

STRATEGIC SCRUTINY COMMITTEE

Date: Thursday 19 January 2023

Time: 5.30 pm

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

Members are invited to attend the above meeting.

If you have an enquiry regarding any items on this agenda, please contact Sharon Sissons, Democratic Services Officer (Committees) on 01392 265115.

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 Hannaford (Chair), Leadbetter (Deputy Chair), Allcock, Asvachin, Atkinson, Branston, Harvey, Jobson, Knott, Mitchell, K, Moore, J, Oliver, Read and Vizard

Agenda

1 **Apologies**

2 **Minutes**

(Pages 5 -
20)

To approve and sign the minutes of the Strategic Scrutiny Committee held on 17 November 2022, and the Special Strategic Scrutiny Committee held on 12 December 2022.

3 **Declaration 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 - Exclusion of Press and Public**

It is considered that the Committee would be unlikely to exclude the press and public during the consideration of the items on this agenda, but if it should wish to do so, then the following resolution should be passed:

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

5 Question from Members of the Public Under Standing Order No.19

Details of questions should be notified to the Corporate Manager Democratic and Civic Support via the committee.services@exeter.gov.uk email by 10.00am at least three working days prior to the meeting. For this meeting any questions must be submitted by 10.00am on Monday 16 January 2023.

For details about how to speak at Committee, please click the following link - <https://exeter.gov.uk/council-and-democracy/councillors-and-meetings/public-speaking-at-meetings/overview/>

6 Questions from Members of the Council Under Standing Order No.20

To receive questions from Members of the Council to the relevant Portfolio Holders for this Scrutiny Committee. The Portfolio Holders reporting to this Scrutiny Committee are:-

Councillor Bialyk - Leader
Councillor Morse - Portfolio Holder City Development and Planning
Councillor Parkhouse Portfolio Holder Leisure & Physical Activity
Councillor Wood - Portfolio Holder Climate Change
Councillor Wright - Portfolio Holder Arts, Culture, and Corporate Services

Advance questions from Members relating to the Portfolio Holders above should be notified to the Corporate Manager Democratic and Civic Support.

7 Portfolio Holder Report

(Pages 21
- 24)

Councillor Emma Morse (City Development & Planning) to present a report on her portfolio.

8 Forward Plan of Business and Forward Scrutiny Work Plan

(Pages 25
- 28)

Please see for noting a link to the schedule of future business proposed for the Council which can be viewed on the Council's web site - <https://exeter.gov.uk/council-and-democracy/councillors-and-meetings/forward-plan-of-executive-decisions/>

Should Members wish to raise issues in respect of future business please notify Sharon Sissons in advance of the meeting.

Date of Next Meeting

The next scheduled meeting of the Strategic Scrutiny Committee will be held on **Thursday 16 March 2023** at 5.30 pm in the Civic Centre.

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STRATEGIC SCRUTINY COMMITTEE

17 November 2022

Present:

Councillor Rob Hannaford (Chair)

Councillors Allcock, Asvachin, Atkinson, Harvey, Jobson, Knott, Mitchell, K, Moore, J, Oliver, Read and Vizard

Apologies:

Councillors Leadbetter and Branston

Also present:

Director of Culture, Leisure and Tourism, Service Lead - Net Zero, Commercialisation, Skills, Business and City Centre and Democratic Services Officer (SLS)

In attendance:

Councillor Philip Bialyk	- Leader
Councillor Laura Wright	- Portfolio Holder Arts, Culture & Corporate Services
Councillor Josie Parkhouse	- Portfolio Holder Leisure & Physical Activity
Councillor Duncan Wood	- Portfolio Holder Climate Change

23 Minutes

The minutes of the meeting held on 29 September 2022 were taken as read, approved and signed by the Chair as correct.

24 Declaration of Interest

No declarations of interest were made by Members.

25 Questions from the Public Under Standing Order No.19

No questions from Members of the public were received.

26 Questions from Members of the Council Under Standing Order No.20

No questions from Members were received.

27 Portfolio Holder Report

Councillor Wright reported on the Arts, Culture and Corporate Services areas of her Portfolio and detailed the issues relating to achieving the Council's published priorities, major ongoing programmes of work, issues impacting delivery, financial performance, budget requirements and potential changes being considered.

The Portfolio Holder referred to the following areas:-

- the One Exeter Programme was contributing to the work on identifying the potential savings that were needed working with the Senior Management Board. A Briefing on the budget would be held for all Members in January;
- Arts Council funding had awarded five of the city's National Portfolio Organisations (NPO's) with another three years of funding;
- the Devon Housing Task force which included the Leaders and Members of the Devon authorities was working strategically on the housing crisis in the south west, and offered an opportunity to lobby Government for more investment in social housing. A copy of the letter written to Michael Gove MP, Secretary of State for Levelling Up, Housing and Communities would be circulated to members of the Scrutiny Committee for information;
- the investment in more staff in the city's CCTV Control Room along with the Safety Partnership with the University of Exeter and Devon and Cornwall Police. She had raised an issue about response times to the 999 and the non-emergency 111 line; and
- the approval of funding to help roll out the preparations for the photo ID, will be needed in the forthcoming May elections.

The Portfolio Holder responded to advance questions received from Councillor Read, with the responses in italics:-

Can the Portfolio Holder explain more about the in year cuts that are being made?

There were no in year cuts being made. As per the budget monitoring reports, the budget for this year remained balanced. There was a process ongoing in respect of the 2023/24 budget which was looking to address a shortfall caused principally by the pay award, increased energy costs and increased rates with borrowing costs. The budget for the year was balanced, with ongoing work to balance the budget for 2023/24.

How many posts remain unfilled or are being made redundant this year?

It was important to note that no posts had not been identified for redundancy at the moment, but a voluntary redundancy offer was available. Any specific information would relate to individual members of staff.

