

## EXECUTIVE

Date: Tuesday 7 April 2020

Time: 5.30 pm

Venue: Legislation has been passed that allows Council's to conduct Committee meetings remotely.

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

A Virtual meeting of the Executive is to be held on the above date via 'Skype' (the Press and Public can contact the Democratic Services Officer for further details), to consider the following matters.

If you have an enquiry regarding any items on this agenda, please contact John Street, Corporate Manager Democratic & Civic Support on 01392 265106.

### *Membership -*

Councillors Bialyk (Chair), Sutton (Deputy Chair), Foale, Ghusain, Harvey, Morse, Pearson, Williams, Wright and Wood

## 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 10 March 2020.

(Pages 5 -  
8)

#### **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**

It is considered that the Committee would be unlikely to exclude the press and

public during consideration of any of the items on the agenda, but if it should wish to do so, the following resolution should be passed:-

**RECOMMENDED** that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the particular item(s) on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs of Part 1, Schedule 12A of the Act.

**5 Questions from the Public Under Standing Order No. 19**

Questions received will be presented at and responded to at the meeting.

**6 Update on Council's Response to the Coronavirus Pandemic**

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

(Pages 9 -  
14)

**7 Overview of General Fund Revenue Budget 2019/20 – Quarter 3**

To consider the report of the Chief Finance Officer.

(Pages 15  
- 36)

**8 General Fund Capital Monitoring Statement 2019/20– Quarter 3**

To consider the report of the Chief Finance Officer.

(Pages 37  
- 52)

**9 HRA Budget Monitoring Report 2019/20– Quarter 3**

To consider the report of the Chief Finance Officer.

(Pages 53  
- 72)

**10 Exeter City Group - Request for funding for new Company business cases and additional financial support**

To consider the report of the Chief Finance Officer.

(Pages 73  
- 94)

**11 Urgent Change to the Scheme of Delegation to Officers**

To consider the report of the City Solicitor.

(Pages 95  
- 98)

**12 Parks & Green Spaces Anti-Intrusion Measures**

To consider the report of the Director (DB).

(Pages 99  
- 114)

**13 Repatriate Chief Crowfoot's regalia to the Siksika Nation, Canada**

To consider the report of the Director (J-PH).

(Pages  
115 - 130)

- 14 **Move More Physical Activity Strategy: Built Facilities Strategy Capital Requirement**
- To consider the report of the Director (JY). (Pages 131 - 136)
- 15 **Cathedral and Quay Multi-storey Car Park Structural Repairs**
- To consider the report of the City Surveyor. (Pages 137 - 142)
- 16 **Corn Exchange Roof Replacement**
- To consider the report of the City Surveyor. (Pages 143 - 146)
- 17 **Exmouth Buoy Store**
- To consider the report of the City Surveyor. (Pages 147 - 150)

#### **Date of Next Meeting**

The next scheduled meeting of the Executive will be held on **Tuesday 2 June 2020** 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 10 March 2020

### Present:

Councillor Bialyk (Chair)  
Councillors Sutton, Foale, Ghusain, Harvey, Morse, Williams, Wright and Wood

### Also present:

Chief Executive & Growth Director, Chief Finance Officer, Waterways, Parking and Enforcement Service Manager, Skills & Business Manager and Democratic Services Officer (MD)

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### MINUTES

The minutes of the meeting held on 11 February 2020, were taken as read, approved and signed by the Chair as a correct record.

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### DECLARATIONS OF INTEREST

No declarations of disclosable pecuniary interests were made.

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### QUESTIONS FROM MEMBERS OF THE PUBLIC

No public questions were received.

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### SKILLS STRATEGY FOR EXETER

The Executive received the report on the skills strategy for Exeter, which had been developed following approval by the Executive in November 2018, supporting the delivery of the key objectives for the Council's Corporate Plan and Vision for Exeter. Members were referred to the report which outlined the priorities and noted that the strategy was evidence based to address the priorities and highlight where more work was required. It was important to ensure that people had the right skills for more highly qualified jobs and that the apprenticeships for young people provided the opportunity to attain important skills for the workplace.

Particular reference was made to Exeter being awarded the City of Apprenticeships status by City and Guilds, based on the Centre for Cities Report and the recognition of the partnership working that contributed to the success of Exeter. Other key priorities included the filling of the harder to fill jobs and the focus on the key employments sectors, as listed in the report.

During the discussion, the following points were raised:-

- Exeter College and the recent Exeter jobs fair were helping Flybe Apprentice's, to find alternative employment following the recent redundancies at Exeter Airport;
- Capturing the information for different types of learners was a challenge, but distance learning opportunities would be addressed;
- Members were proud of the investment in skills and opportunities for all residents and future generations;

- Self-employment figures had risen in Exeter, and work was being done to understand the type of work being undertaken by self-employed people;
- Members would be interested in seeing an increase in the student graduate retention rate for Exeter;
- The City Apprenticeships status had been awarded to Exeter by City and Guilds, which highlighted Exeter as one of six cities that had bucked the trend in apprenticeship starts following the introduction of the levy, which reflected the recognition of partnership working across the city to support residents achieve employment; and
- Specific thanks were given to the Skills & Business Manager for the work undertaken and the importance of the strategy.

**RECOMMENDED** that Council approve:-

- the Skills Strategy for Exeter; and
- the associated action plan to enable the Skills & Business Manager to proceed with the outlined work programme.

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### **PORT MARINE SAFETY CODE - PATHWAY TO COMPLIANCE**

The Executive received the report on the Port Marine Safety Code, which detailed the required changes that would help ensure Exeter City Council met the Marine Safety Code compliance standard.

Members were referred to the report which outlined the governance arrangements and legal framework required to obtain the compliance with the Port Marine Safety Code. Exeter City Council was responsible for looking after the waterways between the Mill on the Exe and Exmouth and the formation of a constituted Port Authority Harbour Board was a necessary step toward compliance.

Particular reference was made to the appointment of the Harbour Master in 2019, who had undertaken various engagement work with partners and users on the Exe Estuary and Canal. This had helped encourage East Devon District Council and Exmouth Town Council to contribute funds for a harbour patrol vessel. Once in place, one of the early challenges for the Harbour Board would be to explore the legal options to provide enforcement powers to help manage safety within the Port. During the discussion, it was noted that £1,800 would be earmarked from within existing Waterways budgets to meet any running expenses of the Harbour Board.

**RECOMMENDED** that Council approve:-

- (1) the amendment of the constitution to setup a politically balanced Harbour Board (Council Committee) comprising of six elected Members and six externally appointed members;
- (2) the Terms of Reference for the Harbour Board as follows:
  - (a) To maintain strategic oversight and direction of all aspects of the Harbour operation, including marine safety;
  - (b) To be responsible for the development of policies, plans, systems and procedure for safe navigation;
  - (c) To ensure that all assessments and reviews are undertaken as required to maintain and improve marine safety;
  - (d) to ensure that the harbour authority sees and adopts appropriate powers for the effective enforcement of their regulations, and for the setting of dues at a level which adequately funds the discharge of all their duties;

- (e) To appoint a Designated Person to provide independent assurance directly to the Duty Holder that the Marine Safety management system is working effectively; and
  - (f) To investigate the potential for applying for a Harbour Revision Order to empower the Council to take enforcement action on issues such as dangerous use of jet skis through Special Directions and to oversee a review of the Bye-Laws covering the Estuary; and
- (3) the expenditure of £25,000 on a Harbour Patrol vessel following the contributions from East Devon District Council (£15,000) and Exmouth Town Council (£10,000).

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### **PARKING TARIFFS 2020**

The Executive received the report which sought to increase the car parking tariffs from May 2020 and to make minor amendments to improve the regulation of Council car parks, whilst supporting the Council's goal of a carbon neutral Exeter by 2030. Members were referred to the report which highlighted the changes to the tariffs, which provided both an important income to the Council and was a means to reduce congestion in the city, without causing a detrimental impact on the city centre.

Particular reference was made to the inclusion of offering resident's with electric vehicles, free annual car parking permits to support the Council's carbon neutral goal and that the minimum stay duration had been changed to two hours to encourage users to stay longer. Specific mention was made to the overall increase to tariffs of 10p for all rates, compared to the previous year's tariffs. Members noted that the recommendations listed in the report were designed to deter the use of cars and encourage the use of public transport.

During the discussion, the following points were raised:-

- The parking tariff changes would support the Council's key objectives for lowering the carbon footprint and to continue to encourage residents and visitors to use other means of transport to travel into the city;
- The removal of the one hour parking fee would support the carbon neutral strategy by lowering the number of drivers who repeatedly parked multiple times throughout the day at the same location;
- There was a difficult balance between generating income for the Council and lowering the carbon footprint by reducing the number of cars;
- The number of electric vehicle charging points is being extended and would be free to use for owners of electric vehicles; and
- Each year, 3,800 tons of carbon was emitted which the Council was working to reduce.

**RESOLVED** that the following be approved:-

- (1) the Car Parking Places Order 2014 be amended as follows:-
  - (a) to make car park residential permits free for electric vehicles;
  - (b) to raise the minimum tariff in all car parks from 1 hour to 2 hours;
  - (c) to increase tariffs for stays between 2 hours and 7 hours in Premium, Zone 1 and Zone 2 car parks by 10p;
  - (d) to increase tariffs for all-day stays in Premium car parks by £3.00;

- (e) to increase tariffs in Zone 3 car parks by 50p (for 2 hour stays), £1.00 (for 3 hour stays), £1.50 ( for 4 hour and all day stays) and by £5.00 for coaches (all day)
- (2) a requirement for all vehicles parking within Exeter City Council car parks to have a valid vehicle tax and MOT certificate; and
- (3) the inclusion of the access road into Haven Road 2 and 3 car parks within the Parking Places Order.

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### **LORD MAYORALTY**

The Leader proposed, and the Deputy Leader and Portfolio Holder for Portfolio Holder for Climate and Culture seconded, that Councillor Sheldon be nominated as Lord Mayor Elect for the 2020/21 Municipal Council year, and that Councillor Sills be nominated as the Deputy Lord Mayor Elect for the 2020/21 Municipal Year.

**RECOMMENDED** to Council that Councillor Sheldon be nominated as Lord Mayor Elect for the 2020/21 Municipal Year and that Councillor Sills be nominated as the Deputy Lord Mayor Elect for the 2020/21 Municipal Year.

(The meeting commenced at 5.30 pm and closed at 6.10 pm)

Chair

**The decisions indicated will normally come into force 5 working days after publication of the Statement of Decisions unless called in by a Scrutiny Committee. Where the matter in question is urgent, the decision will come into force immediately. Decisions regarding the policy framework or corporate objectives or otherwise outside the remit of the Executive will be considered by Council on 21 April 2020.**

## REPORT TO EXECUTIVE

Date of Meeting: 7 April 2020

Report of: Chief Executive and Growth Director

Title: Update on Council's Response to the Coronavirus Epidemic

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Executive

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

- 1.1 A summary of how the council is responding with its partners and stakeholders to the coronavirus outbreak.

#### 2. Recommendations:

- 2.1 Recommended that Members note the activity and progress in the report; and thank: the organisations, staff and volunteers supporting the Exeter Community WellBeing project; the Exeter Chiefs Foundation for the prompt and generous support; Strata for the outstanding support for the significant ICT and telephony requirements; the residents and businesses of the city, the NHS, Devon County Council, the Police, Fire & Rescue Services and all the institutions of the city playing their part in our collective response to COVID-19.

#### 3. Reasons for the recommendation:

- 3.1 The COVID-19 Crisis is unprecedented and events and government pronouncements have moved at such a pace that it is appropriate to provide members with an opportunity to take stock and to acknowledge the work that is taking place. Business as usual has taken a secondary role to the urgent response to COVID-19. The Strategic Management Board has rapidly responded to the task in hand and we are conscious that the normal rhythm of communication with members will have changed. The council is not immune to the financial challenges faced by private business, cash flow can change dramatically as income from established sources are turned off as a consequence of the Government statements. It is appropriate that members consider the immediate unfolding events and have regard to the issues officers and members will need to confront in coming weeks.

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

- 4.1 As set out in the report.

#### 5 Section 151 Officer comments:

- 5.1 The funds set out in the report are either being diverted from existing budget (Grants) or for some of the additional activity, being funded from additional Government Grant

(support for street homeless). The wider implications have been set out in the Budget Monitoring report later on the agenda.

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

6.1 None identified.

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

7.1 The report raises no issues for the Monitoring Officer.

## **8 Report details:**

8.1 The coronavirus outbreak has been described as the most significant incident affecting the country since World War 2. This has placed unprecedented, new and significant demands on the council as it has responded to national, regional and local needs, whilst continuing to deliver and adjust local services and facilities and support members and staff.

8.2 At the outset of the outbreak, the Secretary of State set out the role and priority functions of local government in supporting the country through the coronavirus pandemic as:

- Maintaining and supporting the social care system (including additional support to help free up capacity in hospitals)
- Supporting the vulnerable during extended period of self-isolation
- Supporting the economy

8.3 The following is a summary of the council's response to date its role and priorities, together with details of key activities for managing existing business:

### **Community support and Exeter Community Wellbeing**

8.4 The Exeter Coronavirus Updates Facebook page has been running for several weeks, promoting government announcements, answering queries and linking users to advice. On 26th March this page had nearly 6,000 likes.

8.5 Exeter City Council and Wellbeing Exeter has launched a support service in Exeter to help people through the coronavirus outbreak. Exeter Community Wellbeing offers help and support to communities, including those individuals who are self-isolating as a result of the virus.

8.6 At the same time a £1 million community action fund is being launched by Exeter City Council, with external funding of £100,000 already committed by Exeter Chiefs Community Foundation. This will enable community groups and organisations to keep going and to get rapid access to small grants to allow them to work on local projects to support those people and communities most affected by the pandemic. Applications are already being received and will be processed within days from receipt of information.

8.7 A call centre has been set up and a website and telephone hotlines will gather information from people and organisations who want to offer their help and support to the community response. This is a light touch 'matching' service linking people who need help with local people and groups who want to help

8.8 The new service was set up in approximately 7 days, went live at 1pm on Wednesday 26th January and is already having a huge impact:

- Over 200 requests for help and offers of support have been received in the first 36 hours of going live
- Over 100 volunteers have come forward to help local communities
- Most requests for support are for practical help with shopping and medication collection
- Teachers, nurses, health workers, security firms and other professionals have pledged their support to help
- Self-organising groups launched in response to the virus have contacted to ‘handover’ volunteers
- Community Builders and local volunteering organisations have already matched residents with volunteers within 24 hours of the service opening
- Exeter City FC City Community Trust have released staff to help with deliveries to people requesting help

8.9 Colleagues from across Exeter City Council have come together to launch the programme with staff being redeployed from non-critical services. Strata have provided outstanding support for the significant ICT and telephony requirements for this project and the Digital Services Team have excelled in delivering the website and online delivery of the service.

### **Local support system to shield the most medically vulnerable**

8.10 In his speech on Monday 23<sup>rd</sup> March the Prime Minister set out that “*by this coming weekend*” those with the most serious health conditions should be largely shielded from social contact for around 12 weeks. In the period since this announcement the City Council has offered support for the hub, including taking on this role for Exeter, setting up arrangements to ensure the most vulnerable in our communities can be supported with access to most basic needs during this extended period of self-isolation. The County Council, as the lead authority for the response, is still awaiting confirmation from the Government on the detail, it would fair to say this has been a changing position and exact details re still unfolding however it is clear that the City Council will be called upon for some support which will include:

- contact with the individuals requiring help and support;
- the establishment of a local warehouse and distribution hub for food and other essential supplies
- identification and co-ordination of a team of liveried delivery drivers
- delivery of food and essential supplies

### **Support to the Street Homeless**

8.11 Many local agencies have had to close their services due to staff availability. This has also impacted on the Council’s provision where we commission agencies to run our service, for example the Outreach team.

8.12 We have continued to run the Night Shelter, adapting provision in line with government guidance on Social Distancing. We have also made appropriate provision for people who are street homeless and present with symptoms of COVID-19.

8.13 We have continued to provide Emergency Housing Advice with a greatly reduced face to face provision at the Civic Centre and engaging by telephone and electronic means.

8.14 At the time of writing this report, the Council has recently received the latest guidance from the Government to bring all people rough sleeping indoors. We have developed

a Plan to do this but it is critical on support being in place alongside accommodation. Officers will be able to update at Executive but it is anticipated most, if not all, people who have been rough sleeping will be indoors by Executive.

### **Strategic response**

8.15 As the coronavirus outbreak started to spread outside China, the council's first contingency planning meeting was held on 31<sup>st</sup> January 2020 followed by a series of regular, more frequent meetings and briefings involving the Strategic Management Board (SMB), senior managers and all staff. As the severity of the threat increased and government directives have emerged, the strategic response has been overseen and co-ordinated at daily meetings of SMB to ensure that a rapid response is in place for emerging issues. This has been critical for resolving, for example:

- Identifying critical issues for escalation to government and regional networks
- Monitoring and responding to financial impacts
- Making arrangements to close council facilities e.g. RAMM and Corn Exchange
- Cancelling major events e.g. VE Day celebrations and Exeter Festival
- Adapting our service for homeless and vulnerable people
- Closing the Customer Service Centre and ensuring online and telephone service is in place and able to react to increasing and/or changing demand
- Planning communication to all stakeholders (communities, partners, members, senior managers and staff)
- Agreeing new policies and procedures for staff e.g. working from home arrangements, redeployment and essential workers
- Ensuring business continuity of our critical functions and responding on a daily basis to issues that are having an impact on ongoing delivery
- Responding to new demands e.g. enforcement of business closures, support for Public Health England and financial support schemes for residents
- Identifying and meeting staff needs for ICT equipment to enable remote working, At 27<sup>th</sup> March 2020, 366 (86%) of staff were working remotely
- Prioritising demand for Strata who have provided an excellent support service

### **Business support**

8.16 Officers are working hard with key partners, other local authorities, business representative organisations and other agencies to support businesses through the pandemic.

8.17 A significant number of measures and financial support packages are emerging from Government both for individuals and employers. Navigating these and managing an ever increasing level of enquiries from businesses is very challenging. Some of the packages and measures are:

- Coronavirus Job Retention Scheme
- Statutory Sick Pay relief package for SMEs
- Support for the self-employed
- 12-month business rates holiday for all retail, hospitality, leisure and nurseries
- Retail and Hospitality Grant Scheme
- Small Business Grant
- Government ordered closure
- Protection from eviction for commercial tenants
- Coronavirus Business Interruption Loan Scheme (CBILS)
- Bank of England Covid Corporate Financing Facility

- 8.18 Despite the range of schemes in place, there are numerous organisations and individuals that are excluded and therefore require additional and ongoing support.
- 8.19 The County Council and the Local Enterprise Partnership's Growth Hub will have a major role to play with advising and supporting business. The potential impact on the Devon economy and, in turn, Exeter is significant, at least on a scale with the impact in 2008 and the financial crisis. This is a national economic shock and sectors within the Devon economy are particularly vulnerable to the closures that took place in March, such as tourism and the hospitality industry.

### **Engagement with national and regional networks**

- 8.20 Numerous council officers engage with a range of networks that deliver leadership of the response, consider issues of mutual interest, lobby government on significant concerns and support mutual aid.
- 8.21 The Devon Cornwall and Isles of Scilly Local Resilience Forum (LRF) is a multi-agency partnership of government, blue light services, health, local authorities and others that leads the emergency response to coronavirus across the peninsula. Chaired by the police, the LRF has twice-weekly meetings of its strategic and tactical groups and convenes a range of task groups that respond to the specific issues that arise. Council officers are key contributors to all of these groups and ensure that issues in the city are addressed.
- 8.22 Other groups include Devon Chief Executives, sector and single issue groupings.
- 8.23 The Liveable Exeter Place Board convened on the 26<sup>th</sup> March by telephone conference to take soundings from the key organisations in the city. This identified the scale of which organisations are continuing to function remotely on line, organisations are responding positively to the crisis, all of us are challenged, many have significant cash flow issues and some are aware that a protracted shutdown will challenge viability of some businesses. But there is a positive attitude in the city, the Exeter Community Wellbeing initiative is welcomed and supported, national bodies like Sport England and Arts Council England are mindful of the current crisis and showing flexibility to accommodate our needs. Our organisations value having a mechanism to share their issue and wish us to convene regularly through the crisis. An important point put to us was business and organisations look to local councils to pay suppliers promptly and both leaders of Devon and Exeter councils confirmed this is our approach.

### **Recovery**

- 8.24 Councils are the lead agency responsible for the recovery phase of any emergency. The scale and long-term impact of the coronavirus outbreak will require a detailed recovery programme with appropriate governance and resources. Work is underway to ensure that this recovery programme is in place.

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

- 9.1 This relates to a Well-run Council.

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

- 10.1 There are no specific risks to report.

## **11 Equality Act 2010 (The Act)**

11.1 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because the report is for information.

## **12 Carbon Footprint (Environmental) Implications:**

12.1 There are no direct carbon/environmental impacts arising from the recommendations.

## **13 Are there any other options?**

13.1 None

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

Author:

Bruce Luxton, Corporate Manager Executive Support

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

Background papers used in compiling this report:-

None

Contact for enquires:

Democratic Services (Committees)

Room 4.36

01392 265275

## **REPORT TO EXECUTIVE**

Date of Meeting: 7 April 2020

## **REPORT TO COUNCIL**

Date of Meeting: 21 April 2020

Report of: Chief Finance Officer

Title: Overview of General Fund Revenue Budget 2019/20 – Quarter 3

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

No

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

Council

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

To advise Members of the overall projected financial position of the General Fund Revenue Budgets for the 2019/20 financial year after nine months.

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

It is recommended that Members of the Executive note the report and Council notes and approves (where applicable):

- i. The General Fund forecast financial position for the 2019 financial year;
- ii. The supplementary budgets of £1,440,390 as detailed in paragraph 8.13;
- iii. The outstanding Sundry Debt position as at December 2019; and
- iv. The creditors payments performance

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

To formally note the Council's projected financial position and to approve additional expenditure required during the financial year.

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

The impact on the General Fund working balance is set out in sections 8.11.

The financial position has stabilised and the General Fund Working Balance is projected to stand at £4.328 million at year end.

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

The Council's financial position has been set out prior to the implications of the Government's response to Coronavirus. In reality, this will likely have a relatively small impact on the final position for 2019-20, but has significant implications for 2020-21.

The current position provides the City Council with a relatively strong working balance, at the end of the financial year, although that will be severely under pressure in 2020-21 as the loss of income from all our activities covers the services that the Council provides. Without Government support, a prolonged period of income loss will threaten the Council's viability during the next twelve months and likely require service reductions and the issuing of a section 114 notice. Many District Councils will undoubtedly be in the same position and therefore it is important that our voices are heard in Central Government.

The Government announced a £1.6 billion grant for Local Authorities to support Social Care (Adults and Children), the Homeless and Rough Sleepers and to offset loss of income. Exeter will receive £72,737 from this pot and notwithstanding the vital need to support our Homeless and rough sleepers, this would equate to covering around three days' worth of lost car park income. This gives an indication as to the scale of challenge that the Council faces.

Alongside viability, the Council also faces Cashflow challenges. As the Billing Authority, the Council receives Council Tax and Business Rates and then distributes this to the precepting Authorities and Business Rates pool. If the regular payments are not received, the Council will be forced to borrow at fairly high rates to cover the difference, unless the Government provide access to cash. This will impact the Council from the middle of April so an urgent decision is required from Central Government. This will impact all District Councils and also Unitaries who have to make payments to the Police and Fire Services.

Looking forward, the MHCLG have indicated that the Fair Funding review will be delayed. At this stage it is unclear whether this means a further delay in the Business Rates reset or merely a delay in the Consultation timetable. The section 151 Officer will keep members updated as further information arises.

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

Section 28 of the Local Government Act 2003 imposes a statutory duty on the Council to monitor during the financial year its expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such action as it considers necessary to deal with the situation. This might include, for instance, action to reduce spending in the rest of the year, or to increase income, or to finance the shortfall from reserves.

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

- 7.1 S. 114 of The Local Government Finance Act, 1988 places responsibilities on the Chief Finance Officer. In particular Section 114 (3) requires the "the Chief Finance Officer to *report under this section if it appears to him "that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely*

*to exceed the resources (including sums borrowed) available to it to meet that expenditure.”*

7.2 The purpose of this Section 114 notice is to make it clear to Members of the Council that it faces a financial of an extremely serious nature; with a significant unfunded financial deficit forecast in the current year.

7.3 Any such Section 114 notice, therefore, has serious implications aimed at prompting action to attempt to avoid a negative General Fund balance.

## 8. Report details:

### Overview of General Fund Revenue Budget 2019/20 – Quarter 3#

#### 8.1 Impact of COVID-19

This report is based on forecasts made based on the first three quarters of 2019/20. It has now become evident that there are significant risks to ECC’s income streams in light of COVID-19, in particular car parking, markets and halls and commercial rents. The Prime Minister’s advice issued on 16 March to avoid unnecessary travel and contact with others may result in a significant reduction in footfall over the next 12 weeks leading to a decrease in car parking income and possible loss of rental income and business rates. Businesses will be hoping for positive announcements from the government on direct support. This may mitigate the worst impacts on individual businesses but the direct impact on council income may not be protected. We are now near the end of the 2019/20 financial year and while some impact will be seen in the year-end figures the largest impact will be in 2020/21.

#### 8.2 Financial Summary

FUND	Planned Transfer (to) / from Working Balance	Budget Variance Over / (under)	Outturn Transfer 2019/20
	£	£	£
General Fund	849,250	(781,780)	67,470

#### 8.3 General Fund (Appendix 1 & Appendix 2)

The current forecasts show an overall projected underspend of £785,425 against a revised budget of £22,891,720. This includes supplementary budgets of £4,319,860 already agreed by Council.

Variances of more than +/- £30,000 are detailed below.

#### 8.4 Chief Executive & Growth Director

Budget Heading	Over / (Underspend)
IT Services	(£79,200)

**Responsible Officer: Corporate Manager, Executive Support**

The 2018/19 refund to shareholders was higher than anticipated and contract savings have been identified in 2019/20. The combined figure of these two savings will more than outweigh the expected drop in return due in 2019/20 that has been identified by the company.

**Strategic Management**

**£40,620**

**Responsible Officer: Chief Executive & Growth Director**

The forecast overspend is a result of additional costs on revamping the council's website and further expenditure in relation to implementing Agile and Flexible working. It is envisioned that this will bring greater savings and rental income from leasing out Phase 1 of the Civic Centre that will outstrip these costs.

**8.5 Communities, Health, Well Being & Leisure**

<b>Budget Heading</b>	<b>Over / (Underspend)</b>
<b>Active &amp; Healthy People</b>	<b>(£124,370)</b>

**Responsible Officer: Active & Healthy People Programme Lead**

£80,000 staff costs that were included within the ECC budget will now be funded by grant funding from Sport England.

