Local Plan to replace both the First Review and the Core Strategy. The draft plan has been published for consultation and one of the core principles is a brownfield focused approach to development strategy (a principle which was supported during public consultation in 2022). Water Lane is a key site within this brownfield approach to housing delivery.

- 8.9 The First Review makes detailed proposals for the regeneration of land designated as the “Quay and Canal Basin Area”. A range of policies (KP6, H3, S1, S6, TM1 & TM3) contemplate a mix of uses over five sub-areas identified as (i) Quay, (ii) Cricklepit, (iii) Canal Basin and (iv) Water Lane Area and (v) Canal Banks. The policy for the Water Lane Area is to secure housing and leisure development on land vacated by employment uses and to support the retention and introduction of “more environmentally acceptable” employment uses. Other parts of the area are intended to provide a variety of visitor and leisure uses in the area’s historic buildings accompanied by retailing, offices, and housing, especially above ground floor level.
- 8.10 The Core Strategy continues to identify the Water Lane Area as a location for “comprehensive mixed-use redevelopment”. The Council intended that this high level strategy should find expression through a masterplan contained in the Development Delivery Development Plan Document. However, that document was abandoned. The focus on regeneration is nonetheless maintained in the draft outline Exeter Plan.
- 8.11 The draft outline Exeter Plan (2020-2040) proposes to reallocate the Quay and Canal Basin Area as “Water Lane – Site Reference 15”. The boundaries of the First Review Quay and Canal Basin allocation and the proposed Exeter Plan Water Lane allocation are similar but not exactly coterminous. A key proposal is that the area could accommodate around 1,500 new homes (1,180 during the plan period) alongside a mix of other uses including: new workspaces, shops, leisure uses (especially in the vicinity of the canal), community facilities, educational provision; and public open space. Regeneration is intended to be supported by a range of access improvements which reduce reliance on the private car, encourage cycling and walking (including a new crossing of the canal), and improvements to bus and railway infrastructure.
- 8.12 As set out in paragraph 8.3, the Council is currently preparing a Supplementary Planning Document (SPD) to comprise a Development Framework and Design Code for Water Lane. The SPD is needed to ensure comprehensive and coordinated development of the multiple land parcels in the Water Lane area. The document will hang off the Local Plan First Review and Core Strategy to support decision making in advance of the adoption of the Exeter Plan. It will also be aligned with the Liveable Exeter Principles contained in the outline draft Exeter Plan.
- 8.13 Whilst ‘Liveable Exeter: A Transformational Housing Delivery Programme’ is not an adopted planning policy document, it aims to demonstrate the capacity

within Exeter for renewal and densification through a transformational programme of housing delivery. In respect of the Water Lane area, it sets out a prospectus for new homes as part of a mixed-use development including workspace, shops, leisure, community space and primary school. The principles of Liveable Exeter have been incorporated within the emerging Exeter Plan. To elaborate further on the above the allocation proposed within the first draft of the new Plan considers allocating the land at Water Lane for redevelopment comprising:

- High quality, high density, mixed use development
- A strategic approach to flood risk mitigation
- A mix of house types and sizes, including affordable housing
- Low car (or no car) residential areas supported by sustainable transport
- New workspaces, shops/leisure use, community facilities, potential education facilities and public open spaces
- Ensuring continued operation of the canal
- Phased development and ensuring continued operation of the Marsh Barton energy from waste plant and biogas power station
- A net gain in biodiversity and funding to mitigate impacts on the Exe Estuary

- 8.14 A mixed use outline planning application for the land between Water Lane and the Railway line is being prepared by Cildara Group and WLDMC for land in their control. The proposals are being developed through a collaborative process with Exeter City Council including securing a Planning Performance Agreement and participation in a Design Review process.
- 8.15 WLDMC has so far undertaken two comprehensive consultation exercises held from 24 June – 29 July 2022 and 24 March – 17 April 2023 including walk in exhibition centres. The majority of the responses received to these consultations were supportive. WLDMC has engaged with key stakeholders and its communications and community engagement will help to shape the proposals accordingly.
- 8.16 The Design Review Process for the Scheme has seen positive feedback from Design West Review Panel which concluded with in a letter dated 15 March 2023 that it “sees encouraging signs towards the creation of an exciting project that could have wide exemplary value. We want to help you realise your vision and look forward to the next stage.”
- 8.17 The mixed-use development proposal appears aligned with current and emerging planning policy. The final outcome of the consultations, pre-application feedback and Design Review Process will inform the final outline planning application which is due early this year.

