

EXECUTIVE

Tuesday 10 December 2013

Present:

Councillor Edwards (Chair)
Councillors Denham, Fullam, Hannaford, Mrs Henson, Owen, Pearson and Sutton

Also present:

Chief Executive & Growth Director, Deputy Chief Executive, Assistant Director Finance, Assistant Director Environment, Electoral Registration Officer, Projects and Business Manager and Democratic Services Manager (Committees)

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DECLARATIONS OF INTEREST

No declarations of disclosable pecuniary interests 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 29 November 2013 were submitted.

Members discussed the benefits of three year funding for those Strategic Arts Organisations who also receive Arts Council Funding, what would happen after the three year term had finished and the need to ensure that the funding was monitored.

The Chair commented that the agreements would be in principle only.

The Portfolio Holder for Economy and Culture clarified that the three year funding agreements would not be rolling agreements and all core funding would be subject to a Service Level Agreement with continuous monitoring.

RESOLVED that the minutes of the Major Grants and New Homes Bonus Panel held on 29 November 2013 be received and, where appropriate, adopted.

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OVERVIEW OF GENERAL FUND REVENUE BUDGET 2013/14

The report of the Assistant Director Finance was submitted, advising Members of the overall projected financial position of the General Fund Revenue Budget and Housing Revenue Account after six months, for the 2013/14 financial year.

The Assistant Director Finance advised that the General Fund revenue position showed an underspend of £57,161 and the Housing Revenue Account (HRA) an overspend of £1,525,275. The HRA variation was due to approved expenditure to finance Phase II of the Council Own Build programme and purchase of flats at Dean Clarke House and an overspend on reactive repairs.

The Assistant Director Finance gave the following responses to Members' questions:-

- in the first year the cost of utilities at RAMM were anticipated to exceed the budget, which would be addressed next year by savings, to be made in the Museums Service
- with effect from April 2014 the Local Government Pension Scheme would be an average salary scheme
- HRA - the rental income from dwellings had been identified as a risk as the rent increases required from rent conversion could cause a slight increase in bad debts
- the car parks fee income as at November was marginally above budget.

The Portfolio Holder for Housing and Customer Access commented that the bathroom replacement programme was awarded to contractors on a block basis.

The Chief Executive & Growth Director clarified that planning appeals did not have an impact on planning income and the number of appeals that were allowed remained fairly constant.

Scrutiny Committee – Resources considered the report at its meeting on 4 December and the comments of the Members were noted.

RECOMMENDED that Council approves the:-

- (1) General Fund forecast financial position for the 2013/14 financial year;
- (2) HRA forecast financial position for the 2013/14 financial year;
- (3) additional supplementary budgets listed in Appendix C of the report;
- (4) outstanding Sundry Debt position as at September 2013; and
- (5) creditors' payments performance.

CAPITAL MONITORING STATEMENT TO 30 SEPTEMBER 2013

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

Members were advised that the revised capital programme for the current financial year was £17.687 million. During the first six months of the year, the Council had spent £6.044 million on the programme, which equated to 28.6% of the revised programme. This compared with £6.515 million (26.6%) being spent in the first six months of 2012/13. The report also contained further funding requests for lighting provision at the Flowerpot Skate Park, to progress an energy savings project and the introduction of an e-tendering system.

The Chair welcomed the lighting at the Skate Park and the LED lighting being installed across the Council which would result in significant efficiency savings.

A Member raised concerns regarding the anticipated borrowing over the next few years and the pressure the interest repayments could have on the revenue account.

The Chair commented that the proposed borrowings were small in comparison to the Council's assets and there was a need for the Council to 'invest to save'.

The Assistant Director Finance advised that the asset value base varied from scheme to scheme and, whilst some may add value, other schemes were written off.

Whilst the majority of Members supported the way forward proposed in respect of the annual capital programme, one Member had concerns regarding the amount of borrowing required to fund the programme.

Scrutiny Committee – Resources considered the report at the meeting on 4 December 2013 and the comments of the Members were noted.