There were currently 170 vacancies on the establishment, (with some covered by agency workers in Cleansing, Parks and Open Spaces). Work was taking place with the One Exeter Programme to establish how many places were vacant, but filled by agency staff.

Will One Exeter result in specific services being stopped altogether and which ones?

This was part of the work of the One Exeter Programme and there may be some amalgamation or a change of the emphasis in the way some services were operating. The work was ongoing and Members would be informed at the informal Member's Briefing in January, before being considered by the Executive and Combined Scrutiny Committee meeting and then at Council in February.

The Devon Housing Task Force has been running for a year, what have been its significant outputs and how will these benefit Exeter?

The Devon Housing Commission has been collecting data evidence on properties used as holiday lets, to share with the Department for Levelling Up, Housing and Communities (DHLUC). As part of this, a member of the Devon Housing Task Force attended an oral evidence session at a House of Lords Select Committee on 8th November which considered evidence on the impact of short term holiday lettings on

the supply of new homes locally in Devon. The Built Environment Committee had requested evidence to look at a correlation in the growth in short term and a reduction in long term lettings. It has been estimated that 75% of new housing stock was being lost each year in Devon with a move from long term to short term lets, and taking properties out of the rental market. The Housing Task Force would be lobbying this matter as part of a bigger wider package of measures which may be explored.

Can the Portfolio Holder explain the delay to installing the CCTV camera near St Bartholomew's Cemetery?

The installation of 26 high resolution CCTV cameras and associated infrastructure, was complex and took time and permission was required for working on the public highway and e agreements for installing in third party assets before getting to the installation phase. Initial work had been focused on the complete replacement of the command and control systems in the CCTV control centre, and the upgrades were needed to install those systems. Those works were now complete and the camera installation work had been running for approximately four months. Following the permissions, surveys and tree work to remove obstructions, four of the new cameras have been installed. With most of the upfront work now complete, the remaining cameras were expected to be installed by February 2023, which was only the first phase. The second phase was approximately 30 new cameras and would be focussed on some of the main pedestrian routes in and out of the City. The second phase was expected to be operational by May/June 2023.

The installation of the camera near St Bartholomew's Cemetery had been slightly more complex, because of tree management works to reduce the amount of foliage, which had obscured the CCTV camera. This work was also expected to be completed by February 2023 and the Portfolio Holder undertook to contact Councillor Read if there were any further issues with this.

What is the estimated number of voter ID cards that will be required to be issued and will the service be able to guarantee they will have the capacity to do this and within the timeframe set by government of up to 24 hours for applications to be made before voting opens?

Estimates vary regarding the take up of Voter ID from between 2% and 6%, which equated to 1800 – 5400 potential applications. Every effort had been made to anticipate the demand by seeking additional funding from the Council to underwrite advance planning and we are looking to recruit to an additional temporary post soon. However, at the time of writing, the notification due to be received in October, from the Government, setting out the expected funding was yet to arrive. The legislation had set out the latest time for applications as being six working days before polling day (not 24hrs).

The modelling had been for the worst case scenario and financial liability that Exeter might be left with and the Corporate Manager Democratic Services oversaw funding approved at the last Council which should cover the cost of this with the assumption that the funding will be covered by the Government.

How will you ensure that young people won't lose their right to vote as the government guidance on ID is aimed at those held by people, who are 60 years plus regarding the acceptability of bus passes

The Electoral Commission would be undertaking nationwide publicity to engage with the electorate setting out the new requirements. In particular, this would make clear which types of photo ID would be acceptable. This would also be supplemented by local publicity and by information contained within the poll card.

The Communications team at the City Council will also undertake targeted communications using social media aimed at younger people and Members were encouraged to communicate this widely when they were in their wards. There was a list of the ID that would be acceptable but that did not include student photo cards. She understood that data would be gathered to find it who is that going to affect, and the City Council would do all it could to ensure that all those who wished to vote would be able to.

What has been the level of voter fraud in Exeter in the last 10 years?

There have been no reported instances of electoral fraud at polling stations. This may only prove that none have been detected. However, no records have been kept.

The Portfolio Holder also responded to Members' comments as follow:-

- ward grants were available and had been given for cultural activities. Devon County Council grants were available as well.
- each National Portfolio Organisations (NPO's) had its own conditions attached with any impact measureable. The impact for the City Council would only be if any of the NPO's could not meet the conditions and the MPO would lose the next segment of that funding and impact on us as a city.
- there had not been the opportunity to discuss with Theatre Alibi their future plans but would help to signpost and see if there was any possibility of cross collaborative working. Devon County Council had made grant funding for their work in schools.
- the creative arts industry was one of the biggest income generators for the city economy. Information shared by the Service Lead confirmed that Exeter was the third biggest city in the UK with a creative sector industry bringing in income to keep the economy viable. It was difficult to measure particularly as so many worked on a freelance basis.
- she would send a note to the researchers from the University of Exeter to ensure that data collection on empty homes element was covered, and of concerns raised about property rented as an Airbnb's on putting out their rubbish at various times, as this had impacted on the community.
- a request would be made for as far as possible for data from all tenures, including those occupied by students would be collected across Exeter and Devon. She noted the comment made for any opportunity to encourage people living in Exeter with spare accommodation to help with the shortage for single and young people and those seeking accommodation whilst working on a temporary contract rather than just focusing on people who want long term secured tenancy does not make up the whole picture.
- social housing was a part of the Forum's discussions, along with all of the issues raised such as homes for Ukraine, the rent a room scheme for single people along with the overall housing crisis were all being discussed in this Forum. A comment on those local councils that were not necessarily housing authorities to work collaboratively together to identify the barriers was noted.
- following a Member request and as a Panel member she would pick up the findings in the recent report on 111 and 999 response times and the Police Force's management of registered sexual and violent offenders at the forthcoming Devon and Cornwall Police Crime Panel meeting. She would offer an update following this meeting on these particular matters.
- a push button Help Point run as part of the Safer Streets in the city initiative in Plymouth was part of an external communications company provision and would require planning permission. In Exeter as well as the CCTV provision, there was a safe space open every Wednesday, Friday and Saturday night from 11.00pm until

4.00am in St Stephen's Church on the High Street. There was the opportunity to use or charge a phone, order a taxi, obtain support from the staff and volunteers and receive first aid treatment. They would be seeking further volunteers in the spring to cover shifts and it was hoped that the work could be extended with a roving presence around the city. Other initiatives such as signs with the number of the CCTV control room to request a directing of the camera was also being implemented. At the request of the Chair, she would provide further updates on this work as and when appropriate.