Proposed Highways Improvement Works

- 8.18 As mentioned in 8.6 above, Devon County Council (DCC) have been consulted by WLDMC on the highways solution. To get sufficient vehicular access to the area it is proposed to make highways improvements to the Willeys Avenue/ Water Lane junction including the re-alignment of Tan Lane and the creation of a new access road alongside the railway line (effectively avoiding a left in/ right out scenario at the Willeys Avenue/ Water Lane junction).
- 8.19 DCC have been approached about using CPO powers at a county level to help enable the scheme and although they are broadly supportive of the proposal to promote low parking residential schemes serviced via Water Lane (allowing the predominately pedestrian nature of Haven Road and the Quayside to be maintained) at officer level they do not have the appetite to put forward a CPO for consideration by the County Council.
- 8.20 WLDMC have a controlling interest in the majority of the land required within the Southern Regeneration Zone (see Appendix 3) needed to deliver a comprehensive regeneration scheme apart from the key strategic land holdings considered in Appendix 1.
- 8.21 The eastern end of Water Lane is relatively constrained as the carriageway is only about 5.5 metres wide in places and its effective width is reduced in places as it is bordered by the retaining wall of the former gas holder site. Furthermore sections of the eastern end of Water Lane don't have pedestrian footways (on either side of the highway).
- 8.22 Parcel 2 is key for the delivery of the proposed regeneration as it sits at the "gateway" to the site as a whole when approaching it from the northern section of Water Lane or Willeys Avenue. The parcel sits at the key node between Tan Lane and Water Lane (East) which is proposed to be the main access point for the whole regeneration area.
- 8.23 From a highways, transport and general development perspective it is a key parcel of land required to facilitate improvements to both Tan Lane and Water Lane (East) along with the junction of where the two meet.
- 8.24 Parcel 1 is just as important as the ownership includes the un-adopted footway at the eastern end of Water Lane which is often obstructed as residents utilise it for parking restricting use by pedestrians whilst reducing visibility at the adjoining highways junction.
- 8.25 The strategic access solution for the regeneration area is to prioritise active travel and sustainable public transport whilst minimising vehicular access to the regeneration area via Haven Road, maintaining the relatively quiet and pedestrian character of the Quayside.
- 8.26 To achieve this both Parcels 1 & 2 are required to facilitate an appropriately safe and desirable access solution for the regeneration area.

Site Descriptions of Potential Compulsory Purchase Sites

- 8.27 The CPO area is made up of a handful of properties over two titles. Please refer to Appendix 1 for details of each boundary.

Parcel 1

- 8.28 Part of Freehold Title: DN62743 (Address: part of the Vulcan Estate, Water Lane, Exeter, EX2 8BY).
- 8.29 The property extends to 0.04 acres and comprises two strips of land to the south of Water Lane (see Appendix 1).
- 8.30 The property currently forms part of the Vulcan Estate which is formed of industrial and warehouse premises.
- 8.31 The interest is required to facilitate a new potential highway link associated with the redevelopment of the Southern Regeneration Zone.

Parcel 2

- 8.32 Freehold Title: DN124909 (Address: Flats 1-4, Casting House, Water Lane, Exeter, EX2 8FE)
- 8.33 The property extends to 0.08 acres and comprises Casting House and the building's curtilage.
- 8.34 The property is currently made up of a block of 4 private residential flats and parking spaces.
- 8.35 This property is required to facilitate the proposed Tan Lane realignment and widening associated with the redevelopment of the Southern Regeneration Zone.

Negotiations to Date

- 8.36 WLDMC has made efforts to acquire the above mentioned interests by voluntary agreement. If the recommendations of this report are approved the council and WLDMC will continue to try to acquire the remaining interests by private treaty. In the event that the remaining interests cannot be obtained, the efforts to acquire them (without utilising compulsory purchase powers) will form part of the justification for obtaining confirmation of a Compulsory Purchase Order ("CPO") from the Secretary of State.

Reasons for progressing towards a CPO

- 8.37 As considered in 6.16 above it is considered that the proposed acquisition of the above sites to facilitate residential led mixed use regeneration is in the

public interest and of benefit to the wellbeing of existing residents for the following reasons:

Social

- Enabling the proposed regeneration will facilitate and encourage the growth of a new community whilst generating improvements to existing surrounding neighbourhoods. It will open up better active travel access to the valley parks, include new workspace, shops and schools and also seek to make major shifts in mobility to take pressure off busy road corridors.

