

## **EXECUTIVE**

Date: Tuesday 15 January 2019

Time: 5.30 pm

Venue: Rennes Room, Civic Centre, Paris Street, Exeter

Members are invited to attend the above meeting to consider the items of business.

If you have an enquiry regarding any items on this agenda, please contact Sarah Selway, Democratic Services Manager (Committees) on 01392 265275.

Entry to the Civic Centre can be gained through the Customer Service Centre, Paris Street.

### *Membership -*

Councillors Edwards (Chair), Bialyk, Denham, Harvey, Leadbetter, Morse, Pearson, Sutton and Wright

## **Agenda**

### **Part I: Items suggested for discussion with the press and public present**

#### **1 Apologies**

To receive apologies for absence from Committee members.

#### **2 Minutes**

To approve and sign the minutes of the meeting held on 11 December 2018.

(Pages 5 -  
10)

#### **3 Declarations of Interest**

Councillors are reminded of the need to declare any disclosable pecuniary interests that relate to business on the agenda and which have not already been included in the register of interests, before any discussion takes place on the item. Unless the interest is sensitive, you must also disclose the nature of the interest. In accordance with the Council's Code of Conduct, you must then leave the room and must not participate in any further discussion of the item. Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

**4 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 items 11 and 12 on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1, 2, 3 and 4 of Part I, Schedule 12A of the Act.

**5 Housing Rents and Services Charges**

To consider the report of the Chief Finance Officer.

(Pages 11  
- 14)

People Scrutiny Committee considered the report at its meeting on 10 January 2019 and its comments will be reported.

**6 2019/20 Budget Strategy and Medium Term Financial Plan**

To consider the report of the Chief Finance Officer.

(Pages 15  
- 30)

**7 Council Tax Base and NNDR 1**

To consider the report of the Chief Finance Officer.

(Pages 31  
- 36)

**8 Creation of a Second Post of a CIL and Section 106 Monitoring Officer**

To consider the report of the Director (BA).

(Pages 37  
- 46)

**9 Proposed Consultation on Public Conveniences**

To consider the report of the Director (DB).

(Pages 47  
- 54)

**10 Exeter Science Park Company. Shareholder Representative**

To consider the report of the Chief Executive & Growth Director.

(Pages 55  
- 56)

**Part II: Items suggested for discussion with the press and public excluded**

No representations have been received in respect of the following items in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

**11 St Loyes Management Report**

To consider the report of the Director (BA).

(Pages 57  
- 64)

People Scrutiny Committee considered the report at its meeting on 10 January 2019 and its comments will be reported.

## 12 Waste Operations Management Structure

To consider the report of the Director (DB).

(Pages 65  
- 72)

### **Date of Next Meeting**

The next scheduled meeting of the Executive will be held on **Tuesday 12 February 2019** at 5.30 pm in the Civic Centre.

**A statement of the executive decisions taken at this meeting will be produced and published on the Council website as soon as reasonably practicable.**

Find out more about Exeter City Council services by looking at our web site <http://www.exeter.gov.uk>. This will give you the dates of all future Committee meetings and tell you how you can ask a question at a Scrutiny Committee meeting. Alternatively, contact the Democratic Services Officer (Committees) on (01392) 265115 for further information.

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## EXECUTIVE

Tuesday 11 December 2018

### Present:

Councillor Edwards (Chair)  
Councillors Bialyk, Harvey, Morse, Pearson, Sutton and Wright

### Apologies:

Councillors Denham and Leadbetter

### Also present:

Chief Executive & Growth Director, Director (BA), Director of Communications and Marketing, Chief Finance Officer, Director (DB), Corporate Manager Democratic and Civic Support, City Surveyor, Housing Lead - Tenancy Services and Democratic Services Manager

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### MINUTES

The minutes of the meeting held on 13 November 2018 were taken as read, approved and signed by the Chair as correct.

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### DECLARATIONS OF INTEREST

No declarations of disclosable pecuniary interest were made.

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### MAJOR GRANTS PANEL MINUTES 29 NOVEMBER 2018

The minutes of the Major Grants Panel meeting held on 29 November 2018 were submitted.

**RESOLVED** that the minutes of the Major Grants Panel meeting held on 29 November 2018 be received and, where appropriate, adopted.

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### LEISURE COMPLEX AND BUS STATION PROGRAMME BOARD MINUTES 30 OCTOBER 2018

The minutes of the Leisure Complex and Bus Station Programme Board meeting held on 30 October 2018 were submitted.

**RESOLVED** that the minutes of Leisure Complex and Bus Station Programme Board meeting held on 30 October 2018 be received and, where appropriate, adopted.

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### LEISURE COMPLEX AND BUS STATION PROJECTS

The minutes of the Leisure Complex and Bus Station Programme Board meeting held on 27 November 2018 were submitted.

The Leader asked that the Executive resolve to receive the minutes of the Leisure Complex and Bus Station Programme Board on 29 November 2018 with the exception of minute 16 which would be dealt with separately.

**RESOLVED** that, with the exception of Minute no 16, which Executive will consider next, the minutes of Leisure Complex and Bus Station Programme Board meeting held on 27 November 2018 be received and, where appropriate, adopted.

The Chief Executive & Growth Director presented the report which sought approval for additional funding on the development of a new swimming pool and leisure complex and new bus station, and to enter into contract with the successful tenderer. Members had received a presentation on the proposals at the Leisure Complex and Bus Station Board meeting on 27 November 2018 and a subsequent Members' Briefing.

The Leader stated that the proposal had been well received by local businesses and this development would be a positive way forward for the continuing growth of the city

**RECOMMENDED** to Council that:-

- (1) That Members welcome the conclusions of Jones Lang LaSalle on the development demand and potential for the Sidwell Street and bus and coach station site and authorise the City Surveyor to progress work to identify options and, potentially, a preferred development partner, or partners, for a comprehensive scheme for the redevelopment of the wider Sidwell Street/Bus Station site (including options for the redevelopment of the Civic Centre site, Paris Street) and fund up to £300,000 to cover the associated costs of this work.
- (2) funding up to £90,000 be made available to cover the costs associated with exploring the potential, opportunity and viability to provide a multi-purpose performance venue as part of the wider development of Sidwell Street/Paris Street.
- (3) The allocation of an additional £11.88m to cover the programme costs and contract price of building a new leisure complex and bus station.
- (4) The Chief Executive & Growth Director be authorised to enter into written contracts with the successful tenderer for the construction of both projects

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#### **HEART OF SOUTH WEST JOINT COMMITTEE REPORT**

The Chief Executive & Growth Director advised that the report was a generic report which asked the Councils in the Heart of the South West (HotSW) to endorse the Local Industrial Strategy for the Joint Committee and Local Enterprise Partnership (LEP). By working with the Government to develop the Local Industrial Strategy it would enable long term transformational opportunities for the HotSW. This generic report had been updated to reflect the Greater Exeter Local Industrial Strategy and to seek reassurance from the LEP for its support on this. The budget implications for District Councils was £1,400.

A Member raised the importance of rail improvements in the region in particular a solution to the rail line at Dawlish. Whilst recognising the need for superfast broadband a concern was raised with regards to the number of telegraph poles

being erected and a Member asked that representation be made to ensure a more appropriate installation to service homes.

**RECOMMENDED** that Council:-

- (1) Note the progress report setting out the work of the Heart of the South West (HotSW) Joint Committee since its establishment in March 2018;
- (2) Agree to delegate the development and endorsement of the HotSW (LIS) to the HotSW Joint Committee (noting that final approval of the HotSW LIS rests with the HotSW Local Enterprise Partnership (LEP) and the Government) subject to reassurance that the Greater Exeter Industrial Strategy will be reflected in the HotSW LIS;
- (3) Note the Budget statement for 2018/19 set out in Appendix B and that, in accordance with the decisions taken at the time the Committee was established, the Council will be asked to make an annual budgetary provision to meet the support costs of the Joint Committee in line with the 2018/19 contribution. Final clarification on any additional 2019/20 budget requirement will be provided following the completion of the review of the Joint Committee's role, function and management support arrangements and development of its work programme for 2019/20; and
- (4) Agree the Budget and Cost-sharing Agreement set out in Appendix B to the circulated report.

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#### **ANNUAL SCRUTINY REPORT 2018**

The Corporate Manager Democratic and Civic Support presented the report on the annual update in respect of the Scrutiny work achieved during the municipal year 2017/2018 which had included working with outside organisations such as Devon County Council and IKEA. Members were advised that the report had been to the three Scrutiny Committees who had commented on the decision not to fill the Scrutiny Programme Officer post due to budget restraints with two committees asking that this decision be reviewed in two years' time.

The Corporate Manager Democratic and Civic Support advised that the scrutiny function would continue in the Council with Service Leads being more actively involved rather than having dedicated scrutiny support.

Members thanked Anne-Marie Hawley in her role as the Scrutiny Programme Officer for her comprehensive and excellent work.

**RESOLVED** that Annual Scrutiny Report 2018 be approved.

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#### **OVERVIEW OF REVENUE BUDGET 2018/19**

The Chief Finance Officer presented the report advising Members of the overall projected financial position of the Housing Revenue Account (HRA) and General Fund Revenue Budgets for the 2018/19 financial year after six months and which sought approval for a supplementary budget.

Members were advised that the HRA showed a small underspend and the General Fund now had an improved financial position. The General Fund reserves had been projecting below the minimum level of £3 million at the end of quarter one and the Strategic Management Board had worked to reduce expenditure and the projected

minimum reserves were now £3.015 million. The proposed supplementary budget of £481,600 in respect of the Rough Sleeping Initiative would be offset by a grant from the Ministry of Housing Communities and Local Government. In response to a question at Corporate Services Scrutiny Committee, the expenditure on Consultants and Agency Staff had been detailed in the report.

Corporate Services Scrutiny Committee considered the report at its meeting on 22 November 2017 and its comments were reported.

**RECOMMENDED** that Council notes and approves:-

- (1) General Fund forecast financial position for the 2018/19 financial year;
- (2) HRA forecast financial position for 2018/19 financial year;
- (3) additional supplementary budget set out in 8.3.7 of the circulated report;
- (4) outstanding Sundry Debt position as at November 2018; and
- (5) creditors' payments performance.

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#### **2018/19 CAPITAL MONITORING STATEMENT - QUARTER 2**

The Chief Finance Officer presented the report to provide information on the current position in respect of the Council's revised annual capital programme and to advise Members of the anticipated level of deferred expenditure into future years. The report sought Member's approval to amend the annual capital programme in order to reflect the reported variations.

Members were advised that, during the first six months of the year, the Council had spent £4.164 million which equated to 13.09% of the revised programme this compared with £4.134 million, which equated to 17.3%, being spent in the first six months of 2017/18. Members' attention was brought to the achievements of the refurbishment of the Cowick Barton Tennis Courts and the installation of the Guildhall Fire Alarms.

Corporate Services Scrutiny Committee considered the report at its meeting on 22 November 2017 and its comments were reported.

**RECOMMENDED** that Council notes and approves the revision of the annual capital programme to reflect the reported variations detailed in 8.1, 8.4 and 8.5 of the circulated report.

