

EXECUTIVE

Date: Tuesday 10 January 2023

Time: 5.30 pm

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

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

If you have an enquiry regarding any items on this agenda, please contact Mark Devin, Democratic Services Team Leader on 01392 265477.

Entry to the Civic Centre can be gained through the rear entrance, located at the back of the Customer Service Centre, Paris Street.

Membership -

Councillors Bialyk (Chair), Wright (Deputy Chair), Denning, Ghusain, Morse, Parkhouse, Pearce, Williams 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 29 November 2022.

(Pages 5 -
24)

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**

To receive questions relating to items on the Agenda from members of the public and responses thereto.

Details of questions should be notified to the Corporate Manager Democratic and Civic Support by 10.00am at least three working days prior to the meeting. Further information about speaking at a committee can be found here: [Speaking at a Committee](#)

6 **Urgent Matter - Response to the Torbay Local Plan Update Consultation**

To note the Urgent matter of the response from Exeter City Council to the Torbay Local Plan Update Consultation, run by Torbay Council until 5 December 2022. This is the second consultation which has been held on the Torbay Local Plan update and considers housing need and the various development site options which could be taken forward into a further draft document at a later date. (Pages 25 - 26)

Due to the timings of the consultation and Exeter City Council's meeting dates it was not possible for the Executive to consider a draft response in advance of its submission. The response to the consultation has been treated as an urgent matter. In accordance with the Council's Constitution, it has been discussed with the Leader, the Portfolio Holder for City Development and the Chair of the Strategic Scrutiny Committee, and the Executive is now invited to note the response which has been submitted and dealt with under emergency provisions.

The key issue identified relates to the potential implications on the wider Greater Exeter area, including Exeter, if Torbay Council continues to pursue an approach which does not meet local housing needs – this could lead to discussions regarding the potential for other council areas to meet some of the housing deficit from Torbay. The letter notes that the City Council is preparing the Exeter Plan and is proactively aiming to deliver development on challenging brownfield sites which means that the potential to accommodate any housing related to needs in Torbay would be extremely limited. A copy of the response letter is appended to the agenda for noting the urgent matter.

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7 **Exeter City Living Business Plan Progress Update**

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

(Pages 27 - 30)

8 **2023/24 Budget Strategy and Medium Term Financial Plan**

- To consider the report of the Director Finance. (Pages 31 - 46)
- 9 **Council Taxbase and NNDR 1 2023/24**
- To consider the report of the Director Finance. (Pages 47 - 52)
- 10 **Housing Rents and Service Charges 2023-24**
- To consider the report of the Director Finance. (Pages 53 - 66)
- 11 **Local Council Tax Support scheme 2023**
- To consider the report of the Deputy Chief Executive. (Pages 67 - 74)
- 12 **Report on Member Training**
- To consider the report of the Director Corporate Services. (Pages 75 - 86)

Date of Next Meeting

The next scheduled meeting of the Executive will be held on **Tuesday 7 February 2023** 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 29 November 2022

Present:

Councillor Bialyk (Chair)

Councillors Wright, Denning, Morse, Parkhouse, Pearce and Wood

Also present:

Councillor Jobson (as an opposition group Leader)

Councillor D. Moore (as an opposition group Leader)

Councillor K. Mitchell (as an opposition group Leader)

Apologies:

Councillors Ghusain and Williams

Also present:

Chief Executive & Growth Director, Deputy Chief Executive, Director Corporate Services, Director of City Development, Director of Culture, Leisure and Tourism, Director Finance, Corporate Manager Democratic and Civic Support, Service Lead - Environmental Health & Community Safety, Corporate Energy Manager, Net Zero & Business, Active & Healthy People Programme Lead, Benefits & Welfare Lead, Assistant Service Lead – Local Plan and Democratic Services Team Leader

Also present:

Derek Phillips – Chair of the Independent Remuneration Panel;

Justin Pickford - Baker Ruff Hannon;

Phil Lewis - Randall Simmonds; and

Tony Norton - Exeter University

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MINUTES

The minutes of the meeting held on 1 November 2022, were taken as read, approved and signed by the Chair as a correct record.

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DECLARATIONS OF INTEREST

Members declared the following interests:

- Councillor Wood – Minute No. 125 and Minute No. 126.

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QUESTIONS FROM THE PUBLIC UNDER STANDING ORDER NO. 19

No questions from members of the public were received.

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MEMBERS' ALLOWANCES 2023/24

The Chair welcomed Derek Phillips, who was in attendance as the Chair of the Independent Remuneration Panel.

Derek Phillips presented the Council's Independent Remuneration Panel report relating to Members' Allowances for the period 2023/24. The Independent Remuneration Panel reviewed and advised the Council on its scheme of Members' Allowances and made recommendations on the allowance to be paid to Members

each year, following the legislation set out under the Local Authorities (Members' Allowances) (England) Regulations 2001 and 2003.

Members were referred to the recommendations in the report, with particular reference made to the following points:-

- that this had been the first review of the Member Allowances since the Covid-19 Pandemic;
- at the next review, regard should be made to the relevance of the staff pay award for 2022/23 which had been paid as a lump sum and that some other authorities had set a 4% increase for their allowances; and
- the principle that a Special Responsibility Allowance should not be paid to more than 50% of the overall number of Councillors should continue to be kept under review and adhered to where possible.

During the discussion, a Member highlighted that the current level of Special Responsibility Allowance was 51% which was as close to the 50% threshold as possible.

The Chair thanked Derek Phillips and the Independent Remuneration Panel for their work and for attending the meeting.

RECOMMENDED to Council that:-

- (1) the basic structure and principles of the current Members' Allowances scheme be retained for 2023/24;
- (2) the principle that any Member qualifying for more than one Special Responsibility Allowance is paid the higher allowance only, be retained;
- (3) the Councillors' Basic and Special Responsibility Allowances, including the Lord Mayor and Deputy Lord Mayor's Expenses Allowances, should be linked and updated in line with the Local Government Employers (LGE) staff pay award for the previous year, (a 1.75% increase in the annual Local Staff Pay Award was awarded by the Employers side for staff which was effective for staff from April 2021);
- (4) the principle that Special Responsibility Allowances be paid to no more than 50% of the overall number of Councillors to continue to be kept under review and adhered to where possible;
- (5) the current Dependants' Carers' Allowance scheme be maintained, with the continuation of the level of allowance matching the hourly Living Wage as applicable from April of each year (together with the retention of the uplift of the standard rate of income tax). In the case of Members who need specialist care for a child or adult dependant, a higher rate, of up to £25 per hour or part thereof, (together with the retention of the uplift of the standard rate of income tax) can be agreed by negotiation in advance with the Corporate Manager, Democratic and Civic Support;
- (6) the sum of £50 be paid to the Independent Persons affiliated to the Audit and Governance Committee for up to four hours work, and £100 for four hours and over, payable to each of the two Independent Persons (up to a maximum of £500 per person in any one year) be retained; and
- (7) the Travel and Subsistence allowances available for staff to continue to apply to Exeter City Councillors, where appropriate.

The Executive received the report on amending the Terms of Reference for the Joint Consultation and Negotiation Committee, to ensure the Committee details remained up to date and matched the operational arrangements of the Council.

Particular reference was made to the proposal to change the composition of the Committee to include members of the Strategic Management Board, the Service Lead for Human Resources and one officer from the GMB and Unite Unions and that the Quorum had changed from two union representatives to one, to reflect the running of the meetings.

RECOMMENDED that Council approve the amendments to the Council's Constitution terms of reference for the Joint Consultation and Negotiation Committee.

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WORKING TOWARDS NET ZERO - EXETER CITY COUNCIL'S CORPORATE CARBON FOOTPRINT REPORT AND CARBON REDUCTION ACTION PLAN

The Executive received the report on the work of the Net Zero Team, which assessed the Council's potential to achieve its commitment to be Net Zero by 2030 and to deliver the first City Council Carbon Reduction Plan. The report also shared the City Council's Corporate Carbon Footprint report which analysed corporate activities to identify direct and indirect greenhouse gas (GHG) emissions. The Corporate Carbon Reduction Plan provided a mix of potential actions across all services to work towards Net Zero.

Tony Norton, Head of the Centre for Energy and the Environment, Exeter University was in attendance and provided a presentation on achieving Net Zero by 2030 and for Exeter City Council's corporate carbon plan. The University of Exeter had been commissioned to assess the potential for achieving the goal, through an assessment of Council documents and data, appraising Central Government policy and input from the Council's Service Leads. The work had been split into seven sectors and points raised during the presentation included:-

- The first step of the process was to highlight the 2021 carbon footprint, then break down the work involved into seven sectors that had been individually analysed.
- Non-Domestic Building data had been provided which showed that 80% of emissions were from corporate estate and leisure centre buildings, with a split of 60% emissions from electricity and 40% from gas. Opportunities in this sector came from decarbonising the national grid, changes to asset management and energy efficiency.
- Council Housing stock emissions were estimated from energy performance certificates, which estimated 75% emissions were from gas. Opportunities in this sector included the continuation of building Passivhaus standard homes, the potential for easy energy efficiency gains, decarbonising heat and retrofitting homes.
- Transport identified that Council owned vehicles had been predominantly diesel vehicles with refuse vehicles showing 58% emissions, street cleaning vehicles showing 16% emissions and green space vehicles with 25% emissions. The indirect emissions were from business travel and commuting, which had increased following the Covid restrictions. Opportunities included the decarbonisation of the Council owned vehicles, moving to electric vehicles by 2030 and electrification of business and commuting mileage.
- Procurement showed a high level of emissions at 62%. It was difficult to identify procurement emissions, with only 4% being calculated using activity data. Improving data capture in this sector was important and considering the need

for new buildings as opposed to extending or refurbishing existing buildings. For construction emissions, setting embodied carbon targets would support reducing construction emissions and ensuring they were considered as part of the selection process for new buildings.

- F Gas covered emissions from fridges and heat pumps and potential leakage. There was a national task in reducing F Gas emissions by installing low F Gas appliances.
- Waste included corporate waste but there was no data available for estimating emissions. Waste from Green House Gas emissions were estimated at 103 tCO₂e for landfill 3 and tCO₂e for non-landfill, but was dependent on the disposal method.
- Renewable energy across the Council was doing well, however the continued decarbonisation of the grid would offset the energy. Renewable energy was otherwise vital in saving money and supporting the national grid.
- Land use changes and afforestation addressed how tree planting affected carbon savings. The planting of 25% of trees in the area could offset 829 tCO₂e by 2030.

In summarising the presentation, Tony Norton advised that the analyses were taken at a point in time and provided information on delivering energy efficiency through the seven sectors as discussed.

Councillor D. Moore, as an opposition group leader, spoke on this item. She welcomed the report and enquired about the Council solely relying on the decarbonisation of the grid. She also enquired on how frequently the Council should receive similar update reports to measure progress against targets.

Councillor Jobson, as an opposition group leader, welcomed the summary report.

The Portfolio Holder for Climate Change thanked the team for the work undertaken to date and advised that the Council was already committed to Net Zero prior to declaring a climate emergency, which was evidenced with the new St Sidwell's Point Leisure Centre. The declaration of the climate emergency set a large challenge to the Council and its partners in reaching the 2030 target. It was important to note that leisure services had previously shown a high level of emissions and the closure of the Pyramids facility, and its replacement by St Sidwell's Point Leisure Centre, had further reduced the emission figures presented.

In regards to Procurement, the Green Accord set the standards to suppliers to ensure greener standards were maintained and general improvements to procurement would mean price would not be a factor in measuring Scope 3 emissions. The scale of the challenge ahead, needed to be acknowledged and would require significant changes in how the Council operated in order to meet the challenge. He also advised on the importance of analysing carbon offsetting.

In response to questions raised, Tony Norton and the Chair advised that electricity use benefitted from the continued significant fall in carbon intensity of the grid, due to increasing amounts of renewable and low carbon energy production. Decarbonisation of buildings would support reducing gas emissions and it was important that electricity became more renewable. The frequency of reports to measure progress against and where they would be received would be decided in due course.

The Chair thanked Tony Norton for the presentation and to the team for all the work that had been undertaken.

RECOMMENDED that Council:

- (1) note and endorse the Corporate Carbon Footprint report, and acknowledge the detailed analysis and improved data provided on previous year's reports, but also the challenge to improve data capture across the whole organisation. The projections reinforce the measures required across all Council activities, and that organisationally achieving Net Zero in such a short timeframe is extremely challenging;
- (2) acknowledge the scale of the challenge set out in the Corporate Carbon Footprint Report and the combination of aggressive carbon reduction measures included in the projections which require a step change in Council policy, activity, and capacity;
- (3) acknowledge the importance of the Corporate Carbon Reduction Plan, the work already in progress, and service wide commitment required to deliver net zero, with a dedicated team to lead on activity. Equally, the need to undertake an annual assessment of the Council's GHG emissions to monitor, identify change and evaluate actions needed to deliver net zero;
- (4) note that to achieve Net Zero by 2030, an increase in capacity, financial investment and operational resource, both internally and from government at a national level is required. Whilst the carbon footprint provides accurate carbon reduction measures, the precise amount of resource needed is currently not quantifiable. This will require a detailed investment plan based on costed proposals; and
- (5) recommend the Net Zero team's research options for using carbon offsetting to achieve Net Zero.