Environmental

- The proposed regeneration will be sustainable and incorporates a number of comprehensive environmental attributes including a strategic approach to flood risk mitigation, low car (or no car) residential areas supported by sustainable transport. Phased development will ensure the continued operation of the Marsh Barton “energy from waste” plant and biogas power station. The proposed regeneration will also facilitate continued operation of the canal.

Economic

- The proposed regeneration will incorporate new workspaces, shops/leisure, community facilities and education facilities that will provide numerous growth and employment opportunities for the area (and Exeter as a whole) on what is currently underutilised brownfield land.

CPO Procedure

8.38 The key steps in the CPO are as follows:

- a) **In Principle Resolution** – Executive resolved to make CPO in principle (current resolution being sought).
- b) **Land Referencing** – Identifying who owns, rents and leases properties and communicating with all qualifying people.
- c) **Formulation** – the Council obtains information about legal interests in the land, including serving requisitions for information.
- d) **Scheme** – the Scheme is determined and application documents are prepared.
- e) **Delivery** – how the Scheme will be delivered in terms of funding and the identity of the developer are identified and approved by the Council.
- f) **Resolution** - Cabinet resolved to make CPO.
- g) **Making the Order** – The order is made by affixing the Council's Seal, advertising and serving formal notices on qualifying persons. This allows a 28 day objection period.
- h) **Notification and Publicity** – Advertise the CPO and advise qualifying persons (an owner, tenant or leaseholder) how to object and to whom.
- i) **If objections are received** –The Secretary of State will direct a CPO Inquiry, on a timescale directed by the Secretary of State, into whether the

CPO should be awarded or not. Once the inquiry is completed, the Inspector will put a report before the Secretary of State who will decide whether or not to confirm the CPO as submitted modify it or reject it.

- j) **If no objections are received** – The Secretary of State or the Council will confirm the CPO.
- k) **Confirmation** - Once confirmed, the Council can seek to take possession of the land via either a General Vesting Declaration or a Notice to Treat.
- l) **Pay Compensation** – Compensation is calculated by reference to the national regime or if disputed determined by the Upper Tribunal.

8.39 There is duty to negotiate in tandem with pursuing the CPO and the aspiration will be for all parties to agree a negotiated position that avoids the legal procedural costs associated with a CPO.

Tan Lane Improvements

8.40 To improve cycle, pedestrian and electric bus routes to the area and support a low car ownership ECC could also dedicate/ dispose of the northern tip (c. 0.1 acres) of Exton Road Depot Material Recycling Facility next to the railway arches on Tan Lane (see Appendix 2) to enable the opening up of an additional arch under the railway line to facilitate the height and width needed to service the Water Lane area with electric buses whilst also creating safe designated space for pedestrians and cyclists.



Image 1: View North towards existing Tan Lane Arch with Exton Road Depot on the right.

- 8.41 The existing Tan Lane underpass isn't really fit for purpose and if this route can be made safe for pedestrian and cyclist use, whilst also opening up the potential for electric buses, the opportunity should improve the accessibility and permeability of the area.
- 8.42 At an officer level DCC have recommended dedicating the land to DCC to secure the delivery of adoptable works via a S.38/ S.278 prepared alongside the planning application.
- 8.43 Whether the tip of the Exton Road depot is dedicate to DCC (subject to DCC approval) or dispose (at less than best consideration) to WLDMC the proposed

improvements are so desirable that it would appear reasonable to dedicate the land (or transfer for less than best consideration) on:

- social wellbeing grounds - proposed access improvements would benefit the lives of residents in the existing neighbourhoods as well as the new ones proposed,
- economic wellbeing grounds - good access facilitates good trade as well as access to a wider workforce; and
- environmental wellbeing grounds - safe active travel routes encourage low carbon travel.

8.44 If the land isn't dedicated directly to DCC then then the intention is that the land could be optioned for a limited period on the conditions that: i) an appropriate depot boundary treatment is constructed on the revised boundary line, ii) the cost of relocating the operation functions (currently election infrastructure storage) are met by the purchaser; and iii) the land can only be drawn down at the point the improvements to the underpass are being undertaken and the works being undertaken are designed to an adoptable standard.