- an enquiry on the liaison between the University of Exeter and the Students Guild relating to publicity on the ID Vote campaigns would be made.

The Portfolio Holder report was noted.

28 Commercialisation

The Service Lead Net Zero and Business presented the report which offered an update on work undertaken within the Net Zero and Business Service under the umbrella of commercialisation for the City Council. An appendix also set out the wide range of projects the team were currently leading on with a projection of gross overall income that could be achieved. The intention was to provide an update on activity to the Scrutiny Committee every six months.

A number of factors had affected the progression of recent activity including a period of furlough during the Pandemic and an extended sickness period of the Commercial Manager, and an adjustment of the activity related to borrowing due primarily to the high level of interest rates. The Commercial Manager has been focusing on winning new contracts with an emphasis on waste and recycling; looking at the delivery of services differently and pursuing new and innovative ways to develop a new income stream for the City Council. He had spent some time negotiating with a number of local companies to win new contracts, but they were not forthcoming, in part due to other competitors in the local market. The report highlighted a number of projects being pursued with a significant emphasis on supporting and scoping new waste and recycling contracts using spare capacity to service the city. The gross values for the contracts were quoted, but following a Member's request, the net values for waste and recycling would be made available and would better reflect what value would be achieved for the Council.

A number of commercial projects were on hold due to officer sickness and the current economic conditions including higher interest rates, and increases in the cost of raw materials. Delivering commercial activity was very challenging, and going forward, meant a change of emphasis for the Commercial Manager on supporting existing services, through efficiencies or winning new contracts.

Members made the following comments, and the Service Lead Net Zero and Business gave the following responses to Members' queries:-

- that despite the Council's financially challenging position and the tendency to look inwards that commercialisation opportunities were not lost. *The current core of commercial activity continued to focus on working on waste and recycling, as the Council offered a good service with the businesses that the Council work with, due in part to being the Waste Authority and disposal of waste within Exeter contributed towards the Council's Net Zero ambitions in reducing carbon emissions. The inward internal focus remained, but working with the business community without borrowing or winning new contracts remained important.*

- identifying income as a target was not relevant as costs and allocated overheads might exceed income and not make a contribution to the revenue account. *A request would be made to the Service Lead for Waste and Recycling to provide net figures showing costs of contract delivery such as staff, fuel, hire of vehicles and maintenance taken into account.*
- were there any restrictions for any profit made on how it could be used in the Council. *It was anticipated that any surplus made would be used to reduce the bottom line to deliver a particular service and reduce the impact on the general Council's finances.*
- that Members could not adequately scrutinise the opportunities identified for commercialisation until there was an understanding of the availability of the spare human resources or property capital. *There was spare capacity, but whether that would change in the future would be a future discussion.*
- whether the suggestion of staff expanding their job roles would result in sufficient additional income stream. However, other opportunities such as deriving more income from car parking or the development of the Port Authority would be more than welcome, but whether more work on shared services would be undertaken. *Some services that are currently free, could be charged for, but more information was needed but Members should be invited to make suggestions and identify priorities. Although figures were not included as they were commercially sensitive, the potential projects were all areas that could be developed as appropriate and using any additional resources but doing things differently. Certainly, additional income could be derived from any further commercialisation of the waterways should the powers change. Shared services was being explored as part of the Exeter One Programme. The comments and suggestions about shared services made by Members would be discussed with colleagues. Car parking was now within her responsibility and a parking review was being undertaken to look at activity and potential savings to be made from looking at how they might do things differently and around utilising any spare capacity in car parks. The Chair suggested that when the Combined Scrutiny Committee met to discuss the budget, there might be an opportunity to explore the commercially sensitive aspects of the Commercialisation project work again.*
- the pros and cons of the role of the Commercial Manager versus commissioning specialist support should be explored, particularly in areas such as waste and recycling to maximise opportunities, and an enquiry about the timescales for the Exeter City Services web site. *The current post holder was on a temporary contract, and some of the work was quite specialist with technical advice required so consideration of whether more generalisation or more specialism would be beneficial was being considered. The rollout of the web site had been delayed due to the Pandemic, and the need for it to be built by Strata Solutions Ltd, the Council's IT Service.*
- that along with the suggestion of exploring other areas for income whether green burials could be considered. The Member also enquired about the current status of the Exeter City Services web site and whether additional money had been spent on relaunching the web site, the consultation on any changes to the Port Authority and whether a commercial food waste collection would be pursued when the residential food collection had not been rolled out. *The web site was designed but had been put on hold due to the Pandemic, as Strata will be building the website, there would be no charge. The site would be separate to the main City Council web site, offering an opportunity for further engagement with the business community to identify income opportunities. It was confirmed that any changes to the current arrangements in relation to the river and canal would involve a period of consultation in line with the Council's Consultation Charter. In a further response to the Member, the necessary infrastructure would need to be in place before a commercial food waste collection to the business community was offered.*

- a concern that the food waste roll out had been slow and there may be an equity issue if a residential property collection was not be in place, before the city centres' commercial establishments. The Service Lead confirmed that this would not be the case. The Chair referred to the progress of the food waste collection which would continue to be reported to the Customer Focus Scrutiny Committee.