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THE LOCAL HOUSEHOLD SUPPORT FUND - SCHEME 3

The Executive received the report which sought Members' agreement on disbursing funding from the third Household Support Fund scheme which would support households who most needed support. Two schemes had been previously run and this scheme would run until 31 March 2023, to help households who may be struggling with their budgets at a time when fuel costs are likely to be at their highest, whilst other national support would have been paid.

The scheme was being run in partnership with Devon County Council on how the funds would be spent. Local data was used to target households in particular need, using a combination of low household income and council tax arrears. Households on low income included characteristics such as those with single parents, pensioners, and disabled persons. Where the data showed that there were also council tax arrears, further investigation would occur for appropriate support to be provided where possible. A balance was required between the number of households that could be supported and the meaningful amount of support that could be provided in a timely manner.

Councillor D. Moore, as an opposition group leader, spoke on this item. She welcomed the report and enquired if cash vouchers could be redeemed at Post Offices by individuals on behalf of family members who were unable to attend in person.

In response to questions raised, the Benefits & Welfare Lead advised:-

- that vouchers could be redeemed by another person, providing they showed proper identification at the Post Office;
- an open application system had been avoided to support single parents requiring extra help and that other support schemes were also available through Devon County Council such as Children’s Services; and
- that non-dependent reduction was applied when a child entitlement payment was no longer available when the individual became an adult.

Members recognised the importance of avoiding a complicated and resource intensive system to deliver support to residents in a timely manner. Members thanked the officers for the work undertaken, as well as quickly implementing the various schemes after Government notification.

RECOMMENDED that Council adopt the proposed Local Household Support Fund - scheme 3 (HSF 3), with the majority of the £337,853 funding allocation being targeted as one-off grants to households receiving council tax support with one or more of the following priority characteristics:

Priority characteristic		Component value
Disabled child		£100
Carer		£100
Non dependant deduction		£150
In work		£150
Large family	3 or more children	£100 OR
	4 or more children	£150

Component amounts are cumulative, so household awards will range between £100 and £650. Component amounts may need to be amended following the final data extract to ensure the scheme could be delivered for the available budget. Eligibility will be determined based on the household position on 14 December 2022 entitlement date.

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MARY ARCHES STREET CAR PARK RE-DEVELOPMENT

The Executive received the report on the Mary Arches Street Car Park (MASCP) to option the site to Exeter City Living, close the car park, to secure vacant possession, to demolish the car park using Central Government Funding and redevelop the site for a residential led mixed use development.

Particular reference was made to:-

- the car park was not in good condition and maintaining it would involve a significant investment of £3.8 million to refurbish the site to a reasonable standard. This would be difficult for the Council, with interest rates increasing and a likely reduction in the Capital Programme. If Members were minded to not proceed, there would be a loss from Central Government funding and additional expenditure for the Council;
- there was a complication from the secure tenancies of commercial tenants who were located within the boundary. If negotiation was unsuccessful, then a Compulsory Purchase Order (CPO) would be required. A request for an additional budget would be brought forward and likely be funded from the Guildhall income, to cover the costs of the required legal support;

- the final disposal delegation requested in the report would be limited to within the boundary and the final size of the disposal would be included within the negotiations with Exeter City Living; and
- there were challenges related to archaeological interests located beneath the carpark and would likely not be disposed of for residential use depending on negotiation around the red line boundary.

Councillor Jobson, as an opposition group leader, spoke on this item and asked the following questions:-

- Was the funding provided by the Government specifically for demolition and had the application been made?
- Would the built homes be social/affordable homes or would development sale receipts include help to buy or similar schemes or be sold on open market?
- Could clarification be given that no co-living/student buildings would be built on site and that developments would be homes for families?
- Why was the car park being closed so soon and could it not remain open longer to generate income until end of school summer holidays in 2023.

Councillor D. Moore, as an opposition group leader, spoke on this item and agreed there was a compelling case for re-developing the site and asked the following questions:-

- Would the Compulsory Purchase Order potentially include the residential properties adjacent to the Mecca building, which were outside the boundary and could they be included?
- Could the access rights be confirmed for the two residential properties next to the Mecca building would not be compromised or lost due to the disposal of the asset, from any Compulsory Purchase Order or redevelopment?
- When would the Grant require the funding to be spent by? and
- Could the Council guarantee that the car park would not be demolished until the new scheme was ready to proceed?

During the discussion, a Member highlighted that the re-development would support the reduction of city car parking and encourage the use of sustainable travel. The Solar Array referred to in the report, was one of the first car park canopy arrays in the country and would be relocated to an appropriate site.

In response to the questions raised, the Director Finance and the Leader explained:-

- there would not be purpose-built student accommodation built on City Council owned land and that the site was subject to the normal planning and consultation process;
- the current development proposals from Exeter City Living were based on apartment schemes, which were targeting the rental market and would be both affordable for the HRA and open market;
- the Brownfield Land Release Fund (BLRF) funding £1.3 million grant application bid was made on 1 June 2021 and the Funding Agreement was dated 16th September 2021;
- the £1.3 million grant application, covered the cost of £635,000 for Demolition and Asbestos Removal, £600,000 for Piling and £75,000 for the Substation;
- the Exeter City Living Business Plan which was approved in February 2022 set out the intention of the site for affordable homes;

- there was no specific closure date for the car park and was dependant on the agreement, finalising the timetable for site closure and monitoring the safety of the car park;
- there was no current intention to include properties outside of the indicative red line boundary;
- any legal access or rights of way would be protected or realigned as part of the site development process;
- the Grant required the land transfer to be completed by 31 March 2024; and
- there was no fixed date stipulated for demolition. If there was any gap between demolition and the commencement of the development, the Council would seek to find an alternative use for the land.

The Leader highlighted that there would be a consultation process and additional questions could be raised at the appropriate time. He also advised that the responses to the submitted questions would also be made in writing outside of the meeting.

RECOMMENDED that Council agree a demolition budget equal to the Land Release Funding received by the Department for Levelling up Housing and Communities and One Public Estate.

RESOLVED that

- (1) the Director Finance be authorised to dispose of all or part of the land at Mary Arches Street Car Park, as shown on the site boundary plan in Appendix 1 of the report, to Exeter City Living, on terms to be negotiated by the City Surveyor at a sum that represented no less than the best value valuation, if the option granted in respect of the land is exercised;
- (2) the City Surveyor be authorised to acquire by way of Compulsory Purchase Order (“CPO”) any third-party proprietary interests within the site;
- (3) the Director Finance be authorised to close Mary Arches Street Car Park on the grounds of economic obsolescence at the appropriate time in the development process;
- (4) the demolition of MASCP be agreed utilising Brownfield Land Release Fund (“BLRF”) monies received from the Department for Levelling Up, Housing and Communities (“DLUHC”) and One Public Estate (“OPE”);
- (5) that redevelopment of the site for a residential led mixed use scheme comprising new homes and ancillary ground floor commercial uses be agreed with the granting of over sailing licences if required;
- (6) the Director Finance be granted delegated authority in consultation with the Portfolio Holder to agree the final boundary of the land to be disposed of (noting that the area is not to be greater than the land indicated at Appendix 1 of the report);
- (7) the Director Finance be authorised to take all necessary steps to secure the making, submission, confirmation and implementation of a Compulsory Purchase Order to acquire any third-party proprietary interests within the site (see Appendix 1 of the report);

- (8) the Director Finance be authorised to issue all relevant notices and certificates in connection with the making, confirmation and implementation of any Compulsory Purchase Order;
- (9) the Director Finance be authorised to acquire third party proprietary interests by private treaty negotiation;
- (10) the Director Finance be authorised to dispose of any third-party propriety interest acquired pursuant to the Compulsory Purchase Order to Exeter City Living in accordance with terms to be agreed;
- (11) the Director Finance be authorised to make General Vesting Declarations (GVDs) under the Compulsory Purchase (Vesting Declarations) Act 1981 and/or serve notices to treat and notices of entry (if required) following confirmation of a Compulsory Purchase Order by the Secretary of State;
- (12) the Director Finance be authorised to issue and serve any warrants to obtain possession of property acquired by the Council following the execution of a General Vesting Declarations or service of a notice of entry if it was considered appropriate to do so;
- (13) the Director Finance be granted delegated authority in consultation with the Leader of the Council, to agree the final procurement contracts; and
- (14) the City Surveyor be granted delegated authority to work with Exeter City Living to facilitate the regeneration of this strategic city centre site.

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COMMUNITY INFRASTRUCTURE LEVY: PARTIAL REVIEW CONSULTATION

The Executive received the report which provided a progress update on the partial review of the Council's Community Infrastructure Levy (CIL) Charging Schedule, which identified the CIL rates to be charged on different types of development. A series of revised CIL charges had been proposed and, following statutory requirements, approval to undertake public consultation on the draft Charging Schedule was sought for commencement in December 2022.

Particular reference was made to:-

- an agreement by the Council in July 2019 regarding the budget required to prepare a draft Charging Schedule and to commission consultants to address viability and therefore there was no direct or additional resources required at this stage as the next step was consultation;
- there would be an increased charge on Purpose Built Student Accommodation and Co-Living;
- the new rate for the Build to Rent;
- removal of the charge for flats due to their viability;
- there would be no change to retail outside of the city centre; and
- the draft charging rates would be formally examined in 2023.

Councillor Jobson, as an opposition group leader, spoke on this item and asked why Co-Living was not being charged at the same rate as purpose-built student accommodation?

Councillor D. Moore, as an opposition group leader, spoke on this item. She asked how much of the approved budget of up to £75,000 had been spent on the contract on a partial review and why only a partial review was being undertaken?

Councillor K. Mitchell, as an opposition group leader, referring to the over concentration of student accommodation in certain areas of the city, including Article 4 areas, suggested that consideration should be given to a zoning approach for different charges to be applied to different parts of the city.

A Member referred to the CIL rates which supported shaping the development of the city and helping to inform the overall market. It was noted that developers would also contribute to the consultation process.

The following responses were provided to Members' questions:-

- in terms of funding, a budget of up to £75,000 was approved by Council. To date, the Council had spent a total of £30,175. Most of the evidence for the CIL review was now complete. Further expenditure was anticipated to cover the consultation, some additional consultancy fees, and the examination, however the expectation was that the project would come in under the £75,000 budget;
- a review of the CIL Charging Schedule had been approved by the Executive in July 2019. The decision did not stipulate the detailed breadth of the review. Discussions had been held with consultants to consider the appropriate scope of the review and on this basis the work had focused on proposing to amend the rates for those uses where development viability would have evolved most significantly. This was an important point to note because the level of CIL was determined by development viability and the process of this work had followed the statutory requirements.
- The terminology of a 'partial review' referred to the proposed revision of a selection of the CIL rates as opposed to all of them;
- the proposal was for an increased CIL rate from £59.29 to £150 per square meter for Purpose Built Student Accommodation. It also proposed an increased rate from £0 to £50 per square meter for Co-living. Although there were similarities between purpose-built student accommodation and Co-living, they were different housing products with different considerations of viability;
- the viability of the two development types had been tested through an appraisal and concluded the proposed changes to draft charging schedule; and
- the suggestion in respect of zoning would be addressed as part of the consultation process.

RESOLVED that:-

- (1) the Draft Charging Schedule (Appendix A of the report) and the supporting evidence (Appendices B and C of the report) be approved as the basis for a six-week consultation, commencing in December 2022;
- (2) delegated authority be given to the Director of City Development, in consultation with the Council Leader, to agree minor changes to the Draft Charging Schedule before it is published for consultation;
- (3) following the consultation, the submission of the Draft Charging Schedule, supporting evidence and consultation responses and other information be approved to enable an independent examination on the Draft Charging Schedule to take place, subject to there being no revisions to the proposed CIL charges; and
- (4) following the consultation, if any further proposed revisions to the CIL charges are proposed, that an updated draft be brought to the Executive in advance of submission for examination.

ANNUAL INFRASTRUCTURE FUNDING STATEMENT 2022

The Executive received the report on the Annual Infrastructure Funding Statement for 2022, which set out information relating to funding that had been secured, received, committed and spent from the Community Infrastructure Levy (CIL) and Section 106 monies as required by the Community Infrastructure Levy Regulations. The report also provided an infrastructure list, which identified projects that could benefit from Community Infrastructure Funding in future.

Particular reference was made to the following three elements of the report:-

- the value of CIL receipts;
- the financial information regarding planning obligations secured through Section 106 Agreements; and
- the identification of a series of infrastructure projects which could be funded wholly or in part by CIL in the future (without commitment at this stage).

The Assistant Service Lead - Local Plan also advised on some of the changes to the infrastructure list, which included the addition of community facilities including the Pinhoe hub, strategic cemetery provision and improvements to sports facilities at King George V Playing Fields.

Councillor Wood declared a non-pecuniary interest at this point and left the meeting during consideration of the remainder of this item.