8.45 The Exton Road depot land is operational land and depot space is within short supply but the opportunity to improve the underpass is a compelling one that creates benefits for Water Lane, Marsh Barton and areas further afield. With this in mind achieving a position where ECC can make a contribution in kind (by way of a strip of the Exton Road depot) at neutral cost without the need for a financial capital contribution, is still a great position for local residents and businesses that will generate maximum regeneration benefits from ECC's limited resources.

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

9.1 In October '22 the Council agreed the Corporate Plan 2022-2026 and the proposals will contribute towards the plan by:

- **Contributing to the aspirations of the Exeter Vision 2040** - by repurposing contaminated brownfield land into a well-connected and sustainable new mixed used neighbourhood contributes towards Exeter being a more liveable City; and
- **Delivering out strategic priorities** - building new homes on brownfield land within walking distance to the city centre will directly contribute towards the strategic aspirations for housing and an active city centre.

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

10.1 Risk of the Compulsory Purchase Order being challenged or being rejected by the Inspector/ Secretary of State: ECC will enter into a CPOIA to recover all CPO costs – including land acquisitions, legal costs and staff time therefore there isn't an anticipated financial risk to the Council.

11. Equality Act 2010 (The Act)

- 11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:
- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
 - advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
 - foster good relations between people by tackling prejudice and promoting understanding.
- 11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.
- 11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.
- 11.4 An Equalities Impact Assessment is attached but until land referencing (see 8.38 above) is undertaken it is unclear whether the people living within the CPO parcels have protected characteristics.

12. Carbon Footprint (Environmental) Implications:

- 12.1 In July 2019 the Council declared a Climate Emergency. Creating sustainable new homes within walking distance of the City Centre, transport nodes, local amenities and leisure facilities, on contaminated brownfield land, will help the delivering our carbon reduction target (carbon neutral by 2030).

13. Are there any other options?

- 13.1 The alternative options to the recommendation above are:
- (a) **Do Nothing** – the land promotor has already tried acquiring the land parcels via negotiation and has assembled a significant proportion of the land required but without the threat of compulsion it may be difficult to acquire the final strategic land holdings needed. Given the importance of regenerating the area, it's potential to contribute towards new homes and the amount of time it has been a strategic aspiration of the Council the "do nothing" option is not a recommended route.
- (b) **Sell a strip of Exton Road depot to WLDMC for best consideration** – the case for the underpass is a compelling one that creates benefits for Water Lane, Marsh Barton and areas further afield but the greater the cost of the underpass improvements the less likely they are to be delivered.

