

## **EXECUTIVE**

Tuesday 4 December 2012

### **Present:**

Councillor Edwards (Chair)  
Councillors Denham, Fullam, Hannaford, Mrs Henson, Martin, Sheldon and Sutton

### **Also present:**

Chief Executive, Strategic Director (KH), Strategic Director (MP), Assistant Director City Development, Assistant Director Finance, Assistant Director Business Transformation, Corporate Manager Democratic and Civic Support, Housing Development Manager and Member Services Manager

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### **DECLARATIONS OF INTEREST**

No declarations of interest were made.

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### **MAJOR GRANTS AND NEW HOMES BONUS PANEL**

The minutes of the meeting of the Major Grants and New Homes Bonus Panel held on 22 November 2012 were circulated.

**RESOLVED** that the minutes of the Major Grants and New Homes Bonus Panel be received and adopted.

(Minutes circulated)

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### **OVERVIEW OF CAPITAL EXPENDITURE TO 30 SEPTEMBER 2012**

The report of the Assistant Director Finance was submitted, reporting the current position in respect of the Council's revised annual capital programme and advising members of the anticipated level of deferred expenditure into future years. The report sought approval to amend the annual capital programme in order to reflect the reported variations.

The Assistant Director reported that, during the first six months of the year, the Council had spent £6.515 million of the programme which equated to 26.6% of the revised capital programme of £24.484million. A total spend of £19.665 was forecast for 2012/13 with £1.4 million potentially to be deferred to the following year and £3.609 million proposed for deletion.

Executive supported the programme including the requests for additional expenditure in relation to No 6 Greenhouse at Belle Isle Nursery and City Centre Enhancement/ King William Street Car Park. Members were informed that the expenditure of £17,500 at the Greenhouse related to the replacement of glass sheets with polycarbonate for safety reasons.

Scrutiny Committee – Resources considered the report at the meeting on 21 November and the comments and support of members were noted.

**RECOMMENDED** to Council to:-

- (1) note and approve the current position in respect of the annual capital programme;
- (2) approve an additional budget of £17,500 in the 2012-13 General Fund Capital Programme for the replacement of the glass panes in No. 6 Greenhouse, Belle Isle Nursery;
- (3) approve an additional budget of £254,000 in the 2012-13 General Fund Capital Programme for the additional works in London Inn Square; and
- (4) approve the amendments to the Council's annual capital programme outlined in Appendix 2 of the report.

(Report circulated)

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**OVERVIEW OF GENERAL FUND REVENUE BUDGET 2012/13**

The report of the Assistant Director Finance was submitted informing Executive of the overall projected financial position of the General Fund Revenue Budget and Housing Revenue Account after six months, for the 2012/13 financial year.

Members were informed that the revised overspend of £177,000 in the Scrutiny Committee – Community budget would be offset by underspends elsewhere. An anticipated overspend of £109,500 resulted from increased waste disposal costs and the delayed implementation of the revised garden waste collection procedures. The anticipated overspend of £115,000 within the Museums Service related partially to higher than anticipated utility costs necessary to maintain the specialist environment. Discussions were continuing with the Valuation Office about the higher than anticipated level of Non-domestic rates which also contributed to the forecast overspend.

Members were informed that the 76% increase in the income from planning fees resulted largely from the high volume of house-building applications, possibly due to developers pre-empting Community Infrastructure Levy. The workload would be closely monitored to address any resulting resourcing issues and ensure the high quality of the service was maintained. It was noted that significant positive feedback had been received in response to the systems review of the service.

**RECOMMENDED** to Council to approve:

- (1) the General Fund forecast financial position for the 2012/13 financial year;
- (2) the HRA forecast financial position for 2012/13 financial year;
- (3) the outstanding Sundry Debt position as at June 2012; and
- (4) the creditors' payments performance.

(Report circulated)

**TREASURY MANAGEMENT HALF YEARLY UPDATE**

The report of the Assistant Director Finance was submitted on the current performance for the 2012/13 financial year and the position regarding investments and borrowings at 30 September 2012.

