

## **EXECUTIVE**

Tuesday 9 February 2016

### Present:

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

### Apologies:

Deputy Chief Executive

### Also present:

Chief Executive & Growth Director, Assistant Director Finance, Assistant Director City Development, Corporate Manager Democratic and Civic Support, Corporate Manager Policy, Communications and Community Engagement, Service Manager, Principal Project Manager (Development) and Democratic Services Manager (Committees)

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### **DECLARATIONS OF INTEREST**

No declarations of disclosable pecuniary interest were made.

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### **RIVERSIDE AND LUDWELL VALLEY PARKS MASTERPLAN**

The report of the Assistant Director City Development and the Assistant Director Public Realm was submitted summarising the main projects and recommendations from a draft Master Plan for the Riverside and Ludwell Valley Parks for the period 2016-2026. The main goal of the Master Plan was to set out a 10 year investment plan for these two Parks, to be funded principally from the Community Infrastructure Levy (CIL). The investment plan needed to be endorsed by Executive and the Joint Habitats Committee before funding, collected via developer contributions, could be allocated.

Members were advised that the Council had a legal obligation to mitigate the growth in housing. One of the elements of the mitigation strategy was the enhancement of 'Suitable Alternative Natural Greenspace' (SANGS) and the Council had identified the Riverside and Ludwell Valley Parks for this purpose. The Master Plan set out where new areas of public recreational space could be created, and where improvements to existing space could be made, for example through planting orchards or providing shelter.

The Assistant Director City Development proposed an addition to the recommendation to delegate to the Executive Member with relevant Portfolio any minor amendments to appendix A. This was agreed.

Members welcomed this masterplan and thanked officers for their hard work in putting the plan together.

**RESOLVED** that the:-

- (1) draft Master Plan be approved; and

- (2) prioritisation and indicative budget for the purposes of allocating money collected via CIL for Habitats Regulations mitigation (as set out at Appendix A of the circulated report) be approved; and
- (3) the Executive Member with relevant Portfolio in association with the Assistant Director City Development be given delegated authority to make any minor amendments to appendix A.

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## **DEVOLUTION FOR THE HEART OF THE SOUTH WEST**

The report of the Chief Executive & Growth Director was submitted to update Members on progress with devolution discussions in the Heart of the South West and to present the prospectus that will inform negotiations with Government on a devolution deal. The report also explained the issues and risks for the council in pursuing a devolution deal.

The Chief Executive & Growth Director advised that the document before Members was a prospectus put together by 17 Local Authorities, two National Parks, the Local Enterprise Partnership and the three Clinical Commissioning Groups in Devon and Somerset.

The Statement of Intent set out three basic ambitions:-

- To unlock productivity
- To improve health, care and wellbeing
- To improve connectivity and resilience.

Whilst Exeter productivity is above the national average, the Heart of the South West continued to lag behind national productivity and to redress this the Heart of South West required more and better jobs, a healthier, higher skilled labour market and new homes for a growing population.

Members were updated on the productivity plan, the vision and goals and the Golden Opportunities including the Data Analytics which would build on the work already being progressed in Exeter. It was recognised that there were risk associated with early commitment to a combined authority and governance review. It was also noted that the Secretary of State could impose a Combined Authority on an area even if an individual authority did not consent.

The Leader stated that it was important that the Council stayed on board and started to talk to Government now about the way forward.

Members recognised the importance of Exeter being involved at every stage of any devolution proposals which could help to grow the city whilst having regards to the risks and challenges that it could bring and the need to still keep decisions at a local level.

The Chief Executive & Growth Director commented that the South West generally had low productivity and low wages and that whilst the growth of small business was important there was need to build on the Golden Opportunities like 'Hinkley Point' and data analytics.

