

EXECUTIVE

Date: Tuesday 7 February 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 10 January 2023.

(Pages 7 -
14)

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

RECOMMENDED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of

Item 18A - Appendix A, and items 19 and 20 on the grounds that they involve the likely disclosure of exempt information as defined in paragraph's 2, 3 and 4 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 Draft East Devon Local Plan Update Consultation

To note the Urgent matter of the response from Exeter City Council to the Draft East Devon Local Plan Consultation, run by East Devon District Council until 15th January 2023.

(Pages 15
- 18)

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 for Exeter from development proposed in East Devon in close proximity to the city boundary. Exeter's own spatial strategy is to steer the majority of development to brownfield sites in order to protect the city's landscape setting and retain Exeter's environmental quality. This strategy will also help to achieve the City Council's net zero 2030 target, enable nature recovery, continue Exeter's economic success and support a healthy and inclusive city. We need to ensure that proposals in East Devon, on the edge of the city, are planned for strategically, recognising cross-boundary impacts, to ensure development delivers our overarching development strategy and appropriately contributes to city infrastructure delivery.

A copy of the response letter is appended to the agenda for noting the urgent matter.

7 General Fund / HRA Estimates and Capital Programme 2023/24

To consider the report of the Director Finance.

(Pages 19
- 68)

8 Capital Strategy 2023-24

To consider the report of the Director Finance.

(Pages 69
- 78)

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| 9 | The Prudential Code for Capital Finance in Local Authorities (Incorporating the Annual Statement of Minimum Revenue Provision) | To consider the report of the Director Finance. | (Pages 79
- 100) |
| 10 | Treasury Management Strategy Report 2023/24 | To consider the report of the Director Finance. | (Pages
101 - 120) |
| 11 | Exeter Council Tax Premiums 2024/25 | To consider the report of the Director Finance. | (Pages
121 - 136) |
| 12 | One Exeter - Annual Review | To consider the report of the Deputy Chief Executive. | (Pages
137 - 152) |
| 13 | Annual Pay Policy Statement 2023/24 | To consider the report of the Director Corporate Services. | (Pages
153 - 168) |
| 14 | Gender Pay Gap Report | To consider the report of the Director Corporate Services. | (Pages
169 - 178) |
| 15 | Exeter Homelessness & Rough Sleeping Prevention Strategy 2023 - 2027 | To consider the report of the Director of City Development. | (Pages
179 - 234) |
| 16 | National Portfolio Organisation funding 2023 to 2026 | To consider the report of the Director of Culture, Leisure and Tourism. | (Pages
235 - 244) |
| 17 | Parking Tariffs 2023 | To consider the report of the Director for Net Zero Exeter & City Management. | (Pages
245 - 258) |
| 18 | One Exeter – Cost Reduction Proposals | To consider the report of the Deputy Chief Executive. | (Pages
259 - 276) |

Part II: Appendix A suggested for discussion with the press and public excluded

A representation has been received in respect of item 18A in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, in that

the items of business should be determined in the public section of the meeting for the following reason:-

Item 18A - One Exeter - Cost Reduction Proposals:

<https://committees.exeter.gov.uk/mglIssueHistoryHome.aspx?IId=52600&PlanId=262&RPID=14033980>:

"This item should be heard in public as 28 clear days' notice of the intention to hold the meeting in private, as required by Section 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, was not provided."

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 relate to decisions being made by the Executive. This report will be making a recommendation to full Council for approval at its meeting on 21 February 2023 and as such, the 28 days' notice for an item being considered in part 2 does not apply.

Paragraph 10 of Part 2 Schedule 12A of the Local Government Act 1972, states that information which falls into paragraphs 1-7 of Part 1 Schedule 12A of the Local Government Act 1972 is exempt information if, and so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The proposed reason for the exemption is that it is in the public interest to maintain the confidentiality of individuals as described in paragraph 2 of Part 1 of Schedule 12A to the Local Government Act 1972. Therefore the recommendation that Appendix A of item 18, being taken under Part 2, will be maintained.

In accordance with Regulation 5, Paragraph 5, Part 2 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 concerning the procedures prior to private meetings, the details of the representations received have been included on the agenda with the statement of response to the representations. The agenda has been published with five clear working days ahead of the meeting, in line with legislation.

a) **Appendix A - One Exeter - Cost Reduction Proposals**

(Pages
277 - 282)

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

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

19 **City Centre Parking**

To consider the report of the Director Net Zero Exeter & City Management.

(Pages
283 - 294)

20 **Vaughan Road Development Site**

To consider the report of the Director of City Development.

