

EXECUTIVE

Tuesday 30 November 2021

Present:

Councillor Bialyk (Chair)

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

In attendance:

Councillor A. Leadbetter (as an opposition group Leader)

Councillor K. Mitchell (as an opposition group Leader)

Councillor D. Moore (as an opposition group Leader)

Also present:

Chief Executive & Growth Director, Deputy Chief Executive, Director Corporate Services, Director Finance, Service Lead for Commercial and Procurement, Assistant Service Lead – Local Plan and Democratic Services Team Leader

In attendance:

Steve Barriball – Member of the Independent Remuneration Panel.

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ALDERMAN JOAN RICHARDSON

The Chair passed on his condolences and respects, and those of Members, to the family of Alderman Joan Richardson, a former Mayor and Councillor at Exeter City Council, who had recently passed away. Recognition and tributes would be made to Alderman Richardson at the forthcoming Full Council meeting.

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MINUTES

The minutes of the meeting held on 2 November 2021, were taken as read, approved and signed by the Chair as a correct record.

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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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MEMBERS ALLOWANCES 2022/23

The Chair welcomed Steve Barriball, who was in attendance on behalf of the Chair of the Independent Remuneration Panel.

Steve Barriball presented the Council's Independent Remuneration Panel report relating to Members' Allowances for the period 2022/23. The Independent Remuneration Panel provided a review and guidance to the Council on a scheme of Members' Allowances and to make recommendations on the allowance to be paid to Members, following the legislation set out under the Local Authorities (Members' Allowances) (England) Regulations 2001 and 2003.

Members were referred to the recommendations in the report, with particular reference made to:-

- the current Members' Allowances scheme was recommended to be retained for 2022/23, having been carefully considered by the Independent Remuneration Panel;
- the Councillors' Basic and Special Responsibility Allowances, should be increased by 2.5%, with effect from 1 April 2022 to match the Local Government Employers (LGE) staff pay award for the previous year;
- travel and subsistence allowances would continue to be made available for Exeter City Councillors where appropriate;
- the Independent Remuneration Panel would convene again in 12 months to review the scheme of allowances; and
- thanks to the Corporate Manager Democratic and Civic Support and the Democratic Services Officer (SLS) for their help and support.

Councillor Leadbetter, as an opposition leader, enquired on the pay award increase for the previous year. The Council Leader in responding, stated that the report detailed the allowances for the forthcoming year.

The Chair thanked Steve Barriball and the Independent Remuneration Panel for their work and to Steve for attending the meeting.

RECOMMENDED to Council that:-

- (1) the basic structure and principles of the current Members' Allowances scheme be retained for 2022/23;
- (2) the principle that any Member qualifying for more than one Special Responsibility Allowance is paid the higher allowance only, be retained;
- (3) the Councillors' Basic and Special Responsibility Allowances, including the Lord Mayor and Deputy Lord Mayor's Expenses Allowances, should be linked and updated in line with the Local Government Employers (LGE) staff pay award for the previous year (a 2.5% increase in the annual Local Staff Pay Award was awarded by the Employers side for staff which was effective for staff from April 2021), and be uplifted by this amount with effect from 1 April 2022;
- (4) the principle that Special Responsibility Allowances be paid to no more than 50% of the overall number of Councillors be kept under review and adhered to where possible;
- (5) the current Dependants' Carers' Allowance scheme be maintained, with the continuation of the level of allowance matching the hourly Living Wage as applicable from April of each year (together with the retention of the uplift of the standard rate of income tax). In the case of Members who need specialist care for a child or adult dependant, a higher rate, of up to £25 per hour or part thereof, can be agreed by negotiation in advance with the Corporate Manager, Democratic and Civic Support;
- (6) the sum of £50 be paid to the Independent Persons affiliated to the Audit and Governance Committee for up to four hours work, and £100 for four hours and over, payable to each of the two Independent Persons (up to a maximum of £500 per person in any one year) be retained; and
- (7) the Travel and Subsistence allowances available for staff continue to apply to Exeter City Councillors, where appropriate.