**RESOLVED** that:-

- (1) the progress with securing devolution for the Heart of the South West be noted;
- (2) implications of not participating in devolution negotiations be noted;
- (3) the Council's continued participation in devolution discussions and the preparation of a draft devolution deal be endorsed, subject to:
  - a) Exeter and the wider growth area being recognised as a fundamental contributor to improving productivity and this being given due prominence in any proposed devolution deal;
  - b) Appropriate, place-based decision making arrangements that reflect sub-regional geographies (i.e. the Greater Exeter area), with powers and flexibilities to agree and oversee the programmes addressing productivity and economic development, including investment in skills and business development;
  - c) Exeter being represented directly in negotiations with Government about a devolution deal;
- (4) regular updates on devolution negotiations with the Government be received;
- (5) the longer-term implications of relevant legislation, particularly in relation to devolution and governance, be noted; and
- (6) the Chief Executive & Growth Director be authorised, in consultation with the Leader of the Council, to put in place appropriate management arrangements to ensure the council participates effectively in the various work streams that will prepare the detail of a devolution deal.

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**COMMUNITY INFRASTRUCTURE LEVY FUNDING FOR SANDY PARK A379 JUNCTION**

The report of the Assistant Director City Development was submitted which sought Members' approval to enter into a legal agreement with Devon County Council to provide £1.025 million in Community Infrastructure Levy (CIL) funding to match fund the delivery of a newly configured junction on the A379 at Sandy Park to facilitate right turns for vehicles entering Sandy Park from the west and exiting Sandy Park to the east.

Members were advised that the revised total cost estimate for the new junction was £2.680 million which would include a projected contribution from CIL of £1.025 million, £1.0 million having been secured through Heart of the South West Local Enterprise Partnership Growth Deal funding, with the remaining £0.655 million being contributed by Devon County Council through Local Transport Plan finances.

Members welcomed this investment in the road infrastructure which would bring forward development in the city.

Scrutiny Committee – Resources considered the report at its meeting on 27 January 2016 and its comments were reported.

**RECOMMENDED** that Council makes £1.025 million in Community Infrastructure Levy (CIL) funding available for investment in a newly configured junction on the A379 at Sandy Park on the following basis:-

- (1) No funds to be made available until adequate CIL has been collected or the end/long-stop repayment date in the legal agreement with Devon County Council has been reached, and funding for city centre major infrastructure investments has been secured in line with the resolution of Executive on 10<sup>th</sup> February 2015;
- (2) Interest that becomes payable in the event that the City Council does not pay the £1.025 million before the end long-stop repayment date in the legal agreement with Devon County Council has been reached, to be payable from the City Council's General Fund;
- (3) City Council CIL funding for the newly configured junction to be conditional upon 'claw-back' provisions whereby the City Council would be an equal-proportion recipient of any project cost savings;
- (4) City Council CIL funding for the newly configured junction to also be conditional upon the outcome of an as yet undetermined bid for funds from Highways England's new 'Housing and Growth Fund', with 'claw-back' provisions whereby the City Council would be an equal-proportion recipient of any potential reduction in the overall project costs in the event that the bid is successful; and,
- (5) Authority to be delegated to the Assistant Director City Development to finalise a legal agreement with Devon County Council that accords with these recommendations, (based upon the model provided by the agreement developed in relation to funding Marsh Barton Railway Station subsequent to approval by Executive on 11<sup>th</sup> August 2015).

### **EXETER CITY FUTURE COMMUNITY INTEREST COMPANY**

The report of the Chief Executive & Growth Director was submitted updating the Members on the rationale for Exeter City Council to become a member of a Community Interest Company (CIC) to facilitate the delivery of the Exeter City Futures vision. In order to work towards delivery of these ambitious aims, the Council would need to be part of Exeter City Futures Community Interest Company. Members were also asked to recommend that Council agree to the allocation of £50,000 as a one off payment as a working budget to facilitate the start-up and promotion of the Exeter City Futures (ECF) programme.

The Chief Executive & Growth Director advised that this project would focus on making Exeter smarter, more sustainable and more successful by using a combination of pioneering technology and intelligent analytics.

The Leader stated that this project was an important way forward of looking to, amongst other things, tackle congestion in the city and improve sustainability.

The Portfolio Holder for Economy and Culture commented that this proposal set up the governance arrangements for the important partnership with the private sector to establish a Community Limited Company.

Members welcomed this exciting project and the way forward proposed.

Scrutiny Committee – Resources considered the report at its meeting on 27 January 2016 and its comments were reported.