The three year Exeter Voluntary and Community Support Sector Service Contract commenced in December instead of September; this budget is funded by Neighbourhood CIL contributions and so the 2019/20 saving will be re-allocated in future years.

**Grants and Social Inclusion**

**(£291,635)**

**Responsible Officer: Active & Healthy People Programme Lead**

The new Exeter Grants Programme funded by Neighbourhood CIL and New Homes Bonus was introduced in September, this has resulted in a one-off in year saving of £57k in the existing ECC budgets. £234k of the new grants budgets will not be fully allocated in this financial year, but the funding will be available to re-allocate in future years.

**8.6 Strategic Housing, City Development, Housing Needs & Homelessness, Customer Services, Welfare Reform, Revenues, Benefits & Business Rates and Democratic Services**

<b>Budget Heading</b>	<b>Over / (Underspend)</b>
<b>Housing Needs &amp; Homelessness</b>	<b>(£38,300)</b>

<b>Responsible Officer: Service Lead, Housing Needs &amp; Homelessness</b>	
The Devon Home Choice budget included an allowance for new IT software including significant installation costs, however, the tender was won by the existing provider so the additional expenditure is not required. The Devon Home Choice budget is funded by members of the scheme through funds held in a reserve.	
<b>General Fund Housing - Property</b>	<b>£90,000</b>
<b>Responsible Officer: Service Lead – Housing Tenancy Services &amp; Service Lead – Housing Assets</b>	
The Housing Needs team have reassessed and re-banded a large number of households in Private Sector Leased (PSL) properties in order to create some move-on out of temporary accommodation. This provided an opportunity to handback some PSL properties with financially onerous lease agreements, which has led to a rise in handback costs alongside a reduction in rental income. Although this represents an in-year overspend, it will achieve future revenue savings due to ending leases with favourable terms to the landlord.	
<b>Planning Services</b>	<b>(£140,000)</b>
<b>Responsible Officer: City Development Manager</b>	
Planning fee income has been higher than anticipated this year due to a number of major planning applications. Fee income attributable to the 20% fee uplift introduced in 2018 can only be used to improve the Planning service, if this is unspent at year end it will be transferred to an earmarked reserve, the remaining additional income will increase the ECC general fund working balance.	

#### 8.7 Communication, Tourism & Culture

<b>Budget Heading</b>	<b>Over / (Underspend)</b>
<b>Culture</b>	<b>(£48,420)</b>
<b>Responsible Officer: Service Lead Communications, Tourism &amp; Culture</b>	
Following the success of the Exeter Festival during the 2018/19 financial year significant extra income has been gained through sponsorship and other opportunities associated to the festival, hence the current underspend.	

#### 8.8 Environment and City Management

Budget Heading	Over / (Underspend)
<b>Street Cleaning</b>	<b>(£50,000)</b>
<p><b>Responsible Officer: Public &amp; Green Space Operations Manager</b></p> <p>Staff costs are expected to be £45,000 less than the budget.</p> <p>Additional savings of £5,000 are expected on fuel costs.</p>	
<b>Cleansing Chargeable Services</b>	<b>(£71,835)</b>
<p><b>Responsible Officer: Service Lead, Cleansing and Fleet</b></p> <p>This shows the benefit of the new contract for the University of Exeter and the strong performance of the Garden Waste subscription service in attracting new subscribers.</p>	
<b>Exton Road Overheads and Fleet</b>	<b>£67,840</b>
<p><b>Responsible Officer: Service Lead, Cleansing and Fleet</b></p> <p>The regular contracted clearing of Oakwood House drains now required after washing street-cleaners and other vehicles is costing around £25,000 a year more than budgeted; electricity is forecast to cost £13,000 more than budgeted. Purchases of PPE (Personal Protective Equipment) have cost £10,600 more than budgeted, but this is an irregular cost.</p>	
<b>Recycling</b>	<b>£380,585</b>
<p><b>Responsible Officer: Service Lead, Cleansing and Fleet</b></p> <p>Previous reports have noted the volatility and unpredictability of the global recycling market. Budgeted income was £1.3m for the full year, but is forecast at a little under £1.0m because prices internationally have collapsed – card sorted for recycling used to bring in £88 per ton and for the whole of Q3 2019/20 the price obtainable varied between £12 and £15 per ton, paper has dropped from £103 to £68, and glass is now unsaleable. In addition, volume is heavily dependent on the mix put out by residents for collection and recent and continuing problems with the MRF have significantly reduced the quality and quantity of recycled materials recovered, leading to materially higher costs because unsaleable material has to be disposed-of. The Service is confident that investment in the MRF will eliminate this barrier to recycling rates and saleability of recovered material.</p> <p>Information systems are being reviewed to see if material changes can be identified earlier, although this is difficult because, for example, external system delays in the confirmation of recycling credits (£454k per year) meant that Q4 2018/19 was only confirmed in July 2019 and Q1 Apr-Jun 2019/20 in October 2019. It is only now apparent that this year's recycling credits are consistently in the region of £25,000 per quarter lower than budgeted.</p> <p>At year-end the reasons for the full 2019/20 results will be reviewed and compared with the 2020/21 budget to identify priority areas requiring close management next year.</p>	

<b>Corporate Property – Estates</b>	<b>(£365,000)</b>
<p><b>Responsible Officer: City Surveyor</b></p> <p>Additional rental income of £435,000 is expected to arise in this service as a result of the purchase of Senate Court and 1, Emperor Way, partially offset by the loss of income from the Guildhall shop.</p> <p>Additional costs of £70,000 are expected to arise as a result of lease requirements at several properties including the Civic Centre, Paris Street Cafe, Swan Yard Workshop, 78 Birchy Barton Hill and Bradninch Place.</p>	
<b>Parking Services</b>	<b>(£70,000)</b>
<p><b>Responsible Officer: Community Safety &amp; Enforcement Service Manager</b></p> <p>Backdated refunds of National Non Domestic Rates (NNDR) for three car parks have resulted in a saving of £113,000</p> <p>Staffing vacancies are expected to result in pay savings of £30,000</p> <p>Additional operational costs of £73,000 are expected to arise mainly in respect of increased charges for pay by phone and card payments, and security costs.</p>	
<b>Waterways</b>	<b>£60,000</b>
<p><b>Responsible Officer: Community Safety &amp; Enforcement Service Manager</b></p> <p>Long term sickness has resulted in additional pay costs, but this has been offset by savings on pay elsewhere in the service.</p> <p>Expenditure on buoys is expected to exceed the budget by £20,000</p> <p>Income from Canal Licences is now expected to be £40,000 less than the budget and other income is also expected to be less than the budget.</p>	
<b>Corporate Property - Assets</b>	<b>(£38,000)</b>
<p><b>Responsible Officer: City Surveyor</b></p> <p>An £18,000 European Regional Development Fund grant has been received reducing net costs in this service.</p> <p>A vacant post is expected to lead to a £20,000 reduction in costs.</p>	
<b>Corporate Property - Energy</b>	<b>(£59,000)</b>
<p><b>Responsible Officer: City Surveyor</b></p> <p>A £54,000 European Regional Development Fund grant has been received reducing net costs in this service.</p> <p>Maintenance costs are expected to be £5,000 less than the budget.</p>	

## 8.9 Chief Finance Officer

Budget Heading	Over / (Underspend)
Procurement	£123,230
<p><b>Responsible Officer: Service Lead - Commercial and Procurement</b></p> <p>The procurement department is still undertaking work to improve and firm up the council's procurement processes with a focus on making them legal and compliant. This work is designed to identify and achieve efficiency savings however, the current forecast position means that this is an area of uncertainty. At present, areas benefiting from the service's work may reflect reduced costs in awarding contracts and the savings will be reflected in the department's budgets where the contract sits. It is expected that savings by the department will not be reflected in the outturn position for the 2019/20 year.</p>	

## 8.10 City Solicitor

Budget Heading	Over / (Underspend)
Human Resources	(£32,790)
<p><b>Responsible Officer: Service Lead – HR</b></p> <p>During the first half of the 2019/20 financial year, there were delays in services booking on to approved staff training with providers resulting in an underspend of around £56,000. However, this underspend is reduced by overspends in staff pay costs arising from the transformation in the delivery of HR Services. Such transformation has largely consisted in the introduction and implementation of the New HR iTrent Software that will streamline HR transaction activities.</p>	
Corporate Support	(£78,790)
<p><b>Responsible Officer: Corporate Manager Democratic and Civic Support</b></p> <p>The Corporate Support budget is largely affected by the performance of the Civic Centre. The forecast saving is partly attributable to efficient use of electricity in the buildings. A review of rates has reduced the NNDR expenditure and rental income from Phase 1 has been more than planned with an extra tenant on the 4th floor.</p>	

## 8.11 Other Financial Variations

Budget Heading	Over / (Underspend)
Repayment of Debt	(£155,580)
<p><b>Responsible Officer: Chief Finance Officer</b></p> <p>A lower than forecast need to borrow has resulted in a reduced repayment of debt calculation.</p>	

## 8.12 General Fund Balance

In 2019/20 it is projected that there will be an overall net contribution from the General Fund Balance of £67,470. The minimum requirement for the General Fund working balance was approved by Council in February 2019 at £3 million and it is projected that the balance will be comfortably above this level.

<b>Movement</b>	<b>2019/20</b>
Opening Balance	£4,395,024
Deficit	(£67,470)
<b>Projected balance at year end</b>	<b>£4,327,554</b>

## 8.13 Supplementary Budgets

It is proposed that supplementary budgets totalling £1,440,390 identified in Appendix 3 are approved and added to the 2019/20 budget.

This will have no impact on the projected General Fund working balance.

## 8.14 Outstanding Sundry Debt

An aged debt analysis of the Council's sundry debts is shown in the table below. The latest data shown is to the end of December.

<b>Age of Debt</b>	<b>October 2018</b>	<b>March 2019</b>	<b>December 2019</b>
Up to 29 days (current)	£843,953	£1,356,559	£1,204,919
30 days – 1 Year	£1,565,908	£1,613,514	£2,505,668
1 – 2 years	£948,849	£647,966	£472,577
2 – 3 years	£379,750	£617,436	£537,956
3 – 4 years	£613,242	£511,466	£290,301
4 – 5 years	£229,027	£275,815	£463,515
5 + years	£548,338	£583,089	£686,173
<b>Total</b>	<b>£5,129,067</b>	<b>£5,605,845</b>	<b>£6,161,109</b>

## 8.15 Debt Write-Offs

The following amounts have been written-off during 2019/20:

	2018/19 Total	2019/20 (Qtr 3)
• Council Tax	£351,917	£233,454
• Business Rates	£73,387	£0
• Sundry Debt	£52,786	£29,397
• Housing Rents	£65,824	£71,214
• Non-HRA Rents	£167,125	£86,442
• HB Overpayments	£195,758	£113,869

## 8.16 Creditor Payments Performance

Creditors' payments continue to be monitored in spite of the withdrawal of statutory performance indicator BVPI8. The percentage paid within 30 days was 95.34% after nine months of 2019/20 compared with 94.52% at the same stage of the financial year in 2018/19.

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

This is a statement of the projected financial position to the end of the 2019/20.

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

The risks relate to overspending the Council budget and are mitigated by regular reporting to the Strategic Management Board and Members. Members have a legal responsibility to take action where balances are projected to reach an unsustainable level and the Strategic Management Board are working to address the current projected shortfall in reserves.

Areas of budgetary risk are highlighted in this report. The key areas of budgetary risks are attached as Appendix 4, for reference.

## 11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because: because

11.4.1 There are no significant equality and diversity impacts associated with this decision.

## **12. Carbon Footprint (Environmental) Implications:**

There are no direct carbon/environmental impacts arising from the recommendations.

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

Not applicable.

Dave Hodgson, Chief Finance Officer

Author: Nicola Matthews-Morley, Michelle White, Sally Reeve, Adrian Rutter and Rajah Mukwiri

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

Background papers used in compiling this report:-  
None

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## 2019/20 GENERAL FUND BUDGET MONITORING - SUMMARY

## QUARTER 3

	Annual Budget £	Supplementary Budgets & Virements £	Revised Annual Budget £	Year End Forecast £	Variance to Budget £
Chief Executive & Growth Director	2,694,930	142,770	2,837,700	2,796,590	(41,110)
Communities Health, Well Being, Sport & Leisure	5,118,705	1,277,550	6,396,255	5,976,940	(419,315)
Strategic Housing, City Development, Housing Needs & Homelessness, Customer Services, Welfare Reform, Revenues, Benefits & Business Rates, Democratic Services	5,674,040	(1,025,570)	4,648,470	4,543,440	(105,030)
Communications, Tourism & Culture	2,729,185	490,430	3,219,615	3,154,025	(65,590)
Environment and City Management	(627,990)	1,509,140	881,150	780,390	(100,760)
Chief Finance Officer	2,166,980	2,570	2,169,550	2,255,930	86,380
City Solicitor	816,010	1,922,970	2,738,980	2,598,980	(140,000)
less Notional capital charges	(5,874,930)	0	(5,874,930)	(5,874,930)	0
<b>Service Committee Net Expenditure</b>	<b>12,696,930</b>	<b>4,319,860</b>	<b>17,016,790</b>	<b>16,231,365</b>	<b>(785,425)</b>
Net Interest	216,000		216,000	76,828	(139,172)
New Homes Bonus	(2,517,780)		(2,517,780)	(2,517,780)	0
Revenue Contribution to Capital	0		0	1,665,000	1,665,000
Minimum Revenue Provision	738,020		738,020	582,442	(155,578)
Voluntary Revenue Provision	1,000,000		1,000,000	0	(1,000,000)
<b>General Fund Expenditure</b>	<b>12,133,170</b>	<b>4,319,860</b>	<b>16,453,030</b>	<b>16,037,855</b>	<b>(415,175)</b>
Transfer To/(From) Working Balance	250,530	(1,099,780)	(849,250)	(67,470)	781,780
Transfer To/(From) Earmarked Reserves	(643,000)	(3,220,080)	(3,863,080)	(4,229,685)	(366,605)
<b>General Fund Net Expenditure</b>	<b>11,740,700</b>	<b>0</b>	<b>11,740,700</b>	<b>11,740,700</b>	<b>(0)</b>
Formula Grant	(4,429,000)		(4,429,000)	(4,429,000)	0
Business Rates Growth / Pooling Gain	(1,385,000)		(1,385,000)	(1,385,000)	0
CIL Admin	(95,380)		(95,380)	(95,380)	0
Council Tax	(5,831,320)		(5,831,320)	(5,831,320)	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>

Working Balance March 2018 £ 4,395,024

£ 4,327,554 March 2019

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**2019/20 GENERAL FUND BUDGET MONITORING - DETAIL**  
**QUARTER 3**

ACTUAL TO DATE			YEAR END FORECAST							
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	APPROVED BUDGET	CURRENT OUTTURN FORECAST	FORECAST VARIANCE	QTR 2 FORECAST VARIANCE				
£	£	£	£	£	£	£				
<b>13,315,386</b>	<b>11,947,754</b>	<b>(1,365,132)</b>	<b>TOTAL GENERAL FUND NET EXPENDITURE</b>				<b>22,891,720</b>	<b>22,106,295</b>	<b>(785,425)</b>	<b>32,853</b>
<b>Chief Executive &amp; Growth Director</b>										
2,079,590	2,025,197	(54,393)	IT SERVICES	1,742,430	1,663,230	(79,200)	(88,000)			
598,309	670,175	71,866	STRATEGIC MANAGEMENT	804,570	845,190	40,620	13,500			
215,702	174,631	(41,071)	CENTRAL SUPPORT	290,700	288,170	(2,530)	(500)			
<b>2,893,601</b>	<b>2,870,003</b>	<b>(23,598)</b>	<b>NET EXPENDITURE</b>	<b>2,837,700</b>	<b>2,796,590</b>	<b>(41,110)</b>	<b>(75,000)</b>			
<b>Communities, Health, Well Being, Sport &amp; Leisure</b>										
95,160	35,588	(59,572)	ENVIRONMENTAL PROTECTION	180,500	163,400	(17,100)	(28,000)			
392,580	372,659	(19,921)	LICENCING, FOOD, HEALTH & SAFETY	562,850	554,420	(8,430)	0			
346,548	364,561	18,013	LEISURE & SPORT	3,698,500	3,720,720	22,220	14,150			
602,680	478,094	(124,586)	ACTIVE & HEALTHY PEOPLE	786,455	662,085	(124,370)	0			
103,460	103,455	(5)	ST SIDWELLS POINT	264,520	264,520	0	0			
333,430	270,307	(63,123)	GRANTS/SOCIAL INCLUSION	903,430	611,795	(291,635)	0			
<b>1,873,858</b>	<b>1,624,664</b>	<b>(249,194)</b>	<b>NET EXPENDITURE</b>	<b>6,396,255</b>	<b>5,976,940</b>	<b>(419,315)</b>	<b>(13,850)</b>			
<b>Strategic Housing, City Development, Housing Needs &amp; Homelessness, Customer Services, Welfare Reform, Revenues, Benefits &amp; Business Rates, Democratic Services</b>										
667,460	607,437	(60,023)	HOUSING NEEDS & HOMELESSNESS	1,090,880	1,052,580	(38,300)	0			
89,980	89,980	0	SUNDRY LANDS MAINTENANCE	89,980	89,980	0	0			
264,606	317,952	53,346	GF HOUSING - PROPERTY	195,340	285,340	90,000	75,000			
(33,920)	(55,771)	(21,851)	BUILDING CONTROL	51,180	25,180	(26,000)	(100,764)			
356,400	162,033	(194,367)	PLANNING SERVICES	533,180	393,180	(140,000)	0			
1,677,480	1,737,246	59,766	REVENUES, BENEFITS & CUSTOMER ACCESS	1,937,910	1,947,180	9,270	0			
20,000	17,500	(2,500)	LIVEABLE EXETER GARDEN CITY	750,000	750,000	0	0			
<b>3,042,006</b>	<b>2,876,377</b>	<b>(165,129)</b>	<b>NET EXPENDITURE</b>	<b>4,648,470</b>	<b>4,543,440</b>	<b>(105,030)</b>	<b>(25,764)</b>			
<b>Communications, Tourism &amp; Culture</b>										
371,794	337,302	(34,492)	CULTURE	414,100	365,680	(48,420)	0			
124,746	111,283	(13,463)	TOURISM	168,490	147,230	(21,260)	0			
(407,799)	(453,251)	(45,452)	MARKETS & HALLS	(439,850)	(458,260)	(18,410)	(7,000)			
1,508,867	1,025,179	(483,688)	MUSEUM SERVICE	2,345,080	2,345,080	0	0			
142,918	158,455	15,537	VISITOR FACILITIES	189,330	202,760	13,430	16,000			
507,145	518,956	11,812	COMMUNICATIONS	542,465	551,535	9,070	0			
<b>2,247,671</b>	<b>1,697,924</b>	<b>(549,747)</b>	<b>NET EXPENDITURE</b>	<b>3,219,615</b>	<b>3,154,025</b>	<b>(65,590)</b>	<b>9,000</b>			
<b>Environment and City Management</b>										
10,410	20,161	9,751	PUBLIC SAFETY	260,320	265,320	5,000	(3,000)			
1,497,560	1,496,491	(1,069)	PARKS & GREEN SPACES	2,101,700	2,101,700	0	22,500			
66,064	92,610	26,546	BEREAVEMENT SERVICES	72,400	92,400	20,000	30,000			
0	0	0	AFFORDABLE HOUSING DEVELOPMENT	0	9,800	9,800	9,800			
1,359,260	1,368,930	9,670	DOMESTIC REFUSE COLLECTION	2,062,340	2,039,190	(23,150)	0			
1,199,972	1,103,620	(96,352)	STREET CLEANING	1,568,810	1,518,810	(50,000)	(9,000)			
137,262	129,342	(7,920)	PUBLIC CONVENIENCES	374,270	374,270	0	7,000			
(237,638)	(219,935)	(17,703)	CLEANSING CHARGEABLE SERVICES	(316,850)	(388,685)	(71,835)	0			
170,875	245,060	74,185	EXTON ROAD OVERHEADS AND FLEET	205,850	273,690	67,840	0			
110,125	334,495	224,370	RECYCLING	141,970	522,555	380,585	0			
(3,012,968)	(3,436,770)	(423,802)	CORPORATE PROPERTY - ESTATES	(2,741,610)	(3,106,610)	(365,000)	0			
(4,840,148)	(4,983,908)	(143,760)	PARKING SERVICES	(6,076,810)	(6,146,810)	(70,000)	(25,000)			
308,530	328,695	20,165	GROWTH & COMMERCIALISATION	419,940	427,940	8,000	0			
306,101	288,559	(17,542)	ENGINEERING SERVICES	575,900	600,900	25,000	0			
247,140	248,240	1,100	MAJOR PROJECTS	647,320	647,320	0	0			
249,195	285,856	36,661	WATERWAYS	356,500	416,500	60,000	34,000			
897,818	873,367	(24,451)	CORPORATE PROPERTY - ASSETS	1,110,700	1,072,700	(38,000)	0			
95,055	41,383	(53,672)	CORPORATE PROPERTY - ENERGY	118,400	59,400	(59,000)	0			
<b>(1,435,387)</b>	<b>(1,783,804)</b>	<b>(348,418)</b>	<b>NET EXPENDITURE</b>	<b>881,150</b>	<b>780,390</b>	<b>(100,760)</b>	<b>66,300</b>			
<b>Chief Finance Officer</b>										
128,385	136,725	8,340	CORPORATE	(34,120)	(25,590)	8,530	0			
1,564,117	1,546,256	(17,861)	UNAPPORTIONABLE OVERHEADS	1,515,180	1,492,180	(23,000)	(23,856)			
509,494	462,362	(47,132)	FINANCIAL SERVICES	568,830	549,020	(19,810)	(37,045)			
84,046	80,879	(3,167)	INTERNAL AUDIT	96,930	94,360	(2,570)	(150)			
56,067	150,447	94,380	PROCUREMENT	22,730	145,960	123,230	125,000			
<b>2,342,109</b>	<b>2,376,668</b>	<b>34,559</b>	<b>NET EXPENDITURE</b>	<b>2,169,550</b>	<b>2,255,930</b>	<b>86,380</b>	<b>63,949</b>			
<b>City Solicitor</b>										
509,669	475,516	(34,152)	HUMAN RESOURCES	613,060	580,270	(32,790)	24,592			
383,763	365,336	(18,426)	LEGAL SERVICES	215,350	190,490	(24,860)	21,440			
303,625	326,599	22,974	ELECTIONS & ELECTORAL REG	372,490	379,920	7,430	17,220			
446,550	433,503	(13,047)	DEMOCRATIC REPRESENTATION	595,100	575,680	(19,420)	(23,102)			
157,523	157,757	234	CIVIC CEREMONIALS	267,090	275,520	8,430	1,963			
550,399	527,211	(23,188)	CORPORATE SUPPORT	675,890	597,100	(78,790)	(33,895)			
<b>2,351,528</b>	<b>2,285,922</b>	<b>(65,606)</b>	<b>NET EXPENDITURE</b>	<b>2,738,980</b>	<b>2,598,980</b>	<b>(140,000)</b>	<b>8,217</b>			

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## PROPOSED SUPPLEMENTARY BUDGETS

Supplementary Budgets

Description	£	Funded by:
General Fund Depreciation Budgets	1,440,390	Not applicable
<b>Total</b>	<b>1,440,390</b>	

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**2019/20 BUDGET MONITORING**  
**AREAS OF BUDGETARY RISK**

The table below notes service-areas that, based on either experience last year or market factors this year, have been identified as having significant budgetary risk within the 2019/20 revenue budgets.

The revenue budget areas of risk are:

Service	19/20 Approved Budget	Risk Rating	Risk and mitigation
<b>Strategic Housing, City Development, Housing Needs &amp; Homelessness, Customer Services, Welfare Reform, Revenues, Benefits &amp; Business Rates, Democratic Services</b>			
<b>Planning Services</b> Revenue	£533,180		There has been a number of recent planning decisions which have been appealed. This generally results in a need for external consultancy and legal advice. Significant expenditure has been incurred in this area in previous financial years.
<b>Revenues and Benefits</b> Housing Benefit Subsidy	£36,123,870		The Council currently administers over £36 million of Housing Benefit payments for rent allowances and rent rebates. Not all expenditure can be claimed back as subsidy. Certain supported and temporary accommodation costs are not eligible for full subsidy; these claim types will remain in Housing Benefit and not move to Universal Credit. As more Housing Benefit claims move onto Universal Credit the amount of unsubsidised expenditure will be an increased proportion of total expenditure. Errors made by ECC officers are not subsidised in full if they go over a set percentage of total expenditure. As total expenditure reduces due to Universal Credit rollout, the margins within which error payments are subsidised will reduce, increasing the risk of a subsidy loss in this area.
<b>Communications, Tourism &amp; Culture</b>			
<b>Markets &amp; Halls</b> Revenue	(£439,850)		Income is from entrepreneurial activities at Matford and the Corn Exchange, and there is always a risk around individual activities. However, in each of the past 3 years the Service has successfully managed risk to the extent that it has brought in contributions of 11% to 16% (£47k to £80k) better than budgeted.

Service	19/20 Approved Budget	Risk Rating	Risk and mitigation
<b>Environment and City Management</b>			
<b>Cemeteries Revenue</b>	£282,960		<p>The income budgets include various sources such as interment fees, rights of burial and headstone fees.</p> <p>Historically the actual income has often been lower than the target, although it was slightly over target in 2018/19. Income levels will be monitored and the issue flagged to senior management if the trend of income continues as in previous years.</p>
<b>Cleansing Chargeable Services Revenue</b>	(£316,850)		<p>The majority of the £1,051,045 income is subject to local and national markets with many competitors, which creates significant commercial unpredictability.</p>
<b>Recycling Revenue</b>	£131,970		<p>Recycling income is budgeted at £1,247,400. Although the service actively seeks to trade at the most advantageous price available, this is a global market and can be very volatile with even small changes in world prices having a material impact here. Currently there is a significant shortfall in income from cardboard and paper in particular.</p> <p>In July 2019 Executive supported a move to weekly kerbside-sort recycling collection, incorporating glass and food waste collection with three-weekly rubbish collection, alongside an investment in appropriate material sorting technology to maximise commercial recycling opportunities. The Service reports that implementation is now expected to be delayed until 2021 because of long delivery times for specialist vehicles.</p>
<b>Fleet Revenue</b>	Revenue £744,580		<p>The contract approved by Executive in April 2019 and implemented across 2019-20 onwards provides the Council's fleet at a fixed price for supply and maintenance and ensures all vehicles will be replaced at an affordable cost at the end of their working life. Although one expected benefit of the contract is therefore to significantly reduce unpredictable non-contract costs such as reactive repairs (which have averaged around £350k/year since 2010-11), with the size and complexity of a specialised fleet currently valued at £4.9m at cost, there will always be a risk of material overspends due to damage or breakdowns. The risk will reduce as the contract becomes fully implemented.</p>

Service	19/20 Approved Budget	Risk Rating	Risk and mitigation
<b>Corporate Property – Estates Rental Income</b>	(£3,537,750)		Current High Street conditions are impacting the ability of the service to keep all rental properties let at full market rent. Income levels will be monitored and the issue flagged to senior management if material issues are identified.
<b>Car Parking Revenue</b>	(£8,252,970)		<p>As previously advised, Car Parking income can be volatile; even a small variation in usage can have a large impact on income levels. In addition, on-going Council policy is aimed at reducing car journeys into Exeter which will further impact on potential income from parking.</p> <p>While income in the first half year was over budget, this mainly related to a high level of income in Q1. Income in Q2 was below budget, but overall, income was still £125,000 over budget by the end of the half year. However, Q3 income was £86,000 under budget, with particularly low income, compared to previous years, in December. By the end of January income for the year to date was very close to the profiled budget. Income in December and January was around 7% below budget; if this had applied throughout the year, income would have been over £575,000 below budget.</p> <p>The outturn forecast assumes that income for the year will be on budget but it is possible that this will not be achieved if the downward trend continues. The service is putting additional resources into enforcement, but there is otherwise little to be done to mitigate the loss of income.</p>

**Risk Rating Key:**

	Current forecasts indicate either a favourable variance compared to the budget or no variance at all
	Current forecasts indicate an adverse budgetary variance of between 0% and 5% that will be kept under review
	Current forecasts indicate an adverse budgetary variance of more than 5% and will be monitored closely

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## **REPORT TO EXECUTIVE**

Date of Meeting: 7 April 2020

## **REPORT TO COUNCIL**

Date of Meeting: 21 April 2020

Report of: Chief Finance Officer

Title: 2019/20 General Fund Capital Monitoring Statement– Quarter 3

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

No

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

Council

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

1.1 To report 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 seeks Member approval to amend the annual capital programme in order to reflect the reported variations.