RECOMMENDED that the Council notes and approves the current position in respect of the annual capital programme and the further funding requests set out in Section 9 of the report.

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TREASURY MANAGEMENT - 2013/14 - HALF YEAR UPDATE

The report of the Assistant Director Finance was submitted, reporting on the current performance for the 2013/14 financial year and the position regarding investments and borrowings at 30 September 2013. The net interest position showed an estimated net reduction of £83,750 compared to the budgeted figure of £140,000.

The Assistant Director Finance clarified that whilst the £6 million was the net debt position the underlying general fund position in respect of borrowing was £32 million. This had been covered by using internal cash reserves. The Council continued to utilise short term borrowing as this remained very cheap. Executive was reminded that it had taken the decision to use 20% the New Homes Bonus for community infrastructure funding and 50% for Council funded major projects. In the Chancellor's Autumn Statement, it had been announced that, outside of the London Boroughs, Councils would now be able to keep all their New Homes Bonus monies.

Scrutiny Committee – Resources considered the report at the meeting on 4 December 2013 and the comments of the Members were noted.

RESOLVED that the Treasury Management report for the first six months of 2013/14 be noted.

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LIVING WAGE

The report of the Deputy Chief Executive was submitted, asking Members to consider the specific issues with regards to the impact, both financially and organisationally, of the implementation of the Living Wage, and seeking to approve a set of recommendations for implementing the Living Wage for employees of the Council (excluding apprentices) as from 1 January 2014.

The Chair commented that the living wage proposal would make a real difference to those staff on lower wages and it was hoped that, by setting this precedent, it would encourage local businesses over the next few years to adopt the policy of paying the living wage. The cost of increased salaries had been funded in part, by the reduction in the costs of the Senior Management Team.

A Member raised concerns regarding the affordability of the living wage for small businesses and by the Council implementing this policy it was unfair to employees who had worked hard to improve their grade and salary.

The Chair clarified that the implementation of the living wage would benefit 64 Exeter City Council employees whose current hourly rate was below this figure.

Whilst the majority of Members supported the proposal for a living wage for all council employees and recognised that the living wage was a boost for the local economy, one Member had concerns regarding the implementation of this proposal.

Scrutiny Committee – Resources considered the report at the meeting on 4 December 2013 and the comments of the Members were noted.

RECOMMENDED to Council that the:-

- (1) Living Wage for employees with Council Contracts of Employment and associated casual staff (excluding apprentices) be adopted, commencing 1 January 2014;
- (2) implementation of any future increases in the Living Wage be delayed until the subsequent April, to bring any increases in line with the national wage negotiation timetable;
- (3) current and future pay scales be amended to reflect the changes invoked by the adoption of the Living Wage;
- (4) budgeted allocation be increased by £25,000 in order to meet additional salary costs;
- (5) Council's Pay Policy be amended to reflect the changes highlighted above; and
- (6) outstanding negotiations with the recognised Trade Unions be concluded.

(In accordance with Standing Order no.43, Councillor Mrs Henson requested that her abstention from voting be recorded)

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2014/15 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 2014/15 financial year and beyond including an indication of the likely level of available resources and the known demand for resources and the proposals to ensure that a balanced budget was achieved.

The Assistant Director Finance advised that a saving of £2,419,000 had been identified for the next two years and additional savings of £3,160,000 over the following three years would need to be identified. The purchase of land of £280,000 was to be deleted from the Capital Programme and the public realm works at the Central Library of £20,000 would be deferred until 2014/15. The budget strategy for next year assumed that council tax would increase by 2% which would raise an extra £122,000.

The Chair advised that the budget for the Swimming Pool and Leisure Project had not yet been agreed as there were a number of issues regarding the building and ownership of the complex before the budget could be set.

A Member raised objections to the council tax increase of 2% for next year and could not support this proposal.

RESOLVED that the contents of the report be noted and the proposals to establish a balanced revenue budget and capital programme be approved.