Members also discussed the city lottery suggestion and had varying views and whilst the promotion of gambling could not be supported, there was a difference between gambling which might lead to serious addiction and community lotteries to support the arts and local good causes. The Chair added that he was aware that other District Council's ran a community lottery and at least with that model some funding could come back into the local community. The Director, Culture, Leisure and Tourism stated that a report exploring the options of a city lottery was being presented to the Executive.

The Chair thanked the Service Lead Net Zero and Business for the report and anticipated that there would be further consideration as the projects were explored.

Strategic Scrutiny Committee noted and supported the following:-

- (1) work undertaken and planned within Commercialisation that supports the One Exeter Programme, as well as the City Council's Medium Term Financial Plan;
- (2) with activity to be adjusted to support services to increase income, rather than activity that requires borrowing – 'invest to save' – to deliver commercialisation; and
- (3) going forward, an update be presented to Strategic Scrutiny every six months, from November 2022 onwards.

29 **Forward Plan of Business**

Members noted the Forward Plan and Scrutiny Plan.

The meeting commenced at 5.30 pm and closed at 7.35 pm

Chair

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STRATEGIC SCRUTINY COMMITTEE

12 December 2022

Present:

Councillor Rob Hannaford (Chair)

Councillors Allcock, Asvachin, Atkinson, Harvey, Jobson, Knott, Mitchell, K, Oliver, Read and Vizard

Apologies:

Councillors Leadbetter and Moore, J

Also present:

Director of City Development, Assistant Service Lead – Local Plan and Democratic Services Officer (SLS)

In attendance:

Councillor Philip Bialyk - Leader

Councillor Michael Mitchell - Speaking Under Standing Order 17 (Subscriber)

Councillor Diana Moore - Speaking Under Standing Order 44

30 Declaration of Interest

No declarations of interest were made by Members.

31 Questions from the Public Under Standing Order No.19

No questions were received by the public.

32 Community Infrastructure Levy: Partial Review Consultation

The Chair had advised that, in accordance with Standing Order 17, a special meeting of Strategic Scrutiny Committee had been called following the decision made by the Executive on 29 November, to commence a partial review, with a consultation of the Council's Community Infrastructure Levy (CIL) Charging Schedule from December 2022 and, depending on the nature of the responses and any revisions, submit for examination.

For information, it was noted that the Executive on the 29 November had resolved the following:-

- (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.

Following the publication of the decision made by the Executive and in accordance with Standing Order 13(1) Councillors Sparling, K. Mitchell, M. Mitchell, Harvey, Bennett, Read and J. Moore indicated that they wished to Call-In the decision. The Members also known as the Subscribers gave the following reasons and grounds on which they had submitted the Call-In under Standing Order 17:-

The decision maker had failed to take account of relevant factors by:-

1. Deficient Process:

- a) At the July 2019 Executive, and agreed at the subsequent Council, the allocation of a budget of up to £75,000 in order to instruct Consultants to review the Community Infrastructure Levy Charging Schedule was allocated. The decision was for a review not a partial review, a partial review was not presented as an option in the paper.
- b) There has been no report back or request to Executive and Council to change the decision to for partial review to be undertaken as an alternative option since the decision in 2019 above was taken.

2. Decision-maker failed to take account of relevant factors:

- a) The Executive have failed to take into consideration the consequences of not taking a full review. The issues for consideration which were set out on page14 in the procurement pack of 12th February 2020 ref no: PR 772019HR.
- b) The partial review omits consideration of other factors such as the assumption is that the Exeter Development Fund will proceed, but as identified in the Council's risk register the fund is high risk, so if it doesn't proceed then then there may not be sufficient CIL to contribute to required infrastructure.

3. Decision maker is wrong in fact or law:

The Executive paper (29/11/22) include 'co-living': this is not defined in planning policy either nationally or locally. Local schemes branded as 'co-living' have been bought forward as build to rent schemes, which are defined in law. There is no basis therefore such an undefined term to be used in a planning document which requires absolute clarity to determine CIL liability.

The Chair invited Members to review the process by which the Executive made their decision. If it was considered that the Executive had not taken account of the information raised in the Call-In, then a recommendation could be made to the Executive to reconsider this matter giving the reasons for doing so, and to this effect a meeting of the Executive had been provisionally scheduled for 19 December 2022. He confirmed that the Leader of the Council, as the relevant Portfolio Holder with responsibility for CIL, was present to answer any questions put forward. The Director City Development and the Assistant Service Lead (Local Plan) were also present to answer questions of an operational nature. Mr Dominic Houston, an Associate of Three Dragons Consultancy and author of the report commissioned by the City Council in relation to the CIL review, was also in attendance.

The Chair advised that there were three options to consider for action under the Call-In Procedure which were to:-

- resolve to take no further action;

- refer the matter back to the Executive for reconsideration, setting out in writing the reason for its request; or
- refer the matter to Council who may refer the decision back to the Executive

He also stated that Councillor D. Moore was present having given notice to speak under Standing Order 44. Councillor M. Mitchell was also in attendance as a Subscriber under Standing Order 17, to seek any further clarification or put any further points relating to the Call-In Notice.

The Director City Development set out the need for a review of the CIL charging schedule, with many factors having changed in the housing market, including property values and viability over the ten years since CIL was first adopted in the city. The proposed review would reflect on those changes and in particular some of the new tenures that had come forward such as co-living, and Purpose Built Student Accommodation (PBSA). The review was an important component of the housing delivery process and enable the Council to continue funding the critical infrastructure needed to allow Exeter to improve and meet the vision. It would include a consultation on the draft revised charging schedule and it was important to note that this was an evidential led process around viability with adherence to Government regulations and guidance.

The Assistant Service Lead (Local Plan) advised that the consultation would run in accordance with the Council's Consultation Charter and the recently adopted Statement of Community Involvement, and be held, subject to approval, from December until January. The post consultation period would look at all of the responses received, analyse the topics raised, and as appropriate, include any revisions to the charging schedule or be included in the submission and examination process. There would also be the opportunity for those individuals who responded to be invited to speak to the examiner.