### **2. Recommendations:**

2.1 It is recommended the Executive recommends to Council to approve:

- (i) The revision of the annual capital programme to reflect the reported variations detailed in 8.1 and Appendix 1.

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

Local authorities are required to estimate the total of capital expenditure that it plans to incur during the financial year when it sets the prudential indicators for capital expenditure. This shows that its asset management and capital investment strategies are affordable, prudent and sustainable.

Capital expenditure is a significant source of risk and uncertainty since cost variations, delays and changing specifications are often features of large and complex capital projects.

In order to manage the risks associated with capital programming the annual capital programme is updated every three months to reflect any cost variations, slippage or acceleration of projects.

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

The financial resources required are set out in the body of this report.

**5. Section 151 Officer comments:**

As stated in previous monitoring reports, the fact that the major schemes are now on site has meant that progress in delivering this year's programme is significantly higher than previous years. Members should note the scheme deferrals set out in the report and be satisfied with the reasons set out for deferral.

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

None identified

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

This report raises no issues for the Monitoring Officer.

**8. Report details:**

**2019/20 GENERAL FUND CAPITAL MONITORING STATEMENT – QUARTER 3**

**REVISIONS TO THE CAPITAL PROGRAMME**

Description	£	Approval/Funding
<b>Capital Programme, as reported to Council 17 December 2019</b>	<b>61,766,530</b>	
Budget Deferred to 2020/21 & Beyond at Quarter 2	(2,357,470)	Approved by Council on 17 December 2019
Overspends/(Underspends) reported at Quarter 2	(54,980)	
Corporate Property Health & Safety Compliance	650,000	Approved by Council 15 October 2019
<b>Revised Capital Programme</b>	<b>60,004,080</b>	

**PERFORMANCE**

The revised capital programme for the current financial year is £60.004 million. During the first nine months of the year the Council spent £30.258 million on the programme, which equates to 50.43% of the revised programme. This compares with £10.218 million (32.42%) being spent in the first nine months of 2018/19.

The current programme is detailed in Appendix 1. The Appendix shows a total forecast spend for 2019/20 of £41.641 million with £0.1 million of the programme being accelerated from 2020/21 and £18.373 million of the programme potentially being deferred to 2020/21 and beyond.

Appendix 2 shows the approved budgets for 2020/21 with the proposed 2019/20 budget to be carried forward to 2020/21 and beyond for Executive and Council to consider for approval.

Appendix 3 shows the overall position for those schemes which span more than one financial year.

## AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2019/20 are £13.541 million. An estimated spend of £41.641 million is required of which £33.055 million will be funded from borrowing with £4.955 million capital receipts carried forward to 2020/21.

Appendix 4 sets out the forecast use of the resources available for the General Fund and the likely amounts of borrowing that will be necessary to fund the capital programme over the next three years.

The value of actual capital receipts received in 2019/20 to date in respect of the General Fund are:

	<b>General Fund £</b>
<b>Balance as at 1 April 2019</b>	<b>5,374,625</b>
New Receipts	1,205,963
<b>Balance as at 31 December 2019</b>	<b>6,580,588</b>

## EXPENDITURE VARIANCES

The main (greater than +/- £30k) variances and issues concerning expenditure are as follows:

<b>Scheme</b>	<b>Estimated Overspend / (Underspend) £</b>
<b>Air Quality Monitoring Equipment</b>	<b>(35,630)</b>
<b>Officer Responsible: Environmental Health &amp; Licencing Manager</b>	
The total project cost was less than anticipated.	
<b>Replace Lifts at Mary Arches Car Park</b>	<b>(240,000)</b>
<b>Mary Arches Footbridge</b>	<b>240,000</b>
<b>Officers Responsible: City Surveyor &amp; Commercial Operations Manager, Public Realm</b>	
The Mary Arches footbridge requires urgent repair works, it is proposed to use the budget that had been allocated to replace the lifts at Mary Arches Car Park to fund these works.	

## SCEMES TO BE DEFERRED TO 2020/21 AND BEYOND

Schemes which have been identified as being wholly or partly deferred to 2020/21 and beyond are:

Scheme	Budget to be Deferred £
Disaster Recovery Virtual Desktop Infrastructure	53,900
Street Scene and Other Asset Management	35,940
Cash and Income Management	36,350
Financial Management	201,230
<p><b>Officer Responsible: Chief Executive &amp; Growth Director</b></p> <p>The disaster recovery virtual desktop infrastructure has been ordered but the suppliers are unable to deliver until the new financial year.</p> <p>The Business Case for the street scene and other asset management project is being finalised. The soft market test that has been undertaken indicates that the cost will be in excess of the budget available, further options will be considered in 2020/21.</p> <p>The cash and income management project has commenced and is scheduled to complete in the autumn.</p> <p>Work on the specification for the new financial management system is nearing completion and the Business Case is being finalised before commencing the tendering process.</p>	
Leisure Centre Essential Enhancements	(100,000)
Riverside Leisure Centre	3,400,000
Leisure Complex - Build	6,787,370
Bus Station Construction	1,165,650
<p><b>Officer Responsible: Director Communities, Health, Well Being, Sport &amp; Leisure</b></p> <p>The majority of the Leisure Centre Essential Enhancements budget has already been carried forward into 2020/21 but some of this is now required in the current financial year for enhancements at the Arena.</p> <p>Works on the Riverside Leisure Centre remain within budget and will continue into</p>	

2020/21.	
<p>The budgets for St Sidwell's Point and the new Bus Station have been re-profiled in accordance with the latest expenditure projections, the expected completion date remains unchanged.</p>	
<b>Parks Infrastructure</b>	<b>160,000</b>
<b>Cemeteries &amp; Churchyards Infrastructure Improvements</b>	<b>94,790</b>
<p><b>Officer Responsible: Service Manager Public &amp; Green Space</b></p> <p>Future works are programmed for later this year to carry out further improvements to a number of parks and cemeteries.</p>	
<b>Passenger Lift at RAMM</b>	<b>135,000</b>
<b>Building Management System</b>	<b>80,000</b>
<b>Civic Centre Air Conditioning Replacement</b>	<b>150,000</b>
<b>Civic Centre Kitchens Replacement</b>	<b>89,000</b>
<b>Livestock Market Drainage &amp; Toilets</b>	<b>194,380</b>
<b>Fire Risk Assessment Works</b>	<b>620,000</b>
<p><b>Officer Responsible: City Surveyor</b></p> <p>The replacement lift for the RAMM has been ordered and works are due to commence on site at the beginning of March.</p> <p>A challenge process is underway to rationalise the use of a new Building Management System across sites. Procurement of a new system will commence once this process is complete.</p> <p>SMB have approved that complete replacement of the air conditioning system is not undertaken, therefore this budget has now been set aside for the partial replacement of the system if and when it fails.</p> <p>The kitchens in Phase 2 of the Civic Centre will be replaced with fit for purpose installations in the new financial year.</p> <p>Tenders for the Livestock Market drainage and toilets are in excess of available budget, a revised funding request will be submitted in due course.</p> <p>An agency resource has been appointed to assist with the fire risk assessment works. Scheme designs have largely been completed and the procurement stage is progressing.</p>	
<b>City Wide Property Level Protection</b>	<b>46,660</b>

**Officer Responsible: Commercial Operations Manager, Public Realm**

Technical difficulties with listed building consent has caused delays and changes of the design solution, these works will be completed early in the new financial year.

<b>Purchase of Harbour Patrol Vessel for Exe Estuary</b>	<b>30,000</b>
<p><b>Officer Responsible: Service Manager, Community Safety &amp; Enforcement</b></p> <p>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. Delivery of the vessel is anticipated in 2020/21.</p>	
<b>Council Signage Improvement</b>	<b>39,090</b>
<p><b>Officer Responsible: Director Communications, Tourism &amp; Culture</b></p> <p>This budget is to be carried forward to 2020/21 to allow for greater coordination with UNESCO City of Literature and our partners and potential changes around tourist information services.</p>	
<b>Purchase of Commercial Property</b>	<b>4,892,090</b>
<p><b>Officer Responsible: Chief Finance Officer</b></p> <p>This budget is to be carried forward to 2020/21 to fund future commercial opportunities as they arise.</p>	

## ACHIEVEMENTS

The following scheme has been completed during the third quarter of 2019/20:

- Purchase of Commercial Property

In December ECC purchased the freehold interest in One Emperor Way, an office building comprising some 20,748 square foot, situated in Exeter Business Park, located close to Junction 29 of the M5. One Emperor Way is a detached three-storey Grade A office building, which is single-let to Exeter Business Park Centre Limited, with a parent company guarantee by Regus plc. The expected annual income to the Council is £328,600 per annum.

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

The Capital Programme contributes to all of the key purposes, as set out in the Corporate Plan.

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

Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates.

## **11. Equality Act 2010 (The Act)**

11.1 Under the Act's Public Sector Equality Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because: because

11.4.1 The impact of each scheme is considered prior to approval. Any significant deviation from this will be noted within the body of this report.

## **12 Carbon Footprint (Environmental) Implications:**

We are working towards the Council's commitment to carbon neutral by 2030. The impact of each scheme is considered prior to approval

## **13 Are there any other options?**

There are no other options.

Dave Hodgson, Chief Finance Officer

Author: Kayleigh Searle

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

Background papers used in compiling this report:-  
None

Contact for enquires:  
Democratic Services (Committees)  
Room 4.36  
01392 265275

## 2019/20 CAPITAL MONITORING - QUARTER 3

Responsible Officer	Scheme	2019/20 Capital Programme	2019/20 Spend to Date	2019/20 Forecast Spend	2019/20 Budget to be Carried Forward to 2020/21 and Beyond	2019/20 Programme Variances (Under)/Over
		£	£	£	£	£
<b>Chief Executive &amp; Growth Director</b>						
	Customer Contact Platform	164,940	2,100	164,940		
	Annual Contribution to Strata	53,900	53,904	53,900		
	Idox System for Planning	10,490	0	0	10,490	
	HR System	16,540	15,587	16,540		
	Disaster Recovery Virtual Desktop Infrastructure	53,900	0	0	53,900	
	Cabinet & Network Replacement	58,090	36,671	53,090		(5,000)
	Street Scene and Other Asset Management	35,940	0	0	35,940	
Chief Executive & Growth Director	Legal Case Management	24,360	12,422	12,420	11,940	
	Cash and Income Management	58,550	22,205	22,200	36,350	
	Oracle Weblogic	12,000	7,512	12,000		
	Car Parks	3,600	3,594	3,600		
	GIS Systems	1,800	1,800	1,800		
	Service Desk	1,800	1,797	1,800		
	Cemeteries	4,630	1,039	4,630		
	Financial Management	201,230	0	0	201,230	
	Idox Environmental Health	17,250	0	0	17,250	
<b>TOTAL</b>		<b>719,020</b>	<b>158,630</b>	<b>346,920</b>	<b>367,100</b>	<b>(5,000)</b>
<b>Communities, Health, Well Being, Sport &amp; Leisure</b>						
Category Contracts Manager	Leisure Centre Essential Enhancements	100,000	141,128	200,000	(100,000)	
	Riverside Leisure Centre	5,847,710	1,575,917	2,447,710	3,400,000	
Director	Leisure Complex - Build Project	16,014,570	6,970,883	9,227,200	6,787,370	
	Bus Station Construction	3,719,650	1,723,124	2,554,000	1,165,650	
	Pinhoe Community Hub	76,320	0	76,320		
	Belmont Park Enhanced Facilities	50,000	44,654	50,000		
	Agile & Flexible Rollout	600,000	338,104	600,000		
	Alphington Community Association Loan	50,000	50,000	50,000		
	Newtown Community Association - Belmont Park Community Building	50,000	50,000	50,000		
Environmental Health & Licensing Manager	Disabled Facility Grants	508,850	316,773	508,850		
	Warm Up Exeter/PLEA Scheme	612,950	460,575	612,950		
	Wessex Loan Scheme	215,870	125,355	215,870		
	Air Quality Monitoring Equipment	35,630	0	0		(35,630)
	Agile & Flexible Working Pilot	124,900	124,900	124,900		
<b>TOTAL</b>		<b>28,006,450</b>	<b>11,921,413</b>	<b>16,717,800</b>	<b>11,253,020</b>	<b>(35,630)</b>

Responsible Officer	Scheme	2019/20 Capital	2019/20 Spend to	2019/20 Forecast	2019/20 Budget	2019/20
		Programme	Date	Spend	to be Carried	Programme
		£	£	£	Forward to	Variances
					2020/21 and	(Under)/Over
					Beyond	
						£
<b>Environment and City Management</b>						
Fleet Manager	Vehicle Replacement Programme	400,000	32,226	400,000		
	Belle Isle Temporary Facilities	40,180	30,318	30,318		(9,863)
Service Manager Public & Green Space	Mechanisation of Street Scene	136,330	106,508	106,508		(29,822)
	Parks Infrastructure	311,810	147,139	151,810	160,000	
	Cemeteries & Churchyards Infrastructure Improvements	113,910	19,118	19,120	94,790	
	Passenger Lift at RAMM	200,000	0	65,000	135,000	
	Replace Lifts at Mary Arches MSCP	240,000	0	0		(240,000)
	RAMM Roof Access Improvement	47,470	22,059	32,470	15,000	
	Guildhall Fire Alarms	30	24	30		
	Energy Saving Projects	207,000	159,778	207,000		
City Surveyor	Matford Centre Fire Alarm Replacement	9,870	97	9,870		
	Building Management System (BMS)	80,000	0	0	80,000	
	Civic Centre Air Conditioning Replacement	150,000	0	0	150,000	
	Civic Centre Kitchens Replacement	90,000	0	1,000	89,000	
	Livestock Market Drainage & Toilets	195,380	450	1,000	194,380	
	Fire Risk Assessment Works	650,000	3,872	30,000	620,000	
	Beacon Heath Martial Arts & Boxing Club - New Roof	14,650	0	0	14,650	
	Outdoor Leisure Facilities	113,450	101,911	113,450		
	Car Park Surfacing - Haven Road	10,840	0	0		(10,840)
	Kings Arms Bridge	300,150	272,883	300,150		
	City Wide Property Level Protection	46,660	0	0	46,660	
Commercial Operations Manager, Public Realm	Bowling Green Marshes Coastal Defence Scheme	28,900	0	0	28,900	
	Exeter Flood Alleviation Scheme	30,000	5,530	30,000		
	Replacement of Mallison Bridge (Exeter Quay)	15,000	9,484	15,000		
	Mary Arches Footbridge	0	0	240,000		240,000
Service Manager, Community Safety & Enforcement	Car Park Resurfacing, Lining & Boundary Improvements	190,000	26,613	180,840	20,000	10,840
	Purchase of Harbour Patrol Vessel for Exe Estuary	30,000	0	0	30,000	
	Improved Car Park Security Measures at King William Street & Arena Park	45,000	0	22,000	23,000	
	Repairs to Salmonpool Bridge	20,000	0	0	20,000	
	Repair to Walls at Farm Hill	30,000	0	30,000		
	Bank Repairs & Stabilisation to Watercourses	15,010	13,319	15,010		
Cleansing & Fleet Manager	Waste Infrastructure	64,500	0	64,500		
	MRF CCTV & Alarm	14,950	14,946	14,946		
Miscellaneous	Capitalised Staff Costs	100,000	0	100,000		
<b>TOTAL</b>		<b>3,941,090</b>	<b>966,274</b>	<b>2,180,021</b>	<b>1,721,380</b>	<b>(39,685)</b>

Responsible Officer	Scheme	2019/20 Capital Programme	2019/20 Spend to Date	2019/20 Forecast Spend	2019/20 Budget to be Carried Forward to 2020/21 and Beyond	2019/20 Programme Variances (Under)/Over
		£	£	£	£	£
<b>Strategic Housing, Planning, Housing Needs &amp; Homelessness, Customer Services, Welfare Reform, Revenues, Benefits &amp; Business Rates</b>						
System Lead, Housing Needs & Homelessness	Temporary Accommodation Purchase	89,200	88,592	89,200		
Corporate Manager, Democratic & Civic Support	Replacement Audio & Visual Equipment at the Civic Centre and Guildhall	39,090	39,093	39,090		
<b>TOTAL</b>		<b>128,290</b>	<b>127,685</b>	<b>128,290</b>	<b>0</b>	<b>0</b>
<b>Communications, Tourism &amp; Culture</b>						
Director	Council Signage Improvement	40,000	910	910	39,090	
RAMM, Operational Services Lead	RAMM World Culture Galleries	19,230	0	9,230		(10,000)
<b>TOTAL</b>		<b>59,230</b>	<b>910</b>	<b>10,140</b>	<b>39,090</b>	<b>(10,000)</b>
<b>Chief Finance Officer</b>						
Chief Finance Officer	Loan to Exeter City Living	7,150,000	2,150,000	7,150,000		
	Purchase of Commercial Property	20,000,000	14,932,910	15,107,910	4,892,090	
<b>TOTAL</b>		<b>27,150,000</b>	<b>17,082,910</b>	<b>22,257,910</b>	<b>4,892,090</b>	<b>0</b>
<b>GENERAL FUND SERVICES TOTAL</b>		<b>60,004,080</b>	<b>30,257,822</b>	<b>41,641,085</b>	<b>18,272,680</b>	<b>(90,315)</b>

## BUDGETS CARRIED FORWARD TO 2020/21 AND BEYOND

		2020/21 Budget as per Budget Book/Council Approvals	Proposed Budget to be Carried Forward to 2020/21 and Beyond at Qtr. 3	Budget Reprofiled to Future Years	Total 2020/21 Capital Programme	2021/22 Budget as per Budget Book/Council Approvals
		£	£	£	£	£
<b>Chief Executive &amp; Growth Director</b>						
	Annual Contribution to Strata	53,900	0		53,900	53,900
	Idox System for Planning	90,010	10,490		100,500	
	DR VDI Infrastructure		53,900		53,900	
	Street Scene and Other Asset Management	88,900	35,940		124,840	
	Legal Case Management		11,940		11,940	
Chief Executive & Growth Director	Cash and Income Management		36,350		36,350	
	Land Charges	5,390	0		5,390	
	Cemeteries	6,150	0		6,150	
	Financial Management	172,150	201,230		373,380	
	Idox Environmental Health		17,250		17,250	
	Finance System Upgrade	35,000	0		35,000	
	Idox systems upgrades	15,000	0		15,000	
<b>TOTAL</b>		<b>466,500</b>	<b>367,100</b>	<b>0</b>	<b>833,600</b>	<b>53,900</b>
<b>Communities, Health, Well Being, Sport &amp; Leisure</b>						
Category Contracts Manager	Leisure Centre Essential Enhancements	1,041,600	(100,000)		941,600	
	Riverside Leisure Centre		3,400,000		3,400,000	
Director	Leisure Complex - Build Project	18,366,210	6,787,370		25,153,580	14,000
	Bus Station Construction	3,119,030	1,165,650		4,284,680	25,000
Environmental Health & Licensing Manager	Disabled Facility Grants	720,000	0		720,000	720,000
<b>TOTAL</b>		<b>23,246,840</b>	<b>11,253,020</b>	<b>0</b>	<b>34,499,860</b>	<b>759,000</b>

## BUDGETS CARRIED FORWARD TO 2020/21 AND BEYOND

		2020/21 Budget as per Budget Book/Council Approvals	Proposed Budget to be Carried Forward to 2020/21 and Beyond at Qtr. 3	Budget Reprofiled to Future Years	Total 2020/21 Capital Programme	2021/22 Budget as per Budget Book/Council Approvals
		£	£	£	£	£
<b>Environment and City Management</b>						
Service Manager Public & Green Space	Parks Infrastructure	100,000	160,000		260,000	0
	Cemeteries & Churchyards Infrastructure Improvements	20,000	94,790		114,790	20,000
City Surveyor	Passenger Lift at RAMM	0	135,000		135,000	0
	RAMM Roof Access Improvement	0	15,000		15,000	0
	Energy Saving Projects	1,945,380	0		1,945,380	0
	Building Management System (BMS)	0	80,000		80,000	0
	Civic Centre Air Conditioning Replacement	0	150,000		150,000	0
	Civic Centre Kitchens Replacement	0	89,000		89,000	0
	Livestock Market Drainage & Toilets	0	194,380		194,380	0
	Fire Risk Assessment Works	0	620,000		620,000	0
	Beacon Heath Martial Arts & Boxing Club - New Roof	0	14,650		14,650	0
Commercial Operations Manager, Public Realm	Outdoor Leisure Facilities	115,350	0		115,350	0
	Repair Canal Bank at M5	26,890	0		26,890	0
	Northbrook Flood Alleviation	100,000	0		100,000	0
	City Wide Property Level Protection	0	46,660		46,660	0
	Bowling Green Marshes Coastal Defence Scheme	151,100	28,900		180,000	160,000
	Replacement of Mallison Bridge (Exeter Quay)	317,600	0		317,600	0
	Topsham Flood Prevention Scheme	800,000	0		800,000	0
Service Manager, Community Safety & Enforcement	Car Park Resurfacing, Lining & Boundary Improvements	0	20,000		20,000	0
	Purchase of Harbour Patrol Vessel for Exe Estuary	20,000	30,000		50,000	0
	Improved Car Park Security Measures at King William Street & Arena Park	0	23,000		23,000	0
	Repairs to Turf Lock Pier Head	73,500	0		73,500	0
	Repairs to Salmonpool Bridge	25,000	20,000		45,000	0
	Repair to Walls at Farm Hill	60,000	0		60,000	0
	Bank Repairs & Stabilisation to Watercourses	20,000	0		20,000	0
Cleansing & Fleet Manager	Waste Infrastructure	259,200	0		259,200	144,000
	Improved recycling containers	0	0		0	2,150,000
	Enhance the Materials Reclamations Facility	0	0		0	1,500,000
Miscellaneous	Capitalised Staff Costs	0	0		0	50,000
<b>TOTAL</b>		<b>4,034,020</b>	<b>1,721,380</b>	<b>0</b>	<b>5,755,400</b>	<b>4,024,000</b>
<b>Communications, Tourism &amp; Culture</b>						
Director	Council Signage Improvement	40,000	39,090	0	79,090	0
<b>TOTAL</b>		<b>40,000</b>	<b>39,090</b>	<b>0</b>	<b>79,090</b>	<b>0</b>
<b>Chief Finance Officer</b>						
Chief Finance Officer	Purchase of Commercial Property		4,892,090		4,892,090	
<b>TOTAL</b>		<b>0</b>	<b>4,892,090</b>	<b>0</b>	<b>4,892,090</b>	<b>0</b>
<b>GENERAL FUND SERVICES TOTAL</b>		<b>27,787,360</b>	<b>18,272,680</b>	<b>0</b>	<b>46,060,040</b>	<b>4,836,900</b>

## CAPITAL SCHEMES SPANNING MORE THAN ONE FINANCIAL YEAR

Responsible Officer	Scheme	Total Capital Budget	Total Spend to Date	Programme Variances (Under)/Over
		£	£	£
<b>Communities, Health, Well Being, Sport &amp; Leisure</b>				
	Leisure Centre Essential Enhancements	1,266,480	266,009	0
	Riverside Leisure Centre	6,127,100	1,855,306	0
Director	Leisure Complex - Build Project	41,591,750	14,167,853	0
	Bus Station Construction	8,458,300	3,317,743	0
	Pinhoe Community Hub	100,000	23,680	0
	Newtown Community Association - Belmont Park Community Building	250,000	250,000	0
	Air Quality Monitoring Equipment	90,000	54,372	(35,630)
<b>TOTAL</b>		<b>57,883,630</b>	<b>19,934,963</b>	<b>(35,630)</b>
<b>Environment and City Management</b>				
Interim Public & Green Space Manager	Belle Isle Temporary Facilities	255,000	245,136	(9,863)
	Mechanisation of Street Scene	150,000	120,183	(29,822)
	Parks Infrastructure	500,000	235,327	0
	Cemeteries & Churchyards Infrastructure Improvements	180,000	45,205	0
City Surveyor	Passenger Lift at RAMM	203,220	3,220	0
	St Nicholas Priory	94,840	94,832	0
	RAMM Roof Access Improvement	68,500	43,081	0
	Guildhall Fire Alarms	39,020	39,017	0
	Matford Centre Fire Alarm Replacement	50,000	40,222	0
	Livestock Market Drainage & Toilets	200,000	5,070	0
Commercial Operations Manager, Public Realm	Repair Canal Bank at M5	64,520	37,631	0
	Car Park Surfacing - Haven Road	12,350	1,511	(10,840)
	Kings Arms Bridge	410,000	382,737	0
	Replacement of Mallison Bridge (Exeter Quay)	350,000	26,890	0
Service Manager, Community Safety & Enforcement	Repairs to Turf Lock Pier Head	75,000	1,500	0
<b>TOTAL</b>		<b>2,652,450</b>	<b>1,321,563</b>	<b>(50,525)</b>
<b>Strategic Housing, Planning, Housing Needs &amp; Homelessness, Customer Services, Welfare Reform, Revenues, Benefits &amp; Business Rates</b>				
System Lead, Housing Needs & Homelessness	Temporary Accommodation Purchase	584,950	584,344	0
Corporate Manager, Democratic & Civic Support	Replacement Audio & Visual Equipment at the Civic Centre and Guildhall	66,090	66,090	0
<b>TOTAL</b>		<b>651,040</b>	<b>650,434</b>	<b>0</b>
<b>Communications, Tourism &amp; Culture</b>				
RAMM, Operational Services Lead	RAMM World Culture Galleries	368,740	349,509	(10,000)
<b>TOTAL</b>		<b>368,740</b>	<b>349,509</b>	<b>(10,000)</b>
<b>GENERAL FUND SERVICES TOTAL</b>		<b>61,555,860</b>	<b>22,256,470</b>	<b>(96,155)</b>

## GENERAL FUND AVAILABLE RESOURCES

GENERAL FUND	2019-20 £	2020-21 £	2021-22 £	2022-23 £	TOTAL £
<b>CAPITAL RESOURCES AVAILABLE</b>					
Capital Receipts Brought Forward	5,374,625				5,374,625
GF Capital Receipts	1,205,963	0	0	0	1,205,963
GF Ring-fenced Capital Receipts	0	0	0	0	0
Revenue Contributions to Capital Outlay	1,665,000	939,572	697,900	103,900	3,406,372
Disabled Facility Grant	1,121,799	720,000	720,000	720,000	3,281,799
New Homes Bonus	76,320	14,647	0	0	90,967
Community Infrastructure Levy	2,957,205	0	0	0	2,957,205
Other - Grants/External Funding/Reserves/S106	1,140,448	805,718	160,000	160,000	2,266,166
<b>Total Resources Available</b>	<b>13,541,360</b>	<b>2,479,937</b>	<b>1,577,900</b>	<b>983,900</b>	<b>18,583,097</b>
<b>GENERAL FUND CAPITAL PROGRAMME</b>					
Capital Programme	60,004,080	27,787,360	4,836,900	983,900	93,612,240
Overspends/(Savings)	(90,315)				(90,315)
Slippage	(18,272,680)	18,272,680			0
<b>Total General Fund</b>	<b>41,641,085</b>	<b>46,060,040</b>	<b>4,836,900</b>	<b>983,900</b>	<b>93,521,925</b>
<b>UNCOMMITTED CAPITAL RESOURCES:</b>					
Capital Receipts Brought Forward	5,374,625	4,955,310	1,000,000	1,000,000	5,374,625
Resources in Year	8,166,735	2,479,937	1,577,900	983,900	13,208,472
Less Capital Receipts to carry forward	(4,955,310)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Less Spend in Year	(41,641,085)	(46,060,040)	(4,836,900)	(983,900)	(93,521,925)
<b>Borrowing Requirement</b>	<b>33,055,035</b>	<b>39,624,793</b>	<b>3,259,000</b>	<b>0</b>	<b>75,938,828</b>

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## REPORT TO EXECUTIVE

Date of Meeting: 7 April 2020

## REPORT TO COUNCIL

Date of Meeting: 21 April 2020

Report of: Chief Finance Officer

Title: 2019/20 HRA Budget Monitoring Report – Quarter 3

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

### 1. What is the report about?

- 1.1. To advise Members of the overall financial position of the HRA Revenue and Capital Budgets for the 2019/20 financial year after the first six months.

