

STRATEGIC SCRUTINY COMMITTEE

17 March 2022

Present:

Councillor Barbara Denning (Chair)

Councillors Allcock, Branston, Hannaford, Jobson, Mitchell, K, Moore, J, Pearce, Sheldon and Vizard

Apologies:

Councillors Newby and Buswell

Also present:

Chief Executive & Growth Director, Service Lead - Net Zero, Commercialisation, Skills, Business and City Centre and Democratic Services Officer (SLS)

In attendance:

Councillor Philip Bialyk	- Leader
Councillor Bob Foale	- Portfolio Holder for Transformation & Environment
Councillor Rachel Sutton	- Portfolio Holder for Net Zero Exeter 2030

1 Minutes

The minutes of the meeting held on 18 November 2021 were taken as read, approved and signed by the Chair as correct.

2 Declaration of Interest

No declarations of pecuniary interest were made.

3 Questions from the Public Under Standing Order 19

No questions from members of the public were received.

4 Questions from Members of the Council Under Standing Order 20

In accordance with Standing Order 20, the following questions were submitted by Councillor Jobson in relation to the Board of Exeter City Futures Community Interest Company (ECFCIC). The Chief Executive & Growth Director Karime Hassan answered the questions as a representative of the Board of Exeter City Futures and the responses are included in italics below -

The Board of Exeter City Futures CIC

1. Has there been a Board Meeting of Exeter City Futures (either in person or remote) between 24 November 2020 and 2 January 2022? If so, when and why have the Minutes not been published?

Two meetings have been held on 13 December 2021 and 3 March 2022. For the most part of the period of the Covid pandemic they did not have Board meetings. The minutes were published and on the Exeter City Futures web site and the site map would be made easier to navigate. Members of the Exeter City Futures team could also supply any necessary copies on request.

2. If not has there been a Board Meeting of Exeter City Futures since 2 January 2022? If so, when was it held and when will the Minutes be published?

There had been a Board meeting and the minutes for the Board meeting were published.

3. Has a new Director been appointed to represent Devon County Council (DCC)?

It was anticipated that Dave Black, the Head of Transport at Devon County Council who had attended the Board meeting on 13 December 2021 would have become the new Director of ECF to replace Jamie Hlland. Companies House had not been informed about the change yet but the records would be updated as soon as possible. He understood that Mr Black was not now taking up that place but he was optimistic that a replacement Board member would be appointed soon. He added that Lisa Roberts, the Vice Chancellor of Exeter University had joined the Board as a Director and that was a boost and indication of support from one of the city's main institutions to help deliver the Net Zero agenda. The University, had brought forward their target date for their strategy for Net Zero 2035 to 2030 to coincide with that of the city.

A Member updated Members and stated that it was a matter of public record that Mr Black was due to retire from the County Council shortly.

4. If so, when were they appointed and has the paperwork gone to Companies House?

Once the appointment was made to the Board, the information would be sent to Companies House to update their records.

5. If not, is DCC planning on making a new appointment?

The appointment would be made as soon as possible following discussions.

Councillor Jobson agreed that it was important that members of the public could access such information such as the Board minutes easily and she welcomed the responses.

Finances (All Information in the Questions is in the Public Domain)

1. Exeter City Futures Community Interest Company (CFCIC) was allocated a start-up budget from Exeter City Council (ECC) at the Executive Meeting in February 2016. Did ECFCIC receive this sum? If so when, as no figures appear in the published accounts for the period to December 2017 or was this sum only received in the year to end December 2018 there being a figure for prepayments and accrued income of £49,108.

ECFCIC did not receive this sum directly, the £50,000 budget was set aside towards Council expenditure incurred to help facilitate the start-up and promotion of the Exeter City Futures programme. In 2016/17 £23,160 was incurred and this was disclosed in the Council's published accounts on page 74. The balance was carried forward and spent in 2017/18.