(Pages
295 - 304)

Date of Next Meeting

The next scheduled meeting of the Executive will be held on **Tuesday 28 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 10 January 2023

Present:

Councillor Bialyk (Chair)

Councillors Wright, Denning, Ghusain, Morse, Pearce, Williams and Wood

Also present:

Councillor Jobson (as an opposition group Leader)

Apologies:

Councillors Parkhouse, Jobson and K. Mitchell

Also present:

Chief Executive & Growth Director, Deputy Chief Executive, Director of City Development, Director Finance and Democratic Services Team Leader

1 ALDERMAN HILDA STERRY AND TONY BUCKLEY

The Leader passed on his condolences and respects to Honorary Alderman Hilda Sterry who was also a former Lord Mayor of Exeter, who had recently passed away and passed on his thoughts to her family.

The Leader also passed on his condolences to Tony Buckley who had also recently passed away. The Leader advised that he had served as a Council Leader in London before moving to Exeter and he passed on the thoughts of the Executive Members to his family.

2 MINUTES

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

3 DECLARATIONS OF INTEREST

Members declared the following interests:

- Councillor Denning - Minute No. 9; and
- Councillor D.Moore - Minute No. 9.

4 QUESTIONS FROM THE PUBLIC UNDER STANDING ORDER NO. 19

A member of the public, Mrs Thompson submitted the following question, related to Minute No. 7:-

- As Planning Consent for a Hub on Station Road Playing Fields Pinhoe was granted on 4 February 2020 with work to be commenced not later than the expiration of three years, could the Leader confirm if agreement has been reached with Corporate Property for a lease/transfer to create this Hub on Council land?

The Leader responded that no agreement had been reached for a lease/transfer for the creation of the Hub on Council land.

Mrs Thompson asked a supplementary question on clause 3N of the Planning Consent, which required details of how the change to the facilities would be maintained, what arrangements had been considered, and what were the long term future proposals of the transfer?

The Leader confirmed that no agreement had been reached for a transfer or lease to create a hub on Council owned land, but work was being undertaken to ensure that the project would be brought forward.

5 **URGENT MATTER - RESPONSE TO THE TORBAY LOCAL PLAN UPDATE CONSULTATION**

The Executive noted the urgent matter of the response from Exeter City Council to the Torbay Local Plan update consultation, which had been run by Torbay Council until 5 December 2022. Members noted that this was the second consultation on the Torbay Local Plan update which was considering housing needs and various site development options which could be taken forward into a further draft document at a later date.

Members were advised that 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 and that the response to the consultation was treated as an urgent matter. In accordance with the Council's Constitution, it had been discussed with the Council Leader, the Portfolio Holder for City Development & Planning and the Chair of the Strategic Scrutiny Committee.

Members noted that the letter had objected to the Torbay Strategy on two key areas. The first reason was that Exeter was working to deliver the Exeter Plan to deliver housing on brownfield land, which was a more sustainable option and aligned with Government policy. Torbay were being encouraged to also deliver housing on brownfield sites in their area. The second concern was on the challenge in developing on brownfield sites in Exeter and issues of meeting further additional housing requirements.

RESOLVED that the urgent matter be noted.

6 **EXETER CITY LIVING BUSINESS PLAN PROGRESS UPDATE**

The Executive received the report which provided a progress update on the production and proposed timetable for Exeter City Living's (ECL) Annual Business Plan 2023-24 and confirmed that the 2023-24 Business Plan would not be seeking any further new loans from the Council.

Particular reference was made to the Management Agreement which stated that the draft business plan must be prepared by November each year, ahead of the new Financial Year. One significant site was subject to the tender process and the cost information arising from the tender was still being assessed. The report sought Council approval to vary the Management Agreement to allow the Business Plan to be brought to Members in April 2023 to ensure it included appropriate information arising from the tender process.

The Leader advised that he had received questions in relation to the report from Councillor Jobson, and that he had provided written responses to the questions, which are appended to the minutes.

Councillor D. Moore, as an opposition group leader, spoke on this item. She welcomed the report and supported delaying the report to ensure accurate information was provided to Members. She enquired about the process of producing the Business Plan and whether it had been produced internally by Exeter City Living and would there be any cost to the Council for producing the Business Plan?

The Leader advised that he would provide a response to the question raised, which are appended to the minutes.

Members supported the recommendation to vary the Management Agreement to allow the business plan to be brought to Members in April 2023.

RECOMMENDED that Council agree that the timeline for the submission of the Exeter City Living 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.