In addition to the budgetary over/under-spends reported to this committee, Appendix 1 also highlights further areas of risk, so that Members are aware that certain budgets have been identified as being vulnerable to factors beyond the control of the Council, which may result in potential deviations from budget, and are therefore subject to close monitoring, by officers.

### 2. Recommendations:

- 1.1. It is recommended the Executive note the report and Council notes and approves (where applicable):
- The HRA forecast financial position for 2019/20 financial year; and
  - The revision of the HRA Capital Programme to reflect the reported variations detailed in Appendix 4

### 3. Reasons for the recommendation:

To formally note the HRA's projected financial position and to approve the reported variations to the HRA Capital Programme.

The Housing Revenue Account is a statutory account and local housing authorities have a duty to keep a HRA in accordance with proper accounting practices and to review the account throughout the year. This is the third quarterly financial update in respect of the HRA for 2019/20.

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

The financial resources required to deliver both housing services to Council tenants and to invest in new and existing housing stock during 2019/20 are set out in the body of this report.

The impact on the HRA's available financial resources are set out in Appendix 3.

#### 5. Section 151 Officer comments:

The current situation in the Country, with significant restrictions on work and movement will have a financial impact on the HRA. The HRA is in a strong position financially to cope with a short term reduction in rental income, as long as it does not lead to significant bad debts in the medium to long term. Any reduction in income received as a result of a significant increase in bad debts will result in the Capital programme for both existing stock and new build being reviewed in light of reduced available resources.

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

The Housing Revenue Account is framed by the Local Government and Housing Act 1989. This Act created the ring-fence and the structure within which the HRA operates and covers the detailed operation of the HRA, including the credits (income) and debits (expenditure) which make up the account.

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

This report raises no issues for the Monitoring officer.

#### 8. Report details:

##### HRA BUDGET MONITORING – QUARTER 3

##### 8.2 Background to the HRA

The Housing Revenue Account (HRA) records expenditure and income relating to council dwellings and the provision of services to tenants. Housing authorities have a statutory duty to maintain a HRA account, which is primarily a landlord account, in order to account to their tenants for income and expenditure on council housing separately from other functions and services of the Council.

##### 8.3 Projected Surplus/Deficit

During this period the total budget variances indicate that there will be a net deficit of £143,825 in 2019/20. This represents a movement of £1,192,590 compared to the revised budgeted deficit of £1,336,415 for 2019/20. The key budget deviations are explained below. Please also refer to Appendix 2.

Budget Heading	Forecast Outturn Budget Variance at Quarter 2  (Under)/Overspend	Forecast Outturn Budget Variance at Quarter 3
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		(Under)/Overspend
<b>Revised Budgeted Deficit/ (Surplus)</b>		<b>£1,336,415</b>
<b>Management Costs</b>	<b>(£90,000)</b>	<b>(£172,000)</b>
<p><b>Officer Responsible: Service Lead – Housing Tenancy Services &amp; Service Lead – Housing Assets</b></p> <ul style="list-style-type: none"> <li>• (£52k) Forecast savings in employee costs, predominantly due to vacant Older Person Property Services officers' post during the year, this is a service charge item and will be reflected in the service charge next year.</li> <li>• (£45k) Saving to be made in respect of general management consultancy costs, in order to offset the additional cost of consultants appointed to undertake asset management procurement options.</li> <li>• (£30k) Forecast savings in policy and communications in respect of the Insights publication.</li> <li>• (£15k) Saving to be made in respect of tenant liaison, this will be required in 2020/21.</li> <li>• (£18k) Savings to be made in respect of housing development team recharge due to vacant post.</li> <li>• (£12k) Amalgamation of various minor forecast underspends.</li> </ul>		
<b>Housing Customers</b>	<b>(£34,000)</b>	<b>(£18,150)</b>
<p><b>Officer Responsible: Service Lead – Housing Tenancy Services</b></p> <ul style="list-style-type: none"> <li>• (£13k) Forecast savings in employee costs, predominantly due to vacant posts within the Lettings and Leasehold team.</li> <li>• £7k Forecast overspend on valuation survey fees</li> <li>• (£12k) Amalgamation of various minor forecast underspends.</li> </ul>		
<b>Sundry Land Maintenance</b>	<b>(£104,930)</b>	<b>(£186,200)</b>
<p><b>Officer Responsible: Service Lead – Housing Tenancy Services &amp; Service Lead – Housing Assets</b></p> <ul style="list-style-type: none"> <li>• A dedicated Tree Officer for Housing has been appointed and started in</li> </ul>		

November. Officers within Public Realm oversee the delivery of works to HRA trees and the works identified by the surveys are currently being prioritised. It is anticipated that slippage will occur in respect of works to HRA trees, whilst the programme of works are programmed and access issues resolved.

Ash Dieback disease has taken slightly longer to take hold in Exeter when compared with the surrounding area, but when it does there will be a rise in tree management costs, for this reason a supplementary budget will be requested to carry forward £66k of the budget into 2020-21.

<b>Repair &amp; Maintenance Programme</b>	<b>(£802,170)</b>	<b>(£964,240)</b>
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**Officer Responsible: Service Lead – Housing Assets**

- (£275k) Originally budgeted £475k for site clearance costs in order to facilitate new build development sites. Following the decision for the HRA development programme to progress the former ECL sites, the anticipated site clearance and enabling costs will be required at a later stage – 2020 and beyond. It is anticipated that £200k will be spent before the year end.
- (£764k) Forecast underspend in respect of the low maintenance and painting programme, largely due to operational issues on some schemes (planning permission, bats etc.), these are now ready to proceed and contractor has confirmed capacity to ensure full delivery in 2020/21.
- (£254k) Forecast saving in respect of routine service and maintenance contracts, which predominantly relates to savings in the gas servicing contract following the appointment of a new contractor.
- £300k Forecast overspend in respect of general reactive repairs due to the volume of repairs requested during the year and a period of full, whole property asbestos renovation and demolition surveys which drove costs up substantially.
- £90k Forecast overspend on void repairs due to a number of larger than average void projects during the year.
- (£61k) Amalgamation of various minor forecast under and over spends.

<b>Capital Charges</b>	<b>£329,000</b>	<b>£329,000</b>
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**Officer Responsible: not applicable (statutory accounting charge)**

- Depreciation charges are higher than budgeted due to a change in the assumed life expectancy of kitchens, from 30 years to 20 years, in line with Asset

Management Plans.

Depreciation is a real cost to the HRA as it represents the amount of money which needs to be set aside in the Major Repairs Reserve to provide for future capital works or to repay debt.

<b>Housing Assets</b>	<b>(£107,000)</b>	<b>(£57,000)</b>
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**Officer Responsible: Service Lead – Housing Assets**

- £60k Forecast overspend predominantly relates to consultancy advice in respect of asset management procurement options, including the general maintenance and void maintenance contract arrangements. £45k of the additional cost has been offset by savings within the HRA's General Management consultancy budget, as reported above.
- £69k Forecast overspend in respect of additional agency staff costs covering vacant posts. Recruitment is pending the outcomes of the proposed restructure of Housing Assets, as presented to Executive on 10 September 2019.
- (£175k) Consultancy fees saving - Forecast spend for the financial year is now £75k comprising; production of an Employers Requirements document by ECL for the HRA to standardise new build developments and work by ECL to investigate the feasibility of adding additional floors to some of the Council's blocks of flats.

With the HRA development programme commencing with sites that were originally to be developed by ECL, the requirement for site investigation work was already completed. As such, site investigation work will be required for the second phase of the development activity during 2020 and following years.

- (£111k) Amalgamation of various minor forecast underspends.

<b>Interest</b>	<b>(£110,000)</b>	<b>(£124,000)</b>
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**Officer Responsible: Service Lead – Housing Tenancy Services & Service Lead – Housing Assets**

- Reflects additional interest receivable on HRA balances (Working Balance, Major Repairs Reserve and capital receipts). Forecast underspends in both revenue and capital budgets are expected to result in higher than anticipated HRA balances and interest rates also increased.

<b>Total budget variances</b>	<b>(£919,100)</b>	<b>(£1,192,590)</b>
<b>Projected HRA deficit</b>		<b>(£143,824)</b>

**8.3 Impact on HRA Working Balance**

The HRA Working Balance represents amounts set aside to help facilitate service improvements, repay debt or to provide investment in the stock in future financial years.

The forecast balance, as at 31 March 2020, is set out below:

Movement	2019/20
Opening HRA Working Balance, as at 01/04/2019	£10,025,355
Forecast deficit for 2019/20	(£143,825)
Balance resolved to be retained (HRA contingency)	(£4,000,000)
<b>Balance Available, as at 31/03/2020</b>	<b>£5,881,530</b>

#### 8.4 HRA Available Resources over the Medium Term

The forecast HRA available resources for delivering both housing services and capital investment are set out in Appendix 3 for the period to 2021/22.

The forecast total available resources has improved by £689k since last reported, this is due to a combination of service efficiencies and contract savings as well as increased forecast of right to buy receipts.

#### 8.5 HRA Debt

In October 2018 the Government formally removed the HRA debt cap, which restricted the amount of borrowing stock-holding local authorities could have for the purposes of the HRA. The lifting of the 'debt cap' means that local authorities are now able to borrow for housebuilding in accordance with the Prudential Code.

As at 31 December 2019, the HRA's borrowing remains at the former 'debt cap' level of £57,882,413, as no new borrowing has been undertaken.

Executive on 8 October 2019 approved the first Council House Building Programme, which will deliver 100 new homes into the HRA at a cost of £18 million. It is expected that these schemes will be funded using the new freedoms to borrow in conjunction with potential grant from Homes England and retained Right to Buy receipts, which will be determined on a site by site basis.

## 8.6 HRA Capital Programme

The 2019-20 HRA Capital Programme was last reported to Executive on 10 December 2019. Since that meeting the following changes have been made that have increased the programme.

Description	2019/20	Approval / Funding
<b>HRA Capital Programme</b>	<b>£22,782,365</b>	
Budgets deferred to future financial years at Quarter 2	(£2,697,570)	Council 17 December 2019
Acquisition of Social Housing	422,500	Section 106 funded – Delegated powers 13 <sup>th</sup> October 2019
Bovemoors Lane and Hamlin Gardens	825,000	Executive 8 <sup>th</sup> October 2019
<b>Revised HRA Capital Programme</b>	<b>£21,332,295</b>	

## 8.7 Performance

The current HRA Capital Programme is detailed in Appendix 4. The appendix shows a total forecast spend of £16,928,223 compared to the £21,332,295 revised programme; a reduction of £4,404,072.

## 8.8 Capital Budget Variances

The details of key variances from budget are set out below. The Service Lead – Housing Assets will be able to provide further details in respect of these areas, if required.

Scheme	Forecast Overspend / (Underspend)
<b>Door Replacements (including Outbuildings)</b>	<b>£216,000</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>The door replacement programme has been accelerated in line with the window replacement programme. The anticipated overspend on door replacements will be offset by a saving on window replacements.</p>	
<b>Window Replacements</b>	<b>(£216,000)</b>

**Officer Responsible – Planned Works Lead**

Combined programme of windows and door replacements. Overspend on door replacement will be met by compensating saving on window replacements, as explained above.

**8.9 Schemes to be deferred to 2020/21 and beyond**

Schemes which have been identified as being wholly or partly deferred to 2020/21 and beyond are:

<b>Scheme</b>	<b>Budget to be deferred</b>
<b>Kitchen Replacement Programme</b>	<b>£656,795</b>
<b>Bathroom Replacement Programme</b>	<b>£181,140</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>The two above programmes of work require new contracts to be procured to allow work to proceed. Whilst at the start of the year it was envisaged that the Council would direct award the works via a compliant and established Framework, advice from the Council's Procurement Team has required the service to commence a process of mini competition via a framework. This process, including the preparation of more detailed specifications of works, has delayed the progression of works. The new contract is due to commence April 2020.</p>	
<b>Balcony Walkway Improvements</b>	<b>£257,000</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>To be undertaken as part of low maintenance contract. Delays have results in slippage of the programme.</p>	
<b>Structural Repairs</b>	<b>£168,550</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>The slippage is a result of work needing to be surveyed by external structural surveyors and schedules of work having to be specified and prepared. In some cases structural repairs required monitoring over a period of time to inform the remedial repair solution.</p>	
<b>Communal Door &amp; Screens</b>	<b>£326,780</b>

<p><b>Officer Responsible – Planned Works Lead</b></p> <p>The slippage has resulted from delays to installation programmes, particularly where Section 20 Notices needed to be served on leaseholders prior to works could be commissioned.</p>	
<b>Fire Risk Assessment Works</b>	<b>£400,000</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>The slippage resulted from delays, however lots of work coming in towards the end of the year, large project on compartmentation review now expected to be undertaken in 2020/21.</p>	
<b>Porch Canopies</b>	<b>£192,480</b>
<p><b>Officer Responsible – Planned Works Lead</b></p> <p>Porch canopy works now undertaken as part of combined programme with window and door replacements. This programme has not covered areas where houses have canopies in 2019/20.</p>	
<b>Extra Care Scheme</b>	<b>£2,000,000</b>
<p><b>Officer Responsible – Service Lead – Housing Assets</b></p> <p>Works are progressing on site with significant expenditure of £6.5m forecast for this financial year, however the latest cash-flow forecasts indicate some further slippage into 2020/21 due to time taken to erect the concrete frame but with no impact on the overall contract length. The scheme is still expected to complete in September 2020.</p>	

### **COUNCIL OWN BUILD BUDGET MONITORING – QUARTER 3**

8.10 The Council's own build properties at Rowan House and Knights Place form part of the overall Housing Revenue Account, but separate income and expenditure budgets are maintained in order to ensure that they are self-financing.

#### **8.11 Projected Surplus/Deficit**

A variance of £1,500 is forecast at the end of Quarter 3. The budgeted net surplus of £15,470 is therefore projected to be £13,970 during 2019/20, due to additional management costs.

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

The Housing Revenue Account contributes to two key purposes, as set out in the Corporate Plan; help me find somewhere suitable to live and maintain our property assets.

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

Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates. Appendix 1 sets out the risks identified, at Quarter 3.

## **11. Equality Act 2010 (The Act)**

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because: because

11.4.1 There are no significant equality and diversity impacts associated with this decision.

## **12. Carbon Footprint (Environmental) Implications:**

We are working towards the Council's commitment to carbon neutral by 2030. The impact of each scheme is considered prior to approval.

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

None.

Dave Hodgson, Chief Finance Officer

Author: Kayleigh Searle

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

Background papers used in compiling this report:-  
None

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Democratic Services (Committees)  
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A number of areas of budgetary risk have been identified within the HRA, as follows:

Budget Title	19/20 Approved Budget	Risk Rating	Risk and mitigation
General Maintenance	£1,882,010 (revenue)		The volatility of the level of requested repairs due to factors beyond the control of the Council, for example adverse weather conditions represent a budgetary risk. The impact of property inspections undertaken by the Housing Customer Team may also lead to the identification of additional repairs. Mitigation measures include monthly contract meeting with the Contractor – the meetings include budget review and work in progress updates. Other supporting measures include weekly Surveyors meetings to highlight repair demand pressures.
Repairs to Void Properties	£1,142,250 (revenue)		Property turnover and the varying condition of properties when returned to the Council represent a budgetary risk. Mitigation includes a current review of the void standard – for inclusion in the currently commissioned Integrated Asset Management Contract. Additionally, property inspections by Housing Officers highlight sub-standard property conditions wherever possible and are an early alert to issues.
Rental Income from Dwellings	£18,250,000 (revenue)		Right to Buy sales, number of new tenancies set at convergence rent levels, number of days lost through major works, rent lost in respect of void properties and welfare reform changes (for which an increased bad debt provision has been made) all impact on the annual rental income. However, rental income after the first 9 months is slightly behind profile, but payments made during the rent-free fortnights may mitigate. Mitigation has been impacted by the scale of work to some void properties – including some fire damaged properties and some with subsidence issues. However, contract works are monitored to focus on timely completion of refurbishments including a current focus on the time taken for asbestos surveys.

**Risk Rating:**

	Current forecasts indicate either a favourable variance compared to the budget or no variance at all
	Current forecasts indicate an adverse budgetary variance of between 0% and 5% that will be kept under review
	Current forecasts indicate an adverse budgetary variance of more than 5% and will be monitored closely

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HOUSING REVENUE ACCOUNTS BUDGET MONITORING 2019-20

APPENDIX 2

QUARTER 3

ACTUAL TO DATE			YEAR END FORECAST				
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	MANAGEMENT UNIT	APPROVED BUDGET	Qrt 2 FORECAST VARIANCE	Qrt 3 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£		£	£	£	£
716,770	566,381	(150,389)	MANAGEMENT	1,325,405	(90,000)	(172,000)	1,153,405
834,579	783,157	(51,422)	HOUSING CUSTOMERS	1,371,670	(34,000)	(18,150)	1,353,520
385,452	216,468	(168,984)	SUNDRY LAND MAINTENANCE	634,430	(104,930)	(186,200)	448,230
5,642,989	4,553,767	(1,089,222)	REPAIRS & MAINTENANCE PROGRAMME	7,181,970	(802,170)	(964,240)	6,217,730
0	0	0	REVENUE CONTRIBUTION TO CAPITAL	2,500,000	0	0	2,500,000
0	0	0	CAPITAL CHARGES	3,224,210	329,000	329,000	3,553,210
1,289,680	1,171,221	(118,459)	HOUSING ASSETS	2,002,100	(107,000)	(57,000)	1,945,100
(14,820,768)	(14,937,741)	(116,973)	RENTS	(18,718,700)	0	0	(18,718,700)
0	0	0	INTEREST	1,815,330	(110,000)	(124,000)	1,691,330
			MOVEMENT TO/(FROM) WORKING BALANCE	(1,336,415)	919,100	1,192,590	(143,825)
			<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<b>Working Balance</b>	<b>1 April 2019</b>	<b>31 March 2020</b>		<b>9,881,530</b>
				<b>10,025,355</b>			

COUNCIL OWN BUILD SITES

PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE		APPROVED BUDGET	Qrt 2 FORECAST VARIANCE	Qrt 3 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£		£	£	£	£
29,040	26,050	(2,990)	MANAGEMENT	33,510	0	1,500	35,010
(10,230)	(8,820)	1,410	ROWAN HOUSE	(10,230)	0	0	(10,230)
(53,660)	(45,810)	7,850	KNIGHTS PLACE	(59,040)	(3,000)	0	(59,040)
0	0	0	INTEREST	5,740	0	0	5,740
0	0	0	CAPITAL CHARGES	14,550	0	0	14,550
			MOVEMENT TO/(FROM) WORKING BALANCE	15,470	3,000	(1,500)	13,970
			<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
			<b>Working Balance</b>	<b>1 April 2019</b>	<b>31 March 2020</b>		<b>288,825</b>
				<b>274,855</b>			

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## HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2019-20 £	2020-21 £	2021-22 £	2022-23 £	2023-24 £	TOTAL £
<b>CAPITAL RESOURCES AVAILABLE</b>						
Usable Receipts Brought Forward						10,552,213
Major Repairs Reserve Brought Forward						14,255,232
Other HRA Sales	527,500	962,000	0	0	0	1,489,500
RTB sales	2,500,000	750,000	750,000	750,000	750,000	5,500,000
Surrender back to DCLG - pending investment in replacement affordable housing		0	(734,634)	0		(734,634)
Major Repairs Reserve	3,553,210	3,513,540	3,513,540	3,513,540	3,513,540	17,607,370
Revenue Contributions to Capital	2,500,000	5,246,550	4,000,000	2,900,000	3,050,000	17,696,550
External contributions	313,017	592,424	0	0	0	905,441
Grant funding - Estate Regeneration Funding	391,456	0	0	0	0	391,456
Grant funding - Zero Energy Buildings Project	216,000	0	0	0	0	216,000
Commuted sums	1,813,151	3,965,710	0	0	0	5,778,861
Borrowing	577,500	9,198,000	4,584,500	1,000,000	0	15,360,000
<b>Total Resources available</b>	<b>12,391,834</b>	<b>24,228,224</b>	<b>12,113,406</b>	<b>8,163,540</b>	<b>7,313,540</b>	<b>89,017,989</b>
<b>CAPITAL PROGRAMME</b>						
HRA Capital Programme	20,507,295	19,049,232	12,467,426	9,420,170	8,760,210	70,204,333
HRA Capital Programme - New Build	825,000	11,340,000	4,835,000	1,000,000		18,000,000
Reported slippage - Quarter 3	(4,399,605)	3,811,578	588,027			0
Reported (under)/overspends - Quarter 3	(4,467)					(4,467)
<b>Total Housing Revenue Account</b>	<b>16,928,223</b>	<b>34,200,810</b>	<b>17,890,453</b>	<b>10,420,170</b>	<b>8,760,210</b>	<b>88,199,866</b>
<b>UNCOMMITTED CAPITAL RESOURCES:</b>						
Usable Receipts Brought Forward	10,552,213	8,402,299	4,472,709	2,737,575	527,575	10,552,213
Major Repairs Reserve Brought Forward	14,255,232	11,868,753	5,825,757	1,783,844	1,737,214	14,255,232
Resources in Year	12,391,834	24,228,224	12,113,406	8,163,540	7,313,540	64,210,544
Less Estimated Spend	(16,928,223)	(34,200,810)	(17,890,453)	(10,420,170)	(8,760,210)	(88,199,866)
<b>Uncommitted Capital Resources</b>	<b>20,271,056</b>	<b>10,298,466</b>	<b>4,521,419</b>	<b>2,264,789</b>	<b>818,119</b>	<b>818,123</b>
<b>WORKING BALANCE RESOURCES:</b>						
Balance Brought Forward	10,025,355	9,881,530	6,178,925	4,358,914	3,960,787	10,025,355
HRA Balance Transfer - Surplus/(Deficit)	(1,336,415)	(3,321,605)	(1,820,011)	(398,127)	(50,102)	(6,926,260)
Quarter 3 forecast underspend	1,192,590					1,192,590
Supplementary budgets to be requested		(381,000)				(381,000)
Balance Carried Forward	9,881,530	6,178,925	4,358,914	3,960,787	3,910,685	3,910,685
Balance Resolved to be Retained	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
<b>Uncommitted HRA Working Balance</b>	<b>5,881,530</b>	<b>2,178,925</b>	<b>358,914</b>	<b>(39,213)</b>	<b>(89,315)</b>	<b>(89,315)</b>
<b>TOTAL AVAILABLE CAPITAL RESOURCES</b>	<b>26,152,586</b>	<b>12,477,391</b>	<b>4,880,333</b>	<b>2,225,576</b>	<b>728,804</b>	<b>728,808</b>

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**2019-20  
CAPITAL MONITORING - QUARTER 3**