Councillor D. Moore, as an opposition group leader, spoke on this item. She welcomed many aspects of the report and referred to the importance of calculating carbon emissions in the projects identified for the future, including the impact of road building. She also identified the Water Lane and the Quay areas where improvements to infrastructure were required and made reference for the need to replace Mallison Bridge which would be an important element of the walking and cycling infrastructure in this area.

Councillor Mitchell, as an opposition group leader, spoke on this item and sought clarification on the regulations relating to Neighbourhood Plans for 25% of CIL contribution to be earmarked for such plans and asked if consideration could be given to such a contribution to the St. James Neighbourhood Plan area.

The Leader, in responding to questions raised, advised that:-

- Exeter did not possess Parish Councils within its local government boundary and there was an agreement in place on how money would be spent. He advised that he would seek advice on whether the Council could contribute to the Neighbourhood Plan; and
- any inclusion of Mallison Bridge, Water Lane and the Quay as areas for infrastructure improvement could be made as a recommendation at a future Council meeting.

RESOLVED that the content and publication of the Annual Infrastructure Statement for 2022 be noted.

PINHOE COMMUNITY HUB

Councillor Wood declared a non-pecuniary interest and left the meeting during consideration of the following item.

The Executive received the report to approve in-principle funding to the Pinhoe Community Hub, providing that full external funding outlined in the business case was achieved. The report sought Members' support to approve up to £1,222,707 towards the capital programme, as identified in the Pinhoe Community Hub Trustees business case.

The Director of Culture, Leisure and Tourism advised that a feasibility study had been undertaken to support the commitment to in-principle funding to assist the Trustees in applying for support from external funding sources.

Councillor Jobson, as an opposition group leader, spoke on this item and, whilst supporting the concept and referring to the amount raised to date by the Trustees asked how realistic it was that the Trust could raise £765,000.

During the discussion reference was made to the value of new community facilities in other areas of the city and that a Hub for Pinhoe would be particularly beneficial given the significant amount of new housing built in the area in recent years. Members also noted that the report showed that the Council was willing to support neighbourhoods, despite any risk involved.

The Director Finance in responding to the question raised, advised that the Trustees had identified a range of options, which were credible, but it remained to be seen if they could be successful. The report made it clear that Council funding was dependent on the success of the fundraising. However, the contribution for the Council should also provide comfort to potential granters of capital and that there were matched funds available.

RECOMMENDED that Council approve:

- (1) in principle for up to £1,222,707 of CIL and Section 106 funding towards the development of the Pinhoe Community Hub once full external funding is confirmed;
- (2) that officers to continue working with Trustees for the funding to be released, subject to confirmation of the provision of full funding. Should this not be possible the matter will be brought back to Council; and
- (3) that a Memorandum of Understanding (MOU) be developed with the Pinhoe Community Trustees to confirm the above.

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OVERVIEW OF GENERAL FUND REVENUE BUDGET 2022/23 - QUARTER 2

The Executive received the report on the overall financial position of the General Fund Revenue Budgets for the 2022/23 financial year after six months and sought Council approval for the additional expenditure required during the financial year.

Particular reference was made to:-

- the increase in car park income which was now projected to be closer to the budgeted figure;
- the increase in return on investments resulting from the net interest rate increases, some of which would be paid to the HRA as well as benefitting the General Fund;
- there was no intention to seek short or long-term borrowing at present because of the interest rate rises; and
- a number of the supplementary budgets identified would be self-funding.

Councillor Jobson, as an opposition group leader, spoke on this item and enquired on how many new Leisure memberships had been made on a month-by-month basis and whether steps were being taken to improve the take up of Home Call.

Councillor D. Moore, as an opposition group leader, spoke on this item requesting confirmation that there was no intention to proceed with the Columbarium project. She sought clarification why, in respect of housing, that two of the three business cases would not start this year and whether there would be a loss on waste charging services due to credit payments made to residents as a result of the recent disruption to bin collections.

In response to the questions raised, the Leader and the Director Finance advised that:-

- there were 12,102 active Leisure members;
- the Columbarium project was unlikely to proceed due to the significant challenges regarding its positioning;
- the two housing business cases would not proceed this year;
- credit payments would be made to residents in respect of the bin collection service but the impact was unknown at present; and
- following a reduction in the number of Service Leads in Net Zero and City Management, Home Call had recently been transferred to Environmental Health and Community Safety, along with the CCTV service. The Service Lead was undertaking a full review of the commercial and advertising approach for Home Call, which would result in a more active marketing and a better tie in with some of the services the team already offered. There was a great deal of competition in this market but there was confidence that the service could be expanded.

RECOMMENDED that Council notes and approves (where applicable):

- (1) the General Fund forecast financial position for the 2022 financial year;
- (2) the supplementary budgets as detailed in paragraph 8.12 and Appendix 3 of the report;
- (3) the outstanding Sundry Debt position as at September 2022;
- (4) the creditors payments performance; and
- (5) the One Exeter programme update.

128

2022/23 GENERAL FUND CAPITAL MONITORING STATEMENT - QUARTER 2

The Executive received the report on the current position of the Council's revised Annual Capital Programme and the anticipated level of deferred expenditure into future years. The report also sought approval from Members to amend the annual Capital Programme in order to reflect the reported variations.

Particular reference was made to:-

- the revised Capital Programme budget for the current financial year of £95.550 million with the Council having spent £49.532 million in the first six months, equating to 51.84% of the revised programme, which compared with £9.694 (9.06%) that had been spent in the first six months of 2021/22;
- there was an additional budget request for the allocation of £150,000 to reconstruct a retaining wall on Countess Wear Road which collapsed in December 2020 and would be funded from the underspend on the district lighting programme; and
- work was being undertaken on the reduction in the overall programme reflecting the increase in borrowing requirement interest rates.

RECOMMENDED that Council approve:

- (1) the overall financial position for the 2022/23 Annual Capital Programme; and
- (2) the amendments and further funding requests to the Council's Annual Capital Programme for 2022/23.

129

2022/23 HRA BUDGET MONITORING REPORT - QUARTER 2

The Executive received the report on the financial position of the HRA Revenue and Capital Budgets for the 2022/23 financial year after six months and the reported budgetary over/under-spends. The report also highlighted areas of risk, where certain budgets had been identified as being vulnerable to factors beyond the control of the Council, resulting in potential deviations from budget, and were being monitored by officers.

Councillor D. Moore, as an opposition group leader, spoke on this item and referred to the general maintenance budget overspend and requested confirmation that there would be no delay in the maintenance for Council Housing.

The Director Finance, in responding, advised that there was sufficient flexibility within the overall HRA budget to ensure that there would be no impact on the repairs and maintenance element. Much of the work related to void properties and it was important to ensure that these were fit for occupation to contribute to the income stream.

RECOMMENDED that Council note and approves (where applicable):

- (1) the HRA forecast financial position for 2022/23 financial year; and
- (2) the revision of the HRA Capital Programme to reflect the reported variations detailed in Appendix 4 of the report.

130

TREASURY MANAGEMENT 2022/23 HALF YEAR UPDATE

The Executive received the statutory report on the current Treasury Management performance for the 2022/23 financial year and the position of investments and borrowings at 30 September 2022. The Council was currently maintaining an under-borrowed position, so the actual borrowings of the Council were below the Council's borrowing requirement, as it had taken advantage of internal borrowings

The Director Finance explained that, because of the volatile interest rates, especially the Government Gilts which underpinned the Public Works Loans Board, the Council's stated borrowing strategy was to defer borrowing until later years, where possible, and to reduce the size of the Council's investment balance instead.

Councillor Jobson, as an opposition group leader, spoke on this item and sought clarification that Thurrock Council and the Standard Chartered fixed term deposits had been re-paid? She also enquired whether there would be an assessment on any future loans from the Public Works Loan Board (PWLb).

The Leader, in responding to questions raised, advised that:-

- the Thurrock Council fixed rate deposit had been repaid in full and the Standard Charter fixed term deposit had been rolled over for a further six months; and
- the Council's Treasury Management advisors provided a regular assessment of the interest rates.

RECOMMENDED that Council note the Treasury Management report in respect of the first six months of the 2022/23 financial year.

131 **MANAGEMENT PROVISION OF THE COUNCILS TEMPORARY AGENCY STAFF**

The Executive received the report which sought approval to award a new contract for the management provision of the Council's Temporary Agency Staff, which would offer a value for money approach on the rates paid for temporary labour and efficiency savings through consolidation of suppliers. The contract would also enable a better response from the temporary staff supply market to fill roles which historically were more difficult to fill.

RESOLVED that the Temporary Agency Staff contract be awarded to Comensura through a neutral vendor arrangement for an initial period of two years with an option to extend for a possible two further one-year extensions.

132 **REQUEST FOR A VARIATION OF HACKNEY CARRIAGE FARES**

The Executive received the report which provided the results of the public consultation exercise and the responses in relation to the variation of the table of fares on increasing the Hackney Carriage Fare Tariff.

Members noted that following the consultation period a total of nine responses had been received, with seven being in support and two against.

Councillor Jobson, as an opposition group leader, supported the variation of the Hackney Carriage fares.

RESOLVED that the Hackney Carriage Fare Tariff proposal be approved and implemented with effect from 1 January 2023.

133 **LIVE AND MOVE STRATEGY AND GOVERNANCE PROPOSAL**

The Executive received the report on the Exeter and Cranbrook Live and Move Programme, which was funded by Sport England to tackle physical and health inequalities. Following a review of the governance structure and strategy, approval was sought for the new governance structure, with the Council being responsible for key financial and strategic programme decision making, which would be updated in the Council's constitution to reflect the changes.

Particular reference was made to:-

- extensive engagement work with Sport England and other partners over the last 12 months to tackle inequalities around physical activity and health and well-being;
- a focus on specific communities such as Wonford, Beacon Heath and Exwick as well as other identified locations across the city;
- there was a two and half year agreement with Sport England to deliver the work and to find additional resources.

During the discussion the following points were made:-

- the aims of the Live and Move Strategy supported the goals of sustainable transport;

- the programme would help address the impact of the COVID-19 pandemic on physical activity levels, health outcomes and widening inequalities. Residents in the poorest neighbourhoods were three times more likely to be inactive than the mainstream population. There had been a fall in activity levels and a decrease in general health and wellbeing for those on low incomes and from culturally diverse communities;
- the programme would help meet the 2040 vision for every child to live in an inclusive, healthy, and sustainable city;
- the programme would build on the Council's 2021 decision to bring the Leisure Services under direct management, which was enabling leisure services to be opened to the widest possible audiences through new ways for collaborative working with Exeter Leisure and the chance to establish stronger connections with the Wellbeing Exeter programme;
- the programme would also help address the potential impact of the cost-of-living crisis on physical activity levels; and
- Inclusive Exeter had recently held a free badminton session for the BME community at the Wonford Leisure Centre.

Councillor D. Moore, as an opposition group leader, spoke on this item. She welcomed the commitment to engage further with communities and asked for reports on progress with the programme. Whilst recognising the importance of targeting specific areas of the city, Councillor D. Moore referred to the St. David's ward as an area with high levels of deprivation which could also benefit from targeting. She sought assurance that there would be opportunities for the voluntary and community sectors to be able to fully engage in the governance process including the sounding board.

The Active and Healthy Programme Lead in responding, advised that the Sounding Board was not a decision-making body but a forum which offered the opportunity for residents to engage in the Live and Move Programme, which any resident was welcome to participate in. Existing voluntary and community organisations were involved in the programme and could direct residents to various activities and were helping in growing networks across the city.

RECOMMENDED that Council approve:

- (1) the revised Governance Structure and Terms of Reference;
- (2) the updating of the Council's constitution; and
- (3) that the Live and Move Strategy is noted with delegated powers granted to the Director of Culture, Leisure and Tourism, in consultation with the relevant Portfolio Holder.

134

THE EXETER COMMUNITY LOTTERY

The Executive received the report which sought approval to establish a community lottery for Exeter, with the proceeds to be distributed by the Exeter Grants Programme and to provide support to the city's voluntary sector. Since 2015 more than 110 other Local Authorities had also setup or were in the process of setting up local lotteries to support good causes in their areas. The proposal would enable officers to engage an External Lottery Manager (ELM), to enable the Council and other city societies to raise funds for their own corporate strategic priorities.

Councillor D. Moore, as an opposition group leader, spoke on this item. She referred to the proposal as an interesting idea which had been first referenced within the Commercialisation Strategy and enquired how much money would be contributed to the Council. She stated that the Equality Impact Assessment had not

referenced faith groups who played an important part in community life and some were opposed to the principle of lotteries.

Councillor Jobson, as an opposition group leader, spoke on this item and questioned whether the scheme was appropriate at this time and sought assurance that there would be safeguards in place.

During the discussion the following points were made:-

- the subject would be discussed at Council and would be run as a professionally run lottery which would support the community and voluntary sectors;
- the Portfolio Holder for Communities and Homelessness Prevention would be pleased to share the research undertaken with the opposition leaders, which had moved the project forward and would help to inform the Council debate;
- other local authorities had been able to set up community lotteries since legislation was passed in 2007 and there were now over 100 local authorities licensed to run lotteries by the Gambling Commission and regulated under the Gambling Act 2005;
- it would be a sustainable way of supporting communities and enabling causes to help themselves with the local authority facilitating this by holding the operating licence; and
- it could benefit smaller organisations who did not possess the resources to seek support from funding sources.