7

2023/24 BUDGET STRATEGY AND MEDIUM TERM FINANCIAL PLAN

The Executive received the report on the strategic overview of the budgetary position for the 2023/24 financial year and beyond, which included the likely level of available resources, the known demand for resources and proposals to ensure that a balanced budget could be achieved. Members noted that the Council was required to set a balanced budget and Council Tax prior to the start of the financial year.

The Leader moved an amendment to the wording of the report recommendation as follows:-

- That the contents of the report are noted and that the principles of establishing a balanced revenue budget and Capital Programme are approved.

The Director Finance made particular reference to:-

- the provisional one year settlement had been received from the Central Government in late December 2022, with indications on what was expected in 2024;
- the Government had provided additional funding in the settlement, the majority of funding went to upper tier authorities but a guaranteed minimum funding grant had been provided to District Councils, with Exeter to receive £849,000;
- all Councils would receive a minimum increase of 3% in their funding, which was higher than was anticipated in the Medium Term Financial Plan, but was still below the Consumer Price Index (CPI) inflation;
- the Service Grant had been retained which Exeter was awarded £160,000, which was less than the previous year, due to part of the grant being given for National Insurance contributions funding, for the now abandoned Health & Social Care Levy;
- the New Homes Bonus had been renewed for one year only at £672,000, with no more legacy payments;
- the principles of the Council Tax Referendum had been increased for District Councils, who must set a Council Tax of less than 3% or £5, or otherwise a referendum would be triggered. For the first time an increase of 2.99% would be marginally higher than a £5 increase for the Council;
- the other budgetary assumptions in the report, showed an increase of 98% for electricity and 158% for gas, which highlighted the challenges to the Council's budgets;

- a significant amount of work had been undertaken by officers to make suitable proposals to help balance the budget, totalling £3.8 million for the next financial year. More detail would be provided ahead of Council on 21 February 2023; and
- the General Fund Capital Programme had been reviewed to bring forward a more affordable programme. The cost of the programme had increased during the financial year from interest rate rises and construction costs. A draft programme had been put forward based on officer recommendations to deliver the minimum programme required to keep the Council safe. Some projects which may not be included, were deemed as non-essential projects to address the financial pressures. Some projects would be carried forward and the draft programme would be finalised ahead of Council in February.

The Leader advised that he had received questions in relation to the report from Councillor Jobson and Councillor D. Moore and that he had provided written responses to the questions and the responses are appended to the minutes.

Councillor D. Moore, as an opposition group leader, spoke on this item. She thanked the Leader for responses to her previously submitted questions and asked the following questions:-

- it would be useful for the budget report to have clarity on what had been removed and what had been completed;
- there was an increase in the Capital Budget for IT, with a recurring cost of £200,000 a year to Strata. Was the Council getting value for money from this service?
- was there a specific maintenance budget for equipment at St. Sidwells Point?
- the removal of Mallison Bridge from the budget especially with partner commitment to match funding was a concern. Discussions had been held about including Mallison Bridge for either CIL or Section 106 funding which needed to be addressed; and
- Northernhay Gardens had been closed for several months and investment needed to be made on refurbishing the infrastructure and maintenance as a location of civic pride and green space for the city centre.

The Leader thanked Councillor D. Moore for the further questions and requested that the questions be sent to him, so he could provide a response.

During the discussion the following points were raised:-

- Directors and officers were thanked for their hard work in addressing the vast challenges needed to make savings for the financial year; and
- there had been many cuts made to local services and funding over the last decade, however, service expectations had not changed. It was disappointing that there had been another one-year settlement received from the Government, rather than a long-term plan to help the Council in delivering its services.

In response to a Member's question, the Director Finance advised that although part of the budget had been deferred as part of the re-profiling of the Capital Programme, Corporate Property had re-profiled £100,000 for the roof on Bradninch Place into this financial year.

The amendment to the recommendation was seconded by Councillor Wright, which was voted on, and unanimously supported.

RECOMMENDED that Council note the contents of the report and approve the principles of establishing a balanced Revenue Budget and Capital Programme.

8

COUNCIL TAXBASE AND NNDR 1 2023/24

The Executive received the report which set out the 2023/24 Council Tax base in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012. The report also sought approval to delegate the estimate of Business Rate Income (NNDR1) for the next financial year to the Director Finance.

Particular reference was made to the proposed Council Tax Base for 2023/24 of 38,247, which was an increase of 581 Band D equivalent properties which was considered to be a positive increase compared to the budgeted 1% increase over the past few years. Members noted that a system software update was required to produce the NNDR1, which would take place in later January 2023, and to meet the legal requirement to notify interested parties and Government accordingly, delegated authority was sought to approve the NNDR1.

The Chair enquired on the 581 Band D equivalent properties, and requested a breakdown of the properties, to see if they were new or existing homes.