The Assistant Director Finance informed members on the Council's Treasury Management Strategy and the impact of the UK, European and world-wide economic situation. He reported that Sterling Consultancy Services which had provided treasury management advice to the Council for several years had been purchased by Arlingclose, an independent treasury management advisory company. Existing staff had transferred and no detrimental impact was anticipated but the Council would monitor the transition to ensure that the level of service remained of a high standard.

In response to questions regarding the wisdom of the Council's strategy to maintain short-term borrowing as long as rates remained low, the Assistant Director Finance reported that this made sound financial sense at present but that the Council could readily change to medium or longer-term borrowing should the position change. The Council had reduced its temporary borrowing over the first six months of the year and now had only £5million of borrowing, down from £8million at the start of the year.

**RESOLVED** that the Treasury Management report for the first six months of 2012/13 be noted.

(Report circulated)

**2013-2014 BUDGET STRATEGY AND MEDIUM TERM FINANCIAL PLAN**

The report of the Assistant Director Finance was submitted providing a strategic overview of the budgetary position for the 2013/14 financial year and beyond, including an indication of the likely level of available resources, the known demand for resources and the proposals to ensure that a balanced budget is achieved.

It was anticipated that the Local Government Finance Settlement setting out the revenue funding for next year would not be announced until 20 December 2012. The Assistant Director Finance reported that the Medium Term Financial Strategy was based on the best estimate of the changes using external advice and early data from the Government. He reported on the Local Government Resource Review including the localisation of business rates and the potential for pooling arrangements. He informed members that a proposal for a Devonwide Pool had been signed off by all eight Devon District Councils, Plymouth and Torbay Unitaries and the Councils had been working together to agree governance arrangements. He also reported on the likely impact of welfare reform including localising support for Council Tax.

Executive noted that the budget strategy for next year assumed a 2% increase in Council tax which would raise an extra £96,000. One member expressed disappointment that the Council was not proposing to freeze Council Tax for a further year. In supporting the proposed increase, other members noted this equated to an increase of approximately five pence per week for an average Band C property. The Council had frozen its Council Tax for the last two years and it still remained one of the lowest in the country.

Members noted two alternative options for the future use of New Homes Bonus and the opportunity to use the funding to deliver the proposed new swimming pool scheme and other major infrastructure projects. One member expressed opposition to the proposal to set a maximum level of £250,000 per annum for funding community projects, in place of the 30% of New Homes Bonus funding previously allocated.

Members noted the Council's previous decision not to use any of its New Homes Bonus allocation to fund any of its revenue budget services but were aware of the potential to use part of the funding to meet some of the additional revenue costs arising from new housing development, such as refuse collection and cleansing.

Executive noted the additional spending pressures on the Council and identified revenue savings and other budgetary reductions. They congratulated staff on the efficiency savings achieved so far.

**RECOMMENDED** to Council that:

- (1) the contents of the report are noted and the proposals to establish a balanced revenue budget and capital programme are approved;
- (2) the revised allocation of New Homes Bonus funding as set out in 5.3 of the report is approved; and
- (3) a final decision on whether or not to join a Devonwide Business Rates Pool is delegated to the Council's Section 151 Officer (Assistant Director Finance) in consultation with the Leader.

(In accordance with Standing Order 43, Councillor Fullam requested that his name be recorded as having voted against the recommendation and Councillor Mrs Henson requested that her name be recorded as having abstained from the vote.)

(Report circulated)

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### **CITY DEALS**

The joint report of the Strategic Director (KH), Assistant Director Economy and Corporate Manager Policy, Communications and Community Engagement was submitted, seeking agreement to the preparation of a City Deal prospectus.

The Strategic Director (KH) reported that City Deals are a key part of the Government's objectives of rebalancing the economy and boosting private sector growth. The Government had announced a series of City Deals with the country's eight largest cities in July and a second wave, for which twenty cities had been invited to compete, had been launched in October. It was proposed that the Council prepare a City Deal prospectus in anticipation of the third wave.