Director of City Development, Ian Collinson

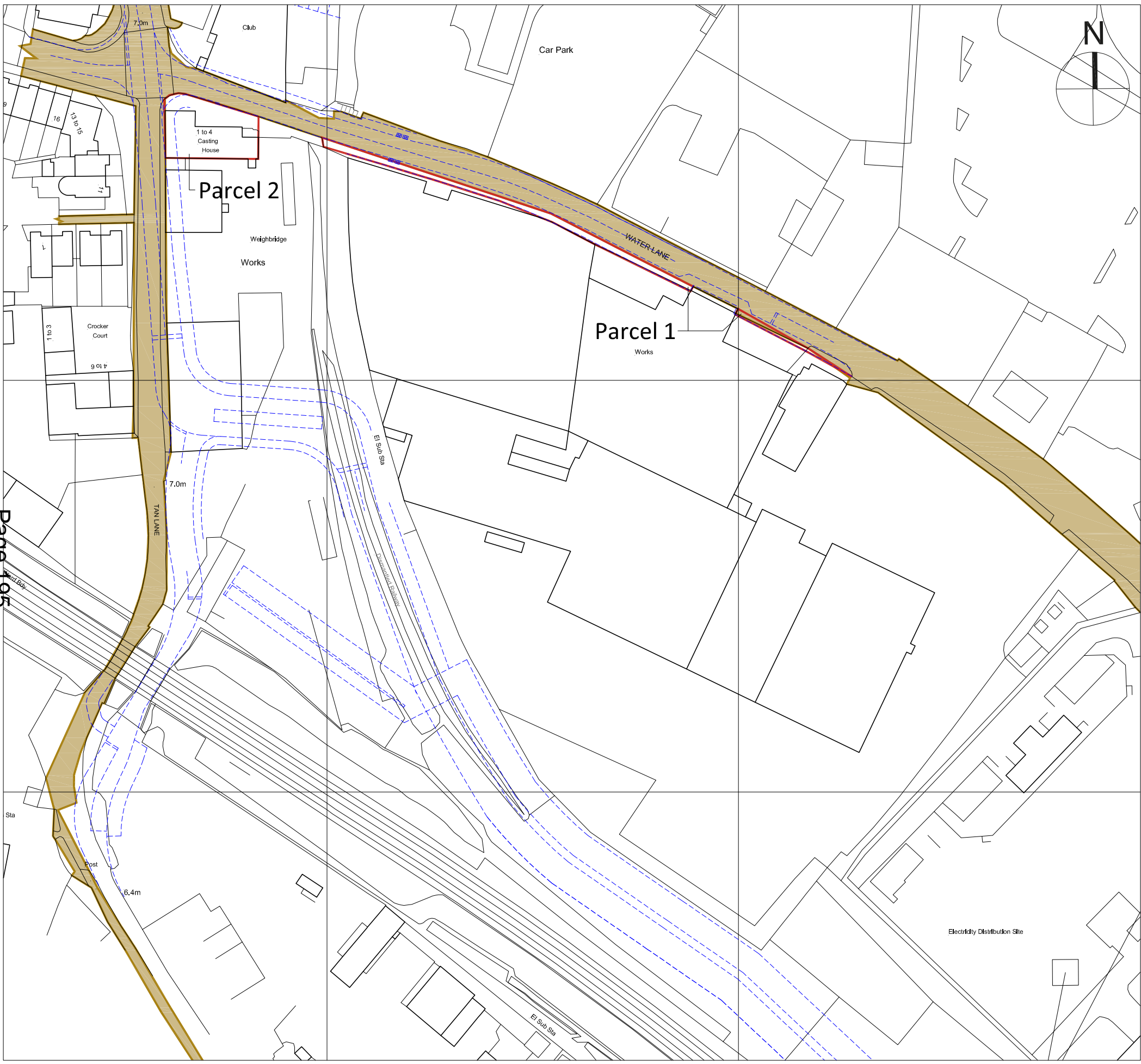
Author: David Martin, Principal Development Surveyor

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

Background papers used in compiling this report:-

None

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

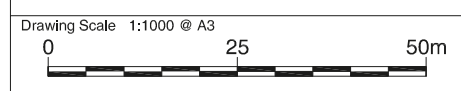


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Rev.	Date	Notes	Int.
1	26.04.23	Issued for information	PM
2	02.05.23	Indicative proposed road layout added	KW

CDM Regulations
xxx



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File Name: 18155-NP-00-00-DR-A-00078

FOR INFORMATION

Job Number	Originator	Zone	Level
18155	NP	00	00
Type	Role	Drawing Number	Revision
DR	A	00078	2

Project
Water Lane Regeneration Exeter

Title
CPO Parcel Drawing

Drawn by	Project Manager	Scale
PM	RL	1:1000 @ A3

- Indicative proposed new Highway layout
- Indicative extent of Highways Land

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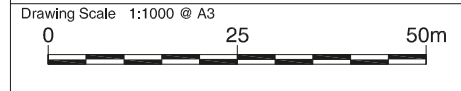


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Rev.	Date	Notes	Int.
1	26.04.23	Issued for information	PM
2	18:05:23	Scale changed	PM

CDM Regulations
xxx



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File Name: 18155-NP-00-00-DR-A-00077