Councillor D Moore was invited to speak having given Notice under Standing Order 44. She welcomed the review of the CIL rates, but requested that a number of matters required further consideration before going out to consultation and the Call In had set out the reasons. She raised the following points which the Assistant Service Lead (Local Plan) responded to as appropriate as set out in italics:-

- the first stage of a Regulation 18 consultation of the Local Plan was currently being undertaken. The viability report produced by Three Dragons Consultancy was out of synchronisation with the full charging schedule and the viability assessment was not drawn on any emerging policies from the outline draft Exeter Plan.
The CIL review related to the current policy position of the Local Plan and Core Strategy. Good progress had been made but there were not sufficiently developed policies across the full range of policy areas or site allocations. The Government wished to include a review of charges to the wider planning system and a new infrastructure tariff or levy may or may not be in place by the time the Exeter Plan is adopted. It was not appropriate to make reference to the whole suite of costs.
- Council had agreed to take a full review of the CIL and that included a procurement brief which had been drawn up, but it was not clear who took, or when a decision for a partial review was made. This was pertinent in the light of the decision to update the Local Plan, with no regard given to emerging policies, which will begin to have weight. The review of the Core Strategy adopted in 2012 identifying the policies reviewed was significant.

The work carried out in putting forward the draft charging schedule had taken account of the full schedule, including all four areas of CIL rates where it had been considered that viability in development for emerging tenures was most in use. The consultation of the full draft charging schedule had set out the range of rates for all land uses that was currently charged for. The term partial was only a reference and the review does focus on the full CIL charging schedule.

The Director City Development added that the proposed charges to the charging schedule were based on evidence that was being prepared for the Council, and the consultation and subsequent examination would consider the whole of the draft charging schedule, even those areas that the Council was not proposing to change.

- in respect of Co Living, the Three Dragons report referenced that Purpose Built Student Accommodation (PBSA) was in respect of a time when this form of development was relatively untested. This point is made in the Strategic Housing Needs Assessment, produced for the Local Plan. There was concern that the same fact, which was not true for co-living, where a very low rate could incentivise developers? Could we learn from the difficulties that this high density accommodation has caused - of luxury unaffordable developments, over concentration of one type of accommodation designed for transient communities in small neighbourhood areas, when the goal of the current plan is to create balanced communities?
- in relation to balanced communities, why has the core issue of the current Plan in relation to PBSA and co-living not been included in the review as part of this work on the CIL.
A key revision being proposed in the consultation was to introduce a specific CIL rate for co-living that was currently not in place. There were some similarities with PBSA, but co-living was not an established type of development in the city, with no local evidence available to date.
- there are further issues around zoning - which is covered in the report and a very small area recommended, and whether the Article 4 area and the areas acceptable for co-living and PBSA do not all align to regulate and limit the number of HMO's, PBSA and co-living developments in one area. The CIL and planning policy must clearly connect.
- in this regard, Scrutiny Committee should consider affordability. In the report, it sets out that co-living style developments are like PBSA blocks, and the viability assessment demonstrates that such developments can well afford to contribute towards the CIL and so why was this style of development being proposed at same rate as flats which are seen to be less viable.
- the rent per month for Build to Rent is expected to be £1,250. In the report, co-living, a specialist form of Build to Rent, will have 'bed spaces' turnover one or two times a year and therefore the rent is set at 48 weeks. The market value suggests that PBSA for the cost of an ensuite flat is £164 a week and for co-living £237, which makes the rent for a co-living place £11,883 pa. She asked if the Council needed to offer further incentives with a lower rate of CIL. The Strategic Housing Needs Assessment included the following reference - "One startling statistic from the demographic data for Exeter is that single person households aged 15-24 years are projected to fall by 210 households to a rounded figure of zero by 2040." Net Zero should relate to carbon emissions, not driving young people out of the city due to the unaffordable housing crisis.

The Housing Needs Assessment also sets out: “At the same time, the number of ‘Other’ households headed by someone aged 15-24 years is projected to rise by 690 households in the same timeframe, with a rise of 50 households for those aged 25-34 years.” With the CIL likely to be in place for a number of years, an oversupply of co-living could mean that young people were prevented from not only from living, but also loving and setting up homes in the city. If co-living is to work it needs to be founded on proper policy, properly funding infrastructure and to be affordable.

The Assessment document also points out that the Council follows national Build to Rent guidance seeking 20% of units as discount market rent i.e. 80% of market rent. Why does the Council not choose to increase the proportion of affordable units? A suggestion would be to reduce both levels of community infrastructure, but there may be reduced levels of affordable housing. That is not considered by the review, but the affordability crisis must be considered by the Council, and planning policy especially the community infrastructure levy is key to this.

The CIL rate was not the appropriate form for setting policy but was set for different types of development. The Exeter Plan consultation was in draft outline and did not set out the specific requirement of different tenures. This would come in the first draft of the Exeter Plan consultation next year and reflect the consultation responses currently coming in.

Co-living as a general approach would provide a new product in the city and has not yet been placed. It would meet some of the needs not met by standard forms of development. The CIL rate was not the appropriate mechanism for setting policy but was set for different types of development.

Dominic Houston also responded to the points raised by Councillor Moore, in italics:-

- on the general point of Build to Rent flats discussed in the report, it suggests that the taller and larger schemes are less viable than medium-sized ones. The CIL is skewed to support taller denser flats- but without the corresponding investment in the community infrastructure that makes high density living viable, liveable. What consideration will be given to the Local Plan as a result of this finding and is it right to pitch the CIL rates to make it easier for the tallest/ largest flatted developments rather than what the medium sized ones can contribute to both housing supply and CIL as more viable developments?
The Three Dragons report referred to the forms that flat development might take in Exeter. Providers of Build to Rent schemes had been contacted as part of the consultation work. The contact was made in the context of the role they had in advising the Council on the CIL rate that could be supported. An approach could take place when the Build to Rent market in the city was more established. Should there be an application, the proposed CIL rates should seek to accommodate that as part of the housing supply for Exeter in the lead up to the next Local Plan Review.
- the reference in the report to net zero carbon emissions was welcomed. This points out that future changes to building regulations to move towards carbon net zero development have been indicated for 2025. Whilst it is unclear as to how these will be brought forward, why is there not a lower rate for developers who wish to achieve net zero construction to incentivise that form of building before any government regulation is introduced? This point was, after all, in the brief for the full review.

