

EXECUTIVE

Tuesday 11 October 2016

Present:

Councillor Edwards (Chair)
Councillors Bialyk, Bull, Denham, Hannaford, Leadbetter, Morse, Owen, Pearson and Sutton

Also present:

Chief Executive & Growth Director, Deputy Chief Executive, Assistant Director Finance,
Corporate Manager - Legal and Democratic Services Manager (Committees)

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DECLARATIONS OF INTEREST

No declarations of disclosable pecuniary interest were made.

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LEISURE COMPLEX AND BUS STATION PROGRAMME BOARD MINUTES - 12 SEPTEMBER 2016

The minutes of the Leisure Complex and Bus Station Programme Board meeting held on 12 September 2016 were submitted.

RESOLVED that the minutes of the Leisure Complex and Bus Station Programme Board meeting held on 12 September 2016 be received and, where appropriate, adopted.

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SURRENDER RIGHT TO BUY RECEIPTS

The Assistant Director Finance advised Members that on 27 June 2012 the Council signed up to an agreement with the Department of Communities and Local Government (DCLG) which enabled the Council to retain certain receipts from the sale of properties under the Right-to-Buy scheme for reinvestment in replacement affordable housing locally. The report set out the issues facing the Council in its ability to continue meeting the terms and conditions of that agreement and the options available.

Members were advised that as at June 2016 the gap between the planned investment in affordable housing and the amount it was obliged to spend based on receipts retained to date was £3.9m, increasing to £5.2m as at September 2016. The Council could consider re-paying some of the receipts it had kept, which would need to be repaid with compound interest charged at 4%. The Council would need to repay at least £1.187m to the Government plus interest. It was possible for the Council to pass over the retained receipts to another body such as housing associations, who would also need to provide match funding from their own resources or borrowing.

In passing over receipts to a housing association the Council would need to ensure that they were used for the provision of social housing for the benefit of the Authority, which meant that the housing needs to be situated in the area of the Authority or the Authority must own or have nomination rights in respect of the

housing. A meeting with Housing Associations would take place in November to seek their views on the possibility of passing over the receipts.

The Portfolio Holder for Housing Revenue Account stated that, whilst he regretted the decision to hand back the monies, he supported the recommendation which would save the Council money.

The Portfolio Holder for Place commented that the Council did not have any choice but to hand back the funds and that the policy was not feasible. He proposed that the Council write to Ministers and the Members of Parliament to voice the Council's concerns that the current policy was unworkable. This was seconded by the Portfolio Holder for Economy and Culture who also added that the Council should ask what would happen to funds when they were returned to Government.

Members agreed that the Council would write to Devon MP's, Ministers and the Local Government Association to voice its displeasure on how the right to buy legislation was working out including the practical challenges of match funding and therefore having to return funding. The Council should circulate this letter to other stock owning Devon Authorities inviting them to also sign this letter.

RESOLVED that;

- (1) the retention of Right to Buy receipts are reviewed on a quarterly basis and the receipts surrendered to DCLG or passed over to a housing association (subject to the relevant housing association satisfying the Council that any transferred funds would be used specifically to deliver new affordable housing for the benefit of Exeter residents in housing need) should it be identified that insufficient capital investment in replacement affordable housing can be made by the Council before they would otherwise need to be returned to DCLG;
- (2) the Council write to Devon MP's, Ministers and the Local Government Association to voice its displeasure on how the right to buy legislation was working out including the practical challenges of match funding and therefore having to return funding. The Council circulate this letter to other stock owning Devon Authorities inviting them to also sign this letter; and

RECOMMENDED to Council that:-

- (3) the Assistant Director Housing be given delegated authority to opt to surrender Right to Buy (RTB) Receipts to DCLG or pass receipts over to a housing association, subject to prior consultation with the Assistant Director Finance and the Executive Member with Relevant Portfolio, and that the Constitution is amended accordingly.

CAPITAL MONITORING STATEMENT TO 30 JUNE 2016

The report of the Assistant Director Finance was submitted to update Members on the current position in respect of the Council's revised annual capital programme and advise of 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.

The Assistant Director Finance advised Members that, during the first three months of the year, the Council spent 6.8% of the capital programme compared with 6.6% being spent in the first three months of 2015/16. He advised of the expenditure variances including the Northbrook Flood alleviation scheme and RAMM

Development. Members were assured that, while the Bus Station Complex appeared in the schemes to be deferred to 2017/18, the project would be delivered within the agreed timescales. The achievements during the first quarter of 2016/17 were the replacement of Car Park Ticket machines and repair to Turf Lock Gates.

There were two additions to the Capital Programme to be recommended to Council:-

- Railway Arches at Riverside, Cowick Street for £60,000, this had increased from the £50,000 in the circulated report due to the tender received – this had been made under Section 21 of Financial Regulations regarding the urgency of the decision; and
- Farmers' Market Electricity Supply of an additional £10,000 to the original approved £20,000.