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#### **TREASURY MANAGEMENT 2018/19 HALF YEAR UPDATE**

The Chief Finance Officer presented the report on the current Treasury Management performance for the 2018/19 financial year and the position regarding investments and borrowings at 30 September 2018. The report was a statutory requirement and was for information only with no key decisions required.

Members were advised that, currently, the Council had strong cash balances with funds set aside for future capital expenditure therefore the net interest position showed an improvement against the estimated net interest payable. The Government had reinstated the statutory override for pooled investments for five



years and therefore consideration would be given where, within the parameters, future investments could be made to maximise return for the Council.

In response to the Leader, the Chief Finance Officer clarified that the Council had set aside 65% of the funds required for the Leisure Complex and Bus Station project.

Corporate Services Scrutiny Committee considered the report at its meeting on 22 November 2017 and its comments were reported.

**RESOLVED** that the Treasury Management report in respect of the first six months of the 2018/19 financial year be noted.

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#### **SAFEGUARDING POLICY**

The Director (JY) presented the report seeking approval for the Council's revised safeguarding policy. The Council was committed to safeguarding from harm all children, young people and adults. Members were collectively responsible for ensuring that the Council had a policy and the Strategic Management Board were required to ensure that the policy was consistently applied and necessary procedures and practices in place.

Corporate Services Scrutiny Committee considered the report at its meeting on 22 November 2017 and its comments were reported.

**RECOMMENDED** that Council adopts the revised safeguarding policy.

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#### **COUNCIL TAX SUPPORT SCHEME 2019/20**

The Director (BA) presented the report seeking Members' views on the local Council Tax Support (CTS) scheme for working age residents for 2019/20. The local CTS scheme started in April 2013 and Members were required to agree the scheme rules annually.

Members were advised that precepting authorities were not asked for savings to be made from the scheme costs and the impact of Universal Credit in Exeter from September 2018 were not yet known. Therefore no change to the scheme was proposed this year although this could change in future years once the impact of the roll out Universal Credit could be assessed.

Corporate Services Scrutiny Committee considered the report at its meeting on 22 November 2017 and its comments were reported.

**RECOMMENDED** that Council approve the scheme for 2019/20 to continue without substantive changes from the current year scheme.

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#### **COUNCIL TAX LONG TERM EMPTY PREMIUM 2019/20**

The Director (BA) presented the report which advised of the Government proposal to allow Local Authorities to increase the Council Tax Long-Term Empty Premium from a maximum of 50% to a maximum of 100%. This would affect properties that had been empty for two or more years. The Council had discretion as to the premium it wanted to apply, the recommendation was to ask Members to support the maximum premium. Whilst the income this premium generated would only be just over £4,000 pa, it was hoped that the increase would help to bring empty homes back into use.

The Portfolio Holder for Economy and Culture welcomed this premium increase which could not only help to bring empty properties back into use, providing much needed homes but also improve neighbourhoods.

Corporate Services Scrutiny Committee considered the report at its meeting on 22 November 2017 and its comments were reported.

**RECOMMENDED** that Council adopt the increase in the Council Tax Long-Term Empty Premium from 50% to 100% from the 1 April 2019.

129      **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 paragraphs 1,2, 3 and 4 of Part 1, Schedule 12A of the Act.

130      **FUTURE OF GROWTH & ENTERPRISE**

The Director (DB) presented the report on the results of the Growth & Enterprise staff consultation, working in conjunction with Human Resources & the Trade Union, in regards to proposed changes within the service area. The final business case detailed the results of the staff consultation and how these had been incorporated into the new structure and team going forward.

**RESOLVED** that the proposed changes to the Growth & Enterprise team detailed in the circulated report be approved, to ensure the City Council meets the financial challenges it was facing.

131      **REVIEW OF STAFFING IN HOUSING CUSTOMERS**

The Housing Lead Tenancy Services presented the report setting out the draft business case for reconfiguring the Housing Customer Team, this proposal was intended to promote a focus on performance management by providing capacity for support and coaching.

**RESOLVED** that the proposals as set out in the report be approved for consultation in accordance with the Exeter City Council Organisational Change Policy.

(The meeting commenced at 5.30 pm and closed at 6.01 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 December 2018.**

**REPORT TO:** PEOPLE SCRUTINY COMMITTEE AND EXECUTIVE  
**DATE OF MEETING:** 10 January 2019 and 15 January 2019  
**REPORT OF:** Chief Finance Officer & Director  
**TITLE:** Housing Rents and Service Charges 2019-20

**Is this a key decision?**

Yes

**Is this an Executive or Council Function?**

Executive

**1. What is the report about?**

This report sets out the proposed changes to council dwelling rents, garage rents and service charges with effect from 1 April 2019.

**2. Recommendations:**

**That Members of Scrutiny Committee - People support and Executive approves:**

**2.1 Rents of Council dwellings are reduced by 1% from 1 April 2019**

**2.2 Garage rents are increased by 3% from 1 April 2019**

**2.3 Service Charges will remain at their existing levels, with the exception of charges specified in paragraph 12.3, from 1 April 2019**

**3. Reasons for the recommendations:**

With effect from 1 April 2016, the Welfare Reform and Work Act 2016 requires social housing landlords to reduce rents by 1% a year for 4 years from a 2015-16 baseline.

The financial year 2019-20 represents the fourth and final year of implementing the 1% rent cut.

Rents of garages and service charges fall outside the scope of the 1% reductions. Authorities are expected to set reasonable and transparent charges which reflect the service being provided to tenants.

**4. What are the resource implications including non financial resources**

The proposed changes in housing rents, garage rents and service charges are reflected in the proposed 2019-20 estimates for the Housing Revenue Account, which are also presented to this committee.

As previously reported, the 1% reduction in rents over the four financial years is expected to result in a loss of £7.9 million compared to previous income projections for this period.

The Government's previous social rent policy was intended to give social landlords certainty over the 10 year period, 2015-16 to 2024-25, with rents expected to rise by Consumer Price Index inflation (CPI) + 1%. The policy change has resulted in a significant reduction in the level of financial resources available for housing investment.

**5. Section 151 Officer comments:**

The report contains details of the final year of the Government's rent reduction policy. This will offer a small reduction in the weekly rent payable by tenants and is a legal requirement. Council will note the changes in other charges as set out in the report.

**6. What are the legal aspects?**

Section 23 of the Welfare Reform and Work Act 2016 requires registered providers of social housing in England to reduce social housing rents by 1% a year for 4 years from a frozen 2015-16 baseline.

**7. Monitoring Officers comments:**

The report raises no issues for the Monitoring Officer.

**8. Report Details:**

**RENT SETTING BACKGROUND**

8.1 Despite applying a 1% reduction to rents, the underlying rent for each council property is based upon a national rent formula.

8.2 The rent formula was established to ensure that social rents take account of:

- The condition and location of a property – reflected in its value
- Local earnings
- Property size (specifically, the number of bedrooms in a property)

8.3 The rent formula for each council dwelling is set, based upon January 1999 levels, and up until 2015-16 was uplifted for inflation each year.

8.4 During the 4 year rent reduction period, the baseline 2015-16 'formula rent' will be incrementally reduced by 1% in 2016-17, 2017-18, 2018-19 and 2019-20.

8.5 On 4 October 2017, DCLG announced that increases to social housing rents, after the 4 year rent reduction period, will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020.

**Social Rent Decreases for 2019-20**

8.6 In accordance with the Welfare Reform and Work Act 2016, it will be necessary to reduce rents by 1%. For 2019-20 this will result in an average reduction of £0.75 per week, over 52 weeks, per property.

8.7 Rents are collected over 48 weeks, resulting in an average reduction of £0.81 per collection week for 2019-20.

8.8 On a typical 2 bedroom flat the weekly rent for 2019-20 will be £74.35 (over 52 weeks). For comparative purposes, the average weekly rents for a 2 bedroom flat in Exeter are:

- £89.42 per week with a housing association
- £173.08 per week rented in the private sector

## **9. Universal Credit**

- 9.1 Universal Credit has been introduced in Exeter. It replaces Housing Benefit and a range of other welfare benefits for most working age people. Universal Credit is paid monthly and is designed to match the way that most salaries are paid. Universal Credit may include an amount towards rent and the claimant will be responsible for using this money to pay their landlord themselves. It is recognised that adapting to this new way of receiving benefits may be difficult for claimants.
- 9.2 As reported to People Scrutiny Committee on 4 January 2018, areas in which Universal Credit has been rolled out have reported a rise in the level of rent arrears. In order to help mitigate this risk the Council are working with DWP, under a funded partnership arrangement, to offer advice and assistance in the use of on-line services, budgeting and managing finances to claimants. In April 2019, the responsibility for delivering Universal Support moves to the Citizen Advice Bureau.
- 9.3 It is too early to forecast with accuracy the impact on HRA rent arrears, the proposed budget for rental income in 2019/20 has therefore made an estimated £200k provision for an increase in arrears, specifically related to tenants owing more than £500. As a guide, rent arrears were £398,758 as at 31 March 2018 in respect of current tenants.

## **10. Affordable Rents for Newly Built Council Housing**

- 10.1 Affordable rent allows local authorities to set rents at levels that are typically higher than social rents, at up to 80% of local market rent inclusive of service charges. The intention behind this is to maximise returns and generate capacity for further investment in new affordable housing.
- 10.2 The requirement to reduce rents by 1% for four years also applies to properties let at affordable rents. For Exeter, this applies to the Council Own Build sites; Knights Place, Rowan House, Silverberry Close, Barberry Close, Reed Walk and Chester Long Court.

## **11. Garage Rent Increase**

- 11.1 Rentals of non-dwellings, such as garages, are outside the scope of the Government's social rent policy. However, previous annual increases to garage rents have been in-line with rises in social rents at CPI + 1%.
- 11.2 Under self-financing local authorities are encouraged to review the rents of non-dwellings in order to ensure associated costs are fully recovered. In light of the proposed capital investment in garages over the next 4 years, it is considered appropriate to recover the costs over a period from a higher rental.
- 11.3 A 3% increase in garage rents and parking spaces is proposed, in line with inflationary increases to general fees and charges of the Council.

## **12. Service Charge Increase**

- 12.1 These charges cover services and facilities provided by the authority to tenants which are not covered by their rent. Service charges reflect additional services which may not be provided to every tenant, or which may be connected with communal facilities. Different tenants receive different types of service reflecting their housing circumstances.

- 12.2 Service charges are limited to covering the cost of providing the services. Previous Government guidelines advised that authorities should endeavour to keep increases in-line with rent changes, at CPI + 1%, to help keep charges affordable. Increases above this may be made on rare occasions when an authority has increases in costs outside its control, such as increases in fuel costs.
- 12.3 With rents reducing it is proposed that service charges are maintained at their existing levels for 2019-20, with the following exceptions:
- 10% increase in emergency light testing in line with routine testing costs and additional installations
  - 20% decrease in respect of the Older Persons' property service charge reflecting a frozen post
  - 5% reduction in respect of door entry systems in line with system maintenance costs

**13. How does the decision contribute to the Council's Corporate Plan?**

The Housing Revenue Account contributes to three key priorities, as set out in the Corporate Plan; providing value-for-money services, leading a well-run council and building great neighbourhoods.