In response to a Member's question, the Director Finance advised the money from Council Tax and Budget Strategy and Medium Term Financial Plan would be used to set balance budget.

RESOLVED that:-

- (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; and
- (2) the responsibility to approve the Council's NNDR1 return by 31 January 2023 be delegated to the Section 151 Officer.

9

HOUSING RENTS AND SERVICE CHARGES 2023-24

Councillor Denning and Councillor D. Moore declared pecuniary interests and left the meeting during consideration of the following item.

The Executive received the report which set out the proposed changes to Council dwelling rents, garage rents and service charges with effect from 1 April 2023.

Particular reference was made to the Governments long term rent policy which enabled an annual rent increase of CPI plus 1% for a five-year period, which commenced in 2020. The CPI figure for September 2022 was 10.1%, which would have enabled the Council to apply a 11.1% increase on housing rent, however, the Government having reviewed the policy, had allowed a standalone 7% cap for 2023/24.

Members noted that the 7% rent increase was higher than anticipated in the HRA Medium Term Financial Plan at the start of the year. It was below the cost increases seen in the HRA and would support covering the cost of the challenges seen in the HRA budget.

The proposed garage and service charges were proposed to also be raised by 7%. The service charge was intended to cover the cost of providing services to support

balancing the account. One exception, however, was the 12% increase in contents insurance to reflect the anticipated increase in premiums.

During the discussion the following points were raised:-

- thanks were given to officers for the work and effort provided in supporting tenants. It was noted that, although the rent increase was capped at 7%, it was still below the rate of inflation of 11%;
- rental income could not be used to support other Council areas and could only be used to support housing; and
- the Portfolio Holder for Customer Services and Council Housing had previously spoken with tenants who had provided a positive response to the rent increases.

In response to a question raised, the Deputy Chief Executive advised that the Council was mindful of tenants going into rent arrears and additional support would be provided to tenants. The Council would continue to do all it could to support financial challenges faced by residents.

RESOLVED that the Executive approves:

- (1) the increase of Council dwelling rent by 7% from 1 April 2023;
- (2) the increase of garage rent by 7% from 1 April 2023; and
- (3) the increase of service charges by 7% from 1 April 2023, with the exception of charges specified in paragraph 11.3 of the report presented at the meeting.

10

LOCAL COUNCIL TAX SUPPORT SCHEME 2023

The Executive received the report which sought Member's agreement on the Local Council Tax Support (CTS) scheme for working age residents for 2023/24, which Members were required to approve annually.

Particular reference was made to maintaining the current local Council Tax support scheme for the financial year. A fuller review of the scheme would be undertaken by officers during the financial year to bring forward a new proposal for 2024.

Councillor D. Moore, as an opposition group leader, spoke on this item. She welcomed the report and the Equality Impact Assessment, which had provided a thoughtful response to each characteristic.

During the discussion the Portfolio Holder for Customer Services and Council Housing, commented on monitoring the level of support for residents going into arrears with their Council Tax. She advised that impact assessments would be undertaken and support would be provided to residents.

RECOMMENDED that Council approve that the Local Council Tax Scheme in place for the current year continues for 2023-24 without substantive changes.

11

REPORT ON MEMBER TRAINING

The Executive received the report which provided an update on the progress of work on the Members' training programme. The also report highlighted Members' attendance for the various training sessions, which had been held since August 2022 and feedback statistical data on training or briefing sessions attended. The report also highlighted attendance for the various tour and shadowing opportunities

made available to Members during the period and highlighted the number of completed certificates received for the new on-line training platform.

Particular reference was made to:-

- the report had been updated to provide a statistical breakdown of the attendance and feedback data, allowing the report to be presented in the public part of the meeting;
- since the report publication, the number of completed certificates for the online training platform had risen to 17 and Councillor records had been updated accordingly; and
- there had been fewer training events held in the period, due to cancellation and rescheduling following the death of Her Majesty the Queen. The attendance figures presented, were on par with the previous quarter and the trend showed that had the training events continued, there would have been a positive improvement in the attendance figures.

During the discussion the following points were raised:-

- the City Council had been awarded the Carbon Literacy Bronze Award status based on the number of staff and Members who had undertaken the training;
- the report reflected the significant improvement in attendance, which was supported by the different ways in which training was undertaken. Thanks were given to all the officers who provided training, tours and shadowing opportunities to Members;
- it was encouraging to see Members undertaking the training opportunities provided and thanks were given to the Democratic Services team for their work on expanding and improving the training programme; and
- The Councillor Development Steering Group would be looking to contact more experienced Members to help with training new Councillors, following the election in May 2023.