In response to the questions raised, the Director for Culture, Leisure and Tourism advised that:-

- the report had followed on from the Commercialisation paper, and had been brought forward as a separate initiative; and
- the Council already provided significant financial support to the Exeter voluntary and community sector through its Exeter Community Grants programme and this and other initiatives could be drawn upon by those groups opposing the lottery principle.

RECOMMENDED that Council approve:

- (1) the establishment of a local community lottery for Exeter;
- (2) for the Director of Culture, Leisure and Tourism, in consultation with the Portfolio Holder for Communities and Homelessness Prevention to contract an 'External Lottery Manager' to deliver the scheme on the Council's behalf;
- (3) the distribution of any proceeds through the Exeter Grants Programme; and
- (4) the Council joining the Lotteries Council in order to deliver the lottery through best practice and access free membership services on legal and compliance issues.

135

MAJOR CAPITAL PROJECTS BUDGETS: EDWARDS COURT EXTRA CARE SCHEME AND EXETER BUS STATION & ST. SIDWELL'S POINT PROGRAMME.

The Executive received the report which sought approval of additional funding in connection with recent major capital projects of 'Exeter Bus Station & St. Sidwell's Point programme' and Edwards Court Extra Care Scheme. The progress of the projects and discussions with key suppliers/contractors were at a stage whereby the total forecast outturn costs could be confirmed. The report also sought approval for a funding request of £2,166,921 for costs in connection with Covid payments.

The Leader advised that, following the vote, the meeting would be moved to Part 2 to allow Members to consider exempt information for discussion as defined in paragraph 3 of Part 1, Schedule 12A of the Local Government Act 1972.

The Leader read a list of the various awards won by St. Sidwell's Point, and expressed his thanks to all those involved in its development.

The Director for Culture, Leisure and Tourism advised that the construction of the three sites took place during the Covid Pandemic and highlighted the challenges that were involved. He paid tribute to the teams involved and to the 2,500 construction workers who had been involved during the contract.

Councillor D. Moore, as an opposition group leader, spoke on this item and expressed her congratulations on the number awards. She enquired on where the money for the Covid Settlement was coming from.

Councillor Jobson, as an opposition group leader, spoke on this item and advised she would ask her question when the meeting moved to Part 2 due to commercial sensitivity.

During the discussion the following points were made:-

- it was a testimony to all those involved, that the project had been delivered despite the difficulties caused by the Covid-19 Pandemic, and that the work on St Sidwell's had continued during this period;
- several public testimonies had been received praising both the St. Sidwell's Point and Edwards Court Extra Care Scheme as excellent, modern and friendly facilities; and
- Edwards Court had received praise by a resident who was nearly 100 years old who lived at the facility.

In response to the question raised by Councillor D. Moore, the Leader advised that money would be coming from the HRA budget and there would be no borrowing in relation to the settlement.

The Leader thanked Phil Lewis, Justin Pickford and Emma Osmundsen for their hard work on St. Sidwell's Point.

RECOMMENDED that Council approve:

- (1) additional funding of £1,164,049 in connection with the assessed contractual entitlement costs on the Exeter Bus Station and St. Sidwell's Point programme being - 2.15% of the original programme budget;
- (2) the funding of £1,750,000 in relation to the 'Covid Settlement' payment in relation to St Sidwell's Point;
- (3) additional funding of £363,385 in connection with the assessed contractual entitlement costs on the Edwards Court Extra Care scheme, being - 2.55% of the original programme budget;
- (4) funding of £416,921 in relation to the 'Covid Settlement' in relation to Edwards Court Extra Care scheme; and
- (5) payments to Kier as set out in recommendations 1- 4 being made before 24 December 2022, provided that Kier agree the sums set out above are in full and final settlement of all/any claim they may have against the Council in relation to their accounts for the Exeter Bus Station and St.Sidwells Point programme and Edwards Court Scheme and formalised by way of settlement agreement signed by both parties.

136 **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - EXCLUSION OF PRESS AND PUBLIC**

RESOLVED that under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1, Schedule 12A of the Act.

137 **MAJOR CAPITAL PROJECTS BUDGETS: EDWARDS COURT EXTRA CARE SCHEME AND EXETER BUS STATION & ST. SIDWELL'S POINT PROGRAMME.**

The meeting was moved into Part 2 to discuss the commercially sensitive details in the report.

Justin Pickford (Baker Ruff Hannon) and Phil Lewis (Randall Simmonds) were in attendance and responded to questions from Members and the Opposition Leaders.

The recommendations were agreed in Minute No.135.

(The meeting commenced at 5.30 pm and closed at 8.05 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 13 December 2022.

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Please ask for: George Marshall

Direct Dial: 01392 265413

Email: george.marshall@exeter.gov.uk

Date: 28 November 2022

Sent by email to: future.planning@torbay.gov.uk

Dear Sir/Madam

RE: Torbay Local Plan - Regulation 18: Site Options Consultation

Thank you for the opportunity to comment on the second Regulation 18 consultation document for the Torbay Local Plan. This letter will be formally considered following the end of the consultation by the City Council's Executive meeting in January 2023.

This response follows on from the letter provided by the City Council to the previous Regulation 18 consultation held earlier this year.

In response to that consultation, the City Council underlined support for the regeneration and brownfield objectives of the Torbay Local Plan and acknowledged the environmental challenges in the Bay. Indeed, Exeter faces similar issues and is proactively pursuing a spatial strategy to fully meet housing needs whilst protecting environmental assets and maximising brownfield development.

The previous consultation set out a series of growth options which considered the level of housing to be accommodated in Torbay. The City Council raised concerns at that stage about the options which would only partially meet housing needs. However, the current consultation proposes that provision is made for only half of the housing requirement identified by Government; 300 homes per year in contrast to a housing requirement of 600 homes. Over the course of the plan period, this equates to a deficit of 5,400 homes.

During the previous consultation, the City Council identified a lack of evidence to support an approach which does not fully meet housing requirements. Although the housing and economic need assessment and housing and employment land availability assessment are made available now, a more comprehensive evidence base would maximise local housing delivery and enable a more robust conclusion to be determined regarding development capacity.

If it is not possible for local housing needs to be met in Torbay in full, there will be significant implications for the wider area where there are existing and significant housing requirements, constraints and delivery challenges associated with meeting local needs.

Looking specifically at Exeter, the potential in the period to 2040 to accommodate any additional housing beyond Exeter's requirement is extremely limited given that we are already maximising regeneration sites to accommodate around 85% of additional housing in the Exeter Plan on brownfield allocations. These sites are extremely challenging to bring forward. A significant evidence base has been put together to support this approach in Exeter.

I hope these comments are helpful in progressing the Torbay Local Plan. If you have any questions please do not hesitate in contacting me.

Yours faithfully,

A handwritten signature in blue ink that reads "Ian Collinson". The signature is written in a cursive style with a long, sweeping underline.

Ian Collinson

Director of City Development

REPORT TO EXECUTIVE

Date of Meeting: 10th January 2023

REPORT TO COUNCIL

Date of Meeting: 21st February 2023

Report of: Exeter City Living Shareholder Representative / Chief Executive & Growth Director

Title: Exeter City Living Business Plan Progress Update

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 This report gives a progress update on the production and proposed timetable for Exeter City Living's (ECL) Annual Business Plan 2023-24.

1.2 This report confirms that the 2023-24 Business Plan will not seek any further new loans from the Council but expects to only need to draw down from the existing Council approved Loan provision (£16.5m).

1.3 This report informs Members that the Shareholder Representative will be leading a review of ECL's governance and Board Structure including the Management Agreement between ECL and Exeter City Council.

2. Recommendations:

2.1 That the timeline for the submission of ECL's business Plan 2023-24 be moved for Council Consideration to the Executive meeting on 4th April 2023 and the Council meeting on 18th April 2023.

3. Reasons for the recommendation:

3.1 The current Management Agreement prescribes a timeline for Business Plan production that stipulates a draft business plan must be prepared between 4 to 6 months before the start of the new Financial Year. On this basis the Business Plan would need to be prepared no later than 30th November each year.

3.2 The recommendation is therefore made to vary the Management Agreement timetable in order for the Business Plan production to make use of the recent cost information arising from the tender for the main contractor at The Gardens Whipton (Vaughan Road) development and associated viability implications as set out in the Report Details section 8.

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

4.1 There are no additional resource implications including non-financial resources.

5. Section 151 Officer comments:

5.1 There are no additional financial implications for Council to consider contained in this report. The loan referred to in the report is approved by Council.

6. What are the legal aspects?

6.1 The Management Agreement dated 21st December 2018 sets out in Clause 11 the timetable for the Business Plan production. Clause 26.2 provides for the variation and waiver of the terms of the Management Agreement subject to it being in writing and signed by the parties.

7. Monitoring Officer's comments:

7.1 Members will note the legal aspects at paragraph 6. The Deputy Monitoring Officer has no additional comments.

Simon Copper (Deputy Monitoring Officer).

8. Report details:

8.1 The current Management Agreement prescribes a timeline for Business Plan production that stipulates a draft business plan must be prepared between 4 to 6 months before the end of the new Financial Year in April 2023.

8.2 The ECL Board have discussed with the Shareholder Representative that the content of the Business Plan is materially dependent upon the conclusion of the tender evaluation and HRA Viability Approval for the development of 91 homes at The Gardens Whipton. The procurement process has been successful with 5 submissions for the first phase of 35 homes, received at the end of November 2022. These submissions are currently being evaluated. The process will not be concluded until the end of December 2022 due to the nature of the new collaborative contract approach adopted (JCT Constructing Excellence Contract) and the associated Cost Analysis. This information is vital to facilitate a Homes England grant bid by the HRA along with the appropriate viability and approval process required to enable the project to progress to commence on site. ECL's innovative procurement approach has been in response to the current construction market and cost inflation requiring new ways of both procuring and evaluating projects. Without this most developments are unable to start in the current economic environment.

8.3 The inclusion of The Gardens Whipton or otherwise, is material to ECL's Business Plan for 2023-24, along with the Cost Analysis being utilised for appraisal purposes for pipeline of projects currently being progressed in line with the current Business Plan (2022/2023) and the approved Work Stage 2 authorisation by the Council.

8.4 ECL is also waiting on further instructions from the HRA to progress the next Work Stage on a potential 4 further HRA development sites following the submission of Work Stage 1 reports in September 2022. These instructions are pending the HRA's own Council approval timelines.

8.5 Consequently, the financial modelling required to complete the Business Plan 2023/2024 submission is dependent upon the above evaluation and approval for The Gardens Whipton. As such, the Shareholder Representative seeks agreement from the Council for a waiver in the Business Plan production timetable to enable the Business Plan for 2023-24 to be completed for consideration at The March 2023 Executive meeting (4th April) in preparation for approval by Council at the 10th April Committee meeting.

8.7 In the meantime, ECL continues to work on their development pipeline as detailed in their current Business Plan and approved Work Stage Reports instruction.

8.8 ECL will not be seeking new loans in their 2023-24 Business Plan but to continue drawing down of the existing Council approved £16.5m Clifton Hill Loan facility.

8.9 Alongside the completion of the 2023/24 Business Plan, the Shareholder Representative will be leading a review of ECL's governance and Board Structure including a review of the Management Agreement between ECL and Exeter City Council.

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

9.1 The decision in of itself does not impact on the Council's Corporate Plan. ECL is a delivery vehicle to build homes and is therefore an important contributor to meeting the goals of the Corporate Plan and the delay in considering the annual business plan is simply to facilitate assessment of financial details associated with tender returns to inform the production of the plan.

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

10.1 The principle risk is the continued slippage in the Business Plan production and thereafter approval and not conforming to the Management Agreement Terms & Conditions. A second risk pertains to issuing a Business Plan within the Management Agreement terms which does not contain current available data. Both these risks would be mitigated by agreeing to a new Business Plan production timetable and the ECL Board and Council officers working collaboratively to ensure the necessary date is agreed and modelled within the 2023/2024 Business Plan.

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 decision is simply to delay consideration of the business plan to enable assessment of tender returns to inform the finalising of the business plan that is seeking to build homes to meet housing needs.

12. Carbon Footprint (Environmental) Implications:

12.1 The carbon / environmental impacts for ECL's 2022-2023 Business Plan have already been recorded when the Business Plan was approved by Full Council on 10th March 2022. These implications remain unchanged. No direct carbon/environmental impacts arising from the recommendations. The carbon environmental impacts will be reviewed as part of the 2023-24 Business Plan

13. Are there any other options?

13. 1 Members could insist on consideration of a business plan without essential financial details informed by the most recent tender exercise. This would be less than satisfactory.

Chief Executive & Growth Director Author, Karime Hassan

Shareholder representative

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

Background papers used in compiling this report:-

Management Agreement for Exeter City Living

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

REPORT TO EXECUTIVE

Date of Meeting: 10 January 2023

REPORT TO COUNCIL

Date of Meeting: 21 February 2023

Report of: Director Finance

Title: 2023/24 Budget Strategy and Medium Term Financial Plan

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 To provide a strategic overview of the budgetary position for the 2023/24 financial year and beyond including an indication of the likely level of available resources and the known demand for resources and the proposals to ensure that a balanced budget is achieved.