**RECOMMENDED** that Council approve that:-

- (1) Exeter City Council become a member of the Community Interest Company;
- (2) a sum of £50,000 be allocated as a working budget to facilitate the start-up and promotion of the Exeter City Futures Programme; and
- (3) membership of the Community Interest Company be taken up and for delegated authority to be given to the Chief Executive & Growth Director to identify two Board Directors.

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### **TREASURY MANAGEMENT STRATEGY REPORT 2016/17**

The report of the Assistant Director Finance was submitted which sought adoption by the Council of the Treasury Management Strategy Report, incorporating the Annual Investment Strategy 2016/17, as required under section 15(1)(a) of the Local Government Act 2003.

The Assistant Director Finance advised of the key issues for Members to consider which included approval to allow investments to be made in property funds as a long term commitment with the Local Properties Fund which was managed by the Churches, Charities and Local Authorities investment. There were no proposed amendments to the lending limits for UK owned banks or building societies or foreign owned banks that deal in sterling.

In response to a Member, the Assistant Director Finance stated that the Council had Financial Advisors who daily monitor the markets and would notify the Council should they have any concerns regarding the financial money markets. The Council's investments were spread across a number of the highest rated banks.

Scrutiny Committee – Resources considered the report at its meeting on 27 January 2016 and its comments were reported.

**RECOMMENDED** that Council adopt the new Treasury Management Strategy and delegations contained therein.

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### **THE PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES (INCORPORATING THE ANNUAL STATEMENT OF MINIMUM REVENUE PROVISION)**

The report of the Assistant Director Finance was submitted setting out the proposed 2016/17 prudential indicators for capital finance for adoption by the Council and annual statement of Minimum Revenue Provision (MRP). The prudential indicators covering a period of the next three years were set out in Appendices A to C. The report confirmed that the requirement to produce an annual strategy of minimum revenue provision for repayment of debt had been met.

In response to a Member, the Assistant Director Finance clarified that an Asset Life (Equal Instalment) Method was where the repayment of the expenditure would be the same every year. Asset Life (Annuity) Method was generally an accounting method used for assets that were anticipated to generate more income after a few years rather than providing a constant stream of revenue over its lifetime.

Scrutiny Committee – Resources considered the report at its meeting on 27 January 2016 and its comments were reported.

**RECOMMENDED** that Council adopt the:-

- (1) Prudential Indicators set out in Appendix A-C of the report as presented; and
- (2) Annual Statement of Minimum Revenue Provision for the Council.

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### **ANNUAL PAY POLICY STATEMENT**

The report of the Transactional Services Manager was submitted setting out the Council's annual Pay Policy Statement 2016/17 which must be approved by Council each financial year in line with legislation.

Scrutiny Committee – Resources considered the report at its meeting on 27 January 2016 and its comments were reported.

**RECOMMENDED** to Council that the:-

- (1) Pay Policy Statement and Appendix be adopted and published in accordance with the legislation; and
- (2) Head of Human Resources - currently HR Transactional Services Manager, be given delegated authority to make necessary amendments to the pay policy statement following any changes in legislation or subsequent increases in pay.

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### **GENERAL FUND/HOUSING REVENUE ACCOUNT ESTIMATES AND CAPITAL PROGRAMME 2016/17**

The report of the Assistant Director Finance was submitted seeking approval of the General Fund revenue estimates for 2016/17 and to recommend the Band D level of Council Tax for 2016/17. This report also included the proposed Capital Programme for 2016/17 and future years, and the proposals in respect of the Housing Revenue Account.

Members were advised that the Council had now received the final Local Government settlement which was the same as the provisional settlement of £5.802 million which was £110,000 lower than predicted in the Medium term Financial Plan. The Council had the opportunity to increase its tax base by £5 which would equate to a 3.7% increase which, with the increase in the taxbase, would raise an additional £269,000 per annum. The Devon Business Rates pool would continue for another year with a benefit to the Council of approximately £200,000.