In response to a question raised, the Democratic Services Team Leader advised that at the time of writing the report, the data for the Carbon Literacy training was not available, but would be included as part of the figures in the next quarterly report.

The Chair welcomed the work being undertaken by the Councillor Development Steering Group and recognised the need to have training available to develop Councillor skills and using experienced Members to support new Members.

RESOLVED that the Executive note the Members' Training report.

(The meeting commenced at 5.30 pm and closed at 6.27 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

DRAFT



Ed Freeman
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**Civic Centre, Paris Street, Exeter, EX1 1JN,
www.exeter.gov.uk**

Please ask for: Ian Collinson

Telephone: 01392 265080

Email: planning.policy@exeter.gov.uk

Date: 12 January 2023

Dear Ed Freeman,

Re: East Devon Draft Local Plan Consultation (Regulation 18)

Thank you for the opportunity to comment on the East Devon Local Plan Preferred Options Regulation 18 Consultation. This letter provides the response of Exeter City Council. It should be noted that the response has not yet been considered by the Council's Executive. This will take place on 7th February 2023. The response has been discussed by lead Councillors.

The response is split into sections covering the following topics:

- Compatible spatial strategies and delivering net zero
- Duty to cooperate
- Cross-boundary development impacts
- Employment provision
- Transport provision
- Joint European sites mitigation strategy
- Development sites on the edge of Exeter

Compatible spatial strategies and delivering net zero

The emerging spatial strategy for Exeter is set out in the Outline Draft Exeter Plan. A key strand of the new spatial strategy is to steer the majority of development to brownfield sites in order to protect the city's landscape setting and retain Exeter's environmental quality. This strategy will also help to achieve the City Council's net zero 2030 target, enable nature recovery, continue Exeter's economic success and support a healthy and inclusive city. This transformational approach is closely aligned with the Government's Levelling Up policy which aims to reduce inequalities and promote opportunities for all.

Whilst delivering Exeter's spatial strategy and approach to delivery will not be straightforward, it is necessary to address the challenges we face and to delivery net zero. East Devon is facing similar challenges and we support the emphasis in the consultation on tackling the climate emergency and responding to climate change. Maximising the development of brownfield sites first should be a key element of the spatial strategy to help tackle the climate emergency, acknowledging the limited supply of brownfield land in the District. We also welcome an emphasis on new and innovative forms of planning and delivery to ensure new developments, in particular any new settlements, are carbon neutral. Together, these approaches would help the wider area to achieve its net zero ambitions.

Duty to cooperate

Strategic policy-making authorities are required to cooperate with each other when preparing policies which address strategic matters. There are a number of such matters identified in the East Devon Local Plan consultation document. The City Council considers that the following matters are of relevance to the relationship between East Devon and Exeter. Most of these are identified in the consultation document:

- The collective strategic response to the climate emergency
- Development strategy and cross boundary development impact mitigation
- The partnership approach to mitigating development impact on European sites
- Landscape setting
- Employment strategy
- Transport strategy
- Education strategy
- Community facilities (health, education and cultural infrastructure)
- Flood risk and coastal change management.

In due course, a statement of common ground should document these cross-boundary matters and set out how they are being addressed. The emerging Joint Strategy for East Devon, Exeter, Mid Devon and Teignbridge also identifies an overarching common approach that will address some of these matters. We look forward to continuing to work together in consider these issues.

Cross-boundary development impacts

There is a series of proposed allocations on the edge of Exeter or close to the City boundary which will require significant cross-boundary partnership working to ensure high quality development comes forward in a managed way which complements the proposals in Exeter. Looking generally, habitat mitigation, landscape impact, infrastructure delivery, transportation and wider discussions on housing and employment strategy and place making will be matters requiring close partnership working and strategic approaches going forwards.

The City Council notes the proposed development strategy for East Devon and the inclusion of continued development on the edge of Exeter with the potential to accommodate a further 580 homes within an area to the north of Topsham. It will be vital to work in partnership with the City Council to ensure how this proposal can come forward in an appropriate way to minimise impacts on Exeter and Topsham whilst providing an attractive environment.

It will be important for the proposals within the city to be considered alongside the proposals in East Devon, on the edge of the city, to ensure development is planned for strategically, recognising cross-boundary impacts and opportunities. Proposals in East Devon on the edge of the city will need to come forward in a consistent manner with those nearby proposals in the city, embracing innovative forms of planning and delivery to ensure high quality development is provided.