2. Recommendations:

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

3. Reasons for the recommendation:

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

4. What are the resource implications including non financial resources

4.1 The Council has a Medium Term Financial Plan that contains proposals to ensure it is balanced next year. The cost of living crisis, pay award and additional spending commitments have put a considerable pressure on the Council's financial position. Proposals for reductions / additional income total £3.835 million in order to balance the budget.

4.2 Across the four years of the medium term financial plan, further proposals have been identified totalling £2.137 million, which will still leave a further £3.7 million to be identified over the following three years. Owing to the uncertainty over funding in the next year, the timing of the reductions may change.

5. Section 151 Officer comments:

5.1 Whilst the settlement this year has again provided more income than expected, the challenges faced by the Council remain significant over the medium term. To ensure that

the Council is on a firm financial footing in the future a mix of additional income, cost reductions and prioritisation is required. In addition to the reductions required, there is a need to ensure sufficient funding is available to maintain our extensive property portfolio.

5.2 The Government have confirmed that the reform of Local Government Finance will not occur during this Parliament, but have confirmed their commitment to it. The timing is uncertain and the impact has been removed from the MTFP.

5.3 The medium term financial plan and the reductions profile is based on bringing our reserves down to the minimum recommended level. Therefore financial discipline is vital to maintain our financial position and ensure that Council is not required to make in year reductions. Council will need to be ready to act quickly to ensure that minimum levels of reserves are maintained in the case of any unexpected pressures.

6. What are the legal aspects?

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

- a) it must calculate its budget requirement in accordance with Sections 31A of the Act;
- b) it must calculate the City Council element of the Council Tax - first for Band D and then for all bands - in accordance with Sections 31B and 34 to 36 of the Act; and
- c) it must set the overall Council Tax for each band in accordance with Section 30.

7. Monitoring Officer's comments:

7.1 Section 25 of the Local Government Act 2003 requires the Section 151 officer to report on the adequacy of the Council's financial resource.

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

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

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

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

When making a decision, Councillors are reminded of their obligation to act reasonably and in accordance with the principles set down in the *Wednesbury case (Associated Provincial Picture Houses Ltd v Wednesbury Corporation [1948])*. This means that Councillors are required to take into account all relevant considerations and ignore any

irrelevant considerations. Put simply, it would be unlawful for the Council to come to a view which is unreasonable in the sense that it is so irrational that no reasonable authority could have reached it.

The meaning of fiduciary duty is more difficult to define but can be summarised as a duty to conduct administration in a business-like manner with reasonable care, skill and caution and with due regard to the Council's rate payers. When discharging their fiduciary duty councillors will need to consider the following:

- a) Prudent use of the Council's resources, including the raising of income and the control of expenditure;
- b) Financial prudence both long and short term;
- c) Striking a fair balance between the interest of the Council tax payers on the one hand and the community interest and adequate and efficient services on the other hand; and
- d) Acting in good faith with a view to complying with statutory duties and exercising its statutory powers for the benefit of the community.

Restriction on voting

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

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

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

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

Simon Copper – Deputy Monitoring Officer

8. Report details:

8.1 Local Government Provisional Finance Settlement 2023-24

8.1.1 1 year Settlement with a hint towards the following year

In terms of the settlement, whilst the figures announced were for one year only some information was provided in respect of 2024/25, however, this is not enough to provide absolute certainty. The Lower Tier Services Grant has been abolished and replaced by a Funding Guarantee Grant of which Exeter has received £0.849 million. In addition, the Services Grant has also been included and Exeter has been awarded £0.160m, with the funding to offset the increase in National Insurance contributions as part of the

introduction of the new Health & Social Care Levy removed following the abolition of the increase.

8.1.2 *New Homes Bonus*

The payment provided this year is for one year only and gives an award of approximately £0.672 million for 2023/24. A new proposal to replace New Homes Bonus has been promised in the New Year.

8.2 **Business Rates**

8.2.1 The Government have confirmed that the implementation of the Business Rates retention reform and the review of the formula that underpins it will not take place in this Parliament and it has therefore been removed from the medium term financial plan. This is positive news for Exeter as we benefit from being significantly above our baseline needs. The review is now not expected to be implemented until 2026/27 at the earliest, although given the complexity involved there is a strong chance that this will be optimistic.

8.3 **Council Tax**

8.3.1 The referendum threshold has been increased this year to the higher of a less than 3% or £5 increase for District Councils. The medium term financial plan has been updated to reflect this change. As a result, Exeter's budget strategy for next year assumes that Council tax will increase by 2.99%, which, along with the estimated surplus on the collection fund of £86,793 and increase in the taxbase will raise an extra £369,622.

8.4 **Other Budgetary Assumptions**

8.4.1 An overall allowance of £4.415m has been set aside for inflation. This includes a catch up to reflect the higher pay award in 2022-23 and the significant increase in energy prices for next year. The inflationary increases allowed in the budget are:

Pay Award	3.0%
Pay – Increments	0.5%
Electricity	98.0%
Gas	158.0%
Oil	2.5%
Water	0.0%
Insurance	12.0%
Rates	2.5%
Fuel	3.0%
General Inflation	0.0%
Income (excluding Car Parks)	10.0%

8.4.2 General inflation has again been held at zero; however where there are contracts in place, inflation at around RPI has been added. Pay has been increased to 3% although there is a risk that this again may be lower than the actual amount agreed.

8.4.3 Interest is based on the existing loans that have been taken out and the amounts available for investment. Future borrowing requirements are based on rates of around 3.5% and the Council will seek to internally finance borrowing until rates stabilise.

8.5 **Likely Revenue Resources 2022/23 to 2026/27**

8.5.1 The main resources are set out below. The significant increase in 2023/24 is partially offset by the loss of over £700,000 of New Home Bonus funding. The reduction in 2024/25 is also uncertain and reflects the fact that the other grants received in 2023/24 (Funding Guarantee and Services Grant) have not been confirmed beyond this year.

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
RSG*	855	1,572	902	920	938
Council Tax	6,416	6,785	6,968	7,248	7,539
Business Rates	7,404	7,557	7,956	7,909	7,951
Resources	14,675	15,914	15,826	16,077	16,429
Increase/(decrease)		1,803	(88)	251	352
Annual % change		8.4%	(0.6%)	1.6%	2.2%

* Including other Government grant where applicable

8.6 Additional Spending Pressures

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

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Additional Pressures	1,658	396	166	221	260

8.7 Revenue Savings and Other Budgetary Reductions

8.7.1 The updated Medium Term Financial Plan (MTFP) is set out in Appendix 2. The MTFP has a funding gap of £5.8 million of which proposals of £2.1 million have been identified. This leaves a further £3.7 million to be identified if Members agree the proposals in place.

The reductions / additional income proposals identified are set out below:-

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Savings proposals identified	(2,914)	(3,835)	(743)	(1,007)	(387)

8.8 General Fund Capital Programme

8.8.1 Attached at Appendix 3 is the proposed general fund capital programme for the next three years. As members have been informed, owing to the significant increase in borrowing costs, the Capital Programme has been reviewed and reduced substantially. The programme will deliver the highest priority schemes only (principally for Health & Safety purposes) and will not enable work to be carried out on all properties owned. This will result in further degradation in the quality of the buildings and risk closures if something was to deteriorate quickly.

8.9 Risk Assessment

8.9.1 It has already been mentioned above in this report that our financial forecasts are based on a number of assumptions including the level of inflation, interest rates, income levels, support from the government and general prevailing economic conditions. The main risks to the Council's financial position are as follows:

- The level of Central Government support over the next couple of years. There is uncertainty over whether the one-off grants will continue or be replaced;
- The Governments review of the future funding formula for Local Government, including a business rates rest, coupled with the potential loss of New Homes Bonus, leaves a significant gap in funding over the Medium Term Financial Plan. There is a risk that this would add up to a further £3 million gap in funding; and
- The Council is reliant on a strong economy for much of its funding. Business Rates Growth, Car Park income and Commercial Property income provide support, not just for our discretionary services, but increasingly support our statutory services and corporate costs. A recession may affect these income streams negatively.

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

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

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

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

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

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

11. 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 the report sets out the MTFP for the whole Council.

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 Not applicable.

Director Finance, Dave Hodgson

Author: Director Finance, Dave Hodgson

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

Background papers used in compiling this report:-

None

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	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's
<u>Unavoidable or Already Committed from Previous Years</u>				
Fleet maintenance	19	60		
Living Wage	25	25	25	25
Housing Benefit Admin grant reduction	60	60	60	60
Pension Revaluation	160	36	36	
External Audit contract	80			
External valuations	90			(90)
Business Rates revaluation	0	45	50	215
SSP Rates	175			
	609	226	171	210
<u>New Revenue Bids - Recurring</u>				
CCTV	87			
Estates Surveyor	55			
Strata Payment Uplift	200			
Property Asset Improvement & Maintenance	200			
Leisure staffing	48			
	590	0	0	0
<u>New Revenue Bids - Non Recurring</u>				
Local Plan	(60)	(85)		
Wonford feasibility study	(750)			
ECTA Grant		(15)		
Anti social behaviour Officer (2 years)	(10)	(10)		
Safety equipment - CEO	(33)			
	(853)	(110)	0	0
<u>Revenue Costs Arising from New Capital Bids</u>				
Unsupported Borrowing Costs of Capital - Repayment of Loan	50	50	50	50
	50	50	50	50
TOTAL	396	166	221	260

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MEDIUM TERM REVENUE PLAN (2021/22 - 2026/27)

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	
Resources							
Revenue Support Grant	602	855	1,572	902	920	938	
Business Rates Income (assumed by Government)	4,130	4,130	4,285	4,872	5,109	5,201	
Business Rates growth	655	1,121	3,272	3,084	2,800	2,750	
Business Rates pooling / pilot benefit	0	0	0	0	0	0	
NNDR Deficit to Cover	(17,410)	(11,085)	(1,047)	0	0	0	
Section 31 Grant	12,622	2,153	0	0	0	0	
Excess S31 (to) / from earmarked Reserve	6,325	11,085	1,047	0	0	0	
Covid 19 Support	761	0	0	0	0	0	
SFC Compensation	457						
CIL income	1,225	1,324	1,250	1,250	1,250	1,250	
New Homes Bonus	1,941	1,362	672	600	600	600	
Council Tax	6,252	6,416	6,785	6,968	7,248	7,539	
Likely resources	17,560	17,361	17,836	17,676	17,927	18,279	
Expenditure							
Service expenditure							
Committee expenditure base budget	13,309	16,046	15,455	16,431	16,252	14,990	
Inflation	817	624	4,415	1,148	974	967	
Potential increase in service costs	2,092	1,699	396	166	221	260	
Budgeted reductions	(172)	(2,914)					
	16,046	15,455	20,266	17,745	17,447	16,217	
Supplementary Budgets	5,406	5,412					
Net Interest	774	1,011	1,320	1,581	1,805	1,773	
Forecast Committee movements	(5,422)	366					
RCCO	0	0	0	0	0	0	
Repayment of debt	957	2,438	2,495	2,538	2,583	2,629	
Additional repayment of debt	(664)	(1,480)	(800)	(800)	(756)	0	
	17,097	23,202	23,281	21,064	21,079	20,619	
Other funding							
Contribution to/ (from) earmarked reserves	(363)	(5,453)	(1,149)	(488)	(485)	(472)	
Contribution to/ (from) balances - Other	826	(388)	(461)	(1,407)	(210)	19	
	463	(5,841)	(1,610)	(1,895)	(695)	(453)	
Further reductions required			0	(750)	(1,450)	(1,500)	(3,700)
Potential reductions identified			(3,835)	(743)	(1,007)	(387)	
Total Net Budget	17,560	17,361	17,836	17,676	17,927	18,279	
							(3,700)
Opening General Fund Balance	4,696	5,522	5,134	4,673	3,266	3,056	
Closing General Fund Balance	5,522	5,134	4,673	3,266	3,056	3,075	
Balance as a percentage of budget	31.4%	29.6%	26.2%	18.5%	17.0%	16.8%	

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GENERAL FUND - CAPITAL PROGRAMME 2023/24 AND FUTURE YEARS							
SCHEMES	NEW BID	2023/24	2024/25	2025/26	Future Years	Financed by	What the scheme is trying to achieve
		£	£	£	£		
Chief Executive & Growth Director							
Annual Contribution to Strata		53,910	53,910	53,910	53,910	All Capital Receipts	
Financial Management		344,800					
NCSC Zero Trust		53,910					
PSTN Replacement		30,000					
Microsoft Purview		9,000					
Microsoft Power Apps		35,930					
Software Upgrade		28,750					
Sharegate		5,750					
Datacentre Relocation		35,940					
IT Replacement Programme		50,000	50,000	50,000	50,000		
TOTAL		647,990	103,910	103,910	103,910		
Net Zero Exeter and City Management							
Parks Infrastructure		149,190				Borrowing	To ensure public safety in parks and open spaces. Works include resurfacing parking areas and repairs to steps, railings and gates.
Cemeteries & Churchyards infrastructure improvements		134,790				Borrowing	
Ash Die Back Tree Replacement		237,630				Borrowing	Tree Removal & Replacement
Northbrook Wild Arboretum		245,604					
Play Areas		350,000	225,000	200,000		CIL / S106	Supply & Installation of new play equipment at multiple play areas across the city to replace old, end of life equipment. Cost includes 2 potential full redesigns where all equipment is old and the site could provide better play value and more accessible play in areas of multiple indices of deprivation (Lakeside Avenue & Chestnut Avenue)
Outdoor Leisure Facilities - Newcourt		121,270				CIL / S106	To provide facilities at Newcourt