The cost for new build regulations was not included in the report, but all development had to meet certain standards. Costs for electric vehicle charging points and fire safety had been included. Over the next two years, a future homes standard will be proposed and likely include a requirement for a further reduction in carbon in new build, but this has yet to be determined.

- the review says that connection to District Heating is not taken into account because there is none in the city. If this is not accounted for then developers will not make any financial contribution to it, arguing it is not viable. So if the District Heating system is powered by renewable heat, rather than incineration, does this mean the Council is abandoning any role for renewable powered district heating in the NZ 2030 target?

District Heating was part of the concept for different carbon standards of new build coming forward. The fabric first approach has been a part of the most recent changes in building regulations for future homes standards to reduce carbon emissions. Some of the imperatives to encourage a District Heating system has been superseded with changes in building standards and a greater emphasis on reducing energy use.

The Chair invited Councillor M. Mitchell to speak as a Subscriber.

- clarification was sought on a differential of the CIL charging rates in respect of co-living and PBSA developments, when they were similar in design and function with shared facilities, and the impact on the Council should a future co-living development be totally occupied by students. *The Assistant Service Lead (Local Plan) stated that in relation co-living and PBSA were two distinct products and described as such. The characteristics of PBSA or co-living occupation would be set through the planning regime with the Council's general monitoring and enforcement regime available as required.*

- as part of the rationale for having a lower cost level for co-living, were there any other local authorities who had introduced a similar rate at this level. *Whilst there may be other local authorities, Bromley Council had introduced a separate charge which had been adopted in 2021.*

The Assistant Service Lead (Local Plan) suggested that irrespective of the charges proposed in a Council area, it was based on viability in that local Council area and it was hard to compare Council to Council.

- whether the CIL charge should continue to be embedded in the Local Plan, and risk becoming out of date along with any Plan, rather than having a CIL Policy. *The Assistant Service Lead (Local Plan) said that Exeter was an early adopter of CIL and there have been significant changes in that period to the viability development and the market. It was reasonable to expect the market to pay a viable CIL rate and to attach to the current Local Plan. It was appropriate to have a review of the draft charging schedule now.*

Members made the following comments -

- a review may offer the possibility of more funding for infrastructure. Any delay in implementing the new CIL charging regime could result in a loss for the Council.
- the review had only been called a partial review, because the period covered was only up until 2026.

- thanks to the officers for the excellent work, which included an independent element from the Three Dragons Consultancy to help prepare a consultation using the Council's Consultation Strategy.
- the proposal for a review, be it referenced as partial rather than full, put forward to the Executive had now been fully explained.
- co living could offer a balanced community and it was essential that efforts were made to help stem the housing crisis as quickly as possible. Any comments or concerns could be raised as part of the consultation.
- the comments on the scope and process of the Call-In, have also included comments on substance which it was hoped would be channelled through the consultation. The democratic process was not deficient and there will be a full review; the review focus was on current policy and not a wish list relating to CIL, and any concerns on the definition of co-living would come out through the consultation and examination.
- anecdotally staff in some sectors found it hard to find accommodation, with a particular shortage of one bed bedroom flats for single occupants or couples. Developers should be encouraged to build co-living schemes and help alleviate some of the accommodation issues in the city.
- that the consultation dates should not include the Christmas period
- some workers including key workers may need a peaceful environment and may not want co living accommodation which can be expensive, making affordability an issue.
- the Executive as a constitutionally defined decision making body of the Council had been entitled to make that decision to go out to consultation, which would have led to further scrutiny of the process. The issues raised had also been addressed by the input at the meeting by officers.

The following subscribers who were Members of the Scrutiny Committee made further comments:-

Councillor K Mitchell welcomed the opportunity to raise this matter legitimately through the Call-In process, because of the nature of the resolution at the Executive and to ensure there was an opportunity for a full scrutiny of the matter. He also referred to the recommendation made by the Executive in 2019, which was for a full review and suggested it may have been helpful to have been considered by the Planning Member Working Group, prior to the recent meeting of the Executive to enable the matter to be looked at in far greater detail by Members. He also sought clarification on the CIL rates decided in relation to PBSA and co-living and referred to the charge made at Bromley Council. He accepted that Bromley Council were entitled to charge their own rate.

The Director City Development responded and confirmed that the matter had, prior to the Executive also been discussed at the CIL Working Group. He also reiterated that no local authority could benchmark a CIL rate with another local authority, as the evidence was unique to that place.

The Leader also spoke briefly, in response and having previously discussed the matter with other decision makers and officers at the informal working group to help maintain a rationale and structure in relation to this matter, he had made the decision as the Portfolio Holder to bring this matter forward to the Executive.

Councillor K Mitchell also sought clarification on the viability study and would have expected there to be more of a reference to Article 4 areas, as that had an impact on the housing market. He had not seen a reference to the St. James Neighbourhood Plan, which was a policy specific to that area of the city relating to PBSA and housing in multiple occupation (HMO).

The Assistant Service Lead (Local Plan) advised that the provision of HMO in the Article 4 area was written into the Core Strategy, and there was also a reference to the provision of PBSA and student growth in the city centre. The St. James Neighbourhood Plan was a part of the Development Plan, but the viability evidence which the CIL rates were predicated upon do acknowledge the policies which have costs attached to them when development comes forward. The viability methodology would not be impacted by the St James Neighbourhood Plan.