**RECOMMENDED** to Council:-

- (1) the overall spending proposals in respect of both its revenue and capital budget be approved;
- (2) to approve the council tax for each Band as set out in section 8.19.3 of the report as presented, subject to Devon County Council, Office of Police and Crime Commissioners Devon and Cornwall and the Devon and Somerset Fire Authority confirming their Band D levels respectively;
- (3) that when the actual council tax amounts for Devon County Council, Devon and Cornwall Police and Crime Commissioner and the Devon and Somerset

Fire Authority are set, then the revised council tax levels be submitted to Council on 23 February 2016 for approval;

- (4) that the Statement given by the chief finance officer as required under Section 25 of the Local Government Act 2003 be noted; and
- (5) that the new distribution methodology for the New Homes Bonus set out in paragraph 8.7.2 of the report be approved.

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### **ADOPTION OF POWERS TO MAKE HARBOUR DIRECTIONS**

The report of the Assistant Director Public Realm was submitted advising Members on enabling the City Council as the Harbour Authority to adopt new powers under the Harbours Act 1964 to make Harbour Directions.

The Portfolio Holder for Economy and Culture welcomed these powers to enable improved management of the Estuary and Canal.

In response to a Member, the Service Manager commented that the Powers of Direction would enable the Council as the Harbour Authority to issue general and specific instructions to the Masters of 'ships' regarding movement, mooring, equipment and manning. He advised that, because of the tight timescales involved, the Council would need to undertake some consultation on these Harbour Directions before the Council meeting on 23 February 2016.

**RECOMMENDED** that Council:-

- (1) agree to an application being made to the Department for Transport for Exeter City Council as harbour authority to be designated with power to issue harbour directions in accordance with the provisions of the Harbours Act 1964; and
- (2) in the event that the application for designation is successful, the Service Manager (Business & Commercial Operations) is authorised to make Harbour Directions on behalf of the Harbour Authority within the Port of Exeter.

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### **REVIEW OF THE CONSTITUTION**

The report of the Corporate Manager Democratic and Civic Support was submitted setting out the recent work and recommendations of the Review of the Constitution Working Group for consideration by Council.

Members were advised of the proposed changes including the alignment of Scrutiny Committees with Portfolio Holders, the number of Scrutiny Committee Members and the revised call in arrangements where any seven members, irrespective of the Scrutiny Committee on which they serve, could trigger a call in.

In response to a Member, the Corporate Manager Democratic and Civic Support clarified that there was no statutory authority to compel Planning and Licensing Committee Members to attend training although Group Leaders should ensure that their group members attend the relevant training.

**RECOMMENDED** that Council approves the:-

- (1) proposed changes to the Scrutiny Committees and Call-In procedures;
- (2) proposed changes to the Scheme of Delegation to Officers and deputies;
- (3) revision of the Committee schedule: and
- (4) amended version of the Council's Constitution.

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### **FREEDOM OF THE CITY**

The report of the Corporate Manager Democratic and Civic Support was submitted setting out a proposal to offer the Freedom of the City to Mr Richard Atkins in recognition of his outstanding services to the field of college education in Exeter and the wider area, which has led to Exeter's name being known nationally as one which delivers an excellent college education to a very high standard.

**RECOMMENDED** to Council that:-

- (1) the title of Honorary Freeman of the City Status be conferred on Mr Richard Atkins; and
- (2) the Right Worshipful the Lord Mayor be requested to convene an Extraordinary Meeting of the Council to be held on the rising of the ordinary meeting on 23 February 2016, for the purpose of passing the appropriate resolution under Section 249 of the Local Government Act 1972.

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### **SOUTH EAST DEVON JOINT MITIGATION EXECUTIVE COMMITTEE**

The report of the Assistant Director City Development was submitted seeking to obtain authority to establish the terms of reference and rules of procedure for the South East Devon Joint Habitats Mitigation Executive Committee (HMEC), the establishment of which was approved, in principle, by the Executive on the 7 October 2014 and then formally on 23 June 2015. This was subsequently approved by full Council on 28 July 2015.

The Assistant Director City Development advised that East Devon District Council had agreed to establish a joint Scrutiny Committee. This proposal had not been accepted by Teignbridge District Council who would maintain their own scrutiny arrangements in line with the proposals set out in the original report. The recommendation was that Exeter City Council follow the original report to maintain its own independent scrutiny of the activities of the HMEC and included delegated authority to the Corporate Manager Legal Services to make any further amendments to the terms of reference and rules of procedure for the HMEC.