CHANGES TO THE ROLE OF THE CHIEF EXECUTIVE & GROWTH DIRECTOR AND STRATEGIC MANAGEMENT BOARD

The Executive received the report which sought Member approval to enable the Chief Executive & Growth Director to lead Exeter City Futures Community Interest Company (CIC) for two days a week, to provide leadership on the Net Zero Exeter

2030 Plan, supported by the Director for Transformation, working three days a week. The proposed deployment would be for a 12 month period and the report highlighted the proposed changes in the Strategic Management Board reporting lines during this period.

The Chief Executive & Growth Director in presenting the report, reminded Members that the Council had set a Net Zero by 2030 target on behalf of the city, and had engaged with various institutions across the city, who had signed up to the 2040 vision and worked with the Council, as part of Exeter City Futures to publish a Net Zero 2030 to deliver the ambition. There would be a magnitude of work involved on a political, technical and financial level to address the methodology to achieve the goals, which included the retrofitting of private housing to meet the requirements of the low-carbon agenda.

Members noted that organisations across the area would need to be working in partnership on a regional level to address the issues for Exeter City Futures to achieve the Net Zero target. The Chief Executive & Growth Director and the Director for Transformation would be focussing on the priority actions identified in the report. These secondments would enable engagement with various partners to bring in resources to deliver the vision. The process would be reviewed in 12 months.

Particular reference was made to:-

- the key institutions who sit on the board of the Exeter City Futures, included the University of Exeter, Exeter College, Devon County Council, the Royal Devon & Exeter Hospital, Oxygen House and the City Council. All institutions would be working in partnership to deliver the Net Zero Agenda, with leadership from the Chief Executive & Growth Director; and
- there was a significant challenge to develop the funding and delivery mechanisms to implement the retrofit of the city's private housing stock.

Councillor D. Moore, as an opposition leader, spoke on the item, stating that in 2019, the United Nations called for a 7.6% reduction in greenhouse gas emissions each year between 2020 and 2030 to limit global warming to 1.5 degrees. Following on from the recently held COP26 (Conference of the Parties) climate change conference, it was stated that quicker and more timely efforts were needed. Councillor Moore welcomed the proposal but considered the report to be complex and was set apart from the goals to establish a carbon budget for Exeter as shown in the recommendations. She further considered that there was no risk analyses and sought clarification on how the report author reached the analysis of the risks outlined in Section 9 of the report and enquired on the following areas:-

- What assessment criteria regarding the impact of the secondments did the Council intend to use?
- What due diligence had the Council undertaken for Exeter City Futures and its capacity to deliver on its financial viability, governance arrangements and ability to recruit staff?
- With the 2019 accounts showing a loss and the current reliance of secondments to Exeter City Futures (ECF), what investment was being made from other members of ECF to fund the secondments?
- What would the impact be, to the Medium Term Financial Plan for the two secondments and to the quality of Council services?
- How did the Council intend to deal with governance and oversight of the work in relation to potential conflicts of interest?

- With Exeter City Futures working on a Government backed asset investment fund, Exeter City Council was expected to be a principal shareholder investing a significant portion of the £200million initial investment, will the seconded Officers focus on delivery of this project and how will the level of the Council's exposure to risk to be independently assessed?
- Should the Executive Committee be fully informed of the Exeter Development Fund and its associated risk before proceeding with the secondment?

The Leader in responding stated that the Chief Executive & Growth Director would be working with other organisations to encourage them to engage with their commitment to the Net Zero agenda. All details of the secondments would be managed through the Council's relevant departments as an internal matter. The Leader agreed that, although the secondments would have an impact on the Council, there were experienced officers available to manage the Council's work during the secondment period. Investments from various partners would be sought and the impact to the Medium Term Financial plan would be included in the Council's budget in February 2022. All decisions which impacted on Exeter City Council would continue to be reported to the Executive and be available for scrutiny by the relevant Scrutiny Committee.