- Councillor Read referred to the distinction made between co-living and PBSA and referenced a view from the Leader about balanced and sustainable communities.

The Leader responded that co-living would give the opportunity for individuals including key or peripatetic workers to rent for a period of time.

- Councillor Read referred to the increased profitability of co living, which was not reflected in the CIL rate. She thanked the Assistant Service Lead (Local Plan) for his commentary, but reiterated that the city does not have a co-living policy and she felt the study had demonstrated that one was needed. She also sought a response in relation to creating a lower rate of CIL for developers that make efforts to reduce carbon emissions and contribute to Net Zero.

Dominic Houston referred to the built form of co-living which may look like student accommodation but nevertheless it was a specialist form of Build to Rent. Student accommodation was not generally expected to provide for affordable housing, effecting the viability of the scheme, and unlike co-living, its occupants were not liable for council tax. CIL was not meant to be an instrument of policy, but a mechanism to raise building standards. The regulations state that there can be different CIL rates by use or geography and those definitions should relate to some difference in viability on a particular type of scheme. The study did not offer a mechanism or determination of the way by which the charging schedule may vary by carbon performance.

The Chair thanked Members for the detailed discussion of this matter. He urged anyone who had concerns to contribute to the consultation.

Councillor Knott made a proposal that no further action be taken. Councillor Atkinson seconded the proposal.

RESOLVED that in accordance with Standing Order 17 5(a), no further action be taken in respect of the Call-In.

It should be noted the proposed meeting of the Executive to be scheduled for 19 December would be cancelled accordingly.

The meeting commenced at 6.00 pm and closed at 7.20 pm

Chair

REPORT TO STRATEGIC SCRUTINY COMMITTEE

Date of Meeting: 19 January 2023

PORTFOLIO HOLDER'S REPORT TO SCRUTINY COMMITTEES

COUNCILLOR EMMA MORSE- PORTFOLIO HOLDER FOR CITY DEVELOPMENT AND PLANNING

1. Issues relating to achieving the Council's published priorities
Number of major planning applications determined – the City Council decided on 40 major planning applications in 2022. Of these, five were refused.
Appeals won/lost – In 2022, 6 appeals were dismissed, and eight were allowed. There are currently 11 appeals in progress.
Exeter Design Quality Partnership - the City Council expects all new development to be of the highest quality, and we are committed to raising the standard of design. We have set up the Exeter Design Quality Partnership (EDQP): an independent body comprising architects, urban designers, landscape architects, engineers, transport planners, heritage experts and other design-related professionals with a local interest and recognised expertise in their field. EDQP will assess development proposals and provide design support. The service applies to all pre-application submissions for major schemes in the city and other proposals where the development is considered sensitive in its setting.
CIL/S106 monies - since the Community Infrastructure Levy (CIL) introduction in 2013, CIL collection has amounted to £24.15m. In 2021/22 alone, the City received £3.79m in CIL receipts. In the same period, the Council was able to spend nearly £1.2m secured through the Section 106 process on affordable housing, outdoor sport and play, and other projects benefitting people who live, work and visit the City.

2. Update or commentary on any major ongoing programmes of work
Exeter Plan – the Outline Draft Exeter Plan was published for consultation between September and December 2022. The City Development team held 15 exhibitions and undertook multiple other events to promote the consultation. Personally I spoke at three events and attended many consultations, it was a pleasure to have this level of contact with the public on such important issues.
Feedback on the consultation is due to be reported to Planning Member Working Group (Feb), Strategic Scrutiny (March) and Executive (April)
Headline figures for input during the consultation are:
1331 respondents
3407 contributions

<p>Work is ongoing and as such the figures may vary due to duplications, and up loading of some replies.</p>
<p>Article 4 Direction – the Article 4 Direction restricting the conversion of dwellings to Houses in Multiple Occupation (HMOs) in specific city areas has been reviewed. A range of options will be reported to Planning Member Working Group this month, with a February Executive report recommending a preferred option to amend the current HMO Article 4 Direction and associated Supplementary Planning Document, and public consultation on that preferred option.</p>
<p>CIL Review – in December 2022, a consultation on a revised Community Infrastructure Levy (CIL) charging schedule was launched. This will run until 25 January 2023. The process aims to update the CIL rates implemented in 2013. The rates need to be revised to take into account planning and development changes in the city. The critical revisions proposed are:</p> <ul style="list-style-type: none"> - Increases in rates for Purpose Built Student Accommodation - Introducing a specific rate for Co-living (currently, it doesn't pay CIL) - Introducing a specific rate for build-to-rent, which is lower than standard residential - Introducing a zero rate for flats <p>Residential and out-of-city-centre retail CIL rates would stay the same.</p>
<p>Joint Strategy – discussions are ongoing between officers representing the five Councils in the Greater Exeter area about a Joint Strategy for planning in the area. Details will be reported to the Executive in February.</p>

<p>3. Issues that may impact: services delivery/financial performance/future budget requirements</p>
<p>Recruitment – There are 41 establishment posts in City Development. Currently, there are six vacancies.</p>
<p>Economic impact – Building Control and Land Charges are reporting a recent reduction in case work, but there currently is no cause for concern about fee income. Planning application submissions are not showing any signs of slowing down. Householder applications, in particular, are being received at a level comparable to previous years. The Service is reliant on the fees submitted for major applications. To match the fee profile of prior years, several larger applications need to be received this year.</p>
<p>Brownfield land challenges – the key focus of the Exeter Plan is the delivery of housing and other new development on brownfield land. Brownfield sites are strategically valuable but can be constrained by land treatment costs, the fragmentation of available plots, complex landownership and declining property values. Development can be complicated and more costly than on greenfield land. The City Council will need to work carefully and closely with developers to unlock the potential of brownfield land.</p>
<p>Planning reform – the government proposes changes to the National Planning Policy Framework and supporting guidance. They include:</p> <ul style="list-style-type: none"> • making clear how housing figures should be derived and applied so that communities can respond to local circumstances; • addressing issues in the operation of the housing delivery and land supply tests; • tackling problems of slow build-out;

- setting more precise expectations around planning for older peoples' housing; and,
 - promoting more beautiful homes.
- City Development officers are considering how to respond to a current consultation from the government on these changes. If appropriate, a report will be made to the Executive in February.