	2019-20 Capital Programme	2019-20 Spend	2019-20 Forecast Spend	2019-20 Budget to be Carried Forward to Future Years	TO 2020-21	TO 2021-22	TO 2022-23	TO 2023-24	2019-20 Programme Variances (Under)/Over	
	£	£	£	£					£	
<b>HRA CAPITAL</b>										
<b>EVERYONE HAS A HOME</b>										
Z4212	Adaptations	595,910	350,425	595,910					0	
Z4703	Estate Improvements	64,290	36,543	52,543					(11,747)	
Z4705	Programmed Re-roofing - Flats	162,060	300	120,000	42,060	42,060			0	
Z4705	Programmed Re-roofing - Houses	200,000	171,955	200,000					0	
Z4709	Energy Conservation	25,000	-	0	25,000	25,000			0	
Z4713	Garage Upgrades	68,400	-	11,000					(57,400)	
Z4718	LAINGS Refurbishments	1,120,000	723,273	1,120,000					0	
Z4719	Kitchen Replacement Programme	897,795	166,334	241,000	656,795	328,398	328,398		0	
Z4721	Balcony Walkway Improvements	323,000	59,508	66,000	257,000	257,000			0	
Z4724	Bathroom Replacements Programme	564,140	237,590	383,000	181,140	181,140			0	
Z4729	Door Replacements (including Outbuildings)	210,930	290,685	427,000					216,070	
Z4743	Communal Area Improvements	118,210	499	60,000	58,210	58,210			0	
Z4745	Structural Repairs	344,550	145,216	176,000	168,550	168,550			0	
Z4755	Rennes House Structural Works	500,000	224,267	500,000					0	
Z4758	Common Area Footpath/Wall Improvements	191,780	135,666	191,780					0	
Z4763	Soil Vent Pipe Replacement	15,000	10,084	15,000					0	
Z4764	Electrical Central Heating	19,240	9,276	14,000					(5,240)	
Z4768	Fire Safety Storage Facilities	210,000	18,560	210,000					0	
Z4802	Electrical Re-wiring - Domestic	328,670	225,778	310,000	18,670	18,670			0	
Z4802	Electrical Re-wiring - Communal	296,920	120,295	248,000	48,920	48,920			0	
Z4903	Central Heating and Boiler Replacement Programme	590,670	237,614	590,670					0	
Z4906	Communal Door & Screens	388,780	47,632	62,000	326,780	163,390	163,390		0	
Z4909	Fire Risk Assessment Works	505,770	70,311	105,770	400,000	400,000			0	
Z4910	Loft and Cavity Insulation	3,000	-	3,000					0	
Z4915	Window Replacements	1,513,750	792,526	1,297,680					(216,070)	
Z4916	Replacement Housing Management System	92,190	67,187	68,190	24,000	24,000			0	
Z4917	Porch Canopies	192,480	-	0	192,480	96,240	96,240		0	
Z4918	Zebcat Project	446,080	513,091	516,000					69,920	
<b>HOUSING REVENUE ACCOUNT TOTAL</b>		<b>9,988,615</b>	<b>4,653,617</b>	<b>7,584,543</b>	<b>2,399,605</b>	<b>1,811,578</b>	<b>588,028</b>	<b>0</b>	<b>0</b>	<b>(4,467)</b>
<b>COUNCIL OWN BUILD CAPITAL</b>										
Z3220	Extra Care Scheme	8,449,320	3,752,146	6,449,320	2,000,000	2,000,000			0	
Z3201	Acquisition of Social Housing - Open Market	1,677,900	1,457,451	1,677,900					0	
Z5101	Estate Regeneration - Heavitree	391,460	271,792	391,460					0	
Z3253	Bovemoors Lane	800,000	110,432	800,000					0	
Z3255	Hamlin Gardens	25,000	-	25,000					0	
<b>COUNCIL OWN BUILD TOTAL</b>		<b>11,343,680</b>	<b>5,591,822</b>	<b>9,343,680</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OVERALL HOUSING REVENUE ACCOUNT TOTAL</b>		<b>21,332,295</b>	<b>10,245,439</b>	<b>16,928,223</b>	<b>4,399,605</b>	<b>3,811,578</b>	<b>588,028</b>	<b>0</b>	<b>0</b>	<b>(4,467)</b>

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## **REPORT TO EXECUTIVE COMMITTEE**

Date of Meeting: 7 April 2020

## **REPORT TO COUNCIL**

Date of Meeting: 21 April 2020

### **Report of: CHIEF FINANCE OFFICER**

**Title: Exeter City Group – request for funding for new Company business cases and additional financial support**

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

No

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

1. What is the report about?
  - 1.1 To seek funding to develop three business cases to explore the feasibility of expanding Exeter City Group's range of Subsidiaries to include a Company providing market rent properties to let, a Consultancy Company and a Company to provide retro-fit solutions for existing housing.
  - 1.2 To approve a Finance manager – Commercial to provide dedicated support to Exeter City Group and the other Council owned Companies. This will be funded by Exeter City Group along with funds received from the other Companies.
2. **Recommendations:**
  - 2.1 That Executive recommend to Council to approve:
    - £300,000 for the development of three business cases to explore the feasibility of creating the new subsidiaries;
    - £60,000 for a new Finance Manager – Commercial to support Exeter City Group and the wider Council Companies. Ultimately this will be funded by the Companies themselves.
  - 2.2 Delegated authority to the Chief Executive, in consultation with the section 151 Officer (or Deputy), to give final approval to proceed once the Council's financial position is secure.
3. **Reasons for the recommendation:**
  - 3.1 The Council is facing reductions of £3.7 million over the period of its medium term financial plan. One of the options to close the gap is to generate further income from the Council's wholly owned Company, Exeter City Group. It is essential that Council satisfies itself that the new Companies are viable and that the balance between risk and reward is acceptable.

3.2 The demand on the Finance team from Exeter City Living is significant and this will increase as more Companies are added. Exeter City Living would ideally like a dedicated member of the Finance team to be seconded at least two days a week to provide the support they require. With the existing structure that is not possible, but Finance acknowledge that it is essential to support a significant increase in the projects being undertaken. This will increase to at least four days a week once the new Companies have been established.

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

4.1 There is an immediate need for £300,000 to fund the creation of the Business Cases. This will be funded in part from the balance left on the Business Rates pilot. The £60,000 required for the additional member of staff will ultimately be funded by the expanded Group of Companies, with the post predominantly seconded to the Exeter City Group to provide strategic financial support.

**5. Section 151 Officer comments:**

5.1 Whilst it is important to ensure that the Council is in a position to start working quickly once the Coronavirus restrictions are lifted, it is imperative that Council note the delegated authority recommendation exists to ensure that the Chief Executive and Chief Finance Officer are confident in the strength of the Council's financial position. It is highly likely that this will require Government support to ensure that the loss of income faced during the restrictions will not force service reductions to be made by the Council rather than important investments in our assets.

5.2 The one off cost of the Business Cases will be funded from a mix of funds available from the Business Rates pilot and General Fund reserves, subject to recommendation 2.1.4 above. The cost of the additional post will be funded by Exeter City Group.

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

6.1 None identified.

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

7.1 This report raised no issues for the Monitoring Officer.

**8. Report details:**

8.1 The Business Rates reset, alongside the redistribution of resources through the Fair Funding review for Local Government and the indicated ending of the New Homes Bonus has left the Council facing a £3.7 million shortfall in its funding over the period of its medium term financial plan.

8.2 One of the options to address the shortfall is to increase the income generated by the Council's Companies. As Members will recall, at the time of approving Exeter City Group and its subsidiary, Exeter City Living, two further Companies were created but kept dormant. One company would provide homes available for market rent and the other commercial property for lease. They were kept dormant as no business case

had been prepared to demonstrate that they were viable and would not cause financial difficulties for the Council.

8.3 Owing to the current financial climate and the Government's latest consultation regarding the PWLB and borrowing for commercial property, it is not proposed to undertake a business case into the viability of the commercial property company at this stage. However, there are three companies that the Council wishes to explore in detail. These are:

- The market rent housing company – to purchase property from Exeter City Living (or on the private sector market) and provide property for market rent to the public;
- A consultancy company – to provide support to organisations looking to deliver PassivHaus or similar developments;
- A retrofit company – to deliver retrofit solutions to existing properties in pursuit of carbon neutral homes.

8.4 Appendix A sets out the costs and process for each Company.

8.5 In order to support Exeter City Group in setting up the new Companies and to provide more dedicated support to Exeter City Living and Exeter City Group as a whole, further financial resource is required. Exeter City Living alone would like a secondment of at least two days a week at qualified accountant level, in addition to the Finance Officer (AAT) support they receive. As this support is currently provided by the Deputy Chief Finance Officer, it is proving impossible to dedicate sufficient amounts of her time to Exeter City Living as it is and the new Companies will makes this even more unviable.

8.6 It is proposed therefore to appoint a Finance Manager – Commercial to dedicate their time to the growing Group. In line with the two other Finance Managers within the team it is anticipated that it will be a Grade M post (subject to JE). The funding required is £60,000, although this will comfortably be covered by the Companies through Service Level Agreements.

8.7 It is anticipated that the Finance Manager will be seconded four days a week to the Exeter City Group working for each of the subsidiaries and will use the balance of time to oversee Strata.

8.8 The Deputy Chief Finance Officer will be able to take on further technical work from the Chief Finance Officer and dedicate more time to her role as Service Lead for Finance. Appendix B sets out draft Job Descriptions and Person Specifications for the roles.

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

9.1 The overall financial position of the Council underpins the Council's ability to deliver the Corporate Plan.

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

10.1 The key risk is that the Business Cases do not result in viable Companies and the Council therefore needs to identify alternative solutions to reduce the £3.7 million gap. Without undertaking the work however, the Council will not be able to assess whether this is a viable solution.

10.2 Without further resource, Finance cannot provide a professional service to the Companies in question. This would mean Exeter City Group seeking to find alternative support from the private sector and a subsequent loss of income to the Council.

## **11. Equality Act 2010 (The Act)**

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act.

## **12. Carbon Footprint (Environmental) Implications:**

12.1 No direct carbon/environmental impacts arising from the recommendations.

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

13.1 The Council can look at other options to address the gap in funding identified over the medium term financial plan. This would include either further income opportunities or service reductions. Exeter City Group could seek financial support from an external source. This would reduce the burden on Finance, but equally remove an income source for the Council.

Dave Hodgson, Chief Finance Officer

Author: Dave Hodgson

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

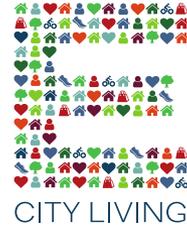
Background papers used in compiling this report:-

None

Contact for enquires:

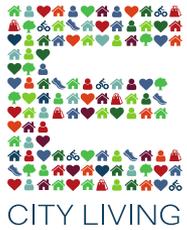
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# Estimates of Cost to produce FBCs for three new companies

9<sup>th</sup> March 2020



# Contents

1. FBC : Establishing Operational Capability : Year One
2. Summary of FBC Costs
3. Consultancy Co : FBC and Year One Items
4. Resi Prop Co : FBC and Year One Items
5. Retrofit Co : FBC and Year One Items
6. FBC Process Governance Option A
7. FBC Process Governance Option B

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# FBC : Establishing Operational Capability : Year One



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- Business Viability Test
- High level indicative figures
- Legal framework and process confirmed
- Accounting & Tax positions confirmed

- Register Company
- Appoint Directors
- Set-up Bank Account
- Arrange IT and SLAs
- Create company policies
- Create Year One Business Plan

- Delivery of business plan
- Appoint staff and consultants as necessary to delivery business plan



## Budget Costs for FBC Production

Element	ECLG Business Case Actual Costs	Consultancy Co Budgeted Costs	Resi Prop Co : Budgeted Costs	Retrofit Co : Budgeted Costs
Project Management	£	£ [A] £ [B]	£ [A] £ [B]	£ [A] £ [B]
Legal Fees	£	£	£	£
Accountancy & Tax	£	£	£	£
Business Projections / Operating model & returns	£	£	£	£
Land/Planning advice	£	-	-	-
Final FBC report	£	£	£	£
Contingency	£	£	£	£
Total	£	£ [A] £ [B]	£ [A] £ [B]	£ [A] £ [B]

Please note : The ECL Business Case actual costs for Project Management, Business Projections and Final FBC Report were significantly greater than planned due to the extended pre-submission engagement process and production of two different full business case documents.

The Legal Fees, Accountancy & Tax and Final FBC Report costs have been estimated as 'stand alone' projects. If all three FBCs are instructed at the same time, we would expect savings across the three FBCs against these items.



## Consultancy Co : FBC Items and Year One Operational Items

In order to strike a cost effective balance between establishing the viability / Business Case for the business and creating the operational documentation for the business, the following allocation of items is suggested

### *Items covered in the Full Business Case*

- High level business case to test the financial viability of the company (potential sales and income figures, costs, expenditures, financing, cash flows, etc). Including P&L modelling on high level business case figures.
- Identification of the monies required to create the company and establish the detailed Year One business plan.
- Identification of the legal process for creating the company
- Identification as to how the company will be structured and how it will legally reside in ECC / ECLG.
- Management Agreement drafted and ready to be completed when the business is established (including Reserved Matters). Or any amendments to ECLG Management Agreement if appropriate & applicable.
- Articles of Association drafted and ready for establishment
- Identification of the finance and accounting matters relating to the business – VAT considerations, tax considerations, etc. with the optimum financial model identified for the business.
- Regulatory/Statutory compliance requirements identified.
- Funding and financing arrangements will be identified.

### *Items to be addressed in the first year of operation, if the establishment of the company is approved*

- Appointment of Directors (incl Non-Execs)
- Registration of Company at Companies House
- Set-up Bank Account
- Arrange insurances
- Obtain VAT Registration
- Creation of company policies (HR, procurement, etc)
- Creation of Year One Business Plan
- Create Standard Terms & Conditions of Appointment
- Drafting of Rental agreements, service level agreements, etc as may be required with ECL Group and ECC.
- Arranging IT, payroll and invoicing services as required.
- Appointment of specialists and consultants as required.



## Resi Prop Co : FBC Items and Year One Operational Items

In order to strike a cost effective balance between establishing the viability / Business Case for the business and creating the operational documentation for the business, the following allocation of items is suggested

### *Items covered in the Full Business Case*

- High level business case to test the financial viability of the company (potential revenue / income figures, costs, expenditures, financing, cash flows, etc). Including P&L modelling on high level business case figures.
- Identification of the monies required to establish the company and create the detailed Year One business plan.
- Review and confirmation as to how the company will be structured and how it will legally reside in ECC / ECLG.
- Any amendments to ECLG Management Agreement if appropriate & applicable.
- Review and confirmation of the finance and accounting matters relating to the business – VAT considerations, tax considerations, etc.
- Regulatory/Statutory compliance requirements identified.
- Funding and financing arrangements will be identified.

### *Items to be addressed in the first year of operation, if the establishment of the company is approved*

- Appointment of Directors (incl Non-Execs)
- Set-up Bank Account
- Arrange insurances
- Obtain VAT Registration
- Creation of company policies (HR, procurement, etc)
- Creation of Year One Business Plan
- Creation of Rental Agreements, including Landlord / tenant agreements, etc
- Creation of sale / purchase / lease agreements
- Create the Letting Strategy
- Draft Maintenance Contracts & the like
- Drafting of Rental agreements, service level agreements, etc as may be required with ECL Group and ECC.
- Arranging IT, payroll and invoicing services as required.
- Appointment of specialists and consultants as required.



## Retrofit Co : FBC Items and Year One Operational Items

In order to strike a cost effective balance between establishing the viability / Business Case for the business and creating the operational documentation for the business, the following allocation of items is suggested

### *Items covered in the Full Business Case*

- High level business case to test the financial viability of the company (potential sales and income figures, costs, expenditures, financing, cash flows, etc). Including P&L modelling on high level business case figures.
- Identification of the monies required to create the company and establish the detailed Year One business plan.
- Identification of the legal process for creating the company
- Identification as to how the company will be structured and how it will legally reside in ECC / ECLG.
- Management Agreement drafted and ready to be completed when the business is established (including Reserved Matters). Or any amendments to ECLG Management Agreement if appropriate & applicable.
- Articles of Association drafted and ready for establishment
- Identification of the finance and accounting matters relating to the business – VAT considerations, tax considerations, etc. with the optimum financial model identified for the business.
- Regulatory/Statutory compliance requirements identified.
- Funding and financing arrangements will be identified.
- Soft Market testing of solutions undertaken and captured in FBC, including potential JV's etc. No physical site works or trials to be undertaken in FBC stage.

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### *Items to be addressed in the first year of operation, if the establishment of the company is approved*

- Appointment of Directors (incl Non-Execs)
- Registration of Company at Companies House
- Set-up Bank Account
- Arrange insurances
- Obtain VAT Registration
- Creation of company policies (HR, procurement, etc)
- Development of solution and delivery model – including any trials.
- Creation of Year One Business Plan
- Create Standard Terms & Conditions of Appointment
- Drafting of Rental agreements, service level agreements, etc as may be required with ECL Group and ECC.
- Arranging IT, payroll and invoicing services as required.
- Appointment of specialists and consultants as required.



# FBC Production : Process Governance : Option A

## Director led commission

Month  
One

- FBC Project Manager meet the nominated Responsible Director & Chief Finance Officer
- Present to SMB

Month  
Two

- FBC Project Manager meet the nominated Responsible Director & Chief Finance Officer

Month  
Three

- FBC Project Manager meet the nominated Responsible Director & Chief Finance Officer

Month  
Four

- FBC Project Manager meet the nominated Responsible Director & Chief Finance Officer
- Present update / conclusion to SMB

Month  
Five

- FBC Project Manager meet the nominated Responsible Director & Chief Finance Officer
- Present to Full Members Briefing
- FBC submitted to Responsible Director for ECC Governance process (Executive, Full Council, etc)

In the above governance arrangement, the decisions, direction and instruction are provided by the Responsible Director and Chief Finance Officer on a month basis, to the FBC Project Manager. SMB and Full Members Briefing are briefing sessions only, decisions or approvals will not be sought from either group.



# FBC Production : Process Governance : Option B

## Steering Group led commission

Month  
One

- FBC Project Manager meet the nominated Responsible Director & Chief Finance Officer
- Establish Steering Group : Membership, Terms of reference, etc

Month  
Two

- First Steering Group Meeting

Months  
three - Seven

- Monthly Steering Group Meetings

Month  
Eight

- Present conclusion to Steering Group
- Present conclusion to SMB

Month  
Nine

- FBC submitted to Responsible Director for ECC Governance process (Executive, Full Council, etc)

In the above governance arrangement, the decisions, direction and instruction are provided by the Steering Group on a month basis, to the FBC Project Manager. The Steering Group may comprise Members, Senior Officers, Representatives of SMB, Legal and Finance.

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<b>EXETER CITY COUNCIL</b>
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## Job Description

<b>DESIGNATION</b>	:	Deputy CFO
<b>GRADE</b>	:	Grade 15 (subject to JE)
<b>POST NO</b>	:	FNxxxx
<b>DIRECTORATE</b>	:	Finance
<b>UNIT</b>	:	Accountancy
<b>RESPONSIBLE TO</b>	:	Chief Finance Officer
<b>SUPERVISORY RESPONSIBILITY FOR</b>	:	Finance Manager – General Fund Services Finance Manager – Corporate Finance Manager - Commercial
<b>LIAISON WITH</b>	:	All levels of management in all services and companies, Members, Chief Executive, Directors and with outside authorities and organisations

### PURPOSE OF JOB

The provision of technical financial advice to the Council as a whole and the production of the Council's statutory statement of accounts, budget book and budget monitoring reports. To act as the Deputy Section 151 Officer of the Council, deputising for the Chief Finance Officer in taking decisions on all legal issues relating to the financial conduct of the Council.

### MAIN MANAGEMENT ACCOUNTABILITIES AND ACTIVITIES

1. To deputise for the Chief Finance Officer, as appropriate (to be the nominated Deputy S151 Officer for the Council). To provide Section 151 Officer comments on committee reports and to ensure the lawful decision making powers of the Council are exercised properly in relation to financial decisions. To act as the section 151 Officer, providing advice to the Council at times, for example, when a financial issue relates to a Company of which the Chief Finance Officer is appointed by the Council as a Director.
2. To exercise autonomously a very wide discretion and initiative in advising the Council and developing a strategic vision for Financial Services by identifying legal priorities throughout the Council.

3. To manage the service in such a way as to manage conflicting work priorities and changing deadlines across the Finance teams.
4. To provide effective leadership to the officers reporting to the Deputy CFO, monitor work performance issues and performance manage in a positive and effective way.
5. To hold the major direct responsibility for the management, allocation of work, strategic direction and training of the Finance team in particular and in relation to other officers of the Council from diverse Council services in formulating Council policy, developing the Council's commercialisation programme and supporting the activities of Exeter City Council.
6. To be the lead technical accountant for the Council providing financial advice and guidance on technical accounting issues including
  - Consolidation of the budget;
  - Budget monitoring;
  - Consolidation of the final accounts;
  - Statutory Returns to the Government;
  - External Audit liaison.
7. To Compile the Statutory Statement of Accounts including
  - Setting the timetable;
  - Ensuring the Finance Managers and their teams meet their deadlines;
  - Incorporating the work of others both within Finance and the wider Council teams;
  - Production of the final Statement;
  - Acting as lead liaison with External Audit.
8. To lead on aspects of Finance policy development, undertaking technical research into new developments in Local Authority funding and accounting and advising the Chief Finance Officer as appropriate.
9. To prepare reports and project evaluations, financial and otherwise, within agreed / statutory timescales.
10. To provide support to the Finance Managers in dealing with complex issues as they arise.
11. To be responsible for management of the Finance Team's budget, identifying efficiency savings when required, whilst securing continuous improvement in the delivery of Financial Services.
12. To handle politically sensitive projects and issues. For example, where the application of financial policy is unclear and to exercise professional judgement as to which issues should be referred to the Chief Finance Officer and Strategic Management Board.
13. Such other duties as may be required from time to time.

**DATE LAST UPDATED: March 2020**

**EXETER CITY COUNCIL**  
**PERSON SPECIFICATION**

**FINANCE**  
**ACCOUNTANCY**

**DEPUTY CFO – FNXXXX**

<b><u>SELECTION CRITERIA</u></b>	<b><u>ESSENTIAL</u></b>	<b><u>DESIRABLE</u></b>
<b><u>QUALIFICATIONS</u></b>		
CCAB Qualified	✓	
<b><u>EXPERIENCE/KNOWLEDGE SKILLS</u></b>		
Five years post qualification experience in Local Government finance	✓	
Strong knowledge of financial accounting techniques and methods	✓	
Strong understanding of professional accounting standards and practices	✓	
Staff management experience	✓	
A good knowledge and experience of computerised financial systems and Microsoft Office applications	✓	
Evidence of CPD		✓
<b><u>SPECIAL REQUIREMENTS/ATTITUDE</u></b>		
Ability to explain financial information to non-financial managers	✓	
Ability to think creatively	✓	
Ability to self-motivate	✓	
Dependable	✓	
Ability to adapt to change	✓	
Ability to prioritise workload	✓	
<b><u>OTHER</u></b>		
Good problem solving and evaluation skills.	✓	
High level of interpersonal skills.	✓	
Project planning and management skills.	✓	
Ability to prepare and manage budgets within agreed limits.	✓	
Excellent oral, written and presentation skills.	✓	
Good organisational skills and ability to work to tight deadlines and remain calm under pressure	✓	

**COMPLETED BY:** Chief Finance Officer

**DATE:** June 2018

<b>EXETER CITY COUNCIL</b>
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## Job Description

<b>DESIGNATION</b>	:	Finance Manager - Commercial
<b>GRADE</b>	:	Grade 13 (subject to JE)
<b>POST NO</b>	:	FNxxxx
<b>DIRECTORATE</b>	:	Finance
<b>UNIT</b>	:	Accountancy
<b>RESPONSIBLE TO</b>	:	Deputy CFO
<b>SUPERVISORY RESPONSIBILITY FOR</b>	:	Commercial Finance Officer
<b>LIAISON WITH</b>	:	All levels of management in all services and companies, Members, Directors and with outside authorities and organisations

### PURPOSE OF JOB

The provision of a complete finance service to the Council's Commercial operations (Companies) and the production of their statutory statement of accounts, budget, financial projections reports, cashflow forecasts and strategic financial advice.

### MAIN ACTIVITIES

2. To be the lead Commercial Accountant supporting the Companies as required by the Directors of the Companies
  - Exeter City Group Ltd (and its subsidiaries);
  - Strata Service Solutions Ltd;
  - Exeter Business Centre Ltd;
  - Any other Companies as created by the Council.
  
2. To provide financial support and advice to the Companies including;
  - Detailed Technical support on business case development and commercial opportunities;
  - Cashflow forecasting, both for specific projects and the Company as a whole;
  - Budget setting;
  - Budget monitoring;
  - Preparation of the final accounts;
  - Statutory Returns to the Government;
  - External Audit liaison.

3. To lead on aspects of Finance policy development, undertaking technical research into new developments in Company funding and accounting and advising the Directors as appropriate.
4. To prepare reports and detailed project evaluations, financial and otherwise, within agreed timescales.
5. To calculate detailed financial cashflows ensuring the Company is in a position to meet its financial obligations and to identify and advise on opportunities for maximising returns to the Company through investment opportunities for excess cash;
6. To support the production of detailed business cases being developed for any potential new Companies that the Council has given approval to be created.
7. To manage the work and performance of the Officers reporting to this post, including mentoring and training requirements.
8. To consider and develop quality management initiatives in conjunction with the Finance Service Management Team.
9. To manage strategic, corporate and unit projects as required within agreed timescales.
10. Such other duties as may be required from time to time.

**DATE LAST UPDATED: March 2020**

**EXETER CITY COUNCIL**  
**PERSON SPECIFICATION**

**FINANCE**  
**ACCOUNTANCY**

**FINANCE MANAGER – COMMERCIAL – xxxx**

<b><u>SELECTION CRITERIA</u></b>	<b><u>ESSENTIAL</u></b>	<b><u>DESIRABLE</u></b>
<b><u>QUALIFICATIONS</u></b>		
CCAB Qualified (or equivalent)	✓	
<b><u>EXPERIENCE/KNOWLEDGE SKILLS</u></b>		
Three years post qualification experience in accountancy	✓	
Good Knowledge of financial accounting techniques and methods	✓	
Commercial accounting experience		✓
Good understanding of professional accounting standards and practices	✓	
Staff management experience		✓
A good knowledge and experience of computerised financial systems and Microsoft Office applications	✓	
Experience of financial systems development		✓
Evidence of CPD		✓
<b><u>SPECIAL REQUIREMENTS/ATTITUDE</u></b>		
Ability to explain financial information to non-financial managers	✓	
Ability to think creatively	✓	
Ability to self-motivate	✓	
Dependable	✓	
Ability to adapt to change	✓	
Ability to prioritise workload	✓	
<b><u>OTHER</u></b>		
Good problem solving and evaluation skills.	✓	
High level of interpersonal skills.	✓	
Project planning and management skills.	✓	
Ability to prepare and manage budgets within agreed limits.	✓	
Excellent oral, written and presentation skills.	✓	
Good organisational skills and ability to work to tight deadlines and remain calm under pressure	✓	

**COMPLETED BY:** Chief Finance Officer

**DATE:** March 2020

## **REPORT TO EXECUTIVE**

Date of Meeting: 7 April 2020

## **REPORT TO COUNCIL**

Date of Meeting: 21 April 2020

Report of: City Solicitor

Title: Urgent Change to the Scheme of Delegation to Officers

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

No

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

Council

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

- 1.1. To amend the Council's Constitution to give the Chief Executive and Growth Director together with ALL members of the Strategic Management Board, delegated authority to discharge ANY function already set out in the constitution to any officer (including those to be made in consultation with a councillor) effective immediately. This shall include the power to make urgent decisions as necessary. These changes are designed to allow the council to continue to function adequately in the light of the probability that a large percentage of staff may be absent as a result of the Corona Virus pandemic.
- 1.2 To amend the constitution as set out in the recommendations below to enable the council to make speedy decisions.