FOR INFORMATION

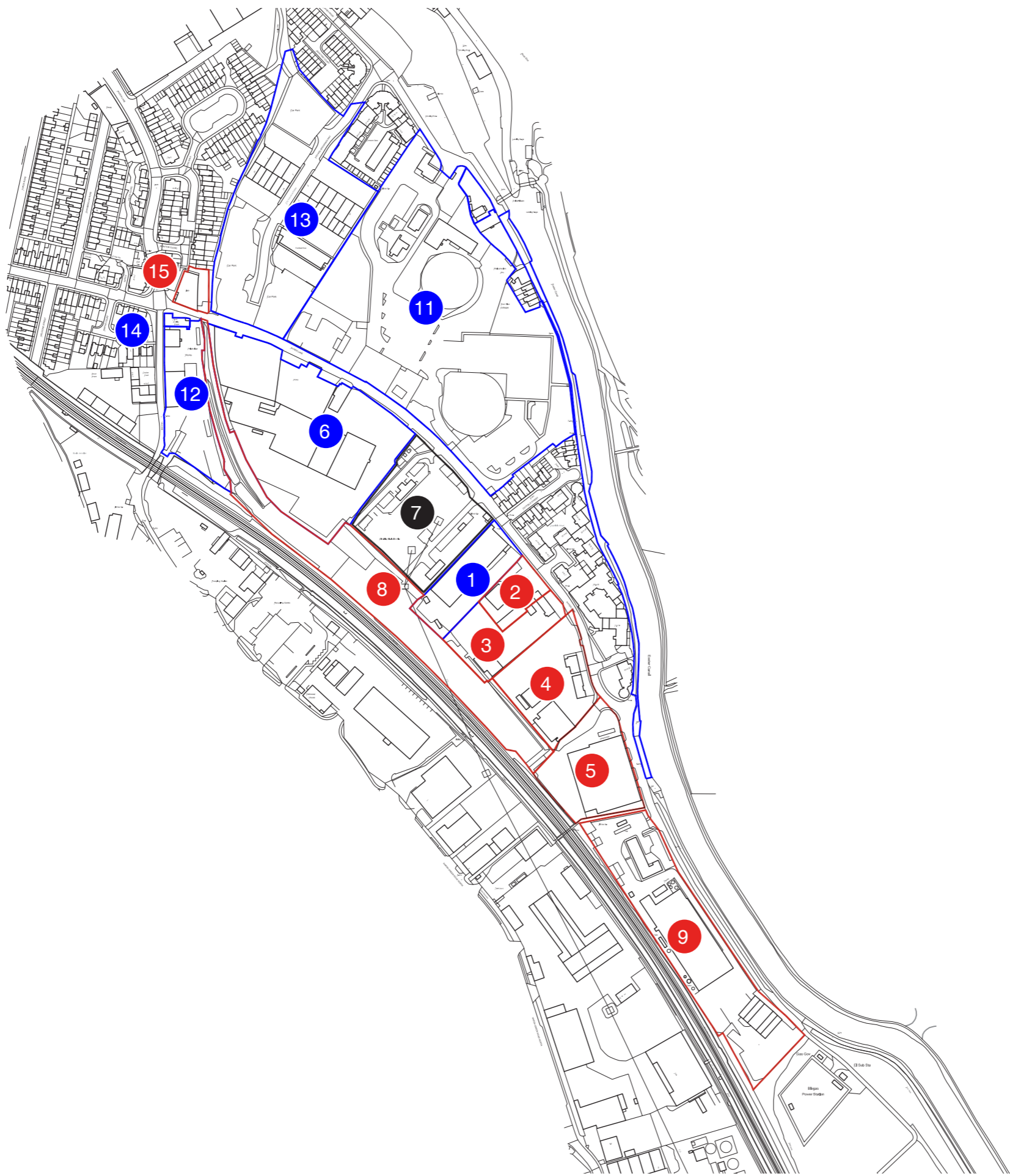
Job Number	Originator	Zone	Level
18155	NP	00	00
Type	Role	Drawing Number	Revision
DR	A	00077	2

Project
**Water Lane Regeneration
Exeter**

Title
**Exton Road Depot
Land Required Drawing**

Drawn by	Project Manager	Scale
PM	RL	1:1000 @ A3

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Key

- Land Acquired
- Adjoining Land

Water Lane Regeneration, Exeter

Land Ownership Drawing

Scale: NTS
Initials: PM
Date: 14 January 2022

Project	Originator	Zone	Level	Type	Role	Drawing N°	Revision
18155	NP	00	00	DR	A	00027	1

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Equality Impact Assessment: Water Lane Regeneration Area Compulsory Purchase Order

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 – 27 th June 2023	Water Lane Compulsory Purchase Order (“CPO”)	Entering into CPO Indemnity Agreement with the land promoter to secure land required to provide appropriate access to the regeneration area plus authority to dispose of (or dedicate) part of the Exton Road Depot at less than	Casting House is a privately rented apartment block comprising 4 flats currently let on short term tenancies. If the principle of utilising CPO powers is agreed a land referencing exercise will be commissioned to

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
		best consideration to help facilitate underpass improvements proposed at Tan Lane (which will enable the creation of new safe pedestrian, cycle and electric bus routes)	understand all legal interests (owners and occupiers) and will establish any protected characteristics of individuals living, or with a legal interest, in the CPO parcels. If protected characteristics are identified, at the time of referencing, the necessary steps will be taken to ensure the process is adapted to cater for the characteristics identified (e.g. translators, physical adaptations, compensation considerations etc).