SCHEMES	NEW BID	2023/24	2024/25	2025/26	Future Years	Financed by	What the scheme is trying to achieve
		£	£	£	£		
Bowling Green Marshes Coastal Defence Scheme		260,000	160,000			Grant	To repair the coastal defences to retain the level of protection to the freshwater marshes. The scheme is entirely funded by the Environment Agency.
Cricklepit Bridge		153,750				£75k Grant / £78.75k Borrowing	Full Repair (specification dependent upon PI Report findings) & redecoration. Last full paint coat was 15 years ago and is due for renewal
Trews Weir refurb		3,500,000				£1m Grants / £2.5m Borrowing	Stabilise and refurbish damaged weir
District Street Lighting		500,000	168,750			Borrowing	Complete stock replacement of aging lighting columns to drop-down type and to LED lamps over 5 year programme.
Piazza Terracina			157,500			Borrowing	Repaving and landscaping Terracina, with new service points to improve suitability for events. Could include spaces for street food and pop-up stalls similar to Guildhall. Potential income from stalls and events which would help to offset some of the costs
Exeter Quay Cellars cliff face		487,050				Borrowing	Undertake full geotechnical investigations to determine the continuity of materials along cliff & determine the seasonal variation of the water table, plus monitoring further movement. Likely that each archway may need to be provided with rock anchors and water proof lining.
ECC Bridge repair programme		750,000				Borrowing	Due to number of required repairs identified in Principal Inspections, create new project for all bridge repairs
Farm Hill Retaining Walls (23 no.)		552,900	281,250			Borrowing	Stabilising works and other remedial actions (specification dependent upon PI Report findings)
Riverside Walls at Quay		50,000				Borrowing	Underpinning or sheet piling existing Quay walls. Potential opportunity to deliver alongside Trews Weir
Bonhay Rd/Andlaw House Footpath		150,000				Borrowing	Remedial works to replace existing gabion baskets or shore up existing gabion baskets - plus resurfacing of path with tarmac
St James' Weir & Ducks Marsh Meadow banks		50,000				Borrowing	Following the collapse of St James Weir, works are required to protect Council owned public open space from erosion and further loss. This cost is a likely maximum as other contributions will be sought.
Landfill Gas Extraction Systems @ Clifton Hill & Mincinglake Valley Park (Public Realm & Environmental Health)		250,000				Borrowing	Significant upgrade or replacement of all three extraction systems.
Mincinglake Valley Park Reed Beds & Pipe Inlet		157,600				Borrowing	Re-lining of the lagoon to minimise leaks, coupled with design and construction of new debris screens to minimise blockage risks.
Exeter Ship Canal - Bottleneck & Bird Hide		50,000				Borrowing	Top-up and reinforce approximately 200m length of canal bank and reinforce.
Exeter Ship Canal - Green Tip to Salmonpool		0				Borrowing	To re-surface the path.
Bromhams Farm Playing Fields		250,000				Grant	
Longbrook Street wall behind 30-38		5,000				Borrowing	Localised repairs and strengthening of masonry wall
Countess Wear retaining wall rebuild	#	150,000				Borrowing	
Oxford Road car park retaining wall	#	200,000				£100k grant / £100k Borrowing	
Canal basin bridge refurbishment	#	50,000				Borrowing	
Improvements to car Park Security - Arena and KW Street		19,670				Borrowing	

SCHEMES	NEW BID	2023/24	2024/25	2025/26	Future Years	Financed by	What the scheme is trying to achieve
		£	£	£	£		
Improved Recycling Containers		257,580				Capital Receipts	
Enhance the MRF		4,081,600				Borrowing	
Fleet Replacement Programme						Capital Receipts	To be determined
Disabled Facility Grants		800,000	800,000	800,000	800,000	Grant	To meet the legal duty to pay grants to enable disabled people to remain in their homes.
Capitalised Staff Costs - Engineering / Property		281,700	150,000	150,000	150,000	Borrowing	To provide for the cost of certain Council employees, which will be directly involved in the construction or acquisition of assets and qualify as capital expenditure, including engineers and surveyors.
TOTAL		14,245,334	1,942,500	1,150,000	950,000		
Communications, Culture and Leisure Facilities							
Leisure Property enhancements		2,126,804				Borrowing	To provide improvements per condition survey
Leisure Equipment replacement Programme		100,000	100,000	100,000	100,000	Capital Receipts	To ensure there is a pot available to replace equipment that is damaged or at the end of its useful life
TOTAL		2,226,804	100,000	100,000	100,000		
Finance							
Loan to Exeter City Living		10,641,560				Borrowing	To provide a loan to Exeter City Living
Fire Assessment Works		953,190				Borrowing	
Guildhall MSCP				883,400		Borrowing	
John Lewis MSCP			424,400			Borrowing	
Princesshay 2 MSCP			424,400			Borrowing	
Leighton Terrace & KW St MSCP		618,000				Borrowing	
Civic Centre Phase 3 Roof Rep		180,000				Borrowing	
City Wall		459,480				Borrowing	

SCHEMES	NEW BID	2023/24	2024/25	2025/26	Future Years	Financed by	What the scheme is trying to achieve
	£	£	£	£			
Backlog Maintenance	508,810	64,790				Borrowing	Condition survey highest priorities
RAMM - roof replacement	669,500					Borrowing	
Exmouth Buoy Store	119,010					Borrowing	
Commercial Property Ancillary Accommodation flat roof recovering	142,600					Borrowing	
Wat Tyler House - resolving ongoing water ingress with new rainwater system	277,270					Borrowing	
BLRF - Bonhay Meadows	957,430					Grant	
BLRF - Exeter Canal Basin	578,550					Grant	
BLRF - Mary Arches Car Park	1,256,840					Grant	
BLRF - Belle Isle	651,800					Grant	
BLRF - Cath & Quay Car Park	2,317,450					Grant	
Commercial Properties - capital improvements to enable ongoing income (compliance with EPC legislation)	30,000	40,000	50,000			Borrowing	
TOTAL	20,361,490	953,590	933,400	0			
GENERAL FUND SERVICES TOTAL	37,481,618	3,100,000	2,287,310	1,153,910			

REPORT TO EXECUTIVE

Date of Meeting: 10 January 2023

Report of: Director Finance

Title: Council Taxbase and NNDR 1 2023/24

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

1.1 To set the 2023/24 Council Taxbase in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.

1.2 To seek approval that the Council's estimate of Business Rate Income (NNDR1) for the next financial year is delegated to the Director Finance.

2. Recommendations:

2.1 In accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amount calculated by Exeter City Council as its tax base for the year 2023/24 shall be 38,247.

2.2 That the section 151 Officer is delegated responsibility to approve the Council's NNDR1 return by 31 January 2022.

3. Reasons for the recommendation:

3.1 To ensure that the Council meets its statutory deadline for notifying Precepting Authorities and the Government by 31 January 2023.

4. What are the resource implications including non financial resources

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

5. Section 151 Officer comments:

5.1 Approval of the report is a statutory requirement in respect of the Taxbase. There is an increase of 581 Band D equivalent properties compared to the 2022/23 Taxbase. The increase of 1.5% is above the anticipated forecast.

6. What are the legal aspects?

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

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

- (a) The Council must act in accordance with its statutory duties and responsibilities;
- (b) The Council must act reasonably; and
- (c) The Council must not act in breach of its fiduciary duty to its ratepayers and Council Tax payers.

7. Monitoring Officer's comments:

The obligation to set a lawful budget annually is shared equally by each individual member. In discharging this obligation, members owe a fiduciary duty to the Council Tax payer.

Members attention is specifically drawn to the provisions of Section 106 of the Local Government Finance Act 1992 which make clear that, where a payment of Council tax that a member is liable to make has been outstanding for two months or more at the time of a meeting, the member must disclose the fact of their arrears (although they are not required to declare the amount outstanding) AND Members may not vote on any matter relating to:

- Any decision relating to the administration or enforcement of council tax
- Any budget calculation required by the Local government finance act 1992 underlying the setting of the Council tax
- Any recommendation, resolution or other decision which might affect the making of the annual budget calculation.

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

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

8. Report details:

8.1 BACKGROUND

8.1.1 In accordance with the requirements of the Local Government Finance Act, 1992, Exeter City Council as a billing authority will be issuing Council Tax bills to occupiers of property in March 2023, effective from 1 April.

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

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

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

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

8.2 COUNCIL TAX BASE FOR 2023/24

8.2.1 The Council Tax Base for Exeter is set out in table 8.1 and in Appendix A. It is estimated that the equivalent number of Band D properties (Gross taxbase) for 2023/24 (including the reduction in dwellings owing to the Council Tax Support Scheme) will be 39,430 an increase of 599 over 2022/23.

8.2.2 To this figure the estimated collection rate of 97% for the year is applied, which results in a net Council Tax base of 38,247, an increase of 581 over the 2022/23 figure of 37,666.

Table 8.1 – Taxbase 2023/24

Taxbase	2023/24 Gross Taxbase	2023/24 Net Taxbase (97%)
Taxbase to be used in calculating the council tax for 2021/22	39,430	38,247

8.3 BUSINESS RATES RETENTION

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

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

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

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

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

Not applicable.

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 the report determines the taxbase for the whole City.

12. Carbon Footprint (Environmental) Implications:

No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

Not applicable.

Director Finance, Dave Hodgson

Author: Director Finance, 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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EXETER CITY COUNCIL
2023/24 TAX BASE

	BAND	TOTAL	A relief	A	B	C	D	E	F	G	H
LINE 1	No. OF CHARGEABLE DWELLINGS	52,535	28	9,593	14,330	13,158	8,352	4,080	2,012	951	31
LINE 2	No. OF DISCOUNTS	-9,619	-16	-3,546	-3,028	-1,781	-786	-288	-121	-50	-3
LINE 3	No OF ADDITIONS (TECHNICAL CHANGES)	-3	0	-1	-1	0	-2	1	1	-1	0
LINE 4	WHOLE No. EQUIVALENT CHARGEABLE DWELLINGS	42,913	12	6,046	11,301	11,377	7,564	3,793	1,892	900	28
LINE 5	FRACTION TO APPLY TO ARRIVE AT BAND D EQUIVALENTS		5/9 ths	6/9 ths	7/9 ths	8/9 ths	1	11/9 ths	13/9 ths	15/9 ths	18/9 ths
LINE 6	BAND D EQUIVALENTS (PER CTB1)	39,430	7	4,031	8,790	10,113	7,564	4,636	2,733	1,500	56
	TOTAL BAND D EQUIVALENTS	39,430									
LINE 7	COLLECTION RATE	97.00%									
LINE 8	EXETER CITY COUNCIL TAX BASE	38,247									

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REPORT TO EXECUTIVE

Date of Meeting: 10 January 2023

Report of: Director Finance

Title: Housing Rents and Service Charges 2023-24

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

This report sets out the proposed changes to council dwelling rents, garage rents and service charges with effect from 1 April 2023.

2. Recommendations:

That Executive approves that:

- (1) the Rents of Council dwellings are increased by 7% from 1 April 2023;
- (2) the Garage rents are increased by 7% from 1 April 2023; and
- (3) the Service Charges are increased by 7%, with the exception of charges specified in paragraph 11.3, from 1 April 2023.

3. Reasons for the recommendation:

In October 2017, the government announced its intention to set a long term rent policy in respect of annual rent increases on both social rent and affordable rent properties of up to CPI plus 1% from 2020, for a period of 5 years. The policy on rents for social housing came into effect from 1 April 2020. The CPI figure for September 2022 was 10.1%, so under this policy the Council would have been permitted to apply a rent increase of 11.1% for 2023/24. However in the autumn budget statement in November 2022 the government announced a cap on this increase of 7% for 2023/24 as part of their response to the cost of living crisis.

Rents of garages and service charges fall outside the scope of the Government's rent policy. Authorities are expected to set reasonable and transparent charges which reflect the service being provided to tenants.

Senior managers within Housing and Customer Access have considered the impact of the increase and the level of support available for people who may struggle to pay their bills. Officers fully appreciate the lasting impacts of Covid-19 and the increase in fuel costs on is having on many households and Services have and continue to work to assist households in financial difficulty where possible, including the administering of government funds to support those households in need. The council does, however need

to consider that tenants have benefited from 4 years of 1% rent cuts per year for 2016/17, 2017/18, 2018/19 and 2019/20, which resulted in the Housing Revenue Account (HRA) losing £7.9m over the 4 year period, so our base-line rents were already lower than previously anticipated.