The City Council also specifically recognises the proposals for a new community in the vicinity of Clyst St Mary to eventually accommodate around 8,000 homes. Significant cross boundary discussions will be required to understand the impact of this development in particular. This will build on the existing transportation discussions which are already taking place alongside Devon County Council and National Highways. Going further it is vital that we deliver a consistent approach to infrastructure planning and ensure that our respective Infrastructure Delivery Plans capture items that require cross boundary investment. A strategic agreement on how to manage and fund transportation, education, health, community and utilities infrastructure will be needed together with further discussions regarding habitat mitigation.

Employment provision

A key consideration will be coordinated thinking regarding employment provision in Exeter and on the fringe of the city in East Devon to recognise the functional economic geographies in the area.

Looking specifically at some of the emerging evidence, Exeter is likely to see potential growth in key transformational sectors such as data analytics, environmental futures, health innovation and digital communications, sectors which now form vital elements of the economic development strategy for the city and wider area. There are opportunities for accommodating the full range of employment sectors, including industrial and distribution uses, on a strategic basis across the wider functional economic area to ensure the full range of employment needs are met.

The City of Exeter has significant economic and employment growth potential, but it cannot all be accommodated within the city, given the constrained supply of employment land, and little scope for new potential employment sites. Some of the future economic growth stimulated by the City of Exeter will need to be accommodated in its hinterland in adjoining local authority areas, where they are functionally part of the city. Future employment growth in areas adjoining the City of Exeter (the city fringe) has the potential to help manage commuting into Exeter itself providing a foundation for sustainable development in East Devon. We look forward to continuing to work in partnership to ensure development delivers for the wider functional economic area.

Transport provision

As already alluded to, the allocation of development sites close to Exeter within the East Devon Local Plan will require continued close partnership working with Exeter City Council, Devon County Council and National Highways. This will need to ensure that appropriate transport provision is made to mitigate development impact and maintain the continued strategic functionality of the local and strategic highway networks. This will also help to ensure that Exeter can continue to play its vital role as the driver of growth for the wider area. This work will need to take account of development proposals in the emerging Exeter Plan to ensure a coordinated position.

A strategic approach will be required to ensure that the concepts and projects set out in the Exeter transport strategy are supported and delivered to promote active and sustainable travel to minimise car trips, help support air quality improvements in the city and play a key role in achieving carbon targets. More strategic interventions may be required, particularly on the strategic road network. Ongoing discussions should feed into coordinated infrastructure planning and infrastructure delivery.

Joint European sites mitigation strategy

Development proposals within East Devon need to be considered alongside development proposals in Exeter City Council and Teignbridge District Council to assess the in-combination impacts on European Sites (in accordance with the Conservation of Habitat and Species Regulations 2017 as amended). In terms of addressing these impacts, the updated Joint European Sites Mitigation Strategy will be key. We look forward to continuing to work in partnership to bring this forward.

Development sites on the edge of Exeter

Development next to the M5 and north of Topsham

The development proposed to the north of Topsham seeks to take advantage of the proximity of the city. Development in this area should be considered comprehensively alongside emerging allocations in the Exeter Plan to help protect the sensitive landscape to the east of Clyst Road and also help address transportation, education, utilities, green infrastructure and place making-issues.

Policy and supporting text should emphasise that development should be brought forward in accordance with a comprehensive access strategy and should also seek to protect the sensitive Clyst Valley. We look forward to continuing to work together to address transportation, infrastructure and landscape issues.

New settlement in the west of the district

The proposed new town, close to the boundary with Exeter, will have significant implications for the strategic road network and wider transport infrastructure. Achieving a balance between homes and jobs and providing the facilities and infrastructure that a new community requires is essential to ensure additional pressure on the highway network into Exeter is avoided.

Any new settlement needs will need to employ innovative forms of planning and delivery to achieve net zero. There are many challenges in delivering a new settlement fit for the future and we look forward to working in close partnership to try to address these challenges.

Depending on which sites on the edge of Exeter are included in the next stage of the East Devon Local Plan, off-site transportation and infrastructure may be required within the city to help mitigate development impact. If this is the case, appropriate and proportionate developer contributions either through s106 or CIL will be required from developments located in East Devon. Ongoing and comprehensive cross boundary infrastructure planning is essential to ensure that development impact is mitigated appropriately.

I hope these comments are helpful in progressing the East Devon Local Plan and we look forward to working with you on the various matters set out in this response. If you have any questions please do not hesitate in contacting me.

Yours sincerely



Ian Collinson
Director of City Development

REPORT TO EXECUTIVE

Date of Meeting: 7 February 2023

REPORT TO COUNCIL

Date of Meeting: 21 February 2023

Report of: Director Finance

Title: General Fund / HRA Estimates and Capital Programme 2023/24

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 To propose the General Fund revenue estimates for 2023/24 and to recommend the Band D level of Council Tax for 2023/24. This report also includes the proposed Capital Programme for 2023/24 and future years, and the proposals in respect of the Housing Revenue Account.