(In accordance with Standing Order no.43, Councillor Mrs Henson requested that her voting against this recommendation be recorded)

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INDIVIDUAL ELECTORAL REGISTRATION

The report of the Electoral Registration Officer was submitted, setting out the time scales and resource implication relating to the forthcoming implementation of Individual Electoral Registration (IER) and also giving an update on other matters relating to Electoral Registration and Elections in the foreseeable future.

The Electoral Registration Officer advised of the background to IER, timescales and the budgetary implications. The Council would receive a Central Government grant of £65,082 for 2014/15 and, although there would be funding for 2015/16, the amount and whether any funding would be provided after 2016 was unclear. The final Ministerial decision regarding the live date for 2014, expected to be July 2014, had still to be made.

Members raised concerns regarding the low data match as a result of the data transfer test run, how IER could affect the electoral roll, turnout at elections and the need to ensure that Councillors were fully aware of the legislation. On a practical note Members requested a need to be fully trained to understand the process of registering on-line. Members supported the way forward and the proposal for an additional clerical post on a fixed term basis from 1 April 2014 to 31 March 2016.

RESOLVED that the:-

- (1) content of the report as to future pressures on the Democratic Services Elections Team be noted;
- (2) appointment of a temporary Clerical Assistant post be approved (fixed term contract to 31 March 2016), with further updates on the resource implications associated with the matters detailed in this report being presented to future meetings;
- (3) other measures being taken to ensure the Council's legal obligations are observed with regards to Electoral Registration and Election issues be noted; and
- (4) officers arrange a training session on the full implications of IER at the earliest appropriate opportunity.

**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 during consideration of the following item on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1, Schedule 12A of the Act.

SHARED ICT SERVICES

The Chair welcomed Mr Steve Hodder, Business Lead, Corporate Services and Transformation from Teignbridge District Council and Mr Mark Williams, Chief Executive, Mr Chris Powell, Corporate ICT Manager and Councillor Paul Diviani, the Leader from East Devon District Council to the meeting for this item.

The report of the Deputy Chief Executive was submitted, looking to consider the business case for the creating a shared ICT service with Teignbridge District Council, East Devon District Council and Exeter City Council.

The Deputy Chief Executive outlined the background to the project and the options that had been duly considered. The development would help to take forward the transformation agenda, as well as reducing risk and costs. It was recognised that, without the initial impetus provided by the DELT Project, of which Plymouth City Council, had been a major contributor, the Plan C case would not have progressed. Exeter City Council along with the remaining two district councils also wished to acknowledge the support and hard work provided by Plymouth City Council officers to get the project to its current stage.

The Chair commented that both Teignbridge and East Devon District Councils had supported the way forward and he welcomed this proposal whilst not under estimating the challenges faced by officers in realising this project.

Executive supported the proposal to ensure the Council had a robust ICT service while also saving costs and reducing risk.

Scrutiny Committee – Resources considered the report at its meeting on 4 December and the comments of the Members were noted.

RECOMMENDED to Council that:-

- (1) the principle of creating a shared ICT service with Exeter, Teignbridge and East Devon councils on the basis of the Plan C business case be approved;
- (2) suitable staff resources be made available for a Plan C Programme Team to enable a detailed Implementation Plan to be created;
- (3) an Implementation Plan be presented to Council in early 2014 with a view to execution of the plan later in the year;
- (4) a budget of one third share of the estimated costs for external experts in legal and financial matters be provided to the Programme Team i.e. £15,000;
- (5) the Plan C Programme be lead by Chris Powell (Corporate ICT Manager, East Devon) with the following appointees by each partner to enable governance arrangements to be developed:-

- Exeter – Mark Parkinson, Deputy Chief Executive
 - Teignbridge – Steve Hodder, Business Lead, Corporate Service and Transformation
 - East Devon – Simon Davey, Head of Finance; and
- (6) no additional resource be allocated to progress the DELT shared service model, but that the Council continue to keep a watching brief.

(The meeting commenced at 5.30 pm and closed at 7.15 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 17 December 2013.