2. In 2019 Exeter City Futures Community Interest Company (ECFCIC) bid for and was awarded a grant of £200,000 from Central Government. Was that sum directly received into the ECFCIC bank account or via some other body? How was it distributed? There is no reference to such sum in either the 2019 accounts or the accounts published in December 2021? If received on what has it been spent?

Devon County Council managed the overall One Public Estate Programme and awarded the Funds via ECC. ECFCIC provided quarterly grant claims (backed by invoices), ECC paid the ECFCIC the invoice and then reclaimed from DCC. It was important for Members to note that the Government tend to require that there is a Section 151 Officer to take responsibility for grant funding and therefore do not allocate the funds directly.

The £200,000 was received from the One Public Estate and in order to prepare the master plan for the St David's Station site which was one of the strategic sites in the Liveable Exeter vision. The governance structure had been set up and included Exeter University, Exeter College, Devon County Council, Network Rail, and Exeter City Council. It should be noted that Network Rail were obliged in respect of the franchise with Great Western Railway (GWR) to deliver a number of parking spaces currently allocated in the front of the Station, which offered a challenge to deliver viability on this project. Work on the masterplan paused until such issues were resolved, which has meant that funding of £147,000 remained outstanding.

3. In 2020 ECFCIC bid for £840,000 from Central Government. It is understood that £350,000 was awarded. Was that sum directly received into ECFCIC bank account or via some other body? How was it distributed? There is no reference to such sum in either the 2019 accounts or the accounts published in December 2021? If received, on what has it been spent?

The full £840,000 was awarded over two years. The accountable body was Exeter City Council and the Council received £380,000 on 1 March 2021 and £470,000 on 15 February 2022. The funds were being paid over to ECFCIC in arrears on the production of an invoice. This was the Exeter City Fund, which Scrutiny will be looking at shortly. This was a significant sum which would be used to model the cost of delivering the entire Liveable Exeter programme in order to get to the Net Zero agenda. The One Public Estate were with the Exeter Development Fund testing an initiative that might be nationally replicated, and although a final decision had yet to be made on the Fund being used in Exeter, there was the opportunity for modelling of the viability of this development to help achieve these big ambitions, and help the City Council access that funding.

Councillor Jobson asked a supplementary question and whether there was scope within the Executive or Scrutiny to get regular reports on how the modelling will be done and preferably before any big decisions are made.

The Chief Executive & Growth Director welcomed the opportunity for Members to scrutinise through a structured programme of scrutiny meetings to understand the Exeter Development Fund model, and consider how to deliver the kind of development that they all would like to aspire to. No decisions would be taken other than through the Council's formal Committee processes. They would also be asking all the other partners including Exeter University, Devon County Council, Exeter College and the Royal Devon & Exeter Hospital to engage with the Exeter City Futures team.

4. A grant of £250,000 was to be received from the Heritage Lottery Fund? Was that sum received? There is no reference to such sum in the accounts published in December 2021? If received - on what has it or is it being spent?

The Chief Executive & Growth Director stated that £250,000 was awarded to Exeter City Futures from the National Lottery Community fund to help with the mission to deliver on Net Zero. The fund was broken down into four packages with a financial statement included as part of the submission. The funding would go directly into a separate account belonging to Exeter City Futures for work that had been identified, and would be paid in six months tranches based on the initial budget. Currently, the account was slightly underspent due to the impact of Covid, and the National Lottery Fund had given a further six months in recognition of activities that may have paused.

Councillor Jobson asked a supplementary question on whether the ECFCIC accounts are audited. She recalled seeing an auditor's signature on the Company's House published web site and so she asked whether the report would be available or if it would not be in the public domain.

The Chief Executive & Growth Director would make enquiries and report back to Members.

Question to the Leader

1. Would the Leader please confirm that Exeter City Futures CIC, which has either statutory power or policy-making authority, can do no more than make recommendations directly to Exeter City Council as to how Net Zero 30 can be achieved? Can the Leader confirm that all such recommendations will be fully debated by the membership of Exeter City Council?