A lower than permitted increase will place a considerable financial constraint on the HRA and will result in a lower base-line position for future year rents (resulting in lost rental income of over £7 million over 30 years if increased by 3.1% for 2022/23).

Significantly the costs of services and labour are already increasing above inflation and a reduced rent increase would lead to a reduction of service delivery. While officers acknowledge the impact a rent increase might have on some tenants, the impact on service delivery and long term investment plans would have an impact on projects which would assist tenants financially in other areas, for example such as retrofit, which will reduce energy bills for tenants.

Many tenants will have their rents met by Housing Benefit (HB) or Universal Credit (UC), so a lower rent increase would not necessarily benefit them. 30% of the council's tenants are on full HB, 10% on partial HB and 20% in receipt of UC.

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

The proposed changes in housing rents, garage rents and service charges are reflected in the proposed 2023/24 estimates for the Housing Revenue Account (HRA).

The current rent policy was intended to apply for five years from 2020, in order to allow landlords to plan ahead. The medium term financial plans for the Council's HRA therefore reflect assumptions for the annual uplift of property rents by CPI + 1%. The rent cap of 7% is higher than was anticipated in the MTFP, however the HRA is experiencing considerable financial pressures from inflationary increases and a higher than expected pay award.

5. Section 151 Officer comments:

The report contains details of the Government rent policy. Whilst the increase is significant and well above the amount in the medium term financial plan, it is below inflation and lower than the level of cost pressures faced by the HRA. This will offer an uplift in the resources available to the HRA to offset some of those pressures and it is a legal requirement to have regard to Government policy. Council will note the changes in other charges, which have been set following the same principle. Council should also note that rent arrears are continuing to rise for the reasons set out in the report.

Members are reminded that the funds generated from rents are only used to support the tenants of those properties and to maintain and enhance their homes. Any reduction in the amount proposed would therefore have a negative impact on the amount available to maintain those homes.

6. What are the legal aspects?

The Council, in setting its annual rents, is directed to have regards to the Government's policy on Rents for Social Housing 2018 which came into effect from 1 April 2020.

7. Monitoring Officer's comments:

The Monitoring Officer supports the recommendations set out in this report

8. Report details:

RENT SETTING BACKGROUND

- 8.1. The underlying rent for each council property is based upon a national rent formula.
- 8.2. The rent formula was established to ensure that social rents take account of:
 - The condition and location of a property – reflected in its value;
 - Local earnings; and
 - Property size (specifically, the number of bedrooms in a property).
- 8.3. The rent formula for each council dwelling is set, based upon January 1999 levels, and uplifted for inflation each year.
- 8.4. On 4 October 2017, DLUHC announced that increases to social housing rents will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020. In the autumn budget statement a cap on rent increases of 7% for 2023/24 was announced.

Social Rent Increases for 2023/24

- 8.5. In accordance with the social rent cap announced on 17th November rents will be increased by 7%. For 2023/24 this will result in an average increase of £5.65 per week, over 52 weeks, per property.
- 8.6. Rents are collected over 48 weeks, resulting in an average increase of £6.12 per collection week for 2023/24.
- 8.7. On a typical 2 bedroom flat the weekly rent for 2023/24 will be £86.34 (over 52 weeks). For comparative purposes, the average weekly rents for a 2 bedroom property in Exeter during 2022/23 are:
 - £99.30 per week with a housing association
 - £182.19 per week rented in the private sector

Rent arrears impact

- 8.8. From April to October 2022 the rent arrears have increased from 3.35% (£707,778) to 3.90% (£822,513). Mid-year the rent arrears follow a pattern to peak higher, but we do usually see a drop in the arrears as we close the financial year, this is affected by the team's ability to engage and take enforcement action on the wilful non-rent payers and utilising the councils rent free week periods to encourage those tenants in debt to clear a greater proportion of their arrears. The factors affecting this increase can be identified as follows:
 - **Universal Credit**
The conclusion of the migration from Working Age Housing Benefit over to Universal Credit. This means that we will cease to receive payments of Housing Benefit directly onto rent accounts (this does not include our Pensioner claims), payments we were

guaranteed so long as the customer remains entitled. On average we currently receive a total of £280,000 a fortnight from Housing Benefit directly on to the rent accounts. The migration will cause revenue to dip as there can be problems associated with collecting rent from some customers in receipt of Universal Credit. Some customers do not always choose to use the rent element of their UC to pay their rent, this is exacerbated when there is pressure on household incomes. Even where we have requested direct payment of UC rent element from the Department for Work and Pensions (DWP) a change of circumstances will cause any direct payment to cease and this can result in the tenant being paid their rent element direct again when a new UC award is made. Moreover, waiting days to receive the first UC payment from DWP remain an issue and will continue to have a negative impact on rent debt. It is difficult to judge the exact amount that will be lost. If the previous migration is used as a measure then at point of migrating 80% of tenants fell behind with their rent. After the initial shock the figure dropped with tenants getting used to the change and with UC rent element direct payment being requested by us as a landlord, but the hit on our overall arrears was significant.

- **Cost Of Living / Energy**

The increases in the cost of living and energy bills will have a direct effect on tenant's ability to pay. This will impact all tenants both working and those on benefit. But as already mentioned it could potentially amplify the impact that full migration to UC has on rent payment.

- **COVID 19**

The legacy of the pandemic will continue into the next financial year and beyond, as the arrears accumulated during the pandemic remain on the accounts and although the amounts are reducing it will take time to clear then in full as we continue to work with our tenants in debt on sustainable payment arrangements.

- **Increase In Housing Stock**

The Council is purchasing more properties to rent. A greater stock portfolio should increase revenue, but new tenants will also be impacted by the above issues such as the rise in the cost of living, higher energy costs, Covid pandemic financial legacies, the impact of global recession on people's finances and the migration to UC.

8.9. In light of the pressure on arrears, the proposed budget for rental income in 2023/24 has estimated similar levels of arrears in 2023/24 and assumes no improvement from the current year position.

8.10. New guidance was issued by MHCLG in November 2020 that set out arrangements for local authorities to apply to the Secretary of State for agreement to depart from the Government Rent Policy, if it would cause the authority 'unavoidable and serious financial difficulty'.

In considering whether the application of the Government Rent Policy would cause unavoidable and serious financial difficulty, the Secretary of State will expect to be provided with evidence that:

- the local authority's Housing Revenue Account (HRA) is at risk of a deficit in either the current or subsequent financial year
- complying with the requirements set out in the Rent Standard would jeopardise the local authority's ability to meet legal requirements/ obligations, including ensuring the health and safety of its residents

- all possible steps have been taken to avoid the need for an application to the Secretary of State, including reviewing services and commitments and taking action to minimise costs and curtailing non-essential commitments.

9. Affordable Rents for Newly Built Council Housing

- 9.1. Affordable rent allows local authorities to set rents at levels that are typically higher than social rents, at up to 80% of local market rent inclusive of service charges. The intention behind this is to maximise returns and generate capacity for further investment in new affordable housing, allowing more people in housing need to have access to a good quality home at sub-market rent. Affordable rent is charged on new properties built to passivhaus standard, with the expectation that tenants would benefit from lower fuel bills.
- 9.2. For Exeter, this includes properties the Council has built at Knights Place, Rowan House, Silverberry Close, Barberry Close, Reed Walk and Chester Long Court, Antony Road, Bovemoors and Thornpark Rise. Affordable rents may also be increased by 7% in line with the 2023/24 social rent capped increase.

10. Garage Rent Increase

- 10.1. Rentals of non-dwellings, such as garages, are outside the scope of the Government's social rent policy. However annual increases to garage rents are generally kept in-line with rises in social rents.
- 10.2. Under self-financing local authorities are encouraged to review the rents of non-dwellings in order to ensure associated costs are fully recovered. Allowing for inflationary rises for employee costs and for general repair costs, a rise in line with rent charges is considered appropriate.
- 10.3. A 7% increase in garage rents and parking spaces is therefore proposed, in line with the permitted rises in social and affordable rents.

11. Service Charge Increase

- 11.1. These charges cover services and facilities provided by the authority to tenants which are not covered by their rent. Service charges reflect additional services which may not be provided to every tenant, or which may be connected with communal facilities. Different tenants receive different types of service reflecting their housing circumstances.
- 11.2. Service charges are limited to covering the cost of providing the services. Government guidelines advised that authorities should endeavour to keep increases in-line with rent changes, at 7%, to help keep charges affordable. Increases above this may be made on rare occasions when an authority has increases in costs outside its control, such as increases in fuel costs.
- 11.3. It is proposed that service charges are increased by 7%, in line with rent rises, with the following exception:
- 12% increase in contents insurance to reflect anticipated increases in premiums

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

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

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

- 13.1. The main risk to council dwelling rents relates to the COVID-19 pandemic and its impact on tenants' ability to pay.
- 13.2. The level of rent arrears is kept under review by the Payments and Collection Team.

A provision has been made in 2023/24 for a similar arrears level to 2022/23. This assumes no recovery from current level of arrears during the next financial year. We would, however, expect recovery from the current year position over the next 12 to 24 months.

14. Equality Act 2010 (The Act)

- 14.1. 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.
- 14.2. 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.
- 14.3. 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.
- 14.4. An equality impact assessment accompanies this report in respect of the impact of the recommendations on people with protected characteristics as determined by the Act.

15. Carbon Footprint (Environmental) Implications:

- 15.1. No direct carbon/environmental impacts arising from the recommendations.

16. Are there any other options?

For the 2023/24 financial year social landlords may not increase rents by more than 7%. This limit is a ceiling and landlords are able to apply a lower increase. However, any rent increases at less than 7% would have a significant impact on the HRA's financial position and resources available to invest in its stock.

Director Finance, David Hodgson

Author: Claire Hodgson, Finance Manager – Corporate

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

Background papers used in compiling this report:-

None

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Equality Impact Assessment: *Housing Rents and Service Charges 2022-23*

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 Committee 10 th January 2023	Housing Rents and Service Charges 2023-24	That Executive recommend that Council approves:	See below

		<ul style="list-style-type: none"> • Rents of Council dwellings are increased by 7% from 1 April 2023 • Garage rents are increased by 7% from 1 April 2023 • Service Charges are increased by 7%, with the exception of charges specified in paragraph 12.3, from 1 April 2023 	
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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 is 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
<p>Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).</p>	<p>Neutral</p>		<p>In October 2017, the Government announced its intention to set a long term rent policy in respect of annual rent increases on both social rent and affordable rent properties of up to CPI plus 1% from 2020, for a period of 5 years. The policy on rents for social housing came into effect from 1 April 2020. The CPI figure for September 2022 was 10.1%, so under this policy the Council would have been permitted to apply a rent increase of 11.1% for 2023/24. However in the autumn budget statement in November 2022 the Government announced a cap on this increase of 7% for 2023/24 as part of their response to the cost of living crisis.</p> <p>Rents of garages and service charges fall outside the scope of the Government's rent policy. Authorities are expected to set reasonable and transparent charges which reflect the service being provided to tenants.</p> <p>Increasing rent and service charges by the amounts specified will have a neutral effect on protected groups.</p> <p>The proposed rent increase is around 3% lower than the current rate of inflation (based on the September CPI rate). Not to increase rents would have an adverse effect on our services which would in turn adversely affect the health and well-being of tenants.</p> <p>Senior managers within Housing and Customer Access have considered the impact of the increase and the level of support available for people who may struggle to pay their bills. Officers continue to work to assist households in financial difficulty where</p>

			<p>possible, including the administering of Government funds to support those households in need.</p> <p>Many tenants including those with protected characteristics will have their rents met by Housing Benefit (HB) or Universal Credit (UC), so a lower rent increase would not necessarily benefit them. 30% of the council's tenants are on full HB, 10% on partial HB and 20% in receipt of UC.</p> <p>Exeter City Council rents remain the lowest in the city. For example, last year the average weekly rent for a two-bedroom property in the private sector was over £182; for Housing Associations it was over £99; while for Exeter City Council tenants the average rent will be £86.34 for 2023/24.</p>
Disability: 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.	Neutral		See box 1 above
Sex/Gender	Neutral		See box 1 above
Gender reassignment	Neutral		See box 1 above
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	Neutral		See box 1 above
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	Neutral		See box 1 above
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	Neutral		See box 1 above

categories are for illustration only as overriding consideration should be given to needs).			
Pregnancy and maternity including new and breast feeding mothers	Neutral		See box 1 above
Marriage and civil partnership status	Neutral		See box1 above
<u>Actions identified that will mitigate any negative impacts and/or promote inclusion</u>			

Officer: Sarah Hemming
Date: 1st December 2022

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REPORT TO EXECUTIVE

Date of Meeting: 10 January 2023

REPORT TO COUNCIL

Date of Meeting: 21 February 2023

Report of: Deputy Chief Executive

Title: Local Council Tax Support scheme 2023

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

This report seeks Member's agreement on the Local Council Tax Support (CTS) scheme for working age residents for 2023/24.

Members are required to agree working age scheme rules annually.

2. Recommendations:

That Executive agrees and RECOMMENDS to Council that the scheme in place for the current year continues for 2023-24 without substantive changes.