**14. What risks are there and how can they be reduced?**

In addition to the 1% reduction in rental income over the four years; 2016-17 to 2019-20, the main risk to council dwelling rents relates to the impact of welfare reforms, in particular the move to Universal Credit.

Officers are already planning for the implementation including management techniques to support and encourage customer behaviour towards rent payment in order to help mitigate this risk.

**15. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

Rents and service charges represent the main sources of income to the HRA, which in turn provides the financial resources to deliver housing services and maintain the condition of council dwellings, which has a positive impact on the health and well-being of Council tenants. In the delivery of services, housing officers are able to identify and manage issues relating to safe-guarding, vulnerabilities and community safety.

**16. Are there any other options?**

No other options.

**Chief Finance Officer  
Director**

**Author:**  
Michelle White

**Local Government (Access to Information) Act 1972 (as amended)**

**Background papers used in compiling this report:**

## **REPORT TO EXECUTIVE**

**Date of Meeting: 15 January 2019**

## **REPORT TO COUNCIL**

**Date of Meeting: 26 February 2019**

**Report of: Chief Finance Officer**

**Title: 2019/20 BUDGET STRATEGY AND MEDIUM TERM FINANCIAL PLAN**

### **Is this a Key Decision?**

No

\* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

- 1.1 To provide a strategic overview of the budgetary position for the 2019/20 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 is achieved.

#### **2. Recommendations:**

- 2.1 It is recommended that the contents of the report are noted and that the proposals to establish a balanced revenue budget and capital programme are approved.

#### **3. Reasons for the recommendation:**

- 3.1 The Council is required to set a balanced budget and Council Tax prior to the start of the financial year.

#### **4. What are the resource implications including non financial resources.**

- 4.1 The Council has a Medium Term Financial Plan that contains proposals to ensure it is balanced over the next four years. However the impact of the proposed Business Rates reset could have a significant effect on the Council's finances. The report notes the potential resources available to the Council over the medium term and the demand for those resources based on the worst case scenario of a full reset in 2020-21.

#### **5 Section 151 Officer comments:**

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- 5.1 Subject to the outcome of the final settlement from Government (which should not vary significantly as we have an agreed four year settlement in place), the Council is in a position to propose a balanced and funded budget for 2019/20. The assumptions are set out below and include an assumed £5 increase in Council Tax. Significant and difficult decisions will be required in order to reduce the gap between likely resources and current expenditure in 2020-21.

## **6. What are the legal aspects?**

6.1 As part of the budget and the Council Tax fixing process, the Council is required by the Local Government Finance Act 1992 to make various specific calculations and decisions:-

- (a) it must calculate its budget requirement in accordance with Section 32 of the Act;
- (b) it must calculate the City Council element of the Council Tax - first for Band D and then for all bands - in accordance with Sections 33 to 36;
- (c) it must set the overall Council Tax for each band in accordance with Section 30.

## **7. Monitoring Officer's comments:**

7.1 The Monitoring officers comments are intended to assist all members of the Council in consideration of the complex legal background to their budgetary and Council Tax decisions and in particular to set out the legal factors and requirements which Members of the City Council need to consider in reaching decisions on the budget and Council Tax.

### **Council's legal duties**

In coming to a decision in relation to the revenue budget and the council tax, the City Council and Councillors have the following legal duties:

- a. To act in accordance with their statutory duties and responsibilities;
- b. To act reasonably; and
- c. To have careful regard to their fiduciary duty to its rate payers and Council tax payers.

The City Council has a clear legal duty to set a balanced budget. A resolution not to set a Council tax would be unlawful so would be a resolution to set a Council tax which deliberately did not balance the budget.

**When** making a decision, councillors are reminded of the obligation to act reasonably and in accordance with the principals set down in the Wednesbury case. this means that councillors are required to take into account all relevant considerations and ignore any irrelevant considerations. Put simply, it would be unlawful for the Council to come to a view which is unreasonable in the sense that it is so irrational that no reasonable authority could have reached it.

the emaning of fiducairy duty is more difficult to define but can be summarised as a duty to conduct administration in a business-like manner with reasonable care, skill and caution and with due regards to the council's rate payers. when discharging their fiduciary duties councillors will need to consider the following:

- a. Prudent use of the council's resources, including the raising of income and the control of expenditure.
- b. Financial prudence both long and short term
- c. Striking a fair balance between the interest of the council tax payers on the one hand and the community interest and adequate and efficient services on the other hand.



- e. Acting in good faith with a view to complying with statutory duties and exercising its statutory powers for the benefit of the community.

### **Restriction on voting**

Members' attention is drawn to the provisions of S.106 of the Local Government Finance Act 1992 which applies to members where:

- a. they are present at a meeting of Full Council, The Executive or Committee and at the time of the meeting an amount of Council tax and has remained unpaid for at least 2 months and
- b. Any budget or Council tax calculation or recommendation or decision which might affect the making of any such calculation, is the subject of consideration at the meeting.

In these circumstances, any such members shall at the meeting and as soon as practical after its commencement disclose the fact that S.106 applies to them and shall **not vote** on any question concerning budget setting.

Failure to comply with these requirements is a criminal offence unless such member can prove that they did not know S.106 applied to them at the time of the meeting or that the matter in question was the subject of consideration at that meeting.

## **8. Report details:**

### **8.1 Local Government Provisional Finance Settlement 2019-20**

#### **8.1.1 4 year Settlement**

During the settlement for 2016-17, the Government offered Local Authorities the opportunity to apply for a 4year agreed settlement subject to producing an efficiency plan. The Council took up this offer and were notified in November that the Government had agreed the Settlement.

The provisional settlement for 2019-20 was announced in December and the figures in the Medium Term Financial Plan have been updated.

#### **8.1.2 New Homes Bonus**

Last year, the Government removed £800 million from New Homes Bonus in order to fund Adult Social Care. The Government will reduce the payment to four years from 2018-19 and additionally, no payment will be made on housing growth below 0.4%. This is expected to lead to an award of approximately £2.518 million for 2019-20.

### **8.2 Business Rates**

- 8.2.1 All authorities in Devon have taken part in the Business Rate pilot for the 100% retention of Business Rates during 2018-19. They have also applied to be a 75% pilot during 2019-20, but unfortunately have been unsuccessful. The aim therefore is to revert to acting as a pool.

### **8.3 Council Tax**

- 8.3.1 The medium term financial plan is based upon an assumption that under the council tax referendum threshold, Shire District councils will be allowed increases of less than 3% or up to and including £5, whichever is higher. Exeter's budget strategy for next year assumes that council tax will increase by £5, which, along with the estimated surplus on the collection fund of £96,331 and increase in the taxbase will raise an extra £208,000.

#### 8.4 Other Budgetary Assumptions

- 8.4.1 An overall allowance of £602,380 has been set aside for inflation. The inflationary increases allowed in the budget are:

<b>Pay Award</b>	<b>2.0%</b>
<b>Pay – Increments</b>	<b>0.5%</b>
<b>Electricity</b>	<b>25%</b>
<b>Gas</b>	<b>6%</b>
<b>Oil</b>	<b>2.5%</b>
<b>Water</b>	<b>0.0%</b>
<b>Insurance</b>	<b>8%</b>
<b>Rates</b>	<b>2.5%</b>
<b>Fuel</b>	<b>3.0%</b>
<b>General Inflation</b>	<b>0.0%</b>
<b>Income (excluding Car Parks)</b>	<b>3.0%</b>

- 8.4.2 General inflation has again been held at zero; however where there are contracts in place, inflation at around RPI has been added. The pay award for 2019/20 has been included as a two year settlement was agreed for 2018/19.
- 8.4.3 In respect of interest rates, next year's budget reflects the likelihood that whilst base rate may remain low, borrowing for cashflow purposes will increase and the Council may begin to take out borrowing over a longer timeframe as a result.

#### 8.5 Likely Revenue Resources 2018/19 To 2022/23

- 8.5.1 Resources remain broadly similar to the medium term financial plan as the Government has agreed the four year settlement, however at the end of the four year settlement a significant reduction is anticipated when the Government implement the business rates reset.

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
RSG	0	365	0	0	0
Council Tax	5,624	5,831	5,979	6,228	6,480
Business Rates	6,804	5,846	4,426	4,515	4,605
<b>Resources</b>	<b>12,428</b>	<b>12,042</b>	<b>10,405</b>	<b>10,743</b>	<b>11,085</b>
Increase/(decrease)		(386)		338	342
Annual % change		(3.1%)	(13.6%)	3.2%	3.2%

## 8.6 Additional Spending Pressures

8.6.1 Additional Spending Pressures over the period are set out in Appendix 1 and total:

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Additional Pressures	568	1,083	135	(43)	135

## 8.7 Revenue Savings And Other Budgetary Reductions

8.7.1 The updated Medium Term Financial Plan (MTFP) is set out in Appendix 2. The MTFP has identified a gap in resources from 2020/21. The reduction required by 2020-21 totals £2.4 million or 20% of the net budget of the Council. The EX1 project is already in place to support the process of reducing the budget. This reduction is in addition to the savings already identified and set out below:-

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Savings identified	(945)	(1,963)	(210)	(293)	0

## 8.8 General Fund Capital Programme

8.8.1 ATTACHED AT APPENDIX 3 IS THE PROPOSED GENERAL FUND CAPITAL PROGRAMME FOR THE NEXT THREE YEARS.

	2019/20 £'000	2020/21 £'000	2021/22 £'000
New Bids	3,285	0	0
Pre-approved	30,979	16,547	1,218
<b>Total</b>	<b>34,264</b>	<b>16,547</b>	<b>1,218</b>

## 8.9 RISK ASSESSMENT

8.9.1 IT HAS ALREADY BEEN MENTIONED ABOVE IN THIS REPORT THAT OUR FINANCIAL FORECASTS ARE BASED ON A NUMBER OF ASSUMPTIONS INCLUDING THE LEVEL OF INFLATION, INTEREST RATES, INCOME LEVELS, SUPPORT FROM THE GOVERNMENT AND GENERAL PREVAILING ECONOMIC CONDITIONS. THE MAIN RISK TO THE COUNCIL'S FINANCIAL POSITION IS AS FOLLOWS:

- The implementation of the Business Rates reset, which could have a significant, negative impact on the Council's finances. The Council may lose up to £1.5 million in funding and this has been taken into account in the Medium Term Financial Plan.

Although the Council faces risks from the assumptions and uncertainties outlined above these have been mitigated by the following:

- \* Adopting a prudent approach to financial forecasting which involves obtaining information from external professional sources
- \* Continuous monitoring and review of the key factors together with regular reports to Members on any key issues
- \* Regular budget monitoring meetings with budget managers to ensure that budget pressures are identified at the earliest opportunity
- \* The adoption of robust financial management arrangements including option appraisal, risk assessment and financial monitoring
- \* Retaining a prudent level of reserves and balances

**9. How does the decision contribute to the Council's Corporate Plan?**

9.1 This is the strategic overview of the financial position of the Council

**10. What risks are there and how can they be reduced?**

10.1 The risks relate to failing to set a balanced Council budget and are mitigated by regular reporting to the Strategic Management Board and Members.