Members had concerns regarding the increase cost of the electricity supply to the Farmers Market and requested that Members be advised of business case for this proposal.

Corporate Services Scrutiny Committee considered the report at its meeting on 29 September 2016 and its comments were reported.

RECOMMENDED Council notes and approves the;

- (1) revision of the annual capital programme to reflect the reported variations detailed in paragraphs section 8.4 and 8.5;
- (2) addition to the Capital Programme of £60,000 for the Railway Arches at Riverside, Cowick Street; and
- (3) an additional £10,000 to the original approved £20,000 for the Farmers' Market Electricity Supply, Members to be advised of the business case for this proposal.

OVERVIEW OF THE GENERAL FUND BUDGET 2016/17

The report of the Assistant Director Finance was submitted advising Members of the overall projected financial position of the Housing Revenue Account (HRA) and General Fund Revenue Budgets for the 2016/17 financial year after three months and sought approval for a number of supplementary budgets. The General Fund had an underspend of £232,000 and the HRA an overspend of £26,188.

The Assistant Director Finance advised Members of the position with regards to the Net Interest and Repayment of debt variations. The additional supplementary budgets being requested from Council were £27,900 to support the production of a staff survey and the subsequent actions arising from the responses and £350,000 to enable a detailed feasibility study into the benefits of setting up Housing Development Company. He clarified that the table at 8.4.2 indicated the split in aged debt between Housing Benefit and the rest of the services and showed that Housing Benefit made up two thirds of the outstanding sundry debt.

Corporate Services Scrutiny Committee considered the report at its meeting on 29 September 2016 and its comments were reported.

RECOMMENDED that Council notes and approves the:-

- (1) General Fund forecast financial position for the 2016/17 financial year;
- (2) HRA forecast financial position for 2016/17 financial year;
- (3) The additional supplementary budgets listed in Appendix C;
- (4) outstanding Sundry Debt position as at June 2016; and
- (5) creditors' payments performance.

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FUNDING FOR PINHOE COMMUNITY LIBRARY

The report of the Assistant Director Finance was submitted which sought approval for an expenditure budget of £100,000, to enable the funding set aside for the new Community Hub in Pinhoe to be allocated. Members were advised that Council had approved funds to be set aside in an earmarked reserve to support the building of a Community Hub in Pinhoe to replace the existing Library. Whilst the funding has been set aside, Council also needs to approve an expenditure budget to enable the funding to be used.

Corporate Services Scrutiny Committee considered the report at its meeting on 29 September 2016 and its comments were reported.

RECOMMENDED that Council approves an expenditure budget of £100,000 as Exeter's contribution to the new Community Hub planned for Pinhoe.

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CREATION OF A FULL TIME UNION REPRESENTATIVE POST

The Corporate Manager Legal Services presented the report setting out the logic for the creation of a full time union official post within the City Council. This position would report to the Deputy Chief Executive and the cost would vary each year depending on the substantive grade of the individual. The person would be seconded to the post on an annual basis.

Members welcomed the creation of this role as it would enable a closer working relationship between unions and management and provide important support for staff.

The Corporate Manager Legal Services clarified that this post would provide a consistent view point and would clarify the issues surrounding "facility time".

Corporate Services Scrutiny Committee considered the report at its meeting on 29 September 2016 and its comments were reported.

RECOMMENDED that Council notes and approves:-

- (1) that each year, the employee elected into the role of Branch Secretary (within Unison) be seconded into a full time "union official" post to be created for the period of their office, normally 12 months;
- (2) during this secondments, their pay and conditions will match their substantive role;

- (3) a budget to cover the cost of each annual secondment. For this financial year a budget of £36,500 is required;
- (4) that this newly created post sits within the Deputy Chief Executive's budget; and
- (5) the Role Description to be applied to this seconded post is attached as Appendix 1 to this report for information.

116 **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.

117 **PROCUREMENT ORGANISATIONAL CHANGE RESTRUCTURE**

The Assistant Director Finance advised Members of the business case for the process to redesign and restructure of the Council's Procurement Function.

In response to Members' questions, the Assistant Director Finance clarified that the performance of the procurement function would be monitored to ensure that savings were being made wherever possible.

Members supported the proposal.

RESOLVED that:-

- (1) the business case as set out in the report be agreed and the Assistant Director Finance be authorised to proceed to the first consultation stage in accordance with the Council's Organisational Change Policy; and
- (2) the additional resources which are likely to be required be noted although these cannot be definitively identified until such time as the new posts are Job Evaluated. The Assistant Director Finance will report the financial implications following the initial consultation seeking approval for the additional budget required.

(The meeting commenced at 5.32 pm and closed at 6.10 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 October 2016.