Factors to consider in the assessment: For each of the groups below, an assessment has been made on whether the proposed decision will have a **positive, negative or neutral impact**. This is must be noted in the table below alongside brief details of why this conclusion has been reached and notes of any mitigation proposed. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

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

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

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

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).			
Disability: as defined by the Equality Act – a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse impact on their ability to carry out normal day-to-day activities.			
Sex/Gender			
Gender reassignment			
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).			
Sexual orientation (including heterosexual, lesbian, gay, bisexual).			
Age (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older people 81+; frail older people; people living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).			
Pregnancy and maternity including new and breast feeding mothers			
Marriage and civil partnership status			

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

Casting House is a privately rented apartment block comprising 4 flats currently let on short term tenancies. If the principle of utilising CPO powers is agreed a land referencing exercise will be commissioned to understand all legal interests (owners and occupiers) and will establish any protected characteristics of individuals living, or with a legal interest, in the CPO parcels. If protected characteristics are identified, at the time of referencing, the necessary steps will be taken to ensure the process is adapted to cater for the characteristics identified (which could include translators, physical adaptations, compensation considerations and more).

Officer: David Martin, Principal Development Manager

Date: 27th April 2023

REPORT TO EXECUTIVE

Date of Meeting: 27 June 2023

REPORT TO COUNCIL

Date of Meeting: 18 July 2023

Report of: Director Corporate Services

Title: Honorary Aldermen – Mrs Yolonda Henson

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 position of Honorary Alderman of the City to Mrs Yolonda Henson in recognition of her outstanding service to the Council.

2. Recommendations:

2.1 That in accordance with Section 249 of the Local Government Act 1972, the Right Worshipful the Lord Mayor be requested to convene an Extraordinary meeting of the Council, on the rising of the Ordinary meeting of the Council on 18 July 2023, to consider granting the position of Honorary Alderman of the City to Mrs Yolonda Henson.

3. Reasons for the recommendation:

- 3.1 Section 249 of the Local Government Act 1972, gives Councils the power to grant the position of Honorary Alderman 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 An Honorary Alderman shall be entitled to the following rights and privileges:
 - To enjoy the courtesy title of Alderman and to be so addressed.
 - In the event of the Council deciding to give some badge, robe or emblem to Honorary Alderman, to wear such badge, robe or emblem on civic occasions.
 - At each meeting of the Council to have seats reserved in the public gallery for the use of Honorary Aldermen.
 - To receive a copy of each Council summons.
 - To receive invitations to all civic and social events to which Members of the Council are invited.
 - To walk in civic procession in a position immediately senior to serving Members.
 - To enjoy such other privileges as the Council may confer upon them from time to time.

3.4 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 18 July 2023, when Members will be asked to consider granting the position of Honorary Alderman of the City to Mrs Yolonda Henson.

3.5 The nomination has been received in accordance with the following agreed criteria against which nominations would be considered:-

A person shall be deemed eligible to be enrolled as an Honorary Alderman provided that the person:

- Is not a serving member of Exeter City Council
- Has served as a Member of the City Council for at least 12 years in total
- Has given exceptional service during that period

3.6 It is also worth noting, that the Mrs Yolonda Henson has held the position of Mayor, Deputy Lord Mayor and Lord Mayor whilst serving on the Council.

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

Other than a small cost in preparing a suitable ceremonial scroll and hosting a small reception, there are no resource implications. These costs can be accommodated within existing budgets.

5. Section 151 Officer comments:

There are no additional financial implications contained in this report.

6. What are the legal aspects?

Section 249 of the Local Government Act 1972, gives Councils the power to grant Honorary Alderman status 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 to Mrs Yolonda Henson for the reasons as shown in paragraph 3.5 above.

8.2 Mrs Henson terms of office amount to 39 years respectively, and therefore meet the necessary length of service criteria, as well as being Lord Mayor of the City and providing provided exceptional service during her terms of office.

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 proposals.

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 because there are no risks associated with the proposals.

12. Carbon Footprint (Environmental) Implications:

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 principles of the approved criteria.

Director Corporate Services, Baan Al-Khafaji

Author: Democratic Services Manager, Mark Devin

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

Background papers used in compiling this report:-

None

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of the Local Government Act 1972.

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