**11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

11.1 Not applicable

**12. Are there any other options?**

12.1 Not applicable

**Chief Finance Officer**

Local Government (Access to Information) Act 1972 (as amended)  
Background papers used in compiling this report:-

None

Contact for enquires:  
Democratic Services (Committees)  
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## SPENDING PRESSURES 2019/20 - 2022/23

	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
<b><u>Unavoidable or Already Committed from Previous Years</u></b>				
Living Wage	25	25	25	25
Housing Benefit adjustment to budget	475			
Events	(100)			
Higher pay award	330			
Housing Benefit Admin grant reduction		60	60	60
Reduced Management Fee - Leisure Contract	313			
	<b>1,043</b>	<b>85</b>	<b>85</b>	<b>85</b>
<b><u>New Revenue Bids - Recurring</u></b>				
Exeter Respect Festival	(20)			
Local Taxation Visiting Officers	32			
Waste Infrastructure - capital bid	(15)			
Mechanisation of Street Scene - capital bid	3			
Other changes (JE etc)	59			
Leisure Project - revenue costs			(178)	
	<b>59</b>	<b>0</b>	<b>(178)</b>	<b>0</b>
<b><u>New Revenue Bids - Non Recurring</u></b>				
12 month access to welfare reform impact dashboard	(29)			
Place project Co-ordinator	(40)			
	<b>(69)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Revenue Costs Arising from New Capital Bids</u></b>				
Unsupported Borrowing Costs of Capital - Repayment of Loan	50	50	50	50
	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>TOTAL</b>	<b>1,083</b>	<b>135</b>	<b>(43)</b>	<b>135</b>

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## MEDIUM TERM REVENUE PLAN (2018/19 - 2022/23)

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	
<b>Resources</b>							
Revenue Support Grant	1,320	0	365	0	0	0	
Business Rates Income (assumed by Government)	3,857	4,842	4,185	4,426	4,426	4,426	
Business Rates growth	2,000	1,228	1,511	0	0	0	
Business Rates pooling / pilot benefit	400	734	150	0	0	0	
NNDR Deficit to Cover	0	(1,651)	0	0	0	0	
CIL income	191	335	95	95	95	95	
New Homes Bonus	3,597	2,591	2,408	2,273	2,154	2,273	
Council Tax	5,338	5,624	5,831	5,979	6,228	6,480	
<b>Likely resources</b>	<b>16,703</b>	<b>13,703</b>	<b>14,545</b>	<b>12,773</b>	<b>12,903</b>	<b>13,274</b>	
<b>Expenditure</b>							
<b>Service expenditure</b>							
Committee expenditure base budget	12,549	12,852	12,975	12,697	10,522	10,486	
Inflation	110	500	602	300	300	300	
Potential increase in service costs	1,458	568	1,083	135	(43)	135	
Budgeted reductions	(1,265)	(945)	(1,963)				
	12,852	12,975	12,697	13,132	10,779	10,921	
Supplementary Budgets	1,463	1,923					
Net Interest	82	(140)	132	316	481	471	
Forecast Committee movements	(1,223)	589					
RCCO	917	150	150	150	0	0	
Repayment of debt	648	608	710	959	986	969	
Additional repayment of debt	117	1,000	1,000	1,000	1,000	1,000	
	14,856	17,105	14,689	15,557	13,246	13,361	
<b>Other funding</b>							
Contribution to/ (from) earmarked reserves	2,419	(1,725)	(279)	(234)	(56)	(56)	
Contribution to/ (from) balances - Other	(572)	(1,677)	41	(49)	16	60	
	1,847	(3,402)	(238)	(283)	(40)	4	
<b>Reductions identified during 2016-17</b>				0	0	0	
<b>Further reductions required</b>				(2,400)		(200)	(2,600)
<b>Potential reductions identified</b>				(210)	(293)		
<b>Total Net Budget</b>	<b>16,703</b>	<b>13,703</b>	<b>14,451</b>	<b>12,664</b>	<b>12,913</b>	<b>13,165</b>	
<b>Total additional savings required by 2022/23</b>							<b>(2,600)</b>
Opening General Fund Balance	5,264	4,692	3,015	3,056	3,007	3,023	
Closing General Fund Balance	4,692	3,015	3,056	3,007	3,023	3,083	
Balance as a percentage of budget	28.1%	22.0%	21.1%	23.7%	23.4%	23.4%	

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GENERAL FUND - CAPITAL PROGRAMME 2019/20 AND FUTURE YEARS						
SCHEMES LISTED WITHIN COUNCIL PURPOSES	NEW BID	2019/20 £	2020/21 £	2021/22 £	Future Years £	What the scheme is trying to achieve
<b>PEOPLE</b>						
<i>HELP ME FIND SOMEWHERE TO LIVE</i>						
Disabled Facility Grants		500,000	500,000	500,000	500,000	To meet the legal duty to pay grants to enable disabled people to remain in their homes.
<b>Sub-Total - Help Me Find Somewhere Suitable to Live</b>		<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	
<b>PEOPLE TOTAL</b>		<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	
<b>PLACE</b>						
<i>WELL RUN COUNCIL</i>						
Vehicle Replacement Programme		400,000	400,000	400,000	400,000	To ensure that the Council's vehicles are replaced so that a safe and reliable fleet is maintained.
Car Park Resurfacing, Lining & Boundary Improvements		200,000				To ensure income generating car parks are safe and welcoming to use.
Waste Infrastructure		163,000	144,000	144,000		To reduce on-street presentation of domestic and commercial rubbish. Infrastructure to consist of communal domestic waste collection points in selected streets, 'Recycle on the Go' bins in the city centre and communal trade waste facilities.
<b>Sub Total - Well Run Council</b>		<b>763,000</b>	<b>544,000</b>	<b>544,000</b>	<b>400,000</b>	
<i>IMPROVE THE ENVIRONMENT AND MY NEIGHBOURHOOD</i>						
Repair Canal Bank at M5		25,990				To re-strengthen and raise canal banks at this known vulnerable location.
Kings Arms Bridge		15,000				To replace the current Kings Arms Bridge which has declined in condition.
Bowling Green Marshes Coastal Defence Scheme		28,900				To repair the coastal defences to retain the level of protection to the freshwater marshes. The scheme is entirely funded by the Environment Agency.
Exeter Flood Alleviation Scheme		200,000				Approximately 30 to 40 properties in Exwick and Countess Wear that are not protected from the Environment Agency's main flood scheme will be offered property level protection. The scheme is entirely funded by the Environment Agency.

GENERAL FUND - CAPITAL PROGRAMME 2019/20 AND FUTURE YEARS						
SCHEMES LISTED WITHIN COUNCIL PURPOSES	NEW BID	2019/20 £	2020/21 £	2021/22 £	Future Years £	What the scheme is trying to achieve
Replacement of Mallison Bridge (Exeter Quay)		300,000				The current bridge has been identified as requiring replacement by DCC engineers. Opportunity to replace with a flatter, wider, 'fit for use' bridge to cater for heavy use.
Parks Infrastructure		250,000	100,000			To ensure public safety in parks and open spaces. Works include resurfacing parking areas and repairs to steps, railings and gates.
Cemeteries & Churchyards Infrastructure Improvements		80,000	20,000	20,000		To provide adequate and safe access to graves. Works include improvements to path and road layout and surfacing improvements and provision of suitable parking.
Purchase of Harbour Patrol Vessel for Exe Estuary		50,000				Purchase of RHIB type vessel for Harbour Patrol purposes in order to comply with Port Marine Safety Code requirements to deter speeding and monitor the use of the Estuary as part of ECC's Safety Management System.
Repairs to Turf Lock Pier Head		100,000				Stabilisation work to Turf Lock Pier Head by providing rock protection on the seaward side and making good displaced masonry slabs in other areas.
Repair to Walls at Farm Hill		60,000				To ensure stability and integrity of structures.
Bank Repairs & Stabilisation to Watercourses		20,000	20,000			To ensure stability and integrity of watercourses at Pinhoe, Monkerton and Northbrook to prevent bank slips/blockages that could result in localised flooding in populated areas.
<b>Sub Total - Improve the Environment &amp; My Neighbourhood</b>		<b>1,129,890</b>	<b>140,000</b>	<b>20,000</b>	<b>0</b>	
<b>KEEP ME/MY ENVIRONMENT SAFE &amp; HEALTHY</b>						
City Wide Property Level Protection		30,000				To protect properties in Old Tiverton Road and Longbrook Street from flooding. The scheme will be funded by Devon County Council.
<b>Sub Total - Keep Me/My Environment Safe &amp; Healthy</b>		<b>30,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	

GENERAL FUND - CAPITAL PROGRAMME 2019/20 AND FUTURE YEARS						
SCHEMES LISTED WITHIN COUNCIL PURPOSES	NEW BID	2019/20 £	2020/21 £	2021/22 £	Future Years £	What the scheme is trying to achieve
<b>PROVIDE GREAT THINGS FOR ME TO SEE &amp; DO</b>						
Outdoor Leisure Facilities		80,000				To provide facilities at Omaha Drive.
Sports Facilities Refurbishment		56,430				To undertake replacement of plant and equipment within the leisure management contract.
Riverside Leisure Centre	NEW	3,000,000				To undertake essential repairs to the fabric of the building
<b>Sub Total - Provide Great Things for Me to See, Do &amp; Visit</b>		<b>3,136,430</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>DELIVER GOOD DEVELOPMENT</b>						
Leisure Complex - Build Project		26,017,300	12,167,690			To develop a new leisure complex and swimming pool on part of the bus station site to replace Pyramids.
Bus Station Construction		2,208,430	3,000,920			To redevelop Exeter's Bus and Coach Station.
<b>Sub Total - Deliver Good Development</b>		<b>28,225,730</b>	<b>15,168,610</b>	<b>0</b>	<b>0</b>	
<b>PLACE TOTAL</b>		<b>33,285,050</b>	<b>15,852,610</b>	<b>564,000</b>	<b>400,000</b>	
<b>CORPORATE SERVICES</b>						
<b>WELL RUN COUNCIL</b>						
Council Signage Improvement		40,000	40,000			A phased replacement of council signage across the city.
Annual Contribution to Strata		53,900	53,900	53,900	53,900	Contribution to Strata led projects
DR VDI Infrastructure	NEW	53,900				
ECC Cabinet & Network Replacement	NEW	125,000				
Street Scene and Other Asset Management	NEW	35,940				
Legal Case Management	NEW	23,360				
ECM - Scoping Exercise	NEW	17,970				
Cash and Income Management	NEW	28,750				

GENERAL FUND - CAPITAL PROGRAMME 2019/20 AND FUTURE YEARS						
SCHEMES LISTED WITHIN COUNCIL PURPOSES	NEW BID	2019/20 £	2020/21 £	2021/22 £	Future Years £	What the scheme is trying to achieve
Loan to Exeter City Living Ltd		2,150,000				To provide the second loan payment to Exeter City Living in order to implement and complete the year one business case
Capitalised Staff Costs		100,000	100,000	100,000	100,000	To provide for the cost of certain Council employees, which will be directly involved in the construction or acquisition of assets and qualify as capital expenditure, including engineers and surveyors.
<b>Sub Total - Well Run Council</b>		<b>2,628,820</b>	<b>193,900</b>	<b>153,900</b>	<b>153,900</b>	
<b>CORPORATE SERVICES TOTAL</b>		<b>2,628,820</b>	<b>193,900</b>	<b>153,900</b>	<b>153,900</b>	

<b>TOTAL CAPITAL PROGRAMME</b>		<b>36,413,870</b>	<b>16,546,510</b>	<b>1,217,900</b>	<b>1,053,900</b>	
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New Bids	3,284,920	0	0	0	
Pre-Approved	33,128,950	16,546,510	1,217,900	1,053,900	
<b>TOTAL CAPITAL PROGRAMME</b>	<b>36,413,870</b>	<b>16,546,510</b>	<b>1,217,900</b>	<b>1,053,900</b>	

## **REPORT TO EXECUTIVE**

**Date of Meeting: 15 January 2019**

**Report of: Chief Finance Officer**

**Title: 2019/20 COUNCIL TAX BASE AND NNDR1**

### **Is this a Key Decision?**

No

\* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

### **Is this an Executive or Council Function?**

Executive

#### **1. What is the report about?**

- 1.1 To set the 2019/20 Council Tax base in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.
- 1.2 To seek approval that the Council's estimate of Business Rate Income (NNDR1) for the next financial year is delegated to the Chief Finance Officer.