Executive supported the preparation of a prospectus and its focus on two pressing economic problems: Unlocking City Centre Growth and Realising the Potential for Growth and Jobs in Technology, Science and Innovation. Members welcomed the significant investment and growth in the knowledge-based economy of the City, evidenced by the Met Office, University, Peninsula Medical School and Science Park and were keen for this to translate into the creation of jobs. They supported all measures to encourage businesses to relocate to the city and particularly welcomed the creation of apprenticeships. They endorsed the proposal to seek external expertise to ensure that the proposed programme of work was evidence-based and drew on workable solutions.

**RESOLVED** that the preparation of a City Deal prospectus be approved, to focus in particular on the following two economic issues:-

- unlocking city centre growth
- realising the potential for growth and jobs in technology, science and innovation.

(Report circulated)

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### **PLAN TEIGNBRIDGE: CONSULTATION ON DRAFT SUBMISSION DOCUMENT**

The report of the Assistant Director City Development was submitted recommending an amended response to the Draft Submission Planning document being published by Teignbridge District Council.

Executive, on 20 November 2012, had considered a report on a proposed response to Teignbridge District Council on 'Plan Teignbridge'. Councillor Clark, speaking under Standing Order 44, requested that the City Council's response should adequately reflect local residents' concerns that the associated infrastructure improvements such as schools, health and transport should be undertaken earlier in the development. Executive resolved to defer the item until this meeting to consider a form of wording of a response that would more explicitly address this issue.

The Chair reported that Councillor Clark had informed him that, together with the Chair of Alphington Forum, she had met with the Assistant Director City Development to discuss future school and health provision in south west Exeter. Councillor Clark was reassured that the Council had given a commitment to improved and ongoing joint working between authorities and she supported the revised recommendations.

Councillor Ruffle spoke on the item under Standing Order 44. He supported the revised recommendations in general but drew attention to a number of specific issues. He was concerned that the proposed expansion of Alphington Primary School to three form entry would create a premium on space and increase traffic congestion. Traffic congestion generally was the main issue of concern to residents. He fully supported the proposed new rail station at Marsh Barton which he felt would have a very positive impact and looked forward to its construction as early as possible. He was aware of the controversy around the provision of Gypsy and Traveller pitches and emphasised the importance of active management of the site. He welcomed the Plan's respect for the flood plain and its acknowledgement of the need for green space between the Alphington and Teignbridge developments.

The Assistant Director City Development responded that the expansion of the Primary School to three form entry was not Devon County Council's preferred option and that consideration was being given to an all-through school closer to Alphington. Members suggested that staggered start times and "walking buses" could help address congestion concerns. It was acknowledged that effective management of the Gypsy and Traveller site was critical.

Members were pleased to note the comprehensive consultation process that had been undertaken in respect of the development in the south-western side of the city and welcomed the engagement of local residents in the public meetings and workshops.

**RESOLVED** that the City Council's response to Teignbridge District Council be based upon the following five principles:

- i) Support for the overall level of growth proposed in the plan to meet the needs of the wider Exeter housing market area and in particular the South West Exeter urban extension to contribute to the future growth of Exeter;
- ii) the City Council's commitment to ongoing joint working and cooperation between the authorities and other service providers to deliver comprehensively planned sustainable communities;
- iii) a commitment to work closely with Teignbridge and other service providers on respective infrastructure delivery plans; to identify and agree funding arrangements that seek to maximise the early provision of essential infrastructure;
- iv) that officers seek to develop a more detailed infrastructure plan for SW Exeter/Alphington to inform the forthcoming Examination of Plan Teignbridge and accompany the adoption of the proposed development brief for land south of Alphington; and
- v) City Council decisions on when and how much to invest in infrastructure from funds such as CIL to serve the wider development of south west Exeter will ultimately be a matter for Executive, members and officers will work closely with Teignbridge and Devon Councils to agree investment priorities and funding packages with regard to views expressed by communities during the various consultations.