### **2. Recommendations:**

- 2.1 Amend the Council's Scheme of Delegation and Financial Regulations, including those to be made in consultation with a Councillor, giving the Strategic Management Board delegated authority to discharge ANY delegated authority already set out in the Council's Scheme of Delegation, including those set out in the Council's Financial Regulations, effective immediately. This shall include the power to make URGENT decisions as necessary.
- 2.2 The City Solicitor be given delegated authority to amend the Constitution to give effect to any change in legislation brought by the Government in response to the Corona Virus pandemic. In her absence, the Corporate Manager, Democratic & Civic Support and the Litigation Solicitor may also exercise this delegated authority.
- 2.3 Council herewith grants permission to any Councillor to be absent from Council meetings for a period over 6 months provided that such absence is as a result of either a requirement to self-isolate or sickness due to the corona virus.

- 2.4 That Articles 14, 15 of the Constitution and Standing Orders 47 and 48 shall be suspended for the next 6 months, effective immediately, to allow for the Council's constitution to be amended by a simple majority of Council.
- 2.5 Standing Order 1(1) shall be amended to allow all meetings of the Council (including the AGM) and its committees to be held at any venue considered suitable by the Corporate Manager, Democratic & Civic Support in consultation with the Leader of the Council.
- 2.6 That the ability for members of the public to ask questions at council and committee meetings shall be suspended for 3 months commencing immediately.
- 2.7 The right for members of the public to present Petitions shall be suspended with immediate effect for the next 3 months.

**3. Reasons for the recommendation:**

These changes are designed to put in place contingency arrangements designed to allow the council to continue to operate in the light of the probability that a large percentage of staff and members may be absent as a result of the Corona Virus pandemic

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

None

**5. Section 151 Officer comments:**

There are no financial implications contained in this report.

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

None identified

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

This is the Monitoring Officers report to members and therefore recommends the changes to you in order to put in place contingency arrangements as set out in paragraph 3 above.

**8. Report details:**

As detailed above in the reasons for recommendation section

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

It enables all business of the Council to be effectively and efficiently undertaken without delay.

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

The actions being suggested in this report mitigate and minimise the risks which could otherwise have been the case.

## **11. Equality Act 2010 (The Act)**

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because the report is simply extending existing delegated powers.

## **12. Carbon Footprint (Environmental) Implications:**

There are no direct carbon/environmental impacts arising from the recommendations.

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

The option of the Scheme of Delegation to Officers remaining as it currently stands would leave the Council vulnerable and potentially unable to act to matters of an urgent, or emergency nature.

Baan Al-Khafaji, City Solicitor

Author: John Street, Corporate Manager, Democratic & Civic Support

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

Background papers used in compiling this report:-

- The Council's Constitution

Contact for enquires:  
Democratic Services (Committees)  
Room 4.36  
01392 265275

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## REPORT TO EXECUTIVE

Date of Meeting: 7 April 2020

## REPORT TO COUNCIL

Date of Meeting: 21 April 2020

Report of: Director, Environment and City Management

Title: Parks & Green Spaces Anti-Intrusion Measures

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

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

Seeking funding to carry out works to reinforce the boundaries of parks and green spaces across the city which are considered to be at risk of vehicular intrusion and occupation

#### 2. Recommendations:

That Executive recommends and Council approve additional capital spending of £112,000 for the purposes of delivering works at 16 green space sites to reduce the likelihood of vehicular incursions and occupation.

That Council delegates authority to the Chief Executive, in consultation with the section 151 Officer (or Deputy), to give final approval to proceed once the Council's financial position is secure.

#### 3. Reasons for the recommendation:

3.1 In an average year, there are three incursions onto public open space which require an eviction notice to be secured as trespassers have taken up temporary residence on City Council owned land. These incursions are primarily carried out using vehicles, with the trespassers taking up temporary residence within the vehicles.

3.2 On average, the cost to the council of securing an eviction notice following a vehicular incursion on one of our sites is around £1,700 per event, covering staff time and legal costs. Average clean-up costs following an eviction are an average of £1,000 per event but can be higher if substantial damage is caused during the occupation of the site. Based on historic events, incursions could cost the Council £4,200 per event, translating to over £12,600 per year.

3.3 In addition, these incursions are disruptive to local businesses and residents, and they prevent the residents of Exeter using public facilities during the incursion and clean-

up. Previous incursions have seen vandalism to parks and play areas, leading to temporary closure of these facilities, and park users have felt intimidated so have kept away from the parks.

3.4 It is considered that measures to prevent the access of vehicles on to the city's green spaces will reduce the likelihood of an incursion and therefore reduce the revenue cost to the council in the future

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

- 4.1 To provide protection to the 16 sites identified, it is estimated that the total cost would be approximately £112,000. This includes a contingency of 20%. A breakdown of the cost estimates for each site is provided in Appendix 1, Section 4.
- 4.2 Works would be managed by the ECC engineering team. Given the number of sites, the works would be divided between two officers and would be expected to take around 8 days per month of their time for the duration of the project, which is expected to be around 4 months
- 4.3 Works will be delivered by a combination of ECC Parks & Green Spaces team and external contractors, with the Parks & Green Spaces team being offered first refusal on all works.

#### 5. Section 151 Officer comments:

- 5.1 There are a number of reports requesting additional funding on the Agenda. The Section 151 Officer notes the importance of each request for funding. That being said, it is important to highlight the cumulative effect on the Council's overall financial position. If all capital schemes are approved, this will add £234,820 to the reductions required (£3.7m). The cost for each of the scheme is set out below.

Capital scheme	Capital Cost	Useful Life (yrs)	Additional annual revenue cost
P&GS Anti intrusion	£112,000	20	£7,050
Riverside roof	£2,000,000	50	£72,930
C&Q MSCP repairs	£3,900,000	50	£142,220
Corn Exchange roof	£250,000	50	£9,120
Exmouth Buoy Store roof	£95,000	50	£3,500
	<b>£6,357,000</b>		<b>£234,820</b>

- 5.2 Whilst it is important to ensure that the Council is in a position to start working quickly once the Coronavirus restrictions are lifted, it is imperative that Council note the delegated authority recommendation exists to ensure that the Chief Executive and Chief Finance Officer are confident in the strength of the Council's financial position. It is highly likely that this will require Government support to ensure that the loss of

income faced during the restrictions will not force service reductions to be made by the Council rather than important investments in our assets.

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

None identified.

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

This report raises no issues for the Monitoring Officer.

## **8. Report details:**

Details of the site assessments and proposed works are provided in Appendix A.

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

9.1 Promoting Active & Heathy Lifestyles: These incursions have the effect of discouraging people from using the parks, due to feeling threatened by the occupiers. Whilst not a permanent effect, the discouragement can extend beyond the duration of the occupation, particularly for more vulnerable members of public. These works are intended to reduce the number of incursions, and so as a result will mean that our parks and green spaces are open, welcoming places throughout the year. Encouraging their use for an active, healthy lifestyle.

9.2 Promoting Active & Healthy Lifestyles: Incursions have also resulted in temporary closure of parks and play areas due to damage meaning they have been unusable by the public. Of particular note was King George V Play Area which is designed specifically for disabled users, some of whom drive significant distances from outside of the city to use the site, and had to be closed for around two weeks. These works will keep our parks and green spaces open and useable for those members of the public who rely on the specialist equipment provided to have an active and healthy lifestyle.

9.3 Providing Value-For-Money Services: The cost of responding to and clearing up after any incursion falls on the city council, and the cost has to be met from existing revenue budgets. At an average of £8,000 per year, the total upfront outlay of up to £112,000 will have paid for itself within 8 years. These works will allow us to spend more of our existing budgets on services.

9.4 Leading a Well-Run Council: These incursions are disruptive, requiring council officers to be drawn away from other projects and services and instead respond to and clean up after these incursions. Delivery of these works will make our sites more resilient to incursion, and as a result make our services more resilient.

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

10.1 The main risks associated with the project are cost, programme, stakeholder acceptance and vandalism/ degradation / damage in the future which reduce their effectiveness.

10.2 As with all engineering works, cost and programme are closely linked and delays to project programme can lead to increases in cost. The most likely cause of a programme delay which might increase the project cost is considered to be bad

weather, and the nature of the works proposed on some of the sites will be highly weather dependent. The risk of cost increases due to weather will be managed by close liaison between the council's officers and contractors, so that work is not commenced when a bad weather window is forecast. A 20% contingency has been included in the total requested cost in case of cost increases throughout the project.

10.3 It is estimated that the works will take up to 4 months to plan and deliver, with the intention of completing the works before the school summer holidays. There are a number of factors which might cause a delay to the project programme including bad weather, resource availability and material availability. As discussed above, the risk associated with bad weather will be managed through liaising with the contractors. Risks associated with the availability of resources and materials will be managed through early engagement with contractors and suppliers.

10.4 At several of the proposed sites there will be a requirement with local stakeholders, either those who lease the site (Arena Park, King George V Playing Field, Hamlin Lane Playing Field) or with local residents (Lakeside Avenue). In each of these locations, the consultation process may extend the project programme whilst alternatives are sought, and this may also affect the cost of the works at these sites. To reduce the budget risk associated with the consultation, the estimated project costs have been based on the most expensive identified option meaning that total projects are less likely to exceed estimates.

10.5 Future vandalism and damage to the measures will decrease their effectiveness, which may then permit vehicular incursions. The risk of vandalism, degradation and damage in the future is to be minimised through the appropriate choice of measures for each site. At each site, an assessment was made of the cost and suitability of different measures available, and a preferred approach selected which balances cost against performance and robustness.

10.6 The risk is that once these measures are in place for public open space, it may increase the potential for incursions on other less secure places.

## **11. Equality Act 2010 (The Act)**

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal there is a potential impact identified on people with protected characteristics as determined by the Act because gypsies and traveller people have health and wellbeing needs as well as the settled community and currently experience higher mortality rates, poorer health, and lower literacy rates than the settled population.

## **12. Carbon Footprint (Environmental) Implications:**

12.1 As with all construction works, there will be a carbon cost associated with the production and delivery of materials, and the installation of the measures. Wherever possible this cost will be minimised by:

- Specification of reused or recycled materials where appropriate
- Use of local materials, manufacturers, suppliers and installers where possible
- Maximise re-use of on-site materials (i.e. when constructing bunds)
- Minimise removal of vegetation to facilitate the works, compensatory planting to be provided where vegetation is removed.

12.2 There will be no direct ongoing carbon costs arising from the recommended works (i.e. none of the proposed measures will require an electrical supply. The proposed works will reduce the carbon cost associated with site clean-ups, and reduce the amount of waste sent to landfill following clean-up.

12.3 Keeping Green Spaces open and safe for the public increases the likelihood of pedestrian or cycle journeys being made through these spaces, rather than by private transport, reducing carbon and particulate emissions as a result.

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

13.1 The option of doing nothing remains, however this will result in the continued unproductive revenue spend on these intrusions, along with continued disruption to residents and businesses.

13.2 An alternative option would be to do works only on those sites considered as at high risk of incursion. This would reduce the estimated cost of the works to around £80,000, however would still maintain a risk at those sites not addressed. Indeed, works to the high risk sites may divert potential intruders onto those sites currently considered to be at lower risk, increasing the likelihood and cost of dealing with incursions at these sites

Director: David Bartram

Author: Louise Harvey

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

Background papers used in compiling this report:-  
None

Contact for enquires:  
Democratic Services (Committees)  
Room 4.36  
01392 265275

## 1. List of Sites Vulnerable to Incursion

Officers have drawn up a list of parks and open spaces which may be the target of an illegal incursion by vehicles, based on experience of previous incursions. The likely target for any incursion is an open space, probably greater than 0.5ha, with a fairly open access route (or one which can be created by removing an obstacle) which permits vehicular access.

Recent experience has shown that sites with an existing public vehicle access such as a car park are a more likely choice for an incursion. Timber or steel posts alone often do not present a significant defence, and in the past have been removed to create an access route. Previous incursions have typically occurred on sites where access routes do not have significant levels of overlooking from neighbouring properties and businesses, however trespassers do not appear to have been discouraged from our more popular, busier parks.

The sites considered as potentially at risk of incursions are as follows:

Alphington Playing Fields	Grace Road Playing Fields	Merrivale Park
Arena Park & Saracens Rugby Club	Grandisson Court Play Area & Open Space	Northbrook Park
Belmont Pleasure Ground	Hamlin Lane Playing Fields	Northernhay & Rougemont Gardens
Bettysmead Playing Fields	Heavitree Pleasure Ground	Pinhoe Station Road
Cowick Barton Playing Field & Pines Gardens	Honeylands Open Space	St Thomas Pleasure Ground
Digby Open Space	Horseguards Play Area & Open Space	Summerway Play Area & Open Space
Ducks Marsh	King George V Playing Fields	Topsham Recreation Ground
Eastern Fields	Kings Heath Open Space	West Garth Road Park
ECC Green Tip	Lakeside Avenue Open Space	Wonford Playing Fields
Exwick & Flowerpots Playing Fields	Library Fields Open Space	Wyvern Park

## 2. Site Assessments

The access routes and public boundaries of each of the sites above were assessed by officers, including with site walkovers where necessary. Each of the sites was then assigned a risk score to indicate the likelihood of vehicular incursion, and the need for strengthening works to reduce this risk.

Site	Risk of Incursion	Justification
Alphington Playing Fields	Low	Well overlooked site, access routes are limited to a lockable gate off the car park, trees inside gate will make access for towing vehicles difficult.
Arena Park & Saracens Rugby Club	High	Previous incursions at the site, publicly accessible site with numerous potential access routes.
Belmont Pleasure Ground	Low	Well overlooked site, no existing on-site car parks. The 2 potential vehicle access routes are protected by steel gates, and gateways are relatively narrow with masonry columns making access more difficult.
Bettysmead Playing Fields	Medium	Previous incursions at the site, however subsequent works (concrete filled bollards) have improved security). Plans by DCC to widen the entrance to improve cycle access could increase the risk of an incursion.
Cowick Barton Playing Field & Pines Gardens	Medium	All access routes are via narrow, terraced streets making access for wider vehicles and towing vehicles difficult. Car park is bounded by post and chain fencing, however a route into the site remains via the cycle path which would permit vehicular entry.
Digby Open Space	Low	Following a previous incursion, works were carried out to defend the site including installation of gates and fencing off Van Buren Place. Other entrances offer a difficult access for wider and towing vehicles.
Ducks Marsh	Medium	Only vehicular access is via Salmonpool Lane bridge, limited width on approach and on bridge. No measures are provided beyond the bridge to prevent access onto playing fields.
Eastern Fields	Medium	Previous incursions, however access points have been subsequently strengthened. Access still permitted via Arena Park & Saracens Rugby Ground.
ECC Green Tip	Medium	Northern entrance protected by sturdy steel gate. Southern access protected by a steel gate, exposed padlock means that this could be opened. Site very overgrown so only southern extent could be occupied.
Exwick & Flowerpots Playing Fields	High	Numerous unsecured access routes for vehicles are present around this very large site.
Grace Road Playing Fields	Medium	Gates on access routes, however one of these is outside of ECC control and is frequently left open. Access to the playing fields is difficult for larger vehicles due to the hairpin bend on access route, and regular waterlogging of the site.
Grandisson Court Play Area & Open Space	High	50m frontage along Bishop Westall Road has no formal boundary, allowing vehicles to drive straight on and across the site.
Hamlin Lane Playing Fields	High	Previous incursions via public car park, bollard was removed to allow access onto grass. Other entrances have been protected with boulders, posts and gates.
Heavitree Pleasure Ground	Medium	Large site. Significant length of unprotected boundary along Lymeborne Avenue. Other boundaries are well protected.
Honeylands Open Space	High	Frontage along Lamacraft Drive is open to vehicular traffic with level access from highway. Easy access for all vehicles onto the green.
Horseguards Play Area & Open Space	Low	Site mostly occupied by a play area, which is continuously fenced around its perimeter. 6m buffer strip around the perimeter is unlikely to offer a desirable site for an incursion, but is wide enough for parking.
King George V Playing Fields	High	Large site on which there been have previous incursions via the public car park. A bollard was removed to permit access on the last incursion.
Kings Heath Open Space	Medium	North-east entrance via Cumberland Drive only protected by timber posts. Limited defences provided at Walsingham Road entrance permits access to vehicles, cars often parked at end of road preventing access.
Lakeside Avenue Open Space	High	Over 350m of unfenced boundary allows easy access to vehicles from Lakeside Avenue. Low kerb edges mean that the verge is easily accessed and can be parked on.
Library Fields Open Space	Medium	Combination of posts and fencing makes access from Sanders Road very difficult. Steel gate at Lower Harrington Lane is secured by exposed padlock – can be easily cut.
Merrivale Park	Low	Well overlooked site. All access routes are very narrow (approx. 3m) with tight turns in which makes access for wider vehicles and towing vehicles very difficult.
Northbrook Park	Medium	When site is closed, lockable gate at entrance is secured by exposed padlock – can be easily cut. Once inside car park there is easy access for vehicles onto open space of golf course.
Northernhay & Rougemont Gardens	Low	Overlooked access routes, site in city centre. Gates kept locked when not in use.
Pinhoe Station Road	Low	Site secured by steel gate with exposed padlock, concrete block also placed at entrance for additional resilience. Other entrances are narrow and would not easily permit vehicular access
St Thomas Pleasure Ground	Low	Access routes well overlooked. Most access routes narrow with tight turns making access for towed vehicle difficult.
Summerway Play Area & Open Space	Low	Willow Way entrance is well overlooked. Protected by steel posts and gates.
Topsham Recreation Ground	Low	All access roads are very narrow, site is fenced around the perimeter
West Garth Road Park	Low	Access from highway. Steel gate secured by exposed padlock, however access is well overlooked.
Wonford Playing Fields	High	Access available direct from Chestnut avenue onto playing fields near play area.
Wyvern Park	Low	All access routes well overlooked, and are protected by trees and boulders

### 3. Design Considerations

#### Average Vehicle Dimensions

	Width (mm)	Length (mm)	Height (mm)
Motorcycle	800	2100	1100 (1800)
Small Hatchback Car	1750	4100	1500
Family Saloon Car	1800	4750	1500
MPV	1900	4750	1700
Land Rover	2000	5200	2000
Transit Van	2050	5600	2100
Caravan	2100	5600 (7000 with towing frame)	2600

#### Anti-Incursion Measures Available

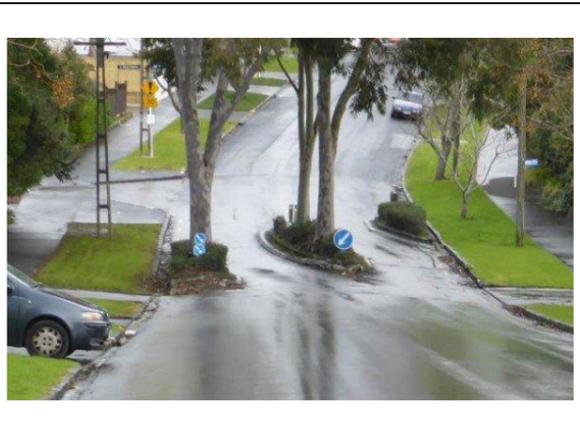
##### Boundaries

Measure	Pros	Cons	Est. Cost	Example Photo
Bund (could include ditch)	<p>Low Cost.</p> <p>Low carbon option if material on-site.</p> <p>Preserves limited pedestrian access.</p>	<p>Visually obtrusive due to height, exacerbated if not turfed (see example photo).</p> <p>Susceptible to erosion in well-trodden areas which reduces protection.</p>	<p>£15/metre (£25/metre if turfed afterwards)</p>	
Tree & Hedge Planting	<p>Low Cost</p> <p>Low Carbon</p> <p>Environmental Benefits (habitat creation, air quality improvements)</p> <p>Can easily follow natural topography</p>	<p>Takes time to establish, risk of damage whilst new. Risk reduced using established plants.</p> <p>Maintenance costs associated with hedge cutting.</p> <p>Potential to exacerbate anti-social behaviour if large areas with no overlooking are created.</p>	<p>£20/metre if using small whips, £50/metre for established plants</p>	
Post / post & chain	<p>Lower carbon costs can be achieved through use of recycled materials.</p> <p>Long life span.</p> <p>If posts only, boundary remains porous to pedestrians and cyclists.</p>	<p>Susceptible to being hit by vehicles and damage through mis-use resulting in additional maintenance costs.</p> <p>Chains present a trip hazard to park users trying to cross them.</p>	<p>£35/metre - £75/metre</p>	
Steel Barriers	<p>Variety of styles available, can be selected to match character of POS, minimising visual impact.</p> <p>Fencing can alternate to reduce cost and to maximise permeability for legitimate park users.</p>	<p>Low-level fencing can create trip and vehicle collision hazards.</p> <p>Some fencing arrangements can limit access for legitimate site users.</p> <p>Painted barriers need to be maintained, labour intensive job to re-paint long lengths</p>	<p>£50/metre - £150/metre (varies based on spacing between panels)</p>	

Steel Post & Rail Fencing	Variety of styles available, can be selected to match character of POS.	Limits permeability of site boundaries to formal openings.  Painted fencing needs to be maintained, labour intensive job to re-paint long lengths	£200/metre	
Boulders	Natural looking.  Low carbon cost  Provide some limited play / seating value.  Tamper proof. Very difficult to move or damage.	Availability based on quarry blasting regime.  Expensive to move once placed.	£250/metre	

#### Gateways & Openings

Measure	Pros	Cons	Est. Cost	
Lockable Droppable/ Removable Bollards	Permits free movement of cyclists and pedestrians.	Susceptible to being hit by vehicles resulting in additional maintenance costs.  Some versions are locked by padlocks, easy to break to gain entry. Others need a key which will need to be provided to external contractors to gain access.	£400/ea	
Lockable Steel Gates	Provides visible obstruction to access, may provide a low level of deterrence.	Typically locked by padlock, these can be easily broken to permit access.  Provides obstruction to cyclists, can obstruct pedestrians.	£2,000/ea	
Tamper-proof steel gate	Provides visible obstruction to access.  Locks are either tamper-proof, or else padlocks are shielded to make it hard to break in.	Tamper-proof locks require more frequent maintenance, specialist component makes this relatively expensive.	£3,000/ea	

Concrete Blocks	<p>Low Cost Option.</p> <p>Permits free movement of cyclists and pedestrians.</p>	<p>Visually obtrusive, though could be mitigated through painting etc.</p> <p>Difficult for permitted access as needs to be moved by excavator or similar.</p> <p>Can be dragged away by powerful car or van, needs to be used in combination with other measures</p>	£150/ea	
Height Barrier	<p>Permits free movement of pedestrians and cyclists.</p> <p>Allows free movement of smaller cars into the site.</p> <p>Maintains access for tractors and other large vehicles when opened.</p>	<p>Some designs still susceptible to padlocks being cut.</p> <p>Will inconvenience legitimate site users who may drive vehicles above the height limit.</p>	£4,000/ea	
Highway Modifications (e.g. Chicane)	<p>Most versions are tamper-proof, can't be damaged to gain access (bollards are the exception).</p> <p>Can be designed to limit visual impact or even improve look of site entrance</p>	<p>Difficult to both prevent unwanted access whilst preserving an access for maintenance and emergency vehicles.</p> <p>Bollards etc. used to remove turning circle are liable to be hit resulting in replacement costs and potential claims.</p> <p>Typically a very expensive option.</p>	Location Specific	

#### 4. Proposals

Proposals have been developed for all sites which are considered to be medium or high risk of an incursion by vehicles.

Text and costs in purple are potential alternative options.

Site	Proposed Measures	Estimated Cost
Arena Park & Saracens Rugby Club	Replace Saracens access gate with tamper-proof gate or add guard around lock. Additional planting to boundary hedge of Saracens to create 2 rows of plants. Bowling club: hoop fencing to close gap between trees Cycle Path & Car Park: earthworks to steepen slope nearest to skate park to prevent vehicle access <b>NOTE: liaison with leaseholders required.</b>	£6,000
Bettysmead Playing Fields	No works necessary at this time. Continue liaison with DCC regarding proposed cycle improvements and ensure that mitigation measures are implemented.	£ -
Cowick Barton Playing Field & Pincus Gardens	Install 2 drop-bollards at the interface between car park and cycle path. Bollard will need reflectors and cycle path signage. <b>NOTE: liaison with leaseholders required (bowling club).</b>	£750
Ducks Marsh	Install 2 drop-bollards across car park to prevent vehicle access onto site beyond university access track	£1,000
Eastern Fields	Measures provided in Arena Park (see above)	£ -
ECC Green Tip	No works needed at northern entrance. Concrete block to be placed in southern gateway (Bromhams Farm Car Park, currently closed) to improve resilience.	£250
Exwick & Flowerpots Playing Fields	New drop-bollard at Station Road / Cycle path with reflectors and cycle path signage. Install steel post at Old Bakery Close entrance. Install 2 no. drop-bollards at New Valley Road entrance. Install 2 steel post at Ennerdale Way entrance. Install steel post on corner of Hayes Barton Court Improve padlock protection to height barrier at Western Rd entrance.	£2,500
Grace Road Playing Fields	No works proposed at this time. Site to be reviewed in line with proposed Marsh Barton Station, as this may affect the ability to access the site.	£ -
Grandisson Court Play Area & Open Space	Low-level bund with hedge planting along Bishop Westall Road. Provides additional benefit of screening play area from highway to keep children inside.	£2,000
Hamlin Lane Playing Fields	Height Barrier with lockable lower barrier to be provided at car park entrance, in location of existing gate.	£5,000
Heavitree Pleasure Ground	100m new boulders along the length of Lymbourne Ave boundary @ 2.5m centres (to create gaps no wider than 2m)	£15,000
Honeylands Open Space	Install recycled plastic posts around perimeter of open space where level access is presented. Approx. length 105m.	£5,000
King George V Playing Fields	Height Barrier to be provided at Topsham Road car park entrance, approx. 5m inside site. Potential visual impact due to location near ornamental gate. Height limit signage will be required at entrance. Replace rear car park barrier, construct bund around lower car park. <b>Alternative option 150m long Bund around main car park.</b> <b>NOTE: liaison with lease holders required</b>	£8,000 <b>£8,000</b>
Kings Heath Open Space	Boulders to be provided along edge of path at Walsingham Road entrance.	£5,000
Lakeside Avenue Open Space	New steel fencing to be provided along Lakeside Avenue and Glasshouse Lane. Guardrail or hoop with 1.5 – 2.0m spacing between panels leaves an open look but limits vehicle access. Hedge could be provided along Glasshouse Lane and in sections along Lakeside Avenue to reduce cost. <b>Consider bund around this area. Would need to be turfed to reduce visual impact and risk of erosion.</b> <b>NOTE: liaison with local residents required.</b>	£30,000 <b>£10,000</b>
Library Fields Open Space	Upgrade access gate on Lower Harrington Lane to tamper-proof lock. Alternative may be to retrofit a guard around the lock to make illegal access more difficult.	£3,000
Northbrook Park	Earthworks / Bund around car park to tie into existing steeper sloping sections	£1,500
Wonford Playing Fields	8 boulders placed parallel to Chestnut Avenue and install height barrier on Cycle path to permit access to Swan Bungalow.	£8,000
	<b>SUB TOTAL</b>	<b>£93,000</b>
	20% Contingency	£19,000
	<b>TOTAL</b>	<b>£112,000</b>

NOTE: costs are estimates, and based on delivery of each site independently. If works are programmed at multiple sites then materials can be ordered in bulk and it is likely that unit costs can be reduced.