#### **2. Recommendations:**

- 2.1 In accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amount calculated by Exeter City Council as its tax base for the year 2019/20 shall be 36,988.
- 2.1 That the section 151 Officer is delegated responsibility to approve the Council's NNDR1 return by 31 January 2019.

#### **3. Reasons for the recommendation:**

- 3.1 To ensure that the Council meets its statutory deadline for notifying Precepting Authorities and the Government by 31 January 2019.

#### **4. What are the resource implications including non financial resources.**

- 4.1 Both the Council Taxbase and the NNDR1 provide key information used to calculate the overall resources available to the Council, Government and Preceptors in the following financial year.

**5. Section 151 Officer comments:**

- 5.1 Approval of the report is a statutory requirement in respect of the Taxbase. There is an increase of 441 Band D equivalent properties compared to the 2018/19 Taxbase.

**6. What are the legal aspects?**

- 6.1 The requirement to set the Council Tax base is set out in the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.

In coming to decisions in relation to the revenue budget and the Council Tax the City Council and Councillors have the following legal duties, namely:-

(a) The Council must act in accordance with its statutory duties and responsibilities.

(b) The Council must act reasonably.

(c) The Council must not act in breach of its fiduciary duty to its ratepayers and Council Tax payers.

**7. Monitoring Officer's comments:**

- 7.1 Members should be aware of the provisions of Section 106 of the Local Government Finance Act 1992 applies to this report where members are present at a meeting of the Council, the Executive or a Committee and at the time of the meeting an amount of council tax is payable by them and has remained unpaid for at least two months.

In these circumstances, any such members shall at the meeting and as soon practicable after its commencement disclose the fact that Section 106 applies to them and shall not vote on any question concerning the matter.

It should be noted that such members are not debarred from speaking on these matters.

Failure to comply with these requirements constitutes a criminal offence, unless any such members can prove they did not know that Section 106 applied to them at the time of the meeting or that the matter in question was the subject of consideration at the meeting

**8. Report details:**

**8.1 BACKGROUND**

- 8.1.1 In accordance with the requirements of the Local Government Finance Act, 1992, Exeter City Council as a billing authority will be issuing Council Tax bills to occupiers of property in March 2019, effective from 1 April.

- 8.1.2 As a first step to calculating the Council Tax itself, the City Council is required by legislation to determine a tax base by the 31 January for the following financial year.

- 8.1.3



Based on a valuation list received from the Valuation Officer, the calculation, in simple terms, involves three steps, namely :

- i. the determination of the number of chargeable dwellings;
- ii. an assessment of disregards, premiums and discounts, and
- iii. the equivalent number of band D properties and a collection rate.

8.1.4 The calculation of the Taxbase includes the impact of the Council Tax Support Scheme, which significantly reduces the Council's income from Council Tax. In order to reflect the increased risk of non-recovery, which may result from the move to Local Council Tax Support, the Collection Rate has been reduced to 97% from 98% since introduction.

## 8.2 COUNCIL TAX BASE FOR 2019/20

8.2.1 The Council Tax Base for Exeter is set out in table 8.1 and in Appendix A. It is estimated that the equivalent number of Band D properties (Gross taxbase) for 2019/20 (including the reduction in dwellings owing to the Council Tax Support Scheme) will be 38,132, an increase of 455 over 2018/19.

8.2.2 To this figure the estimated collection rate of 97% for the year is applied, which results in a net Council Tax base of 36,988, an increase of 441 over the 2018/19 figure of 36,547.

**Table 8.1 – Taxbase 2019/20**

<b>Taxbase</b>	<b>2019/20 Gross Taxbase</b>	<b>2019/20 Net Taxbase (97%)</b>
Taxbase to be used in calculating the council tax for 2018/19	<b>38,132</b>	<b>36,988</b>

## 8.3 BUSINESS RATES RETENTION

8.3.1 Under the new Business Rates Retention funding, the Council has to provide DCLG with an estimate of its Business Rate Income for the forthcoming year. However due to the changes in the funding and the local/central share, DCLG require the estimate (completed on a NNDR1 form) to be compiled and formally submitted by January 31<sup>st</sup>. The Council must also share this information with Devon County Council and Devon and Somerset Fire and Rescue Service who are also affected.

DCLG have stated that, in their view, the decision to approve the NNDR1 can be delegated to the section 151 Officer and this report seeks approval for such delegation as the figures have not yet been calculated (The Council requires an annual software update in order to calculate the NNDR1 form).

**9. How does the decision contribute to the Council's Corporate Plan?**

9.1 The approval of the Taxbase enables the Council to calculate the budget available for the following financial year.

**10. What risks are there and how can they be reduced?**

10.1 Not applicable.

**11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

11.1 Not applicable

**12. Are there any other options?**

12.1 Not applicable

**Chief Finance Officer**

**Local Government (Access to Information) Act 1972 (as amended)**

**Background papers used in compiling this report:-**

None

Contact for enquires:

Democratic Services (Committees)

Room 2.3

01392 265275

**EXETER CITY COUNCIL**  
**2019/20 TAX BASE**

	<b>BAND</b>	<b>TOTAL</b>	<b>A relief</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
LINE 1	No. OF CHARGEABLE DWELLINGS	51,255	28	9,563	14,127	12,891	7,969	3,879	1,881	886	31
LINE 2	No. OF DISCOUNTS	-9,586	-15	-3,594	-3,010	-1,807	-735	-263	-115	-44	-3
LINE 3	No OF ADDITIONS (TECHNICAL CHANGES)	-21	0	-6	-6	-4	-5	-1	0	0	1
LINE 4	WHOLE No. EQUIVALENT CHARGEABLE DWELLINGS	41,648	13	5,963	11,111	11,080	7,229	3,615	1,766	842	29
LINE 5	FRACTION TO APPLY TO ARRIVE AT BAND D EQUIVALENTS		5/9 ths	6/9 ths	7/9 ths	8/9 ths	1	11/9 ths	13/9 ths	15/9 ths	18/9 ths
<b>LINE 6</b>	<b>BAND D EQUIVALENTS (PER CTB1)</b>	<b>38,132</b>	<b>7</b>	<b>3,975</b>	<b>8,642</b>	<b>9,849</b>	<b>7,229</b>	<b>4,418</b>	<b>2,551</b>	<b>1,403</b>	<b>58</b>
	<b>TOTAL BAND D EQUIVALENTS</b>	<b>38,132</b>									
LINE 7	<b>COLLECTION RATE</b>	<b>97.00%</b>									
LINE 8	<b>EXETER CITY COUNCIL TAX BASE</b>	<b>36,988</b>									

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**REPORT TO: EXECUTIVE and COUNCIL**

**Date of Meeting: 15 January 2019**

**Report of: Director, Bindu Arjoon**

**Title: CREATION OF A SECOND POST OF CIL AND SECTION 106 MONITORING OFFICER**

**Is this a Key Decision?**

No

**Is this an Executive or Council Function?**

Council

**1. What is the report about?**

- 1.1 This report seeks Executive and Council's approval to establish a new, second, permanent position of CIL and Section 106 Monitoring Officer at Grade 7 in City Development.
- 1.2 The new position, which will complement an existing position with the same job title and grading, will be funded through Community Infrastructure Levy receipts which are intended to be used for administration purposes, and through future receipts secured through Section 106 agreements for similar purposes. The postholder will work to ensure that both CIL and Section 106 monies are effectively monitored, secured, and spent in accordance with legislative requirements.

**2. Recommendation:**

- 2.1 It is recommended that Council approves the use of CIL-derived funds to create the new position – CIL and Section 106 Monitoring Officer.

**3. Reasons for the recommendation**

- 3.1 The administration required to collect and monitor CIL in Exeter continues to grow, and there is a need for additional resource to keep up with these demands. There are now more than 400 developments with planning permission which are CIL-liable, and each development has bespoke payment terms, often providing for payment in stages over the duration of several years. The number of cases is growing at circa 100 per annum.
- 3.2 The administrative burden of monitoring and collecting monies secured through Section 106 agreements has never subsided, and will grow again in future, (as explained below). There are currently over 600 Section 106 agreements, each a bespoke legal agreement. About half of these agreements are 'historic', while the other half require ongoing monitoring for staged and index-linked payments for a variety of capital and revenue purposes.

- 3.3 At the moment, there is one officer whose dedicated responsibility it is to monitor and collect both CIL and Section 106-derived monies, but it is recognised that this is not sufficient. A July 2018 ECC Internal Audit Report identifies a number of risks relating to Section 106 monitoring, with potentially considerable financial implications. The report identifies that there are operational resource constraints which impact negatively on the authority's capacity to expediently collect and consequently spend monies owed through Section 106 agreements. In particular, the report notes the high risk associated with the current lack of resource to monitor the progress of developments on the ground, meaning that trigger points for payment of S106-related monies may be missed and that the issue of associated invoices is delayed or overlooked altogether.
- 3.4 In the absence of any other resource to share the volume of work currently being undertaken, and which is expected to be undertaken in the future, the Principal Project Manager, Strategic Infrastructure Planning, is currently assisting with monitoring and collecting CIL. This can be as much as 50% of the postholder's time, although this varies depending upon work pressures. This is detracting from the postholder's capacity to undertake the core duties of the position, which are to focus on planning and delivering strategic infrastructure to support the City's growth. It will be particularly important for the Principal Project Manager, Strategic Infrastructure Planning, to dedicate time to the core duties of the position in light, for example, of the strategic delivery programmes identified in the Council's 2018-2021 Corporate Plan (see section 9 of this report below), which could include, for example, the planning and delivery of new Park and Ride facilities, and in light of Exeter's success in being selected as a 'case study' city by the National Infrastructure Commission, which has the potential to result in initiatives which focus minds at national Government level on the future infrastructure and associated resource needs of the city.
- 3.5 Community Infrastructure Levy receipts continue to grow in importance. Receipts currently exceed £10 million, and are forecast to be substantially more than the £24.75 million that was initially forecast in February 2015, shortly after CIL was introduced in Exeter. Reflecting Government expectations of the burden involved, the CIL regulations provide for up to 5% of CIL receipts to be used to administer CIL.
- 3.6 Whilst not as significant a source of funds as CIL at present, receipts from Section 106 agreements continue to be important, and will grow in importance going forward. When the Government originally introduced CIL, it envisaged that Section 106 agreements would decline in importance and usage. The CIL Regulations placed restrictions on the scope of, and frequency with which Section 106 agreements might be used – in particular CIL regulation 123 imposed a restriction on the number of planning obligations secured through Section 106 agreements that can be pooled to contribute financially towards the delivery of any infrastructure project or type of infrastructure. However, on the back of a recent consultation<sup>1</sup>, the Government has made clear its intent to remove this pooling restriction<sup>2</sup>, which means that the use of Section 106 agreements is likely to increase again, meaning that CIL and Section 106

