

EXECUTIVE

Tuesday 13 April 2010

Present:-

Councillor Fullam (Chair)
Councillors S Brock, Cole, Mrs Henson, Newton and Wadham

Chief Executive, Director Community and Environment, Director Corporate Services, Interim Director Economy and Development, Head of Treasury Services, Head of Economy and Tourism and Member Services Manager

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DECLARATIONS OF INTEREST

No declarations of interest were made.

47

THIRD QUARTER OVERVIEW OF GENERAL FUND REVENUE BUDGET 2009/10

The report of the Head of Treasury Services was submitted, advising Members of the overall projected financial position of the General Fund Revenue Budget after nine months, for the 2009/2010 financial year.

Scrutiny Committee – Resources considered the report at its meeting on 24 March 2010 and the comments and support of Members were noted.

Members were pleased to note the improved performance in the payment of creditors - over 96% of invoices had been paid within 30 days in the first three quarters of 2009/10 compared with 85.3% over the same period in the previous year.

RESOLVED to note:

- (1) the General Fund forecast financial position for the 2009/10 financial year;
- (2) the Housing Revenue Account (HRA) forecast financial position for the 2009/10 financial year;
- (3) the outstanding Sundry Debt position as at 31 December 2009;
- (4) the recovery position of Icelandic investments; and
- (5) the Statutory Performance Indicator BVP18 for creditors' payments.

(Report circulated)

48

CAPITAL MONITORING STATEMENT TO DECEMBER 2009

The report of the Head of Treasury Services was submitted setting out the current position in respect of the Council's annual capital programme and advising Members of the anticipated variations. In accordance with the Prudential Code for Capital Finance in Local Authorities, it is necessary to monitor performance against the prudential indicator for capital expenditure and highlight significant deviations from expectations.

Scrutiny Committee – Resources considered the report at its meeting of 24 March 2010 and the comments and support of Members were noted.

RESOLVED that the current position in respect of the 2009/10 annual capital programme be noted.

(Report circulated)

49

ICELANDIC BANKS - FINANCIAL UPDATE

The report of the Head of Treasury Services was submitted, updating Members on the latest financial position in respect of the money deposited with the Icelandic banks and the implications that this has on the Council's overall revenue budget.

The Head of Treasury Services informed Executive that the legal challenge regarding the refusal of the Winding-Up Board of Glitnir bank to grant preferential creditor status was continuing and the outcome was unlikely to be known for a further 12 months. The Council was continuing to work with other interested parties to challenge the decision of Communities and Local Government not to allow capitalisation of potential losses.

Scrutiny Committee – Resources considered the report at its meeting of 24 March 2010 and the comments and support of Members were noted.

Councillor Martin attended the meeting and spoke on this item under Standing Order 44. He supported the measures proposed in the report to address the position.

Members endorsed the importance of maintaining the Council's balances at a healthy level, particularly in view of the transition to Unitary status. They supported the measures proposed to address the position including the capitalisation of statutory redundancy payments. They were pleased to note that a significant refund was likely to be received from HMRC in respect of VAT and that it was anticipated that further budget savings might be identified on the closure of accounts for last year.

RECOMMENDED to Council that:-

- (1) the Council capitalises its statutory redundancy payments for 2009/10 and 2010/11; and
- (2) if a positive decision on capitalising the Icelandic impairment is not forthcoming then further measures to reduce the revenue budget outlined in the report be adopted.

(Report circulated)

50

CORPORATE GOVERNANCE RISK REGISTER - ANNUAL REVIEW

The report of the Head of Audit was submitted, advising Executive of the Council's risk management progress and seeking approval to the updated corporate risk register.

Scrutiny Committee – Resources considered the report at its meeting of 24 March 2010 and their support and comments were noted.

Executive noted Scrutiny Committee's support for the City Council's case that it should receive a full financial settlement from Devon County Council in respect of any additional costs that the City Council would incur by the transfer of waste to Heathfield. The Director Community and Environment reported that Devon County Council had agreed to cover all "reasonable" costs in respect of the transfer of waste to Heathfield. However the County Council was in the process of seeking planning permission for a site in closer proximity, to the east of Exeter, and it was likely that the agreement would need to be re-negotiated. It was hoped to avoid an expensive, long and uncertain arbitration process.

RESOLVED that the annual Corporate Risk Register be approved.

(Report circulated)

51 **ANNUAL SUSTAINABLE PROCUREMENT AND COMMISSIONING REPORT**

The report of the Head of Contracts and Direct Services was submitted, reporting progress made against last year's Sustainable Procurement and Commissioning Action Plan, and outlining the Sustainable Procurement and Commissioning Action Plan for 2010/11.

Scrutiny Committee – Resources considered the report at its meeting of 24 March 2010 and the support and comments of Members were noted.