2. Recommendations:

2.1 It is recommended that:

2.1.1 The Council's overall spending proposals in respect of its revenue and capital budgets are recommended to Council for approval;

2.1.2 The Council Tax for each Band be recommended to the Council as set out in section 8.19.3 subject to Devon County Council, OPCC Devon and Cornwall and the Devon and Somerset Fire Authority confirming their Band D levels respectively; and

2.1.3 When the actual Council Tax amounts for Devon County Council, Devon and Cornwall Police and Crime Commissioner and the Devon and Somerset Fire Authority are set then the revised council tax levels be submitted to Council on 21 February 2023 for approval.

3. Reasons for the recommendation:

3.1 To ensure that the Council is in a position to set a balanced budget and determine the Council Tax for the City of Exeter in line with the statutory timeframe.

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

4.1 The report sets out the proposed budgets for 2023/24. Details of the resource implications are set out in section 8.

5. Section 151 Officer comments:

5.1 The proposed budget will achieve the requirement to maintain a minimum balance in excess of £3 million. Significant work has been undertaken to deliver substantial reductions and additional income to deliver a balanced budget in the face of unprecedented cost pressures. It is imperative that Members maintain a strong financial discipline to ensure that the reductions already proposed are delivered and that additional reductions are identified to deliver a balanced medium term financial plan.

5.2 The proposed capital programme aligns with the Medium Term Financial Plan and the revenue implications have been built into both the General Fund and HRA budgets. This is a substantially reduced, but still significant capital programme, which targets the highest risk projects to protect the Council.

5.4 The report also sets out the proposed HRA income and expenditure for 2022/23. There is a budgeted deficit of £2.542 million, which is in line with the HRA's medium Term Financial Plan. The budgeted deficit takes the HRA very close to its minimum level of reserves and therefore care must be taken in managing the budget over the next few years.

5.5 It is important to remember that Council is legally responsible for setting a balanced budget each year and for taking action when there are adverse movements in the projected financial position during the year. Therefore, if a decision is taken to amend the budget in any way, then Council must identify how that will be funded.

5.6 In order to maintain financial discipline and prepare for the reductions required, Council can no longer merely approve additional expenditure without identifying what will be cut to fund it. This is essential as Officers and Members prepare to identify ways to address the further gaps in funding over the life of the Medium Term Financial Plan. There is still much work to do.

6. What are the legal aspects?

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

(a) it must calculate its budget requirement in accordance with Section 32 of the Act;

(b) it must calculate the City Council element of the Council Tax - first for Band D and then for all bands - in accordance with Sections 33 to 36;

(c) it must set the overall Council Tax for each band in accordance with Section 30.

7. Monitoring Officer's comments:

7.1 Legislation does not prescribe how much the minimum level of reserves should be. The Section 151 officer is tasked with recommending the minimum level of reserves required as part of the budget setting process having regard to elements of risk in the Council's finances. Section 25 of the Local Government Act 2003 requires the S.151 officer to report on the adequacy of the Council's financial resource.

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

7.3 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.

7.4 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.

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

7.6 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 regards to the council's rate payers. When discharging their fiduciary duties councillors will need to consider the following:

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

7.7 The S.151 officer has given very clear advice in paragraphs 5.5 and 5.6 above. Members are obliged to have regard advice to this advice when making decisions about the Council's finances

7.8 Restriction on voting

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

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

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

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

8. Report details:

8.1 Local Government 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.

The provisional settlement for 2023/24 was announced in late December (Appendix 1) and the figures in the Medium Term Financial Plan have been updated. Exeter's Core Spending Power has increased by 4.5% as compared to a 9.1% rise on average for Local Government as a whole. Much of the increase in funding nationally relates to specific Grants related to Social Care (Appendix 2).

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 also be an optimistic timetable.

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. The medium term financial plan has been updated to reflect an assumption that this level of Council Tax will continue in the medium term.

8.4 Key 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 inflation has been increased to 3% across the Medium Term Financial Plan 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 Further Issues to be considered

8.5.1 Before the Council can finalise its revenue budget for next year there are a number of issues that require further consideration as follows: -

- Equality Impact Assessment
- New Homes Bonus
- Future spending pressures and review of the medium term financial planning process
- The level of reserves and balances

8.6 Equality Impact Assessment

8.6.1 Equality Impact Assessments (EQIA) form part of the Council's decision making process and are a tool to help the Council identify what effect or possible effects its work may have on different groups of people. All local authorities have a legal responsibility to assess their policies and functions, and to set out how they will monitor any possible negative impact on equality target groups. The Council needs to consider the impact on equalities of all new and reviewed Council strategies, policies, projects, services or functions, budget decisions and restructures. By anticipating the consequences of its actions on equality groups the Council can make sure that, as far as possible, any negative consequences are eliminated, minimised or counterbalanced by other measures, and opportunities for promoting equality are maximised. The accompanying report in respect of the One Exeter cost reductions includes an EQIA, which underpins the proposals in this budget.