A review of buried services plans will need to be carried out prior to confirmation of proposed works, as the location of these may affect the options available.

## Equality Impact Assessment: *Anti-Intrusion Measures to Public Open Space*

The Equality Act 2010 includes a general duty which requires public authorities, in the exercise of their functions, to have due regard to the need to:

- **Eliminate discrimination**, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- **Advance equality of opportunity** between people who share a relevant protected characteristic and people who do not share it.
- **Foster good relations** between people who share a relevant protected characteristic and those who do not

In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

Authorities which fail to carry out equality impact assessments risk making poor and unfair decisions which may discriminate against particular groups and worsen inequality.

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
Executive 10/03/2020	Anti-Intrusion Measures to Public Open Space	Seeking funding to carry out works to reinforce the boundaries of parks and green spaces across the city which are considered to be at risk of vehicular intrusion and occupation.	Gypsies and travelling people

**Factors to consider in the assessment:** For each of the groups below, an assessment has been made on whether the proposed decision will have a **positive, negative or neutral impact**. This must be noted in the table below alongside brief details of why this conclusion has been reached and notes of any mitigation proposed. Where the impact is negative, a **high, medium or low**

**assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

**High impact** – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.

**Medium impact** –some potential impact exists, some mitigating measures are in place, poor evidence

**Low impact** – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	Negative	Medium	<p>Whilst a Devon County Council run traveller site is provided in Sowton, there is a lack of temporary stopping places in Exeter for Gypsies &amp; Travelling people, which in the past has led to the unauthorised use of local authority sites as temporary stopping sites.</p> <p>The proposals will reduce the accessibility of public spaces, and therefore their use as unauthorised temporary stopping places.</p>
Age (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older people 81+; frail older people; people living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).	Positive	High	<p>There is a positive impact on the children of the local settled community being able to use the green spaces freely.</p>

**Actions identified that will mitigate any negative impacts and/or promote inclusion**

It is considered that no mitigation measures are required. The current use of Parks and Green Spaces as a temporary stopping place is unauthorised and therefore trespassing. The proposal will not impact on the availability of pitches at the site in Sowton, nor will it remove any legal stopping places from use.

Doing nothing and leaving the public open space available for illegal incursions remains an alternative option.

**Officer:**

Date:

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## REPORT TO EXECUTIVE

Date of Meeting: 7 April 2020

Report of: Camilla Hampshire

Title: Request to repatriate Chief Crowfoot's regalia to the Siksika Nation, Canada

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Executive

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

- 1.1. De-accessioning from RAMM's collections a group of ceremonial items that once belonged to Chief Crowfoot, a Chief of the Siksika Nation, and transferring ownership to the Siksika Tribal Council, Alberta, Canada. The Siksika are one of the four Indigenous nations that make up the Blackfoot Confederacy. The items that have been requested for repatriation include a buckskin shirt, pair of leggings, knife with feather bundle, two beaded bags and a horsewhip that once belonged to Crowfoot, an important late nineteenth-century Blackfoot leader. They are described as the 'Crowfoot regalia' and are believed to have been acquired in Canada by Cecil Denny about the time of a treaty signing (Treaty 7) and loaned to RAMM by his sister in 1878. They were purchased by RAMM in 1904. It is important to note that RAMM's acquisition was secondary (from Denny); the precise circumstances under which Denny acquired them from Crowfoot are unknown. This is considered further at 8 below.

#### 2. Recommendations:

- 2.1 That legal title to the regalia is relinquished by Exeter City Council and is transferred to the Siksika Tribal Council, the living descendants of Chief Crowfoot and legally recognised representatives of the Siksika Nation. The Siksika Nation is governed by a Chief and 12 Councillors who constitute the Siksika Tribal Council.

#### 3. Reasons for the recommendation:

- 3.1. To the Siksika people the Crowfoot regalia are sacred items as they belonged to one of their most important and influential leaders, Chief Crowfoot (about 1830-90). The regalia are thought to have been acquired from Crowfoot about the time of the signing of Treaty 7 in Alberta. Crowfoot played a key role in the treaty signing which he believed would help protect Blackfoot lands and traditional ways of life; but the terms of the treaty were broken by the Canadian administration and as a result Blackfoot people have suffered economically and socially. The Siksika Tribal Council, legally recognised representatives of the closest living relatives to Chief Crowfoot, believe the return of the regalia would allow his spirit to rest in peace and contribute to a process of healing and reconciliation.

- 3.2. ECC has the legal authority to de-accession objects from RAMM's collections and return them to the communities from which they originate 'taking into account all ethical implications and available guidance'. This is set out in RAMM's Collections Development Policy (2014-19) under The Repatriation and Restitution of objects and human remains (section 13). Recent discussions on the decolonisation of Britain's museums have placed greater emphasis on the moral obligation of museums to return material to community use that may override former concerns on the long-term preservation of sacred artefacts in museum conditions. Guidance for non-national museums, such as RAMM, is currently under review. Once released this may require the updating of RAMM's new CDP which is due for approval in June.
- 3.3. The implications of repatriating the items under the Equality Act 2010 are considered separately.

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

- 4.1. RAMM would work closely with representatives from the Siksika Nation to agree on the most appropriate methods for packing and transporting the regalia by air back to Canada. It is likely that representatives of the Siksika Nation would travel in person to the UK to collect items, although the shirt and larger artefacts are likely to need a bespoke crate. RAMM's conservation and technical team would carry out the necessary work.
- 4.2. RAMM's collections team will complete the necessary documentation for the repatriation. This will include recording the transfer of title and recording the repatriation of the regalia on the collections database and in object history files, as well as applying for the appropriate export licences (see 6.). The artefacts will need to be condition checked by a specialist conservator and will be photographed before return. These costs can be covered from existing revenue and Arts Council England budgets.

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

- 5.1 There are no additional financial implications for Council to consider.

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

- 6.1. There is no legal imperative in the UK to return artefacts of cultural importance to source communities. Current approaches are governed by the Museums Association Code of Ethics, Arts Council England's Accreditation Scheme and evolving practice within the museum sector.
- 6.2. The Arts Council Export Licensing Unit has responsibility for issuing export licences for objects of cultural interest on behalf of the Secretary of State for Culture. The Crowfoot regalia would seem to fall into Category 13 b. (Collections of historical, palaeontological, ethnographic or numismatic interest, with a financial value exceeding the stated threshold). If the return were agreed, RAMM would need to apply for an export licence and this would only be refused if the

Reviewing Committee designated the Crowfoot regalia as a 'national treasure' under the Waverley criteria established by parliament in 1952.

- 6.3. The nature of the materials used in the regalia (including deerskin, ermine, eagle and hawk feathers, otter skin and porcupine quill) would mean RAMM would need to apply for an export permit under the Convention on the International Trade in Endangered Species (CITES).

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

This report raises no issues for the Monitoring Officer.

## **8. Report details:**

- 8.1. The 'regalia' were accessioned in 1904 under the numbers 1000/1904/1–12. The full list of items is buckskin shirt; pair of leggings; bow; bow case and quiver; necklace; 2 pouches; 2 quirts/horsewhips; bag; knife and feather bundle. The group was purchased in 1904 for £10. Most of the regalia are currently in store and only exhibited periodically, the last occasion was between September 2012 and January 2013 as part of the British Museum touring exhibition 'Warriors of the Plain: 200 years of Native North American honour and ritual'. Chief Crowfoot's shirt is recognised as one of the star items in RAMM's World Cultures collection which has designated status in recognition of its significance and national importance.
- 8.2. The principal players in the chain of events that led to these items entering RAMM were Isapo-muxika, known in English as Crowfoot (about 1830-90), and Cecil Edward Denny (1850-1928). Crowfoot, the original owner, user (and possibly maker) of the items, was the man from whom Denny acquired them. Following their loan to RAMM, it was from Denny that the museum purchased the items, thereby acquiring legal title to the 'regalia'.
- 8.3. Crowfoot was a chief of the Siksika First Nation, a renowned warrior and peacemaker, who was held in high esteem: when he died in 1890, 800 of his nation attended his funeral along with dignitaries of the colonial authority. Denny was born in England; he emigrated to North America and joined Canada's North-West Mounted Police in 1874. He was later dismissed from public service and died in 1928 after a long decline in his health. In their heyday, each man played a leading role in trying to find an accommodation between the Canadian colonial power and Indigenous nations.
- 8.4. Given a senior command in Blackfoot territory in 1876, Denny fostered a relationship with Crowfoot based on mutual trust. Crowfoot and Denny were signatory to Treaty 7, made in 1877 between the Canadian Government and five First Nations, apportioning land and protection mainly to Blackfoot peoples. Crowfoot was deeply conflicted in signing, but at a time of increasing strife between Indigenous nations and the hunting to extinction of buffalo – on which

First Nation Americans depended – Crowfoot was convinced that the Treaty would provide their best chance of survival.

- 8.5. The way events turned out after the Treaty is a tragic, complex and controversial history that involved government handouts of food – some contaminated – to stave off famine. The policy, though well intended, did not prevent widespread death from starvation and disease among the Blackfoot Nation. It is a history in which both Denny and Crowfoot did their best to mitigate the unfolding disaster.
- 8.6. This is the context in which Chief Crowfoot's 'regalia' came into Denny's hands. Regardless of the lack of any record of the exchange, the contemporary context can best be described as coercive. Faced with a lethal combination of smallpox, loss of traditional hunting grounds, the disappearance of bison, famine and the ravages of cheap whisky, Crowfoot would have been desperate to do all in his power to secure his people's survival. Gifting clothing and personal regalia was a well-documented tradition on the northern Plains by which the recipient would be obligated to act responsibly to the giver, who expected his family and people to benefit from the transaction in return. However sympathetic Denny might have been to the plight of the Blackfoot Nations, this was not a transaction between people of equal power or influence. (More detail on the imbalance of power between colonial powers and indigenous groups is included in the background paper.)
- 8.7. The Crowfoot regalia are defined as sacred items by the Siksika Nation as they once belonged to a revered ancestor, the current Chief of the Tribal Council is a direct descendant of Chief Crowfoot. The shirt is believed by the Siksika to be imbued with the spirit of Crowfoot, and its return along with the other items of regalia would allow his spirit to rest in peace after almost 150 years. The spiritual connection with material made, used and worn by forebears imbues objects with the potential to be animate. Consequently, the process of reuniting the source community with its cultural heritage generates a sense of renewal and healing. A Siksika elder, Herman Yellow Old Woman observed in 2010, "...the lesson that people in your country need to know: that our people still have that connection... We still call on each other, our ancestors, where these shirts come from... We might have suffered some loss, but it's coming back strong."
- 8.8. When considering claims for repatriation such as this, it is important to understand that the suffering of Indigenous peoples did not end in the nineteenth or twentieth centuries. The original injustices still reverberate today in First Nation Canadians. As the Equality Impact Assessment indicates, giving back Crowfoot's regalia returns some control to the source community over their cultural identity, dignity and authority.
- 8.9. Since the late 1990s, RAMM has received a small number of requests for the return of cultural objects. These are dealt with on a case by case basis, and human remains and sacred artefacts have been returned to indigenous communities, e.g. Tasmanian Aborigines, Maori and the Ngarrindjeri of southern Australia, respectively. As a museum Accredited under the Arts Council England

Scheme, RAMM's approach to the repatriation and restitution of objects is currently defined by its Collections Development Policy (2014–19). Decisions are made on the basis of ethical implications, which includes the future use and preservation of artefacts. For significant items, repatriation follows a formal decision by ECC councillors. However, Arts Council England is currently revising its guidelines on repatriation and is reconsidering how museums should weigh up the moral imperative to return artefacts with long-term conservation needs. RAMM is due to renew its policy later this year.

- 8.10. Blackfoot Crossing Historical Park (BCHP), a community-run visitor centre, is built where Blackfoot people traditionally crossed Bow River, the location for the signing of Treaty 7 in September 1877. It is also the place where Crowfoot died. In 2015 BCHP made a formal request for RAMM to repatriate the Crowfoot regalia. Such a request from an organisation reliant on generated income, rather than an indigenous community or government organisation, is unusual, and because of this RAMM asked for assurances on BCHP's governance and long-term care of the regalia.
- 8.11. This information was not forthcoming and on 29 January 2020 RAMM approached Chief Ouray Crowfoot, Chief at Siksika Nation, to ask whether the Siksika Tribal Council would be prepared to take ownership of the regalia, if the transfer were agreed, and to provide an assurance that the regalia would remain with the Siksika Nation in the case of BCHP closing. Ouray Crowfoot replied on 9 February stating that the Tribal Council is formally requesting the return of the regalia and provided the necessary assurances and financial information. With ownership secured, the Tribal Council may deem it appropriate to loan the items for public display at BCHP which has a gallery and storage facilities.
- 8.12. The return of the regalia has been supported by the Hon Jason Kenney PC, Premier of Alberta, who wrote to the Right Honourable Ben Bradshaw MP, Arts Council England and the Department of Digital, Culture, Media and Sport on 14 October 2019.

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

- 9.1. The decision shows the council is well-run with effective governance and management of its assets. The debate on repatriation is a fast-moving one, and agreeing to the return will demonstrate ECC, through RAMM, is prepared to lead sector change and trust and respect international communities.

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

- 10.1. The delay to the repatriation request received from BCHP for the Crowfoot regalia attracted extensive media coverage in the UK and Canada following the letter from Premier Kenney, some of it critical of RAMM's approach which was inaccurately characterised as obstructive. This in turn provoked negative comments on social media. If the return to the Siksika Nation is agreed, it is

possible that those opposed to repatriation may choose to voice their opinions in the media and criticise the council's decision.

- 10.2. There is also a risk that the return of the Crowfoot regalia would be perceived as setting a precedent for other claims on cultural property at RAMM and from UK museums more generally.
- 10.3. The risk of reputational damage can be reduced by clarifying that repatriation cases are dealt with on a case by case basis, each considered on its merits. Whatever the moral issues related to an object's history, RAMM still needs to carry out due diligence before the return of culturally sensitive material to ensure its ownership is transferred to the most appropriate group. There may be competing claims from the same indigenous communities. In this case, the risk is mitigated by its return to the Siksika Nation.

## **11. Equality Act 2010 (The Act)**

- 11.1. Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:
  - eliminate discrimination, harassment, victimisation and any other prohibited conduct;
  - advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
  - foster good relations between people by tackling prejudice and promoting understanding.
- 11.2. In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.
- 11.3. In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.
- 11.4. In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

## **12. Carbon Footprint (Environmental) Implications:**

The repatriation will require transport to Canada accompanied by members of Siksika Nation.

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

- 13.1. To refuse the repatriation request. This is liable to create a large amount of negative coverage in the media and from groups who support the rights of indigenous communities in recovering their cultural heritage held in UK museums. There is a danger of reputational damage to RAMM which has been regarded as a leader in the field of repatriation.

Jon-Paul Hedge, Director

Author: Camilla Hampshire, Museums Manager

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

Background papers used in compiling this report:-

Extract from the *Indigenous Repatriation Handbook* (2019), Royal British Columbia Museum.

Contact for enquires:

Democratic Services (Committees)

Room 4.36

01392 265275

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**Background Paper to Executive Committee Report: Request to repatriate items associated with Chief Crowfoot to the Siksika Nation, Canada.**

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Extract from the 'Indigenous Repatriation Handbook' [www.RBCM.ca/RepatriationBook](http://www.RBCM.ca/RepatriationBook)  
Prepared by the Royal BC Museum and the Haida Gwaii Museum at Kay Llnagaay  
Published 2019.

Produced with guidance from the First People's Cultural Council and the Royal BC Museum  
Indigenous Advisory and Advocacy Committee

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***How Did Indigenous Ancestors and Belongings Wind Up in Museums?***

Museums are amazing places of wonder and education. They provide opportunity for the general public to see and learn about people, places, things and ideas that might not have been accessible otherwise. But Indigenous people don't always feel this way about mainstream museum experiences. This is because a great many of the Indigenous treasures in museum collections were acquired during a very dark time in the history of Indigenous Peoples and the nation-state of Canada.

North America had been home to Indigenous people for millennia by the time the British and other Europeans began to arrive on the east coast of what is today called Canada. On the west coast, interactions between Indigenous people and settlers began in the latter half of the 1700s. Early relationships were mainly economy based (though not without conflict), and in BC, were largely driven by the maritime fur trade (ca. 1790–1840). Indigenous people traded their furs, food, commercial art and even some personal belongings, among other things, in exchange for iron, wool blankets and other exotic materials, including some personal belongings of the foreign traders. As the fur trade waned, British colonizers began to establish settlements, seeking new resource-based economies and the land itself. Relations between the two worlds had already become complicated at this point, but things were about to get much worse.

Along with foreign people came foreign epidemics, which drastically impacted Indigenous Peoples, decimating their populations by as much as 90 per cent or more—wiping out entire families, villages and sometimes even Nations. Following the devastating impacts of several smallpox epidemics, missionaries were able to entrench themselves within surviving Indigenous communities with the goal of converting them to Christianity.

In 1876, the Canadian government passed the Indian Act, with the intent of assimilating Indigenous people into Canadian society and erasing Indigenous identity, rights and territories. This included making Indigenous people wards of the state, removing them from their expansive territories and putting them on tiny reserves, and creating “legal” mechanisms for Indigenous disenfranchisement. In 1884, the Indian Act was amended to render the Potlatch and other traditional cultural ceremonies illegal, which ultimately outlawed the social, economic and legal systems of Indigenous Peoples in BC, with “offenders” facing confiscation of their treasures as well as imprisonment. The Potlatch Ban was quietly dropped during a revision to the Act in 1951.

In 1892, Canada's residential school system was formalized, removing children from their homes. It denied Indigenous children their lands, language, family and greater community for most of their childhood, and subjected many to abuse or even death (thousands of children died in residential schools). The last residential school in Canada only closed in 1996.

Hand in hand with colonial regimes came a collecting frenzy and the birth of (then-modern) anthropology. Nation-state museums and world fairs were hungry for collections representing Indigenous people and their cultures. By the 1880s, colonizers were actively “collecting” Indigenous people and heritage as they pleased, asserting that Indigenous Nations and cultures were going extinct, and that our existence and way of life should be “collected” in the “interest of science” and preserved for the “benefit of humanity.”

There was also notoriety and revenue to be gained in the field of collecting. Land surveyors, anthropologists and others were commissioned by nation-state governments and institutions to collect Indigenous heritage. There were also independents who dealt in “Indian curios,” buying and selling to museums, collectors and other dealers. Museums also “dealt” in the open art market: buying and selling Indigenous heritage with great freedom. The Ancestors and belongings that were taken from Indigenous communities were traded around the world, most landing in museum and university collections, some others in private collections.

The height of what was ultimately unethical and often illegal collecting occurred between the latter half of the 1800s and the first half of the 1900s, though the practice carried on in a quieter manner through the 1970s and '80s. Indigenous graves were desecrated, with human remains and burial goods stolen. Personal belongings were taken by theft, force or “sale.” Purchase records from this period document what one could perceive as “legitimate” sales of personal belongings by Indigenous people. However, given the circumstances of these times, it should be understood and accepted that most of these transactions occurred under duress, particularly sales that occurred during the Potlatch Ban era.

Unethical collecting still occurs today. Some cultural belongings and ancestral remains are still being stolen or bought under duress and sold on the black market. It is important to become aware of the collecting that is still happening and to educate community members about this, so that the old belongings in the community do not disappear.

More recently, archaeological belongings and Ancestral remains have also ended up in museums as a result of archaeological excavations and recovery by the RCMP. Archaeology as a discipline began to take off in the 1960s, and since that time, all archaeological material recovered under permit is required to be sent to repositories (many of which were also museums). This material includes archaeological belongings and Ancestral materials as well as maps, photos, field notes, animal bones and soil samples. In these cases, the documentation is often very good.

In some cases, Ancestral material was sent to the Royal BC Museum and other museums by the RCMP. If human remains were reported to the RCMP, and were not of current forensic interest, they were turned over to the provincial museum. In cases such as these, the documentation can range from very general to quite specific.

## **Equality Impact Assessment: Request to repatriate Chief Crowfoot's regalia to the Siksika Nation, Canada**

This Equalities Impact Assessment (EQIA) is provided as part of the background papers for Members' information. Though this repatriation request by the Siksika Nation is not within the jurisdiction of UK law and therefore not covered by the Equality Act 2010, the key principles (or spirit) of the legislation are helpful in considering this case because equality issues are central to this request.

### **Protected Characteristics**

Inequalities are embedded in our understanding of history, composed as it is by multiple and changing narratives, based on different experiences; perspectives and re-appraisal of events. The discovery of new facts or exposure of past injustices and inequality result in disputed or rewritten histories. British Colonial history is one such area. Its reach means that it is a global history intersecting with those of many other nations and communities. Its legacy continues to shape life in the UK today. However we now recognise the oppression and exploitation it caused to other people, including the First Nations of Canada. Attempts to assimilate indigenous people into Canadian society erased their identity, rights, and territories and created institutionalised discrimination on the basis of race (ethnicity); religion and belief, all Protected Characteristics under the Equalities Act.

### **Impact**

Indigenous communities have suffered economic and social deprivation because of this history. During the late nineteenth century, a period during which the distinctive and separate identity of indigenous people was under systematic attack, cultural property belonging to First Nation peoples such as the Blackfoot was seized. Although some acquisitions were made legally, many were not and they were all made against the background of unequal power relationships between colonisers and indigenous people. More detail is provided in the attached paper reproduced with the permission of the Royal BC Museum, Victoria, Canada.

Returning Crowfoot's Regalia restores the source community's authority over their cultural identity and history. Some historical injustices, it has been argued, have become too distant to connect back to communities today. This is not the case in this repatriation request. There is a very clear 'line of sight' between the Siksika Nation today and Great Chief Crowfoot. The significance of the repatriation process to a community that has suffered discrimination is a key consideration in terms of the Equality Act 2010.

Chief Crowfoot is revered by the Blackfoot as the 'Father of his People'. They describe ceremonial regalia as having sacred significance. The letter of formal request writes: 'The Great Chief's spirit can rest easy once all his belongings are gathered from the four corners of Mother Earth and returned back home'. The letter is written by the current Chief of the Siksika Nation, the great grandson of Great Chief Crowfoot. He recognises the significance of the requested repatriation's role in community healing and reconciliation. The process of reducing the effects of discrimination and meeting the needs of a particular group is identified as high positive impact within Exeter City Council's Equality Impact Assessment (EQIA) methodology. There is no need for consultation with the equality group recommended in the EQIA checklist, as the request is made by the elected body representing the Siksika Nation.

### **Differential Impacts**

Under the EQIA, this repatriation would have a differential or disproportionate impact affecting one group more than another. It is clear that repatriation would have a high positive impact for the Siksika Nation. This is set against a low adverse impact for others in the UK, or visiting, wishing to see this important material which is only partly on public display. Officer's recommendation is that in this particular case the power and symbolism of the Crowfoot regalia to the Siksika Nation outweighs the needs of the second group. This is not unlawful discrimination. Lack of access to this historic material can be mitigated through the availability of digital records of the regalia at RAMM, if the Siksika Nation agree, and it is hoped, an ongoing relationship is maintained between the museum and the First Nations of Canada. Repatriation of the Crowfoot regalia is not part of a move to 'over-write' a difficult period of Britain's history: it recognises instead the high positive impact it will have for a specific community.

### **Repatriation Requests**

Decisions in this case are not intended to set precedent. Exeter City Council's Collections Development Policy states that repatriation requests are considered on a case by case basis. Case by case review of recommendation are also the purpose of EQIAs.

In order to comply with the Equality Act 2010, public authorities must assess the impact on equality of decisions, policies and practices with particular regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between people

An assessment of these general duties in this case has informed the recommendation now put before Elected Members.

## Equality Impact Assessment: Request to repatriate Chief Crowfoot's regalia to the Siksika Nation

The Equality Act 2010 includes a general duty which requires public authorities, in the exercise of their functions, to have due regard to the need to:

- **Eliminate discrimination**, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- **Advance equality of opportunity** between people who share a relevant protected characteristic and people who do not share it.
- **Foster good relations** between people who share a relevant protected characteristic and those who do not

In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

Authorities which fail to carry out equality impact assessments risk making poor and unfair decisions which may discriminate against particular groups and worsen inequality.

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
Executive 7 April 2020	Request to repatriate Chief Crowfoot's regalia to the Siksika Nation	Ownership should be transferred to the Siksika Tribal Council	Siksika Nation

**Factors to consider in the assessment:** For each of the groups below, an assessment has been made on whether the proposed decision will have a **positive, negative or neutral impact**. This must be noted in the table below alongside brief details of why this conclusion has been reached and notes of any mitigation proposed. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

**High impact** – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.

**Medium impact** –some potential impact exists, some mitigating measures are in place, poor evidence

**Low impact** – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
<b>Race and ethnicity</b> (including Gypsies and Travellers; migrant workers; asylum seekers).	Positive	High	<b>Contribution to community healing and reconciliation</b>
<b>Disability:</b> as defined by the Equality Act – a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse impact on their ability to carry out normal day-to-day activities.			
<b>Sex/Gender</b>			
<b>Gender reassignment</b>			
<b>Religion and belief</b> (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	Positive	High	<b>Return of ceremonial regalia that has sacred significance to Siksika Nation associated as they are with Great Chief Crowfoot, ‘Father of his people’.</b>
<b>Sexual orientation</b> (including heterosexual, lesbian, gay, bisexual).			
<b>Age</b> (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older people 81+; frail older people; people living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).			
<b>Pregnancy and maternity</b> including			

new and breast feeding mothers			
<b>Marriage and civil partnership status</b>			
<p><b><u>Actions identified that will mitigate any negative impacts and/or promote inclusion</u></b></p> <ul style="list-style-type: none"> <li>• <b>Loss of access to this historic material for UK residents or others visiting RAMM, can be mitigated through availability of digital records of the regalia at RAMM (subject to Siksika Nation agreement).</b></li> <li>• <b>Based on the experience of other UK museums which have repatriated culturally sensitive objects to the source community, it is hoped that RAMM can develop a more constructive relationship with the First Nations of Canada, based on mutual trust and respect. This would open the way for creative cultural exchange, willingly negotiated between equal partners.</b></li> <li>• <b>The repatriation will act positively by contributing to the process of healing and reconciliation of the source community, the Siksika Nation, to whom it is proposed the artefacts should be returned.</b></li> </ul>			

**Officer: Museum Manager**

**Date: 26.02.20**

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## REPORT TO EXECUTIVE COMMITTEE

Date of Meeting: 7 April 2020

## REPORT TO COUNCIL

Date of Meeting: 21 April 2020

Report of: Director

**Title: Move More Physical Activity Strategy: Built Facilities Strategy Capital Requirement**

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

### 1. What is the report about?

- 1.1 This report proposes a capital fund to offer the potential for the new Leisure Operator to borrow funds to meet their obligations under the new Leisure Operator Contract, which will be awarded on full repairing leases.
- 1.2 This will include a borrowing facility for the fit out of the new leisure centre at St Sidwell's Point should the future operator require prudential borrowing for this purpose given the impact on the sector of the unfolding Coronavirus pandemic
- 1.3 The report also sets out a further requirement for a capital budget to address structural problems at the Riverside Leisure Centre in order to complete the project; and a revenue budget to undertake the next stage of developing a detailed business case for the future provision of leisure at Wonford and Exeter Arena sites.
- 1.4 These proposals are in response to the strategic priorities set out in the Move More Physical Activity Strategy (Built Facilities) report agreed by Council in July 2019.