The Chief Executive & Growth Director at the invitation of the Leader offered the following response -

Exeter City Futures was a Community Interest Company and could not take decisions that bind Exeter City Council. All decisions impacting on those areas of the Council would be taken to the Executive and Council. It was noted that the Council had no powers to enforce decisions upon partner organisations as they have their own decision making process. Other Councils may follow consideration of the Exeter Development Fund model to bring together institutions to create a single vision and rethink of the way to plan and take decisions collectively about how to align to deliver the Net Zero agenda to develop clean energy. He would be happy to make a presentation to a future Committee outlining the work of Exeter City Futures are doing with the secured funding of £1.2m to deliver the city's Net Zero agenda.

The Chair thanked the Chief Executive & Growth Director for the responses.

Councillor Hannaford asked a question of the Leader raising his concern of the announcement of the closure of Clarendon House by the Department Work and Pensions, (DWP) which included the city's Job Centre. He had hoped to present this matter as an emergency resolution, but would address the matter by way of a question to the Leader.

Councillor Hannaford read out a statement in the following terms:-

- concern about the shock announcement by the Department of Work and Pensions to close Exeter's Clarendon House that includes Job Centre Plus.
- that these proposals do not include any relocation measures for the staff and essential services.
- this move was particularly outrageous during an international economic crisis, that will see people in Exeter coping with spiralling living costs, state benefits in effect cut as they are not inflation linked, and our city ready and willing to take in refugees who will also need additional employment support.
- it was essential that people in Exeter and the surrounding area have access to customer facing transactions to receive professional help, support and advice during times of unemployment, distress and disability, and educational, training and skills advice to secure employment.
- to register concern that nationally all 12,000 Universal Credit Advisors have to now reapply for their own jobs once their temporary contracts run out, which could lead to additional financial hardship for vulnerable people during the cost of living crisis during the transition period.

He asked for the Leader of the Council to seek an urgent meeting with all relevant parties, including the regional Department of Work Pensions representatives, staff and unions, Devon County Council, and local Members of Parliament. He asked that this meeting should consider amongst other matters, the decision to close this employment hub, the possible transition period, potential future alternative sites, and Job Centre Plus provision for the Exeter travel to work area.

The Leader responded and in referring to the statement prepared by Councillor Hannaford confirmed he would make arrangements to convene a meeting with all of the relevant parties as requested. He would also send a letter based on the statement and add his own concerns because the service offered a place for individuals to obtain information and resolve any benefits enquiries and would deny access to some of those services. He thanked Councillor Hannaford for raising this matter.

Councillor Hannaford asked a supplementary question if the Leader thought the closure could lead to extra pressure on our services. He acknowledged that Exeter Works Hub had been a great success, but the Council should not shoulder the burden alone and the full suite of professionals should be asked for their support.

The Leader responded and stated that the Council would continue to do more than is expected, with ever decreased resources.

5 Portfolio Holder Update

Councillor Foale, Portfolio Holder Transformation & Environment provided an introduction and update on areas within his Portfolio having met with the Directors of Finance, Transformation and Net Zero and the Service Lead - Environmental Health and Community Safety. He invited the Service Lead – Net Zero & Business to present some detail on the work being undertaken to help the city's economy recover from the Covid pandemic.

The Service Lead – Net Zero & Business referred to the challenges faced by the city over the past two years, predominantly on those impacted by the Covid-19 restrictions, and impact on businesses. A briefing note was circulated providing relevant information, data and an overview of the current situation in relation to key

areas of Exeter's economy, as well as setting out those challenges, and the responses that have been provided by the City Council and its partners.