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<sup>1</sup> Supporting Housing Delivery Through Developer Contributions – Ministry of Housing, Communities and Local Government – see: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/691182/Developer\\_Contributions\\_Consultation.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/691182/Developer_Contributions_Consultation.pdf)

<sup>2</sup> Paras 25 and 52 - Government Response to Supporting Housing Delivery Through Developer Contributions – see: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/752183/Developer\\_Contributions\\_Government\\_Response.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752183/Developer_Contributions_Government_Response.pdf)

will operate in parallel in future. The Government has also indicated that it intends to allow local authorities to seek a fee from applicants to be used towards monitoring the obligations in Section 106 agreements<sup>3</sup>. Such a fee would be in addition to the 5% of CIL receipts that can be used to administer CIL, and also to the element of Section 106 receipts which Exeter City Council is able to top-slice from S106 receipts and utilise to cover the professional costs involved in developing and delivering projects, as explained in Annex 2 to the April 2014 Exeter City Council Planning Obligations Supplementary Planning Document<sup>4</sup>.

- 3.7 An analysis of other comparable local authorities' resources indicates that they have expanded their capacities to monitor and collect CIL and Section 106 as the number of CIL liable developments has grown – see the table in section 8 of this report.

#### **4. What are the resource implications including non-financial resources**

- 4.1 The new CIL and S106 Monitoring Officer position can be funded in full from the 5% of CIL receipts which are intended to be used for administration purposes, and from monies which, in future, will be secured from applicants as a contribution towards monitoring Section 106 agreements, albeit that it is not yet known what the fee referenced in footnote 3 above will be. ECC Finance confirm that, based on future forecast receipts, 5% of CIL receipts alone is more than enough to fund the new position. There are consequently no financial implications for the General Fund. The new position is effectively self-funding.

#### **5. Section 151 Officer Comments:**

- 5.1 CIL and S106 payments form an important part of the funding available to the Council to deliver infrastructure improvements and run Council services. The section 151 Officer fully supports the efforts to improve collection and monitoring of these important funding streams. Whilst projections indicate that the post will be fully funded by the administration element of CIL, if this were not to be the case then the cost would be required to be funded from Council Tax. This is considered a low risk for the foreseeable future.

#### **6. What are the legal aspects?**

- 6.1 The legal position is summarised in this report. CIL is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010 with subsequent amendments. Outstanding payments under S.106 agreements are contractual and these can be pursued through the civil courts, although an effective method of reclaiming outstanding sums is by means of an adverse entry in the Local Land Charges Register, the latter warning potential purchasers that there is a debt attached to the land.

#### **7. Monitoring Officer Comments:**

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<sup>3</sup> Para. 53 - Government Response to Supporting Housing Delivery Through Developer Contributions – see: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/752183/Developer\\_Contributions\\_Government\\_Response.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752183/Developer_Contributions_Government_Response.pdf)

<sup>4</sup> April 2014 – Exeter City Council Planning Obligations Supplementary Planning Document – see: <https://exeter.gov.uk/media/1659/planning-obligations-spd.pdf>

- 7.1 It is imperative that CIL and S106 payments are properly assessed, monitored and collected since they provide the funding available to the Council both to provide new infrastructure and infrastructure improvements and to run the Council's services. Accordingly the Monitoring Officer fully supports this report.

## **8. Report Details / Background**

- 8.1 The number of CIL liable developments in Exeter is rising by around 100 per annum, and now stands at circa 450. There are circa 300 current Section 106 agreements relating to other developments. In addition, there are dozens of Deeds of Variation to Section 106 agreements. The progress of each CIL liable development, and each development to which a Section 106 agreement relates, must be monitored in accordance with bespoke payment terms. Accurate invoices must be issued at appropriate points in time.

### Community Infrastructure Levy

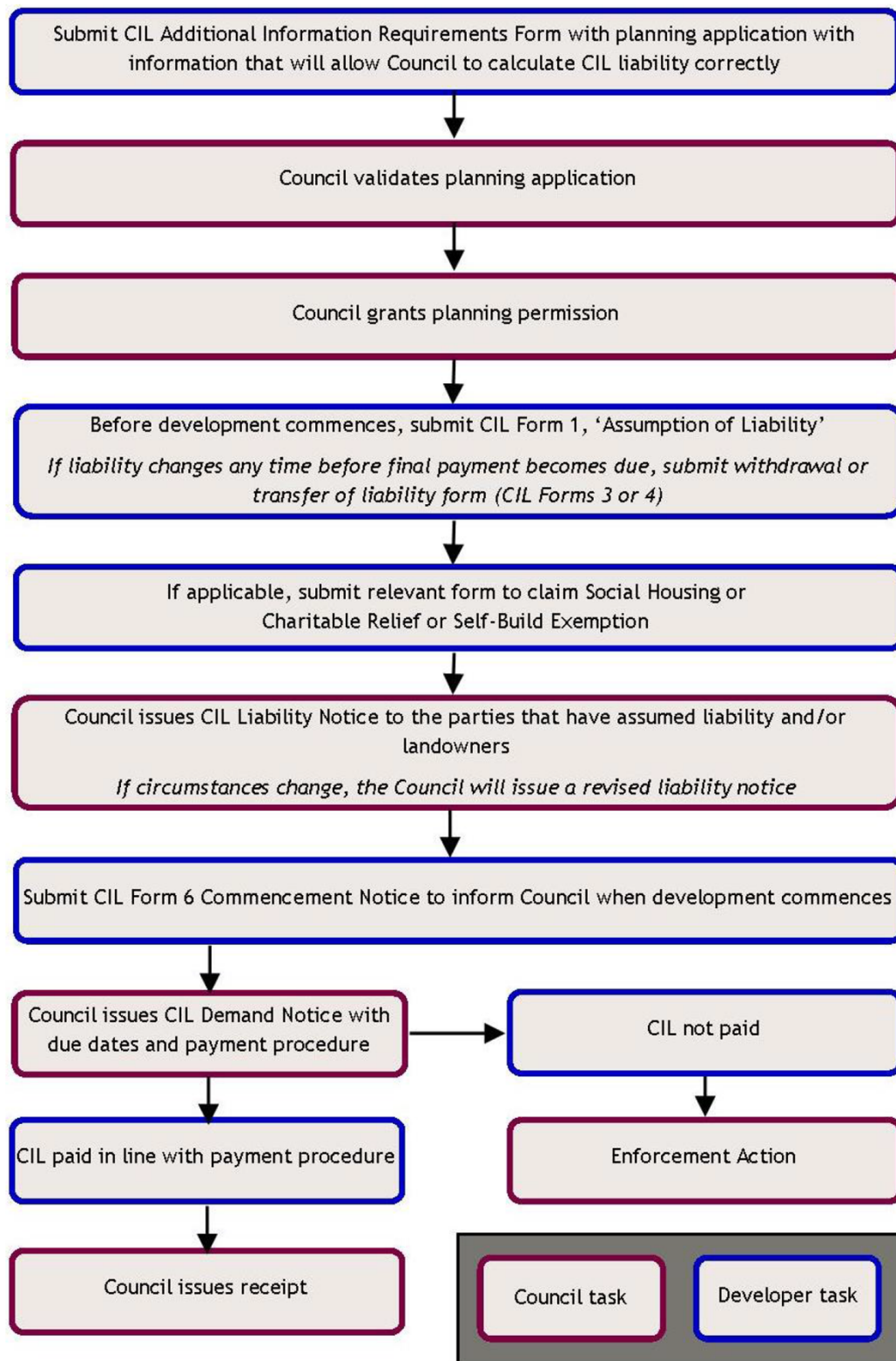
- 8.2 CIL is a tax, and the complexities of collection reflect this. The CIL collection process is summarised and illustrated in Figure 1 below. The CIL collection process for self-build developments is considerably more complex than the process shown in Figure 1. CIL collection typically involves the issue / receipt of multiple notices, and the issue of multiple invoices, especially in the case of medium to large scale developments which are typically phased. Enforcement action is complex, and necessitates the instigation of various forms of legal action, such as the issue of CIL Stop Notices, and application to court for CIL Liability and / or Charging Orders. CIL is relatively straightforward to monitor once a CIL Commencement Notice has been received from a developer, insofar as payments must be made within timeframes specified in the Council's CIL Instalments Policy. However, pursuing actions in relation to the non-payment of CIL in accordance with the CIL Instalments Policy, or on account of errors made in determining the CIL liability, can be particularly resource intensive. Many developments that are initially judged not to be CIL-liable in fact turn out to be CIL-liable, and it is only through careful monitoring that such changes in circumstances are uncovered. Monitoring to pick up on 'disqualifying events', which are events resulting in the reliefs from CIL no longer being applicable, (e.g. sale of a self-build dwelling within 3 years of completion) requires constant surveillance and investigation.

*REPORT CONTINUES ON FOLLOWING PAGE*



**Figure 1 – CIL Collection Process**

Summary of process (where development is granted planning permission)



Source: Reading Borough Council

- 8.3 Careful monitoring of the development at Brewer's Court (planning application 16/0469/03) determined that, rather than the CIL liability being £8,401.70 as initially calculated, the CIL liability was actually £83,542.03. Considerable efforts were made over many weeks to ensure that the £83,542.03 was the amount that was ultimately collected. Careful monitoring of the development at Rydon Lane Retail Park (planning application 16/0388/FUL) identified an unpaid CIL liability of £25,821.54, which was successfully reclaimed, but only on threat of legal action. Speedy enforcement action taken in relation to non-payment of CIL in relation to two developments at Bricknell's Bungalow (planning applications 16/0389/02 and 16/1293/03) means that the Council stands a reasonable chance of recovering £251,775.10 which might otherwise have been lost because the developer has gone into administration. Remedial legal action was successfully instigated to retrieve £26,059.60 in unpaid CIL from the development at 17 Bartholomew Street East (planning application 15/0129/03).
- 8.4 These are just a handful of examples of monies that might have been lost with less effectual monitoring. As the number of CIL-liable case grows, so does the need for resource to monitor the intricacies and volume of work involved. At face value, just one of the payments referenced in the preceding paragraph would be sufficient to employ a person for a year in the position which this report recommends is created.