During the discussion, the following points were raised:-

- risk assessments, governance and conflicts of interest would be managed appropriately to identify potential impacts to the Council and any required mitigation would be put in place;
- the report was a positive statement of the Council's leadership and a strong demonstration of its commitment to working with partners;
- the Council had previously undertaken a vast volume of work on the climate emergency and environmental issues, including work on the valley parks and greenspaces and energy efficient buildings, such as St Sidwell's Point;
- the outcomes listed in the report were important and it was important to have the right leadership and skills in place to achieve a carbon neutral city; and
- the report was transparent and outlined the secondment arrangements, which were reasonable to support the delivery of the net Zero carbon agenda.

The Leader in summarising referred to the other options listed in the report presented at the meeting, highlighting that there was no statutory obligation to lead a city wide Net Zero agenda and the Council could solely focus on the carbon emissions from their organisation. There had been frequent requests to appoint a dedicated officer to lead on the Net Zero agenda, which the secondment of the Chief Executive & Growth Director would demonstrate the Council's focus on delivering Net Zero with experienced leadership. The Leader thanked the Director Finance for preparing the emergency budget to allocate the funds needed to undertake the work and enable the Chief Executive & Growth Director to lead on the work and engage with partners.

Members welcomed the report, which provided an overview for a new chapter for Exeter City Futures and highlighted how the Council will lead on the Climate Emergency and implement changes that would be needed to achieve the Net Zero target.

RECOMMENDED that Council:-

- (1) approve the secondment of the Chief Executive & Growth Director for two days per week to head up the work of Exeter City Futures CIC in support of the Net Zero Exeter 2030 Plan, commencing on 2 January 2022;

- (2) approve the secondment of the Director of Transformation for up to three days per week to Exeter City Futures CIC, to design and lead the programme of change in support of the Net Zero Exeter 2030 goal, commencing on 2 January 2022;
- (3) agree to the review of the secondment arrangements in 12 months;
- (4) approve the commission of additional work to establish a carbon budget for the City of Exeter to show the baseline position for the city, the various city sectors who contribute to carbon emissions, the targets to achieve Net Zero and the carbon emission implications in pursuing the proposals, as set out in the Net Zero Plan;
- (5) note the changes to the Strategic Management Board reporting lines; and
- (6) request that Strata Service Solutions Ltd consider amending its constitution to allow for the officer representation on its Joint Executive Committee to be the Chief Executive or his nominee of the three constituent authorities (rather than the Chief Executive).

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**THE EXETER ARTICLE 4 DIRECTION: HOUSES IN MULTIPLE OCCUPANCY.
RESPONSE TO A RECENT PETITION**

The Executive received the report on the Exeter Article 4 Direction for Houses in Multiple Occupancy (HMO), following the receipt of a petition at the meeting of the Council on 21 July 2021. The petition requested an extension of the Article 4 restrictions for HMO's to the remainder of the Sylvan Road, Sylvan Avenue and Moorview Close areas. In line with the Council's petition scheme, a report had been brought to the Executive for further consideration.

The Portfolio Holder for City Development moved an amendment to the recommendations as follows:-

2.2 to recognise the continued commitment to preparing the Local Plan to the agreed timescales whilst in parallel identifying additional resources to support a review of the Article 4 Direction.

It was explained that the reason for the proposed amendment followed meetings held with residents and Members to understand their concerns.

The Leader invited the petition organiser, Mr John Danvers to speak on this matter. Mr Danvers thanked the Executive for the opportunity to speak and to the Leader for the proposed amendments to the recommendations. He explained that he was representing 150 residents of Sylvan Road, the surrounding streets in the Pennsylvania Ward and of the signatories of the petition. In June 2021, a letter was submitted to the Planning Department requesting changes to the current Article 4 Direction. A petition was submitted on 8 July 2021, followed by a revised letter to support the petition. Following productive discussions with Councillors, the Leader and Deputy Leader, residents had been contacted by a growing number of concerned residents and had gathered additional evidence to support the original request to review the Article 4 Direction on the conversion of family homes into HMO's and student accommodation.