The key areas were highlighted as –

- **Retail Trade:** a recent Centre for Cities report provided insights and comparisons of Exeter's city centre to other national city centres, citing Exeter with the 8th lowest shop vacancy rate at 12.9% (June 2021). During the pandemic, neighbourhood shopping areas had fared more favourably than the High Street. The biggest retail casualty in Exeter had been in fashion retail. Exeter was identified as having the 12th highest share of spending online between 2019 and 2021, an area where spending has bounced back.
- **Business openings and closures:** there had been over 47 shop closures, with these mainly being national high street chains. In comparison, 59 businesses have opened in the city, the majority being independent shops using locally sourced goods. Demand for vacant units in the city centre remained positive, with units owned by the City Council being let very quickly, whilst some larger units demanding high rents remained vacant.
- **City centre parking:** Exeter city car parks had been effected during the pandemic with many people working from home. Ticket sales remain 16% down on pre pandemic levels, which continued to have an impact on income levels of the service managing car parks. Work continues to be undertaken by InExeter and Visit Exeter to attract people into the city centre.
- **City Centre Footfall:** this has moved in line with national restrictions being imposed and lifted with footfall decreasing by 5.3%, lower than the south west figure of 18.6% and the national figure of 22%. Exeter was awarded Government funding through the Reopening High Street Safely Fund and the Welcome Back Fund to provide a focus to attract people back into the city. The Net Zero and Business team were about to embark on a refresh of the contents and recommendations of the City Centre Strategy in the light of the challenges to the labour market and workforce requirements of businesses in the city. The opening of St Sidwell's Point was keenly awaited to continue to drive up footfall.
- **Labour Market:** the impact of the end of the national furlough scheme has not been felt as anticipated, but was one of the reasons why Exeter Works was established in partnership with Exeter Chamber of Commerce. It supports residents and the business community in the city with advice, and guidance for those seeking jobs, careers and training. The Council's Skills and Inclusivity Manager continues to work on the challenges of the labour market with Job Centre Plus. The team continues to raise awareness with schools, the college and university of the need to retain graduates in the city and have been working with employers to raise the sector.
- **Business support:** support was administered through the Net Zero and Business team, with the Government providing business grants and business support interventions with over 8,733 awards totalling £50 million, as well as a final Discretionary Business Exceptional Hardship Fund post pandemic.
- **Housing:** house prices have risen by 18% since 2016 and there has been a challenge in sourcing rental accommodation for those moving into the area. Efforts continue to be made across Devon to support key workers in sourcing rental accommodation.

In conclusion, the Net Zero and Business team welcomed the positive signs in the economy of the city, but continue with a watching brief on emerging data and information to target their work accordingly.

The Service Lead – Net Zero & Business and City Centre responded to the following Members' questions:-

- the city was still an attractive and affordable place for relocation with a real change in recent years, with high growth around digital and tech businesses, as well as environmental science.
- the Member's comment that there were professional colleagues who had difficulties securing accommodation was noted. The increase of Airbnb and second homes was having an impact and had the potential to hold back the growth. She would circulate information on the average rental level to Members.
- recognition of the need to ensure as many residents can benefit from the city's growth as possible with a continuation of looking at support through access to the benefits of careers advice education and training.
- the Service Lead - Environmental Health and Community Safety has been continuing to look at how the city centre can evolve to attract more families into the city centre and extend the day time retail economy into the evening in the city centre.

The Service Lead – Net Zero & Business would circulate information on Graduate retention which had been comparable to other cities. There had been an increase from 2019 to 2020 with graduates remaining in the city and also information relating to the effect of Brexit, on economic activity in the city with an impact within the health and social care sectors.

The Chief Executive & Growth Director in responding to a Member's question on putting forward a request for a BID for St Thomas, extending out from the Exe Bridges to the Alphington corridor, reminded Members that the focus of the business team was now on education and skills. The Service Lead – Net Zero & Business added that they were about to begin work on a refresh of the City Centre Strategy and she would raise this matter.

The Chair thanked the Portfolio Holder and the Service Lead – Net Zero & Business for their work which has shown that Exeter make all the efforts for inclusion.

6 Forward Plan of Business

Members noted the Forward Plan.

The meeting commenced at 5.30 pm and closed at 7.05 pm

Chair