#### Section 106

- 8.5 Section 106 agreements are significantly more complex and onerous than CIL to monitor. With CIL, the main trigger for initial and subsequent payment of contributions is the commencement of development. As long as commencement is monitored, subsequent payment/s can be sought in accordance with reasonably standard calendar based timeframes. With Section 106, developments must be monitored with much greater frequency and in much greater detail. The terms of payment are considerably more complex, and the trigger points for payment demand much more attention. Trigger points for payment are typically the number of dwellings occupied in any particular phase of development. There is consequently a need to regularly visit developments to monitor the number of dwellings built and occupied, and to cross-check assumptions with Council Tax records. In some cases it is even necessary to count the number of bedrooms in each dwelling, where this is a trigger for particular payments. The reality is that there is insufficient resource to effectively monitor developments from which Section 106 contributions are due, and whilst some developers will initiate payments of their own volition, others will not and need to be pursued. With only one person monitoring both CIL and Section 106, there is insufficient resource to pursue developers as rigorously as needs to be the case. This is recognised in the 18<sup>th</sup> July 2018 ECC Internal Audit Report on Section 106, which identifies this as a high risk.
- 8.6 The Internal Audit report identifies a number of other risks such as Section 106 payment terms not being accurately recorded in monitoring software, and spending departments not keeping accurate records of monies available for spend, meaning that S106 funded project delivery is delayed. New monitoring software will be implemented for CIL purposes from 1 January 2019, but there is currently insufficient resource to also use the software's S106 monitoring capabilities. The software suppliers estimate that it will take an individual 4-6 months solid to enter the details of the all of the S106 agreements in Exeter into the system simply to provide for them to be subsequently monitored accurately and effectively.

- 8.7 As referenced in paragraph 3.5 above, the use of Section 106 agreements will increase in future, on the back of signalled Government changes to the CIL regulations which govern how developer contributions are sought and secured.

#### Habitats Mitigation

- 8.8 It should be noted that responsibility for the administration and collection of payments for habitats mitigation also falls to the CIL and S106 Monitoring Officer, meaning that less time is available for monitoring and collecting CIL and S106. This is compounded by the fact that in April this year, a Court of Justice of the European Union ruling<sup>5</sup> resulted in a change to the way in which the assessment of planning applications for their impacts on protected habitats must be undertaken, and this has given rise to more bureaucracy and more time spent on securing payments.

#### Comparison with Other Local Authorities

- 8.9 The table below contrasts resources at Exeter City Council with those available at comparable authorities.

Local Authority	Population	Number of CIL / S106 Staff	Remit?	Number CIL-liable developments (Oct 2018)	Number of S106 agreements	Date CIL Charging Schedule came into effect
Exeter	128,900	One (1) staff member as follows: <ul style="list-style-type: none"><li>• CIL + S106 Monitoring Officer</li></ul>	Dealing with CIL / S106 and all associated administration, plus enforcement, but also contributions for habitats mitigation (Exe Estuary, Dawlish Warren and East Devon Pebblebed Heaths).	450	600 +	1 <sup>st</sup> December 2013
Oxford	151,906	Three (3) staff members as follows: <ul style="list-style-type: none"><li>• CIL + S106 Officer</li><li>• CIL + Monitoring Officer</li><li>• CIL + Monitoring Officer</li></ul>	Dealing with CIL / S106 and all associated administration, plus enforcement + monitoring housing completions. Team has grown from initial one staff member to three due to increasing volume and complexity of work.	1000+	900+	21 <sup>st</sup> October 2013
Poole	151,500	Two (2) staff members as follows: <ul style="list-style-type: none"><li>• Planning Contributions Monitoring Officer</li><li>• Planning Contributions Monitoring Officer</li></ul>	Dealing with CIL / S106 and all associated administration, but also contributions for habitats mitigation (Dorset Heathlands). Team has grown from initial one staff member to two.	210 (commenced developments)	51	2 <sup>nd</sup> January 2013
East Devon	142,300	Two (2) staff members as follows: <ul style="list-style-type: none"><li>• Planning Obligations Officer</li><li>• Planning Support Officer</li></ul>	Dealing with CIL / S106, but Planning Obligations Officer also develops S106 spend proposals in consultation with communities, i.e. contributes towards S106 negotiation and S106 financed project delivery.	100	1700	1 <sup>st</sup> September 2016

- 8.10 Despite the fact that they do not collect any more CIL than Exeter, some other authorities spend the entirety of the 5% of CIL that they collect for administration purposes on administration. For example, in 2016-17, Plymouth City Council applied the entire 5% of the CIL it collected for administration on administration<sup>6</sup>.

<sup>5</sup> People Over Wind and Sweetman v Coillte Teoranta (C-323-17) -

<http://curia.europa.eu/juris/document/document.jsf?docid=200970&doclang=EN>

<sup>6</sup> <https://www.plymouth.gov.uk/sites/default/files/CILAnnualMonitoringReport20162017.pdf>

## **9. How does the decision contribute to the Council's Corporate Plan?**

9.1 The Council's Corporate Plan 2018-21<sup>7</sup> sets out a vision, which is to be supported by three broad strategic delivery programmes to address the City's current major challenges, each of which will give rise to the need to develop and deliver infrastructure projects. The three delivery programmes are as follows:

- Tackling congestion and accessibility.
- Promoting active and healthy lifestyles.
- Building great neighbourhoods.

9.2 The proposed new position of CIL and S106 Monitoring Officer will be critically important to ensuring that funds are monitored, collected and put to best use in delivering infrastructure projects which are identified as being integral to the delivery of these programmes.

## **10. What risks are there and how can they be reduced?**

10.1 There is a risk that, because of the increasing number of CIL-liable developments, resources to monitor and collect CIL will soon be stretched so far such that the collection of CIL is compromised and funds which are essential to deliver priority infrastructure projects will not be collected as expeditiously and meticulously as might otherwise be the case. Small errors caused by lack of resource have the potential to result in the loss of very significant income.

10.2 The July 2018 ECC Internal Audit Report on Section 106 Agreements identifies a number of risks, some of which are considered to be more significant than others, in particular that it is not currently possible to monitor the triggers for payment of Section 106 contributions as effectively as needs be. If these triggers are not effectively monitored, invoices may be issued late or not at all, with the inherent risks this entails to the financial resources available to the Council to deliver necessary infrastructure in a timely and efficient manner. There is also a risk that the increasing volume of CIL-liable developments will further detract from the ability of the current postholder to invest the necessary time in monitoring Section 106 payments.

10.3 The recommendations in this report seek to address these risks.

## **11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

11.1 The decisions will impact positively on health and wellbeing, the environment, and potentially community safety by ensuring that funds are raised for the delivery of infrastructure which may be necessary to promote health and wellbeing, and to deliver environmental enhancements and improvements to community safety.

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<sup>7</sup> Exeter City Council Corporate Plan 2018-21 – see: <https://exeter.gov.uk/council-and-democracy/council-information/corporate-plan-2018-21/>

## **12. Are there any other options?**

- 12.1 There is an option not to proceed with establishing a new position of CIL and Section 106 Monitoring Officer, but in this scenario it is anticipated that the risks identified in paragraph 10.1 to 10.2 above would quickly become more apparent.

**Director, Bindu Arjoon**

### **Local Government (Access to Information) Act 1972 (as amended)**

#### **Background papers used in compiling this report:-**

- Exeter City Council Internal Audit Report – S106 Agreements – Final Report - 18 July 2018
- See also the documents referenced in footnotes 1 to 7 in the body of the report above.

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## **REPORT TO: EXECUTIVE COMMITTEE**

**Date of Meeting: 15 January 2018**

**Report of: Director of Place**

**Title: Proposed Consultation on Public Conveniences**

**Is this a Key Decision?**

No

**Is this an Executive or Council Function?**

Executive

### **1. What is the report about?**

The report requests permission to start a public consultation on the proposals to close a number of public conveniences to achieve the required budget savings and enable a balanced budget to be set.

### **2. Recommendations:**

- 2.1 That the Executive Committee support the decision to start a public consultation on the closure of public conveniences as detailed in appendix 1.

### **3. Reasons for the recommendation:**

- 3.1 In common with many cities around the UK, our public toilets no longer serve the needs of residents and are costly to maintain. Many are hidden away and are in poor condition. They attract serious and repeated anti-social behaviour including widespread drug use and are regularly vandalised. Understandably many are infrequently used.
- 3.2 Further central government funding reductions mean that the City Council has to find an additional saving of £3.9 million over the next two financial years. Every service is being challenged to ensure that it provides value for money and all non-statutory services are under considerable pressure. Public conveniences are not a statutory service and we no longer have enough funding to maintain all the sites we operate.
- 3.3 We operate 26 public conveniences across the City Council area, with two of those currently closed due to anti-social behaviour. This report seeks approval to consult on proposals to rationalise our existing provision to a more manageable number and suggests alternative proposals to improve the availability of good quality publically accessible toilets.

### **4. What are the resource implications including non financial resources.**

- 4.1 There are no resource implications for the consultation which will be completed in partnership with our Communication, Tourism and Culture Team.

### **5. Section 151 Officer comments:**

- 5.1 There are no financial implications arising from running the consultation. This option however, forms part of the overall budget proposals for 2019-20 and were it not to proceed, would require alternative reductions to the budget to be identified.

**6. What are the legal aspects?**

- 6.1 Local authorities are under no statutory obligation to provide public conveniences; it is at the discretion of the authority, who may charge such fees for the use of any such convenience as is deemed fit. (S.87 Public Health Act 1936).

**7. Monitoring Officer's comments:**

Given that the authority is being sought to consult on proposals to rationalise our existing provision to a more manageable number, this report raises no issues of concern to the Monitoring Officer.

**8. Report details:**

**8.1 Background**

We operate 26 public conveniences across the City Council area, with two of those currently closed due to anti-social behaviour. Many were built a long time ago and are hidden away, in the wrong location and in poor condition. They attract serious and repeated anti-social behaviour including widespread drug use and are regularly vandalised. In short they are not nice places to use especially compared to the large number of good quality, publically accessible toilets, provided by our shops, cafes or shopping centres. Consequently some are rarely used for legitimate purposes.

- 8.2 Provision of public toilets is not a statutory responsibility for the Council and many authorities around the country have been reviewing their provision in light of continuing budget reductions. A report by the BBC earlier in the year noted;

- At least 1,782 facilities have closed across the UK in the last decade,
- Ten areas, including Newcastle, Merthyr Tydfil in south Wales and Wandsworth in south London, now have no council-run public toilets at all,

- 8.3 Many councils have introduced charging for public toilets with mixed results. Nationally it is estimated that it costs councils over £100million to run toilets while earning only £4.5million in income.

- 8.4 Continued central government funding reductions are putting increased pressure on public services throughout the UK. On top of several years of budget cuts, the City Council has to find an additional £3.9 million over the next two years. All services must therefore ensure that they are delivering maximum value for money.