The Director Corporate Services informed members of the work of the Procurement Group and their involvement in Devon-wide contracts through the Devon Procurement Partnership. He identified three major contract exercises which were currently underway: Royal Albert Memorial Museum; Housing Maintenance and Leisure Management. The Green Accord had achieved national recognition and it was projected to create a valuable income stream.

The Director advised members of the need to review the Action Plan for 2010/11 in the light of the transition to Unitary status and that he was discussing with the Head of Contracts and Direct Services the prioritisation and possible deferral of certain tasks identified in Appendix II. Members supported the proposal to revise the Action Plan.

RESOLVED that:-

- (1) progress made against last year's Sustainable Procurement and Commissioning Action Plan be noted; and
- (2) the Director Corporate Services, in consultation with the Portfolio Holder Business Transformation and Human Resources and the Head of Contracts and Direct Services, review and re-prioritise the Action Plan for 2010/11.

(Report circulated)

52 **EXETER NORTHCOTT THEATRE - UPDATE**

The report of the Head of Economy and Tourism was submitted informing Members of the current position of the Exeter Northcott Theatre and the actions being taken to secure its future. He reported that the administrator was working to reduce the operating costs of the theatre and address outstanding debts. It was understood that Emmanuel Hall, the theatre's rehearsal and storage facility was being offered for sale and that nine staff had been made redundant. It was hoped to prevent the

closure of the theatre by achieving an interim solution until a more sustainable model for its future could be achieved.

Councillor Martin attended the meeting and spoke on this item under Standing Order 44. He regretted the position in which the Northcott Theatre now found itself and understood that the building programme and the car parking and bus service arrangements had contributed to its demise. He commented that the City Council's grant was a small but significant contribution to the operation of the theatre and hoped that the Council's support would continue.

Members emphasised the cross-party support for the Northcott Theatre and endorsed its importance to the cultural amenities of the city and region. It was understood that the Council's annual grant would be an important contribution to the continuation of the theatre along with funding support from the University and the Arts Council. Some £5000 of the grant monies was already being used to employ a specialist to support the work being undertaken to save the theatre in the short term and to help prepare a longer term plan.

The Head of Economy and Tourism responded to questions regarding Theatre Alibi which had approached the Council regarding future support and informed members that discussions were continuing.

The Chair acknowledged the regional importance of the Northcott Theatre and regretted the circumstances which had led to this position. He hoped that proposals for the Theatre's sustainable future would be successful. He noted the provision of other theatres in the City including the Barnfield and the Cygnet Theatres.

RESOLVED that:-

- (1) Executive supports the efforts being taken, together with the University and Arts Council, to determine a viable option for a new organisation to operate the Exeter Northcott Theatre; and
- (2) the decision over whether the Council commits its grant of £85,000 to a new organisation operating the theatre is delegated to the Leader of the Council, the Portfolio Holder Economy and Tourism, the Chair of the Grants Committee, the Director Community and Environment and the Head of Economy and Tourism.

(Report circulated)

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

RESOLVED that, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the following items on the grounds that they involved the likely disclosure of exempt information as defined in paragraphs 1, 3 and 4 of Part 1 of Schedule 12A of the Local Government Act 1972.

54 **FUTURE OF BUILDING AND ELECTRICAL SERVICES TEAM (BEST)**

The report of the Head of Contracts and Direct Services was submitted, presenting to Members a proposal for the retention of a core building and electrical support service to the Council.

Scrutiny Committee – Resources considered the report at its meeting on 24 March 2010 and the comments and support of members were noted.

RESOLVED that the proposals contained in the report be approved and that the implications arising from this decision are investigated and reported back to Members in accordance with the reporting schedule in Appendix 4 of the report.

(Report circulated to Members)

55

UPDATE ON THE RAMM DEVELOPMENT PROJECT

The report of the Head of Leisure and Museums was submitted, updating Members on the RAMM Development Project.

Scrutiny Committee – Resources considered the report at its meeting on 24 March 2010 and the comments and support of Members were noted.

Councillor Martin attended the meeting and spoke on this item under Standing Order 44. He was pleased to note the progress that had been made on the development and requested that an independent review of the process should be undertaken once the Museum had been operational for a suitable period.

The Chair agreed that it would be appropriate to review the development project at a suitable time after completion in order that the new authority could benefit from the lessons learned about the management of major projects for the future.

RECOMMENDED to Council:-

- (1) to authorise the Head of Leisure and Museums, in consultation with the Leader and Portfolio Holder for Environment and Leisure, the Director Community and Environment and the Head of Legal Services, to incur the necessary expenditure for the purposes identified in the report, an estimate of which has been set out in paragraph 4.4 of the report, subject to written assessments of the financial risks and benefits at not more than 2 monthly intervals; and
- (2) that a further increase in the project budget of £1.7m be authorised for the purpose indicated in the report.

(Report circulated to Members)

(The meeting commenced at 5.30 pm and closed at 7.00 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 27 April 2010.