Members, whilst supporting the way forward, proposed that the delegation to the Corporate Manager Legal Services regarding the governance arrangements in recommendation 2.1.5 should be in consultation with the Portfolio Holder for City Development. This was agreed.



**RECOMMENDED** that Council:-

- (1) agrees to the establishment of a Joint Habitats Mitigation Executive Committee (HMEC) with East Devon District Council and Teignbridge District Council for the purpose of delivering habitat mitigation measures and which shall be governed in accordance with the Terms of Reference and Rules of Procedure attached in Appendix 1;
- (2) agrees that all necessary powers (save for decisions relating to the compulsory purchase of land) are delegated to the HMEC to enable delivery of mitigation measures in accordance with the Conservation of Habitats and Species Regulations 2010;
- (3) agrees that each authority operates its own scrutiny arrangements in order to scrutinise decisions of the HMEC. In Exeter, the Scrutiny Economy Committee (or appropriate successor body) will scrutinise decisions of the HMEC;
- (4) appoints the Portfolio Holder - City Development as Exeter City Council's nominated member of the HMEC;
- (5) delegates authority to the Corporate Manager - Legal Services, in consultation with Portfolio Holder for City Development, to make any further amendments to the Terms of Reference and Rules of Procedure for the HMEC, as necessary, to ensure effective working of the HMEC provided that the Solicitor to the Council of Teignbridge District Council and the Strategic Lead - Legal, Licensing and Democratic Services of East Devon District Council are in agreement with the proposed amendments;
- (6) delegates authority to Exeter City Council's Section 151 Officer to agree how and when and to whom payment of Exeter's share of the contribution to carry out the HMEC's resolutions is made;
- (7) agrees that East Devon District Council will be responsible for administering the finances to support the implementation of the decisions of the HMEC (or to any officer taking delegated decisions on its behalf);
- (8) delegates authority to Exeter City Council's Section 151 Officer to make arrangements for the Council to transfer funds obtained for mitigation measures from CIL and Section 106 Agreements for expenditure approved by the HMEC; and
- (9) agrees that the administration of the HMEC shall rotate with the Chair and that East Devon District Council will Chair the HMEC during the first year. After the first year the Chairmanship will move to Exeter City Council and then Teignbridge District Council, returning to East Devon in the fourth year.

**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.

## **ECC ENERGY SERVICES COMPANY AND DISTRICT HEATING PROCUREMENT**

The report of the Principal Project Manager (Development) City Development was submitted updating Members on the formation of an Energy Service Company (ESCo) in partnership with the Royal Devon & Exeter NHS Trust, University of Exeter, Devon County Council, Teignbridge District Council and East Devon District Council for the purpose of procuring private sector partner(s) and funding to deliver District Heating Networks in Exeter (city centre to Wonford) and at SW Exeter (connecting Energy from Waste facility at Marsh Barton to SW Exeter).

The Principal Project Manager commented that the six public sector partners had received collective legal advice.

In response to a Member, the Chief Executive & Growth Director clarified that the procurement would be in accordance with legal advice. He also proposed an additional recommendation 'to explore the opportunities of working with a Strategic Partner, if appropriate, to include as a project the proposals contained in the report.'

This additional recommendation was moved by the Leader and seconded by Councillor Sutton.

Scrutiny Committee – Resources considered the report at its meeting on 27 January 2016 and its comments were reported.

**RECOMMEND** to Council that delegated power is given to the Chief Executive & Growth Director for the following:-

- (1) Exeter City Council to become a shareholder of the public sector ESCo when it is formed in Spring 2016;
- (2) the appointment of Directors to the Public Sector ESCo Board;
- (3) Exeter City Council, subject to successful procurement, approves the long term purchase of competitively priced low carbon heat from the network for the Civic Centre and Exeter Active;
- (4) Exeter City Council, subject to successful procurement, commits to invest £147,000 in the city centre and SW Exeter Joint Venture companies; and
- (5) to explore the opportunities of working with a Strategic Partner, if appropriate, to include as a project the proposals contained in the report.

(The meeting commenced at 5.30 pm and closed at 6.50 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 23 February 2016.**