### 2. Recommendations:

- 2.1 It is recommended that Council:
  - 2.1.1 Delegates authority to the Chief Financial Officer to create a capital loan fund of up to £10 million to offer the potential for the new Leisure Operator to borrow funds to meet their obligations under the new Leisure Operator Contract due to commence on September 29<sup>th</sup> 2020. This will include the potential to borrow funding from the Council for the fit out of the new leisure facility at St Sidwell's Point. This is expected to be cost neutral for the Council and would be subject to loan agreements;
  - 2.1.2 Establishes an additional capital budget of up to £2 million to address the increase in costs of the current refurbishment and the lifecycle replacement cost of the sports hall roof within the current the Riverside Leisure Centre refurbishment programme;

2.1.3 Establishes an additional revenue budget of £150,000 to complete the production of detailed business cases for the future provision of a Community Sports Village and Swimming Pool at the Exeter Arena site; and

2.1.4 Delegates authority to the Chief Executive, in consultation with the section 151 Officer (or Deputy), to give final approval to proceed once the Council's financial position is secure.

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

3.1 This report addresses those issues, which are essential to provide certainty to potential bidders for the new operator contract and to continue with plans to address current structural deficiencies within the leisure portfolio

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

4.1 In addition to the specific financial resources being proposed in this report there are a number of assumptions in relation to the high level financial strategy which will need to be reviewed as each Full Business case is brought forward. These include:

- Capital funding from the sale of identified leisure sites: Clifton Hill Sports Centre and Pyramids Swimming Pool and Leisure Centre.
- Capital funding directly from residential development opportunities at specific sites is channelled directly towards new facilities at Wonford and Exeter Arena.
- Designated funding from Section 106 and Community Infrastructure Levy (CIL) to be directed at priority built facility, playing pitch, play area and parks & green spaces projects. Specific flagship programmes to be highlighted in the CIL Regulation 123 list.
- Council funding to be used to attract strategic finance from external stakeholders such as Sport England and Sport National Governing Bodies.
- Revenue from the provision of services on the leisure sites will need to, at a minimum, generate sufficient revenue to cover the cost of any capital borrowing for the developments.

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

5.1 Section 8.16 of the Chief Finance Officer's General Fund / HRA Estimates and Capital Programme 2020/21 report considered by Council on 25th February 2020, stated that there are a number of issues which have not been included in the budget, but will require further consideration by Council and that a further report to Council would be forthcoming. This report addresses those issues, which are essential to provide certainty to potential bidders for the new operator contract and to continue with plans to address current structural deficiencies within the leisure portfolio.

5.2 There are a number of reports requesting additional funding on the Agenda. The Section 151 Officer notes the importance of each request for funding. That being said, it is important to highlight the cumulative effect on the Council's overall financial position. If all capital schemes are approved, this will add £234,820 to the reductions required (£3.7m). The cost for each of the scheme is set out below.

<b>Capital scheme</b>	<b>Capital Cost</b>	<b>Useful Life</b>	<b>Additional annual revenue</b>
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		(yrs)	cost
P&GS Anti intrusion	£112,000	20	£7,050
Riverside roof	£2,000,000	50	£72,930
C&Q MSCP repairs	£3,900,000	50	£142,220
Corn Exchange roof	£250,000	50	£9,120
Exmouth Buoy Store roof	£95,000	50	£3,500
	<b>£6,357,000</b>		<b>£234,820</b>

5.3 Whilst it is important to ensure that the Council is in a position to start working quickly once the Coronavirus restrictions are lifted, it is imperative that Council note the delegated authority recommendation exists to ensure that the Chief Executive and Chief Finance Officer are confident in the strength of the Council's financial position. It is highly likely that this will require Government support to ensure that the loss of income faced during the restrictions will not force service reductions to be made by the Council rather than important investments in our assets.

5.4 The one off cost of the Business Case will be funded from General Fund reserves, subject to recommendation 2.1.4 above.

## 6. What are the legal aspects?

6.1 Any loans will need to be subject to formal loan agreements.

## 7. Monitoring Officer's comments:

7.1 In order to protect the Council's interest, it is essential that any prudential borrowing arrangements are set out in loan agreement with clear terms and conditions ensuring the arrangements are cost neutral to the Council

## 8. Report details:

8.1 In July 2019 the Council adopted the "Exeter Live Better and Move More Built Facilities, Playing Fields, Pitches, Play Areas, Parks and Green Spaces Report"

8.2 The agreed strategy intentions referred to in this paper include:

- A. The need to replace outdated facilities and modernise and refurbish some sites to improve quality, accessibility and variety to support and encourage increasing participation, particularly amongst the most inactive groups
  - B. Fully re-open Riverside Leisure Centre and Swimming Pool with a new roof, health spa and pool and funding to ensure a rolling programme of refurbishment with a long term building replacement plan developed to ensure sustainability.
  - C. Bring forward an outline business case for the redevelopment of the Exeter Arena and ISCA Centre into a Community Sports Village
  - D. Prioritise plans to provide for a new and improved community swimming pool to replace the ageing Northbrook Pool to be taken forward as part of the developments on the Exeter Arena site.
- 8.3 The Council is currently in the process of undertaking a competitive tender process to secure a new operator for its Built Leisure Facilities. Recommendations on a new supplier will be made in August 2020 with the new 10 year contract commencing on 29<sup>th</sup> September 2020.
- Pyramids Swimming Pool and Leisure Centre (until March 2021)
  - St Sidwell's Point Swimming Pool and Leisure Centre
  - Riverside Swimming Pool and Leisure Centre
  - Wonford Sports Centre
  - Exeter Arena and ISCA Centre
- 8.4 The new contract will, for the first time, include full repairing leases on the buildings which means the operator has sole responsibility for the maintenance and upkeep of the interior and exterior fabric of the buildings. In order for the new operator to be able to meet their obligations under the new Leisure Operator Contract, it is proposed that a capital fund is established which will enable the Council to offer the potential for the new Leisure Operator to borrow funds from the Council. This approach is a model of good practice amongst within the sector and should be cost neutral to the Council. Without such a fund there is a risk that, given the age of some of the facilities without a prudential borrowing facility, it may be more difficult to secure an operator.
- 8.5 In 2019 Council allocated capital for the refurbishment of the Riverside Swimming Pool and Leisure Centre. The refurbishment is proving extremely complex and a considerable design and technical challenge. A final costed and timed programme is still under development as several options put forward by designers have been rejected due to their potential cost and timeframes. This review process is nearing completion and every effort is being made to ensure the programme comes in line with the existing budget there is a likelihood that further funds will be needed to complete the works. Additionally, given the time the refurbishment will take to complete, there is a strong argument for including the lifecycle replacement of the Sports Hall Roof into the current programme. This is estimated additional capital cost is in the region of £2 million.
- 8.7 Outline plans, in line with the proposal set out in the July 2019 strategy now need to be consulted upon and developed into full business case for the Council to consider later

in the year. There is a significant opportunity to draw down external funds for some aspects of the future developments but in order to be able to do this a full costed business case is required. Delaying this process will increase the risk that the aging Northbrook Swimming Pool becomes unviable and may close before a replacement is built. There is a need for external expertise to assist in this and a revenue budget of £150,000 is being requested.

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

9.1 The decisions will contribute to the 2018/21 Corporate Plan objectives of:

- Building Great Neighbourhoods
- Promoting Active and Healthy Lifestyles
- Providing value for money services
- Leading a well-run council

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

10.1 There is a significant risk that the Leisure Asset portfolio will deteriorate to such an extent that further closures will be required.

10.2 There is a risk that bidders will either have to fund higher interest payments to maintain our assets, resulting in lower bids for the contract or that they choose not to bid as they will be uncertain about their ability to access credit.

## **11. Equality Act 2010 (The Act)**

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because this report is about securing the funding to maintain facilities and development plans for new ones and each individual business case will consider equalities impacts.

## **12. Carbon Footprint (Environmental) Implications:**

12.1 There are no direct carbon/environmental impacts arising from these recommendations.

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

13.1 No other options have been identified.

Director: Jo Yelland

Author: Jo Yelland

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

Background papers used in compiling this report:-

- “Exeter Live Better and Move More Built Facilities, Playing Fields, Pitches, Play Areas, Parks and Green Spaces Report” July 1920;
- Chief Finance Officer’s General Fund / HRA Estimates and Capital Programme 2020/21 report to Council February 2020.

### **Contact for enquires:**

Democratic Services (Committees)

Room 4.36

01392 265275

## REPORT TO EXECUTIVE

Date of Meeting: 7 April 2020

## REPORT TO COUNCIL

Date of Meeting: 21 April 2020

Report of: City Surveyor

Title: Cathedral and Quay Multi-storey Car Park Structural Repairs

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

### 1. What is the report about?

Seeking funding to address structural issues at Cathedral and Quay Multi-Storey Car Park (MSCP) and in so doing to resolve identified health and safety issues and protect the Council's income.

### 2. Recommendations:

That Executive:

Recommends to Council

- (1) the £1,500,000 estimated budget requirement for undertaking essential structural repairs and associated refurbishment at Cathedral and Quay MSCP;
- (2) the additional £2,400,000 estimated budget requirement for refurbishing the remainder of the car park including providing secure access control for pedestrians and vehicles; and
- (3) To delegate authority to the Chief Executive, in consultation with the section 151 Officer (or Deputy), to give final approval to proceed once the Council's financial position is secure.

### 3. Reasons for the recommendation:

If these structural repairs are not undertaken the four decks which are currently closed will have to remain closed due to health and safety risk. Water seepage will continue further into the car park over time and further decks will need to be closed until the entire car park has to be shut due to potential for structural failure. The current closure of the upper four decks is already reducing the Council's income potential and adversely impacting on local businesses.

Whilst the car park is closed to complete the essential structural repairs it would be an effective use of the down time to improve the overall user experience and seek to address long standing anti-social behaviour issues. For this reason there is a second recommendation to refurbish the remainder of the car park. As well as upgrading the

facility this scheme will provide secure access control for pedestrians and vehicles and will substantially reduce anti-social behaviour issues occurring at this car park, which include; graffiti; vandalism to parking equipment, lights and lifts; rough sleepers; drug use; under-age drinking; skateboarding; noise; groups of motorists congregating and revving engines and playing loud music. These behaviours can deter genuine customers and thereby reduce income and impact directly on the quality of life for those residents living nearby.

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

Proceeding with both recommendations would provide an enhanced parking experience from this asset. Based on projected income provided by Car Parks it is anticipated that income would increase from an average income of £270,000 by up to £50,000 per annum as a direct result of these improvements.

Due to the nature of the car park structure and coverings it is not possible to accurately determine the full extent of the repairs required until work commences and the deck surface coatings are removed and defects opened up.

An estimate of £1,500,000 million is anticipated to cover a significant proportion of the works to the upper four decks, but it is likely that further funding will be required as the full extent of the issues is determined.

The further works to refurbish the remainder of the car park, including providing secure access control for pedestrians and vehicles, will cost an additional estimated £2,400,000.

As this project will necessitate a multi-disciplinary approach, including professions that the Council does not have within internal resources, an external consultancy will need to be appointed to design and oversee the delivery of the project. The cost of this are included within the budget.

#### 5. Section 151 Officer comments:

- 5.1 There are a number of reports requesting additional funding on the Agenda. The Section 151 Officer notes the importance of each request for funding. That being said, it is important to highlight the cumulative effect on the Council's overall financial position. If all capital schemes are approved, this will add £234,820 to the reductions required (£3.7m). The cost for each of the scheme is set out below.

Capital scheme	Capital Cost	Useful Life (yrs)	Additional annual revenue cost
P&GS Anti intrusion	£112,000	20	£7,050
Riverside roof	£2,000,000	50	£72,930
C&Q MSCP repairs	£3,900,000	50	£142,220
Corn Exchange roof	£250,000	50	£9,120
Exmouth Buoy Store roof	£95,000	50	£3,500
	<b>£6,357,000</b>		<b>£234,820</b>

5.2 Whilst it is important to ensure that the Council is in a position to start working quickly once the Coronavirus restrictions are lifted, it is imperative that Council note the delegated authority recommendation exists to ensure that the Chief Executive and Chief Finance Officer are confident in the strength of the Council's financial position. It is highly likely that this will require Government support to ensure that the loss of income faced during the restrictions will not force service reductions to be made by the Council rather than important investments in our assets.

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

None identified.

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

This report raises no issues for the Monitoring Officer.

## **8. Report details:**

Recommendation One:

The Council became aware of structural issues at Cathedral and Quay MSCP in late 2019. At this time a structural engineer was appointed. During the course of the subsequent survey it became apparent that a risk of collapse existed due to the presence of structural defects and the upper four decks of the car park were closed. The Council received the full structural survey report in February 2020.

Failure of surface coatings due to a legacy of insufficient maintenance or planned replacement programmes of deck coatings has resulted in water seepage throughout the car park structure. The majority of the water ingress and resultant defects are on the top two decks, but continue through lower decks.

Water seepage has caused corrosion and expansion of reinforcement within the structure, particularly at construction joints, which has resulted in spalled concrete. Signs of further areas that have a likelihood of spalling due to corroded reinforcement within the structure have been identified.

The corroded reinforcement reduces the structural effectiveness of the waffle slabs that form the decks of the car park. With original design utilising 65-85% for worst case mid-span bending moment, corrosion of tension reinforcement in the bottom of the slab ribs will reduce the cross sectional area of the reinforcement until the slab rib becomes over-utilised under ultimate limit-state conditions.

In plain terms, if water is permitted to continue to enter the structure, more reinforcement will corrode. As more reinforcement corrodes the less capable the structure becomes in resisting loads, especially the live loads of vehicle traffic. When loading exceeds remaining structural capability, collapse is likely to occur.

As a result of the concerns raised by the structural engineer, the top four decks of the car park have been closed, which is impacting on the income potential of this asset as well as having a detrimental impact on local businesses and activities.

To resolve the identified issues a programme of investigation and repairs has to be undertaken including; deck coatings to decks showing signs of water ingress or structural

damage will be removed; decks will be intrusively assessed by a structural engineer; decks will be sealed and recoated; drainage improvements undertaken to upper decks including perimeter drainage runs, surface falls and deck ramps; corroded waffle slab reinforcement to be removed and replaced; spalled and damaged concrete to be removed and replaced; any further structural issues found during the course of the works to be rectified; protective coatings will be applied to the concrete.

At the time of undertaking these works it will be necessary to remove M&E installations. Given the age of these M&E installations it will more than likely be necessary to install new rather than refit existing M&E installations and this has been allowed for within the budget.

Initial assessment of the processes and works involved indicate that it will not be feasible to reopen the decks currently closed off within this car park until at least late 2020, but possibly 2021.

#### Recommendation Two:

Cathedral & Quay car park is the prime destination for drivers visiting the city to explore major tourist attractions. The name of the car park and location make this a default site for visitors. The car park is open between 7am and 11pm and helps support both the daytime and evening economy on the Quay. The site is surrounded by residential properties, many of whom qualify for a concessionary residential permit for the car park due to lack of kerbside capacity in the vicinity.

Unfortunately the condition of the car park tends to underwhelm first time visitors and reflects poorly on the city and the Council. Despite previous lighting upgrades the site is not well lit and this, combined with other anti-social issues, can give the impression of the car park being unsafe and threatening. The poor lighting also detracts from the current CCTV coverage.

Anti-social issues occur mainly during the evenings and include, graffiti; vandalism to parking equipment, lights and lifts; rough sleepers; drug use; under-age drinking; skateboarding and youths congregating and being noisy; young drivers revving engines and playing loud music. These behaviours can deter genuine customers and impact directly on the quality of life for those residents living nearby.

Trials in locking the site earlier than 11pm have been attempted with mixed success due to the additional requirements to provide residents access to their vehicles and suitable parking provision for those visiting the wide range of restaurants and pubs around the Quay during the evening.

Providing on-site security patrols is expensive if buying in, or unsustainable if redeploying internal staff from other duties. The solution is a system whereby; there is a deterrent for vehicles to enter unless legitimately using the site for parking purposes e.g. shutter controlled and pay on entry/exit; access for pedestrians is restricted to those who have legitimately parked their car on site or hold a valid permit e.g. ticket issued at entrance shutter provides bar code pedestrian access through doors; the site remains secure outside of the above two means of entry/egress.

A refurbishment of the site to bring it to the same level as John Lewis car park and an investment in the above parking/security equipment would upgrade the car park to the premium level where we currently charge a higher tariff and up until midnight. These changes, as well as attracting new customers could reasonably increase income at this site by up to £50,000 per annum and better reflect the prestige and ambition of the city to visitors.

Whilst the car park is closed to complete the essential works set out above, it would be an effective use of the down time at this asset to improve the overall user experience and seek to address long standing anti-social behaviour issues and avoid additional lengthy closure to the car park in the future.

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

This decision will contribute to the Council providing value for money services, through both enabling the expansion of our commercial activity to generate more income and providing improved management of our built assets and maximising longevity.

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

There are no risks in proceeding with the proposals.

Not proceeding with the first recommendation, for funding the structural repair works and associated refurbishment, will result in the need to leave the upper decks closed and, as water seepage continues, close the entire car park as the risk increases. Income will reduce as a result of not proceeding. If left unrepaired overtime there is the potential for complete collapse of the car park.

Not proceeding with the second recommendation, for refurbishing the remainder of the car park and adding security measures, would result in a stark contrast to the repaired and refurbished upper decks. This may exacerbate the current levels of anti-social behaviour, impact directly on the quality of life for those residents living nearby, further detract from the user experience of this car park and deter genuine customers with a resultant potential reduction in income.

## **11. Equality Act 2010 (The Act)**

In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act.

## **12. Carbon Footprint (Environmental) Implications:**

Undertaking both recommendations will improve the overall energy efficiency of the asset through the use of more efficient services installations, for example LED lighting and presence detection.

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

Works could be restricted to undertaking only the first recommendation of known essential structural works to the estimated value of £1.5 million. However, the remainder of the scheme would remain a requirement and would necessitate an additional lengthy closure to the car park in the near future.

In addition, the surface coverings to the car park decks prevent accurate assessment of structural issues until they have been removed, proceeding with only the known structural issues has the potential for structural issues that are yet to have deteriorated the structure as extensively as on the upper decks to be missed.

Director: David Bartram  
Author: Corporate Property Assets Manager

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

Background papers used in compiling this report:-  
Water Ingress and Defect Survey at Cathedral and Quay Multi-Story Car Park. 4  
February 2020.

Contact for enquires:  
Democratic Services (Committees)  
Room 4.36  
01392 265275

## REPORT TO EXECUTIVE

Date of Meeting: 7 April 2020

## REPORT TO COUNCIL

Date of Meeting: 21 April 2020

Report of: City Surveyor

Title: Corn Exchange Roof Replacement

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

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

Seeking funding to replace the failed roof covering of one of the main roofs at Exeter Corn Exchange.

#### 2. Recommendations:

That Executive recommends to Council:

- (1) That the £250,000 estimated funding requirement for replacing one of the main roofs at Exeter Corn Exchange be approved; and
- (2) Delegates authority to the Chief Executive, in consultation with the section 151 Officer (or Deputy), to give final approval to proceed once the Council's financial position is secure.

#### 3. Reasons for the recommendation:

This key asset provides income for the Council and a widely used facility for residents of and visitors to the City. Undertaking this roof covering replacement will mitigate the current leaks and enable continued use of this part of the facility for future years.

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

There are no additional resource implications of delivering this priority action. If water ingress is allowed to persist parts of the building may become unusable which would restrict the Council's ability to hold events.

## 5. Section 151 Officer comments:

- 5.1 There are a number of reports requesting additional funding on the Agenda. The Section 151 Officer notes the importance of each request for funding. That being said, it is important to highlight the cumulative effect on the Council's overall financial position. If all capital schemes are approved, this will add £234,820 to the reductions required (£3.7m). The cost for each of the scheme is set out below.

Capital scheme	Capital Cost	Useful Life (yrs)	Additional annual revenue cost
P&GS Anti intrusion	£112,000	20	£7,050
Riverside roof	£2,000,000	50	£72,930
C&Q MSCP repairs	£3,900,000	50	£142,220
Corn Exchange roof	£250,000	50	£9,120
Exmouth Buoy Store roof	£95,000	50	£3,500
	<b>£6,357,000</b>		<b>£234,820</b>

- 5.2 Whilst it is important to ensure that the Council is in a position to start working quickly once the Coronavirus restrictions are lifted, it is imperative that Council note the delegated authority recommendation exists to ensure that the Chief Executive and Chief Finance Officer are confident in the strength of the Council's financial position. It is highly likely that this will require Government support to ensure that the loss of income faced during the restrictions will not force service reductions to be made by the Council rather than important investments in our assets.

## 6. What are the legal aspects?

None identified.

## 7. Monitoring Officer comments:

This report raises no issues for the Monitoring Officer.

## 8. Report details:

Following reports of water ingress at the Corn Exchange a survey of roof coverings was undertaken in late December 2019.

The survey identified several areas of damage and decline to roof coverings across the facility.

The main flat roof over the middle and rear of the asset has been determined to be beyond repair and given the extended lifespan of this asset a replacement roof covering is now required.

A market estimate has been obtained and forms the basis of this funding request.

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

This decision will contribute to the Council providing value for money services, through improved management of our built assets and maximising longevity.

This scheme contributes to securing the medium to long-term viability of the venue.

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

There are no risks in the recommendation.

The risks of not proceeding are potential for the roof leaks to increase, further deterioration of the asset, events having to be cancelled and loss of income.

#### **11. Equality Act 2010 (The Act)**

In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act.

#### **12. Carbon Footprint (Environmental) Implications:**

Energy saving measures will include roof insulation and thermally efficient glazing.

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

No viable alternatives have been identified.

Director: David Bartram

Author: Corporate Property Assets Manager

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

Background papers used in compiling this report:

None

Contact for enquires

Democratic Services (Committees)

Room 4.36

01392 265275

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## REPORT TO EXECUTIVE

Date of Meeting: 7 April 2020

## REPORT TO COUNCIL

Date of Meeting: 21 April 2020

Report of: City Surveyor

Title: Exmouth Buoy Store

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

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

Seeking funding to install a new office with associated infrastructure and to replace the roof at the Exmouth Buoy Store.

#### 2. Recommendations:

That Executive recommends to Council:

- (1) the £95,000 estimated funding requirement for modifying the Exmouth Buoy Store to provide fit for purpose office and ancillary accommodation for the Harbour Master and Waterways service and to replace the roof to the entire building; and
- (2) Delegates authority to the Chief Executive, in consultation with the section 151 Officer (or Deputy), to give final approval to proceed once the Council's financial position is secure.

#### 3. Reasons for the recommendation:

This grade two listed asset has been determined by the Director of Environment and City Management to be the most effective location from which to operate the Council's Port Authority function and developing commercial mooring services. In addition, the roof covering requires replacement to ensure the building remains fit for purpose during the intended life cycle of the asset and to comply with lease obligations.

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

Proceeding with this recommendation will enable the Council to realise an estimated £47,000 per annum budget improvement for the service operating from this asset.

## 5. Section 151 Officer comments:

- 5.1 There are a number of reports requesting additional funding on the Agenda. The Section 151 Officer notes the importance of each request for funding. That being said, it is important to highlight the cumulative effect on the Council's overall financial position. If all capital schemes are approved, this will add £234,820 to the reductions required (£3.7m). The cost for each of the scheme is set out below.

Capital scheme	Capital Cost	Useful Life (yrs)	Additional annual revenue cost
P&GS Anti intrusion	£112,000	20	£7,050
Riverside roof	£2,000,000	50	£72,930
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Corn Exchange roof	£250,000	50	£9,120
Exmouth Buoy Store roof	£95,000	50	£3,500
	<b>£6,357,000</b>		<b>£234,820</b>

- 5.2 Whilst it is important to ensure that the Council is in a position to start working quickly once the Coronavirus restrictions are lifted, it is imperative that Council note the delegated authority recommendation exists to ensure that the Chief Executive and Chief Finance Officer are confident in the strength of the Council's financial position. It is highly likely that this will require Government support to ensure that the loss of income faced during the restrictions will not force service reductions to be made by the Council rather than important investments in our assets.

## 6. What are the legal aspects?

None identified.

## 7. Monitoring Officer comments:

This report raises no issues for the Monitoring Officer

## 8. Report details:

The Council is the Port Authority for the Exe Estuary and Exeter Canal.

This grade two listed asset has been determined by the Director of Environment and City Management to be the most effective location to operate the Council's Port Authority function and developing commercial mooring services.

The alterations will improve working conditions together with creating the added functionality of staff office, mess room, shower room and workshop.

As part of this scheme the slate roof covering, which is beyond serviceable life, will require replacement in accordance with listed building requirements and to ensure the building remains fit for purpose during the intended life cycle of the asset.

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

This decision will contribute to the Council providing value for money services, through both enabling the expansion of our commercial activity to generate more income and providing improved management of our built assets and maximising longevity.

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

This asset is optimally located to support the Council's Port Authority function and developing commercial mooring services. There is no other Council held asset, in the locality or elsewhere within the Council's estate, which enables the service to be operated effectively. Without undertaking this scheme the risk is that the Council's Port Authority function and developing commercial mooring services would not be able to operate in the longer term.

Exmouth Buoy Store is both grade two listed and leased in by the Council. Not proceeding with recommendations for funding the roof replacement will allow the asset to decline, which will be both failing to preserve a listed building and a breach of the terms of our lease. The risks are enforcement action by Historic England for failure to maintain a listed building and enforcement action by our Landlord for failure to comply with the terms of our lease.

These risks can be best mitigated by approving the requested funding to enable the proposed scheme to be delivered.

## **11. Equality Act 2010 (The Act)**

In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act.

## **12. Carbon Footprint (Environmental) Implications:**

Energy efficient services installations will be used for this project including led lighting.

Energy saving measures will include floor, wall and roof insulation and thermally efficient glazing.

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

No viable alternatives have been identified.

Director: David Bartram

Author: David Licence, Corporate Property Assets Manager

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

Background papers used in compiling this report:  
None

Contact for enquires:  
Democratic Services (Committees)  
Room 4.36, 01392 265275

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