- 8.5 As part of the drive to reduce costs, we are continuously looking at efficiency savings, but in some cases efficiencies alone are insufficient to address the problem. Public Realm is one of the largest service areas with a large budget. This is understandable as many of the front line services are included in this service. Where practically possible in recent years we have sought to protect the budgets of Public Realm, and indeed, last year we increased the budget to provide resources to address the problems of Graffiti and Tagging. The obvious areas to examine for reducing budgets are discretionary services, and therefore managers have been asked to justify their



budgets with graffiti removal, CCTV and public conveniences being examples of areas examined in greater detail. The additional resources that have been put into Graffiti removal illustrate the impact tagging is having on the built environment. CCTV is considered to be important to the safety of residents. Even though one may argue this should be a matter for the police and crime commissioner it is recognised as an important amenity to reassure our residents and businesses, as well as being an extremely useful measure to support the police. In examining our services in some detail the process recognised concerns over the condition, lack of use and abuse of our public conveniences. Managers recommend rationalisation of our stock and that alternative ways of delivering a service be investigated. The current distribution of public conveniences owe much to an historical legacy that do not necessarily reflect current demands and alternative provision. It is often the case that removing something is more keenly felt than the benefit arising from a new installation, and we have over the years avoided removing facilities. But this is no longer sustainable, many of the public conveniences would require significant investment to bring them up to an acceptable condition but austerity has eroded our resource base and, in spite of the claims austerity has ended, the reality is that for local government it has not, nor is there any good news over the horizon.

#### **8.6 Alternative provision**

With severely reduced budgets we need to consider alternative ways to provide a service. Many other local authorities have been through a similar process and in January this year Bristol City Council closed all on street public toilets across the city. This resulted in the closure of 18 public conveniences and 13 remaining open mainly in parks and sporting facilities. To fill the gap they introduced a community toilet scheme.

- 8.7 A community toilet scheme is where local businesses sign up to an advertised scheme whereby they allow their toilets to be used by the general public. The benefits to businesses are increased publicity for their business and increased footfall. The Bristol scheme places business who sign up, onto an online interactive map of the City, together with a printed community toilet scheme map available for tourists, visitors and residents to the city. Bristol currently has 32 business signed up to the scheme which has resulted in increased availability of better quality publically accessible toilets. We propose to look at the feasibility of a community toilet scheme to mitigate against the closure of the 13 public conveniences outlined in the report. This will form part of the consultation exercise.

- 8.8 A link to the Bristol toilet scheme is included here:  
<https://www.bristol.gov.uk/business-support-advice/join-the-community-toilet-scheme>

#### **8.9 Proposed closures**

The list of proposed closures is included in appendix 1 and totals 13 facilities in addition to two which have been closed since 2016. This would leave 11 open across the City, mainly in parks, sporting facilities and tourist areas. This compares favourably to Bristol which is a city nearly four times the population of Exeter.

### **9. Human Resources considerations**

- 9.1 Apart from officer time, none from the consultation process.

### **10. How does the decision contribute to the Council's Corporate Plan?**

11.1 The consultation will inform the review of public conveniences and help towards our priority of providing value for money services.

**12. What risks are there and how can they be reduced?**

12.1 A risk register is included as appendix 2.

**15. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

15.1 The decision to consult will have no impact but will allow a wide cross section of our population to have their say on the issue. We will examine ways to mitigate the impact of the possible closures such as the potential for a community toilet scheme, as part of the consultation exercise.

**16. Are there any other options?**

16.1 Each individual location may have options for redevelopment which could incorporate new publically accessible toilets or there may be local community groups interested in their operation. All 13 are proposed to be closed to achieve the required savings and such investigations may be considered afterwards with a suitable business case.

**Local Government (Access to Information) Act 1972 (as amended)**

**Background papers used in compiling this report:-**

None

**David Bartram**  
**Director of Place**

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## Appendix 1: Proposed closures

Location	Close Y / N	General comments
Cathedral & Quay Car Park	Y	<b>Closed in 2016</b> due to repeated anti-social behaviour
Guinea Street	Y	<b>Closed in 2016</b> due to vandalism, heavy drug use and repeated anti-social behaviour.
Blackboy Road	Y	Heavily used for drugs, constant vandalism to baby change area but relatively new. ASB issues constantly as it's on the boundary of the no alcohol limit and Police in regular attendance.
Buddle Lane	Y	Poor location and so rarely used, replacement roof required, access not compliant with current regulations for disabled people
Cowick Barton Playing fields	N	Heavily vandalised but used by sports activities, and no other nearby provision. Review as part of the physical activity strategy.
Cowick Lane	Y	Poorly located and so little used but regular graffiti and vandalism.
Cowick Street	Y	Under the railway arch, awful condition, drainage problems, regular vandalism and extensive ASB.
Ennerdale Way	Y	Mainly used at weekends for recreation but was not transferred to Exeter College. High levels of drug use through the week and vandalism.
Exeter Quay	N	Roof constantly leaks, hand wash facilities poor but very well used by traders / visitors etc. It serves a major tourist area but is of poor quality and requires a significant refurbishment when funds are available.
Exwick Cemetery (In mess room)	N	Part of staff mess room and used by funerals.
Fore Street Heavitree	Y	Regular ASB Issues including drug use and vandalism due to poor design.
Fore Street Topsham	Y	Needs extensive refurbishment with a pungent smell which is impossible to get rid of but still well used. Topsham has 3 toilets at present but the only disabled toilet is here.
Hamlin Lane	Y	Long history of Anti-Social Behaviour and repeat fly tipping. Used by small number of refuse teams and parks staff.
Heavitree Park	N	Next to sport & leisure activities and well used in spring / summer. Should be considered as part of proposals for a community building / café.
Higher Cemetery	Y	Rarely used by anyone but location and infrequent use means that it's vulnerable to misuse.
Honiton P&R	N	Commuter facilities. Potential to divest to DCC but considered unlikely
King George V Playing Fields	N	Next to leisure & sport facilities. Review as part of the physical activity strategy.
King William Street	Y	Heavy drugs use & vandalised regularly causing issues to Citizens advice offices.
Matford Park & Ride	N	Commuter facilities. Potential to divest to DCC but considered unlikely.

Musgrave Row	Y	Awful smell, very poor condition, oppressive blue lighting due to constant drug use. Kept open overnight on Friday's & Saturdays as a trial.
Okehampton Street	Y	Heavily used for drugs and extensive ASB issues, no designated ladies it's shared with disabled
Paris Street	N	Very busy with visitors and commuters, continue to operate until new facilities open.
Pinhoe Road, Whipton	Y	Poor condition and constantly vandalised but is at least in a good location near shops.
St Thomas Park	N	Next to leisure & sport facilities. Suffers from vandalism and drug use, requires upgrading. Review as part of the physical activity strategy.
Topsham Cemetery	N	Cemetery toilet, not used much but offers little in the way of a saving
Topsham Quay	N	Needs updating, but is used heavily by tourists and visitors to Topsham.

## Appendix 2: Risk Register

No.	Risk (Threat to achieving the goals of the project)	Risk Mitigation Measures
1	Failure of businesses / community organisations to get involved with the community toilet scheme.	<ol style="list-style-type: none"> <li>1. We will utilise the marketing skills of our own Communication, Tourism and Culture team to make the project appealing to businesses and to emphasise the benefits to them.</li> <li>2. We will utilise our contacts to approach as many suitable businesses in the City as possible. Some of these already offer their facilities to the public and some have expressed interest when the bus station toilets were proposed to close.</li> <li>3. We will work with the BID to promote the scheme to their members.</li> </ol>
2	People not knowing where the nearest publically accessible toilet is in the City	<ol style="list-style-type: none"> <li>1. We will either produce a separate map with publically accessible toilets and community toilet scheme members on it or integrate it into our existing tourist maps of the city.</li> <li>2. We will produce an interactive map on our website which will show locations, information on what to expect and provide directions to the nearest facility.</li> <li>3. We will work with older peoples groups and forums, equalities groups and forums as widely as possible.</li> <li>4. By working with the Communication, Tourism and Culture team we will ensure that we liaise with the RAMM, Underground passages and other key tourist locations.</li> <li>5. Those participating in the scheme will have a sign outside their premises indicating exactly what provision is available.</li> <li>6. Reconfigure street directional signs to match the changes.</li> <li>7. Signposting on closed facilities directing them to the nearest suitable alternative.</li> </ol>
3	The closure of some sites may take place before alternative provision is available.	<ol style="list-style-type: none"> <li>1. There is already a large provision of publically accessible toilets within the City Centre in shops, shopping centres, bars and cafes. Large numbers of shoppers and visitors already favour these facilities over our own.</li> <li>2. Focussing on those who already have publically accessible toilets and targeting their early sign up will give good coverage across the city.</li> <li>3. Signposting on closed facilities and quick updating of online resources once businesses have signed up.</li> <li>4. In areas where alternative provision is going to be a problem consider community asset transfer.</li> </ol>

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## REPORT TO EXECUTIVE

**Date of Meeting:**

**Report of: Chief Executive & Growth Director**

**Title: Exeter City Council – Shareholder Representative on Exeter Science Park**

### **Is this a Key Decision?**

\* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

No.

### **Is this an Executive or Council Function?**

Executive.

#### **1 What is the report about?**

- 1.1 To seek approval for the Exeter City Council's Shareholder representative on the Exeter Science Park Company.

#### **2 Recommendations**

- 2.1 That David Hodgson be appointed as Exeter City Council's Shareholder representative for the Exeter Science Park Company.

#### **3 Reasons for the recommendation**

- 3.1 The Chief Finance Officer has stepped down as ECC nominated director of Exeter Science Park Company, and his knowledge of the company will be helpful to the continued success of the Company and in protecting the interests of the city council. The key link to the company is through the shareholders rep and in this role there is no potential conflict of interest for the Chief Finance Officer. The Chief Executive & Growth Director is currently the Shareholder rep for the Company and the proposed change will allow him to focus on the challenges facing the city council.

#### **4 What are the resource implications including non-financial resources**

- 4.1 None arising from this report.

#### **5 Section 151 Officer comments**

- 5.1 There are no financial implications contained in the report. The section 151 Officer can confirm that he is pleased to be nominated for the role and if approved, looks forward to continue working on this exciting project.

#### **6 What are the legal aspects?**

- 6.1 None identified.

#### **7 Monitoring Officer's comments**

- 7.1 The Chief Finance Officer's position as a Director and employee of a Shareholder had the potential to compromise him. As a result, he stepped down. Having said

that, Exeter City Council must retain a tangible fiscal control over the operation of the Science Park Company. As such the role of the Shareholder Representative has become more significant.

**8 Report details**

- 8.1 The City Council is a founder partner in the establishment of the Exeter Science Park Company and the councils interests are looked after through the Shareholder Representative. The City Council has investment in the Company as well as strategic objectives associated with building a strong knowledge economy and supporting innovation. Critical mass is building on the science park but it is still a challenging environment and the company continues to need support from the founding partners and the recommendation is to continue this support with the Chief Finance Officer.

**9 How does the decision contribute to the Council's Corporate Plan?**

- 9.1 The science park is a long standing strategic priority to shift our local economy to a knowledge economy supporting higher wages and developing local talent; and supporting the Exeter 2040 vision, a global driver supporting world leading research especially in the area of data analytics and the environment.

**10 What risks are there and how can they be reduced?**

- 10.1 None.

**11 What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

- 11.1 None

**12 Are there any other options?**

- 12.1 A different officer or councillor could be appointed in this role.

**Karime Hassan**  
**Chief Executive & Growth Director.**

**Local Government (Access to Information) Act 1972 (as amended)**

**Background papers used in compiling this report:-**

None

Contact for enquires:  
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01392 265275



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