It was explained that residents would be submitting another letter containing the updated evidence, highlighting the concerns of residents on how communities in north Pennsylvania were being affected by the frequent conversions, some of which

did not appear on the Council register. Mr Danvers highlighted that in 2016 there was just one HMO in north Pennsylvania and now there were more than 14. Local residents had reported incidents of landlords and tenants, who had made life miserable for their neighbours. The community value for the area was being affected by excessive noise, litter, antisocial behaviour with an increase to the number of cars, impacting the wider community.

The increase in the number of HMO's had reduced the available number of houses available for younger families. Mr Danvers concluded by highlighting that residents did not have any issues with students and acknowledged that most were well behaved, however there was a small minority that had adversely impacted the community area. Many residents felt that there was an indifference from the Council and University and requested that their concerns be taken seriously with consultation and engagement to resolve the concerns. It was requested that the Council immediately engage in a full consultation process on the conversion of future homes into HMO's in Pennsylvania and to review all plans for citywide student homes and HMO's with the inclusion of a buffer zone around any Article 4 areas.

The Chair thanked Mr Danvers for attending the meeting.

The Deputy Chief Executive presented the report and recognised the concerns of residents in the affected area and the issues that had been raised. The report highlighted that officers, to date, were unable to find sufficient evidence to undertake a review of the Article 4 provisions in the area, but more in-depth work would be needed to fully explore this issue. Due to the focus on delivering the new Local Plan to the agreed timescale, it was not possible to resource a full review of the Article Four area. The proposed amendments would allow officers to develop a costed proposal to undertake a review, which would be presented to Members for their approval and to agree the resources required.

Councillor K. Mitchell, as an opposition leader, welcomed the proposed amendment to the recommendations and sought clarification on whether the changes to Article 4 Direction would include other areas in the city. The Leader in responding confirmed that additional resources would be for a review of the overall Article 4 Direction.

During the discussion the following points were raised:-

- the acknowledgment that there was a balance to be struck between the passion of the community and available resources;
- any responses from residents would be carefully considered and analysed by officers;
- the comments provided by Mr Danvers and residents' views were welcomed but there was a challenge for the Council, to also house students, particularly with the University population increasing each year and that a balance was needed to be achieved; and
- there had been productive meetings between Ward Councillors, the Leader and Deputy Leader, which highlighted that there was no indifference to residents' views or to addressing the implications of undertaking a review.

The Portfolio Holder for City Development in summarising the amendment, thanked officers for the work included in the report and welcomed the fact that there was no risk to the timescale for developing the Local Plan.

Following the discussion, Councillor Bialyk moved and was seconded by Councillor Wright to amend the recommendations in the report to include the proposed amendment, which were moved and voted for unanimously.

RECOMMENDED that Council:-

- (1) note the content of the petition and the concerns raised regarding the potential impacts of Houses in Multiple Occupation on the local community; and
- (2) recognise the continued commitment to preparing the Local Plan to the agreed timescales whilst identifying additional resources to support a review of the Article 4 Direction.

118 **OVERVIEW OF GENERAL FUND REVENUE BUDGET 2021/22 - QUARTER 2**

The Executive received the report on the overall financial position of the General Fund Revenue Budgets for the 2021/22 financial year after six months.

Particular reference was made to:-

- the planned take from the General Fund working balance was expected to be around £550,000 lower than what was anticipated;
- there was a projected income loss of £2.4 million mainly in car parking, entertainment and visitor facilities, which was due to the slow recovery from the impact of the Pandemic;
- the projected underspend on certain services was caused by resource issues and global supply chain shortages. There would likely be requests for supplementary budget revisions at the end of the financial year, which would be transferred from earmarked reserves to meet the requests; and
- the supplementary budgets listed in Section 8.11 of the report would be funded through Government Grant and the request for £5,000 for the Community Grants for the Neighbourhood CIL would be funded from the General Fund balance.