4. Potential changes to services/provisions being considered

Charging for pre-application enquiries – unlike most local planning authorities, the City Council does not charge developers for pre-application advice. Recent research commissioned by City Development indicates that applicants are generally (nationally and locally) not put off by paying a fee if it leads to delivering a service that is beneficial to them. There is scope to secure income by introducing a charge for providing advice on major development proposals. This income could be used to ensure that the Service can provide high-quality advice. As we move forward with this details will be shared with Planning Member Working Group.

Liveable Exeter Placemaking Charter – Exeter has a vision to be healthy, inclusive and sustainable, and officers are working on a Charter setting out how an efficient and effective planning system is vital in delivering that. It aims to secure high-quality development and protect the things that make Exeter uniquely beautiful, including the green hills and historic setting. It will support other Council strategies to help achieve Exeter's Net Zero 2030 ambition, tackle the climate emergency, enable nature recovery, and enhance the city's cultural offer. This will be best achieved by working collaboratively with people who want to invest in our city and with communities affected by development. The Charter will set out how we want to engage with businesses to manage major planning proposals in Exeter and provide clarity and certainty in the planning process. It will bring together the work on design review and pre-application advice referred to elsewhere in this report. Officers will consult Planning Member Working Group in February or March about the content of the proposed Charter.

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WORK PLAN FOR SCRUTINY ITEMS 2022/2023

Working Draft January 2023 – To be updated after Scrutiny Programme Board

Item	Scrutiny Committee	Director	Portfolio Holder	Submitted by	Date Approved by Scrutiny Programme Board	Date Signed off
JANUARY 2023						
Portfolio Holders Report (Cllr Morse)	Strategic 19 January 2023			Timetabled report		
Portfolio Holders Report (Cllr Ghusain)	Customer Focus 2 February 2023			Timetabled report		
Rec-Cycling and Food Waste Collection	Customer Focus 2 February 2023	Director Net Zero Exeter & City Management (DB)	Portfolio Holder Recycling, Waste Management and Waterways (Cllr Williams)	Annual report		
Report of Homelessness Task and Finish Working Group	Customer Focus 2 February 2023	Deputy Chief Executive (BA)	Portfolio Holder for Communities and Homelessness Prevention (Cllr Pearce)	Councillor Denning (proforma)	September 2021	
Budget	Combined Strategic Scrutiny and Customer Focus 9 February 2023	Director Finance (DH)	Leader	Annual Report		

Item	Scrutiny Committee	Director	Portfolio Holder	Submitted by	Date Approved by Scrutiny Programme Board	Date Signed off
MARCH 2023						
Portfolio Holders Report (Cllr Parkhouse)	Strategic 16 March 2023			Timetabled report		
St. Sidwell's Point/Active Leisure	Strategic 16 March 2023	Director Comms Culture & Leisure Facilities (JPH)	Portfolio Holder Leisure Services and Physical Activity(Cllr Parkhouse)	St Sidwells Point - Cllrs K. Mitchell M. Mitchell, Cllr D. Moore J. Moore and Sparling (<i>Active Exeter Budget work stream discussions November 21</i>)	July/September 2021	
Working Towards Net Zero - Exeter City Council's Corporate Carbon Footprint Report and Carbon Reduction Action Plan	Strategic 16 March 2023	Director Net Zero Exeter & City Management (DB)Service Lead Net Zero & Business (VH)	Portfolio Holder Climate Change (Cllr Wood)	Report half yearly		
Progress Report Shared Prosperity Fund - Update	Strategic 16 March 2023	Director Net Zero Exeter & City Management (DB)Service Lead Net Zero & Business (VH)	Portfolio Holder Climate Change (Cllr Wood)	Report half yearly		
Commercialisation Update	Strategic 16 March 2023	Director Net Zero Exeter & City Management		Report half yearly		

Item	Scrutiny Committee	Director	Portfolio Holder	Submitted by	Date Approved by Scrutiny Programme Board	Date Signed off
		(DB)Service Lead Net Zero & Business (VH)				
Portfolio Holders Report (Cllr Denning)	Customer Focus 30 March 2023			Timetabled report		
To review the findings of the Car Parks Strategy report	Customer Focus 30 March 2023	Director Net Zero Exeter & City Management (DB) Service Lead Net Zero & Business (VH))	Portfolio Holder for Climate Change (Cllr Wood)	Combined Strategic and Customer Focus Scrutiny Committee 20/10/2022- to consider Member involvement in the developing the car parking service	November 2021 – Combined Strategic and Customer Focus Scrutiny Committees	
JUNE 2023						
Portfolio Holders Report PF TBC	Strategic Scrutiny 8 June 2023			Timetabled report		
Presentation on the Role of Scrutiny	Strategic Scrutiny 8 June 2023	Corporate Manager Democratic and Civic Support (JS)		Timetabled report		
Scrutiny Programme Annual Report	Strategic Scrutiny 8 June 2023			Scrutiny Programme Board Report yearly		
Portfolio Holders Report PF TBC	Customer Focus 29 June 2023			Timetabled report		

Item	Scrutiny Committee	Director	Portfolio Holder	Submitted by	Date Approved by Scrutiny Programme Board	Date Signed off
Presentation on the Role of Scrutiny	Customer Focus 29 June 2023	Corporate Manager Democratic and Civic Support (JS)		Timetabled report		
Scrutiny Programme Annual Report	Customer Focus 29 June 2023			Scrutiny Programme Board Report yearly		

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