(Report circulated)

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**PUBLIC INQUIRY - APPLICATION TO REGISTER A VILLAGE GREEN -  
SUPPLEMENTARY BUDGET ESTIMATE**

The report of the Strategic Director (KH) was submitted seeking agreement to a supplementary budget provision for the anticipated legal and other costs of representing a case at the forthcoming public inquiry into an application to register a village green at Eastern Fields, Pinhoe. The application related to about 8.9 hectares of land between the railway line, Exeter Arena, Beacon Lane and Pin Brook that is in the ownership of Exeter City Council.

Executive endorsed the City Council's objection to the registration of the land as village green since this would effectively prevent long term proposals for development and pose serious difficulties for the delivery of the important Exhibition Way link road. Members supported the need for specialist legal advice on the issue since village green registration was a complex and rapidly evolving area of law.

**RECOMMENDED** to Council that a supplementary budget of £50,000 be approved for the costs of the forthcoming public inquiry into the application for registration of Eastern Fields as a town or village green.

(Report circulated)

127      **PURCHASE OF AFFORDABLE HOUSING UNITS AT ROYAL NAVAL STORES  
DEPOT**

The report of the Assistant Director Housing and Contracts was submitted seeking approval to increase the supply of new build homes into the Housing Revenue Account by the purchase of 6 x 2-bedroom flats at the former Royal Naval Stores site.

Members welcomed the addition of the properties into the Council's housing stock and commended staff on their hard work in negotiating the arrangement.

**RESOLVED** that the purchase of 6 x 2 bedroom flats at the former Royal Naval Stores Depot be approved, at a price of £300,000 plus an additional £9,000 to cover stamp duty land tax at 3% funded from the HRA Capital Programme.

(Report circulated)

128      **CIVIC CENTRE SUSTAINABLE DEVELOPMENT PROPOSAL**

With the agreement of the Executive, the report of the Assistant Director Housing and Contracts and the Corporate Manager Democratic and Civic Support was deferred to the next meeting of Executive on 22 January 2013.

129      **FREEDOM OF THE CITY - HMS DEFENDER**

The report of the Corporate Manager Democratic and Civic Support was circulated seeking approval to grant Freedom of Entry to the City to HMS Defender.

Section 249 of the Local Government Act 1972, gives Councils the power to grant "Freedom of Entry to the City" to military units closely associated with their community. 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.

**RECOMMENDED** that, in accordance with Section 249 of the Local Government Act 1972, an Extraordinary meeting of the Council be arranged, immediately prior to the Ordinary meeting of the Council on 26 February 2013, to consider granting Freedom of Entry to the City to HMS Defender.

(Report circulated)

130      **UPDATE ON THE COUNCIL'S TRANSFORMATION PLAN**

The report of the Assistant Director Business Transformation was submitted providing an update on progress on the Transformation Programme since its commencement in the summer of 2011. The report also sought approval to a further budget to support the use of external expertise to support the current phase of the Transformation Programme.

The Assistant Director reported that systems reviews were based on the Council's new Purposes, as identified in the Corporate Plan, rather than individual services. Work was underway to review performance management through the development of "Leading" measures which identified issues to be resolved and allowed managers to take action in real time to facilitate improvements.

A further budget was sought to complete the existing four reviews and continue to develop the Council's capacity to support future Systems Thinking work with a greatly reduced reliance on external support. An effective exit strategy for Vanguard Consultancy, including the development of an internal team to support future reviews, was critical.

Members were pleased to note progress in delivering the Council's Transformation Plan and commented on the positive impact of the systems thinking process on the authority.

**RECOMMENDED** to Council to approve the sum of £85,000, to be met from the Council's General Fund Balances, to complete the delivery of the Transformation Plan.

(Report circulated to Members)

(The meeting commenced at 5.30 pm and closed at 7.30 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 11 December 2012.**