RECOMMENDED that Council notes and approves (where applicable):-

- (1) the General Fund forecast financial position for the 2021 financial year;
- (2) the supplementary budgets as detailed in paragraph 8.11 of the report;
- (3) the outstanding Sundry Debt position as at September 2021; and
- (4) the creditors payments performance.

119 **2021/22 GENERAL FUND CAPITAL MONITORING STATEMENT - QUARTER 2**

The Executive received the report on the current position of the Council's revised annual Capital Monitoring programme and the anticipated level of deferred expenditure into future years. The report also sought approval to amend the annual capital programme in order to reflect the reported variations.

Particular reference was made to:-

- the Council had spent £9.694 million of the £106.986 million revised capital programme during the first six months, which was lower than the previous year;
- there were continued issues in the construction sector impacting on the supply of materials and labour, which was likely to continue impacting the programme for some time resulting in a deferral of schemes; and
- an additional £6,391,470 funding from Central Government had been received for the brownfield land release projects and would be used for work at Bonhay

Meadows, Exeter Canal Basin, Mary Arches Car Park, Belle Isle, Cathedral & Quay Car Park and Clifton Hill.

A Member commented on the solar panel installation work for the Riverside Leisure Centre roof, which further highlighted the Council's commitment to achieving the Net Zero ambition.

RECOMMENDED that Council approve:-

- (1) the revision of the annual Capital Programme to reflect the reported variations detailed in 8.1 and Appendix 1 of the report; and
- (2) the additional budget detailed in 8.6 of the report.

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2021/22 HRA BUDGET MONITORING REPORT - QUARTER 2

The Executive received the report on the financial position of the HRA Revenue and Capital Budgets for the 2021/22 financial year after six months and on the reported budgetary over/under-spends. The report further highlighted areas of risk to inform Members where budgets had been identified as vulnerable to circumstances beyond the Council's control, resulting in potential deviations from budget.

RECOMMENDED that Council approves (where applicable):-

- (1) the HRA forecast financial position for 2021/22 financial year; and
- (2) the revision of the HRA Capital Programme to reflect the reported variations detailed in Appendix 4 of the report.

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TREASURY MANAGEMENT 2021/22 HALF YEAR UPDATE

The Executive received the half year report on the current Treasury Management performance for the 2021/22 financial year and an overview of investments and borrowings at 30 September 2021.

Particular reference was made to the current low interest rates and the potential for the interest rates to be increased.

RECOMMENDED that Council note the Treasury Management report for the first six months of the 2021/22 financial year.

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UPDATES TO PROCUREMENT AND CONTRACT PROCEDURES

The Executive received the report on updating the procurement contract procedures to ensure that the Council's procedure rules were up to date to ensure full transparency for public resources and that the roles and accountabilities were correct.

Particular reference was made to:-

- changes to the references for the Official Journal of the European Union (OJEU) had been changed following the EU Exit to the Government Procurement Agreement (GPA);
- the inclusion of updates to the 2021 subsidy control bill;
- the inclusion of the provision to reserve below threshold procurements to suppliers by location and for SMEs/ VCSEs;
- the exemption form captured all contracts directly awarded by the Council; and

- general administrative amendments that had been made to reflect changes to job titles and web links.

RECOMMENDED that Council approve:-

- (1) the revised Procurement and Contract Procedures in Appendix A of the report;
- (2) the revised Procedural Note – Exemptions in Appendix B of the report; and
- (3) the authorisation for the Director Finance in conjunction with the relevant Portfolio Holder to make minor changes to the Contract Procedure Rules as defined below and that any changes be reported to Members as part of the wider update on progress:
 - Changes in statutory framework, such as references to new or updated legislation;
 - Changes in titles, names or terminology; and
 - Changes consequential to other constitutional changes already made.

(The meeting commenced at 5.30 pm and closed at 6.40 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 14 December 2021.