3. Reasons for the recommendation:

There are no immediate financial or practical reasons to recommend changing the existing scheme for 2023-24.

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

The working age local Council Tax Support caseload has dropped back to pre-pandemic levels over the past 12 months. The scheme costs will increase in line with increases to the Council Tax charge from April 2023.

5. Section 151 Officer comments:

The financial implications set out in section 4 are noted. The financial impact of the scheme is managed through the Council Taxbase, which is also presented on the Agenda.

6. What are the legal aspects?

Paragraph 5 of Schedule 1B to the Local Government Finance Act 1992 requires billing authorities to adopt a Council Tax Support scheme each year, no later than 11 March.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer to comment on.

8. Report details:

- 8.1 Exeter City Council's local Council Tax Support scheme remains largely based on the previous national scheme of Council Tax Benefit. The means test used to determine entitlement is still closely tied to the Housing Benefit scheme.
- 8.2 In September 2022 39% of households and 44% of expenditure for Council Tax Support was for pensioner cases. The scheme for pensioners is set by Central Government and the council therefore has no influence over the level of support given.
- 8.3 Universal Credit claimants now make up just over half of working age Council Tax Support cases. This proportion will continue to increase as the roll out of Universal Credit is ongoing. The recent Autumn Statement confirmed that the end date for the migration will now be in 2028.
- 8.4 The move to Universal Credit effectively breaks the link with the old means test in Housing Benefit and provides an opportunity to look again at the design of the local Council Tax Support scheme. A simpler scheme, more like other Council Tax discounts than means tested benefits, has advantages for both customers and the council. Once the software is available to allow for such a change, suitable options will be explored and brought forward for Members' consideration.
- 8.5 The local Council Tax Support scheme allows for a maximum award of 80% of a household's Council Tax bill. This means that even those on the lowest incomes must contribute to their bill. There is ongoing pressure on household finances due to increasing costs which is likely to include a higher than normal increase in the Council Tax bill from April 2023. This could lead to increased difficulty in meeting the minimum Council Tax payment for some. Additional support for struggling households can be provided through the Council Tax Exceptional Hardship Fund. The Chancellor has also announced a further Household Support Fund to run through 2023-24. Previous versions of the scheme have allowed for some targeting of extra help to Council Tax Support customers.
- 8.6 The level of arrears for Council Tax Support customers will be closely monitored over the coming months. If there is evidence that the minimum payment is causing increased arrears and hardship, costed options will be brought forward to increase the level of support available under the scheme from April 2024. This could include reducing the minimum payment for all customers or for particular vulnerable groups.

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

The Council Tax Support scheme supports Exeter's communities and neighbourhoods by helping low income residents meet their Council Tax liability. The Exceptional Hardship policy strengthens this support by ensuring that the scheme rules do not cause inadvertent hardship in individual cases.

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

The current scheme of Local Council Tax Support is well known and understood. Retaining it in the current form presents little risk.

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 the proposal is not to change the scheme, therefore protections already built into the scheme still apply. An Equality Impact Assessment accompanies this report and Members are requested to have read this assessment.

12. Carbon Footprint (Environmental) Implications:

No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

Council can choose to make changes to the scheme from April each year. Alternative schemes can be considered for future years, including those options discussed in section 8. Any proposed changes to the scheme must be fully consulted including with the Council Tax preceptors.

Deputy Chief Executive, Bindu Arjoon

Author: Chris Buckman, Benefits & Welfare Lead

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

Background papers used in compiling this report:-

None

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Equality Impact Assessment: *Local Council Tax Support scheme 2023*

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 January 2023 Council 21 February 2023	The Local Council Tax Support scheme 2023	To retain current scheme substantially unchanged for 2023/24.	Neutral – Exeter’s Local Council Tax Support Scheme is based on the previous Council Tax Benefit scheme in order to include the protections that existed in that national scheme of support, which was in place for many years prior to 2013. No change to current scheme is proposed, therefore little impact is expected on any individuals with protected characteristics.

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 is 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).	Neutral	N/A	No differential treatment in the scheme rules. Access to the support is through standard ECC routes – generally via the website or over the phone. Scheme of support is long established and well understood by groups who work with and advise customers of different races or ethnicity who may find accessing support more difficult.
Disability: 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.	Neutral	N/A	The scheme includes additional amounts for disability based on entitlement to nationally administered benefits. This recognises the additional pressures that disabled customers or their families may have on their expenditure and their increased barriers to increasing their income.
Sex/Gender	Neutral	N/A	62% of working age claimants are recorded as female. Only 53% of claims from a couple are made in the name of a female claimant, however 93% of single parent claimants are female. The scheme rules do not distinguish on gender, however there are clearly a greater number of women subject to the local scheme rules.
Gender reassignment	Neutral	N/A	Details not recorded – gender reassignment status is not a relevant characteristic under the scheme rules. Claimant and partner gender are recorded as reported by the claimant and supported by verification of official documents and records.
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	Neutral	N/A	No differential treatment in the scheme rules. Access to the support is through standard ECC routes – generally via the website or over the phone. Scheme of support is long established and well understood by

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
			groups who work with and advise customers of different religions or beliefs who may find accessing support more difficult.
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	Neutral	N/A	Details not recorded – sexual orientation is not a relevant characteristic under the scheme rules. Same sex couples are recognised in the same way as heterosexual couples.
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).	Neutral	N/A	Council Tax Support offers help with the cost of Council Tax to low income households. Nobody under 18 can have a liability for Council Tax or therefore claim Council Tax Support. The scheme for pension age customers is set by Central government and not part of the Local Council Tax Support scheme that is the subject of this decision. Single young people under the age of 25 with no children and not receiving Universal Credit could receive a lower award than those aged 25 or over. This reflects the lower benefit rates that they receive in the national benefit scheme.
Pregnancy and maternity including new and breast feeding mothers	Neutral	N/A	Status not relevant to scheme rules.
Marriage and civil partnership status	Neutral	N/A	Co-habiting couples are treated the same under the scheme rules regardless of their marriage or civil partnership status.

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

N/A – proposal is to retain current scheme rules which will have no impact on current situation.

Officer: Chris Buckman

Date: 23 November 2022

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REPORT TO EXECUTIVE

Date of Meeting: 10 January 2023

Report of: Director Corporate Services

Title: Members' Training

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

1.1 This report provides an update on the progress of work on the Members' training programme and also includes the Members' attendance for the various training sessions, which have been held since August 2022 to present (Appendix A..

1.2 Appendix B of the report, identifies the Councillor Feedback statistics to date on training or briefing sessions attended.

1.3 Appendix C of the report, shows the various tour and shadowing opportunities made available to Members during the period.

1.4 Appendix D highlights the new SSS on-line training platform, the number of sessions available and completion certificates received.

2. Recommendations:

It is recommended that the Executive Committee note the report.

3. Reasons for the recommendation:

3.1 To ensure that the current induction and training programme for Members remains fit for purpose and appropriate;

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

None specific to this report.

5. Section 151 Officer comments:

There are no financial implications for Council to consider contained within this report.

6. What are the legal aspects?

The Council is obliged to ensure that Members receive adequate training to allow them to undertake their duties. This is particularly pertinent for those members who sit on the administrative committees such as Planning and Licensing.

7. Monitoring Officer's comments:

The Monitoring officer is very supportive of the members' training programme as this leads to good governance and sound decision making.

8. Report details:

8.1 The report provides an overview of Members' attendance at training events, additional training completed and feedback from the preceding quarter.

8.2 The Councillor Development Steering Group in preparedness for the intake of new councillors following the May 2023 elections will be contacting Members elected in 2022 to provide feedback on the 2022 Induction Programme to help with the development and any potential improvements to the 2023 Induction Programme. Feedback from the Councillor Development Steering Group on the 2022 Induction Programme has been positive.

8.3 Appendix A to this report provides a breakdown of attendance at the various training sessions held since August 2022. There had been 7 sessions held since the last report, with a number of sessions postponed in September 2022, due to the mourning period. The average attendance rate has been 15 Members which equates to 38% of Councillors, and is almost on par with the previous report. Members are reminded that if they are unable to attend the live session, to notify Democratic Services to advise that they have viewed the training session and their attendance will be recorded accordingly. The average absence rate for the quarter was 20, equating to 51%, which is also about the same as the previous report.

It is worth noting that the previous report highlighted that 16 sessions had been undertaken, which is 9 more events than in this quarter, and the attendance figures remain on par with the previous report. It is encouraging, that had the postponed sessions continued, the attendance figures would have shown an improvement.

8.4 Appendix B details a summary of the feedback forms for the various training sessions held since August 2022. The form is issued to all Members after each session to capture Members' views on any training or briefing sessions they attend. Since August, the feedback from Members indicates that on average 67% of the responses received, were very satisfied with the training provided and 25% were satisfied. However the volume of feedback provided has decreased, with no indicators received from Members who were not in attendance, that they have viewed the training recordings.

8.5 Appendix C shows the various tour and shadowing opportunities made available to Members during the period. 8 events have been held during the last quarter with 31 Members taking the opportunity to attend, equating to 89% turnout from Members.

8.6 Members have been issued with log in details to access the new SSS on-line training platform to undertake training on such matters as GDPR, Safeguarding, Equality & Diversity, and other related subjects. Appendix D highlights that two sessions have been made available with 5 Members having submitted completed certificates. Members have been reminded to, and are encouraged to complete and submit the completed training certificates as soon as possible.

8.7 Members are also reminded that their attendance at formal Council meetings is a publically available document on the Council's website, and that any expenses paid, for attending training events are reported annually as part of the statutory report on allowances paid to members.

8.8 Members are also reminded and encouraged to use the Councillor Hub, which is available on the intranet, to gain access to important supporting materials, to assist them with role as a Councillor.

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

Ensuring that Members are appropriately trained and briefed means that they have an understanding of the issues affecting the Council, which in turn enables them to take informed decisions.

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

10.1 Ensuring that Members are appropriately trained and briefed means that they have an understanding of the issues affecting the Council, which in turn enables them to take informed decisions.

10.2 If inappropriate training was given, or if appropriate Members did not attend the sessions, challenges could be made to any decisions taken, which would not only jeopardise the Council's reputation, but could also lead to potential claims for compensation and review of the decisions taken.

11. Equality Act 2010 (The Act)

11.1 In preparing this report, it is accepted that people learn things in different ways, and that some delivery methods are not best suited to all.

11.2 A detailed review of the training programme and briefing sessions, including the delivery methods, have helped identify gaps in this provision and also how best any training difficulties can be overcome.

11.3 There has been a focus on ensuring that training on disability awareness, as well as diversity and equality requirements, form an integral part of any revised training programme.

12. Carbon Footprint (Environmental) Implications:

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

13. Are there any other options?

To continue with the current training programme.

Director Corporate Services, Baan Al-Khafaji

Author- John Street, Corporate Manager, Democratic & Civic Support and Mark Devin, Democratic Services Team Leader.

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

Background papers used in compiling this report:-

None

Contact for enquires:
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Room 4.36
01392 265275

Appendix A - Member Training

Session	Date	Total Cllr Attend	Total % Attend	Non Attend	Non Attend %	Live Attend	Post Attend	Committee	Number of Committee Attend	% Committee Attend
Briefing: Local Plan	23/08/22	18	46%	21	54%	18	0			
Members Briefing: Exeter Skills Strategy	07/09/22	18	46%	21	54%	18	0			
Briefing: Exeter Grants Programme	03/10/22	14	36%	24	62%	14	0			
Briefing: Police Neighbourhood Meeting	12/10/22	23	59%	16	41%	23	0			
Briefing: Social Value	13/10/22	15	38%	24	62%	15	0			
Training: Carbon Literacy Training	28/10/22	5	50%	5	50%	5	0			
Briefing: Social Media and Communications	23/11/22	10	26%	29	74%	10	0			

No Cllrs **39**
 Licensing **14**
 Planning **14**
 Audit & Governance **12**
 Community Grants **6**

Highest Attendance	23	59%
Average Attendance	15	38%
Lowest Attendance	5	13%

Highest Absence	29	74%
Average Absence	20	51%
Lowest Absence	5	13%

Highest Attended Live	23	59%
Average Attended Live	15	38%
Lowest Attended Live	5	13%

Highest Attended Post Session	0	0%
Average Post Session	0.00	0%

Lowest Attend Post Session	0	0%
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2022	Total Responses	Very Satisfied	Satisfied	Dissatisfied	Not applicable
Overall impression of the briefing / training	5	3	2	0	0
Facilitator's ability and competence	5	5	0	0	0
Facilitator's rapport with the delegates	5	5	0	0	0
Accurate course description versus content delivered on the briefing / training	5	4	1	0	0
Relevance to your personal learning needs	5	3	2	0	0
Effectiveness of the learning methods	5	3	2	0	0
Quality and appearance of course materials	5	2	3	0	0
Quality of facilities	5	3	2	0	0
Notice / contact prior to the course	5	4	1	0	0
Joining instructions and content information	5	4	1	0	0
Adequacy of support for special needs	5	1	0	0	4
Total		37 67%	14 25%	0 0%	4 7%

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