8.7 New Homes Bonus

8.7.1 The Government have indicated that whilst New Homes Bonus will be payable again this year, like last year, the 2023/24 element of the allocation will be for one year only and there will be no payment in respect of the previous years. This gives an award of approximately £0.672 million for 2023/24. A new proposal to replace New Homes Bonus is expected to be announced in the New Year.

8.7.2 To date the Council has received New Homes Bonus of £29.627 million over the period 2011/12 to 2023/24. It is proposed to use this year's allocation to support the revenue budget in its entirety:-

Year	Top Slice (revenue) £000's	Community Projects £000's	Major Projects /Debt Reduction £000's	Unused / Projects £000's	Revenue £000's	Total £000's
2011/12	-	-	-	389	-	389
2012/13	120	361	601	241	-	1,323
2013/14	120	286	1,757	42	-	2,205
2014/15	120	286	2,372	-	-	2,778
2015/16	120	286	3,123	-	-	3,529
2016/17	159	150	2,000	923	1,000	4,232
2017/18	164	150	1,500	783	1,000	3,597
2018/19	164	150	1,150	127	1,000	2,591
2019/20	25	150	1,000	149	1,194	2,518
2020/21	25	189	802	374	1,100	2,490
2021/22	-	-	-	-	1,941	1,941
2022/23	-	-	-	-	1,362	1,362
2023/24	-	-	-	-	672	672
Total	1,017	2,008	14,305	3,028	9,269	29,627

8.8 REVISED MEDIUM TERM REVENUE PLAN (APPENDIX 3)

8.8.1 An updated Medium Term Financial Plan (MTFP) is set out in Appendix 3. The MTFP indicates that further reductions are required from 2024/25 to 2026/27 to fully address the additional spending pressures. The proposed budget for 2023/24 makes use of one off reserves totalling £2.386 million, which will need to be addressed in future years. The reductions required total £5.287 million, of which proposals covering £2.137 million have been identified. The reset of business rates and impact of the formula funding review have been removed pending further clarity on the timing of their implementation

8.8.2 There are further uncertainties and factors that could affect the future financial position. These include: potential costs arising from the review of service plans, the cost of any new statutory functions, and additional borrowing and revenue costs in respect of any new capital programme commitments. There is also the possibility that some of the significant cost pressures accounted for in this budget will reduce over the life of the medium term financial plan, most notably energy costs, which are currently reducing from the highs seen this winter.

8.8.3 The level of reductions required however, are such that members must focus on delivery. It would not be appropriate to add further budgets without a clear understanding of how additional expenditure will be funded. Therefore any further requests for funding must have clearly identified reductions to offset the costs.

8.9 BALANCES AND RESERVES

8.9.1 The Council's current policy is such that the minimum level of the General Fund Balance will remain above £3 million. As the Council faces great uncertainty in the medium term over funding it is prudent to hold reserve levels at this level to offset sudden losses of income or unexpected expenditure. Section 8.17 below provides an assessment of the risk factors used to underpin the minimum level of reserves.

8.9.2 The latest estimated position of the General Fund Balance is that it will be £4.748 million as at 31 March 2024, equivalent to 27.3% of Exeter's net revenue budget. The Council's revised medium-term financial plan (Appendix 3) indicates that the General Fund Balance will reduce to £3.171 million by the end of 2026/27, if the proposed reductions are delivered. This is in line with the minimum level required.

8.9.3 The Council also has other reserves that have been earmarked for specific purposes. The Council's proposed revenue budget for 2023/24 includes a net transfer to earmarked reserves of £424,000. This is broken down as shown overleaf:-

Transfer to/(from) reserves:

	2023/24
	£'000
Transfers to Reserves	
Devon Home Choice	8
Transformation Fund	500
Capital Fund (reinstatement)	500
Compulsory Purchase Order Fund	150
Asset Improvement Fund	1,000
Surplus Income from Guildhall Shopping Centre (ring-fenced)	1,089
Exeter Business against Crime	<u>19</u>
	3,266
Transfers from Reserves	
Vehicle Licensing	(28)
RAMM Legal Costs (no longer required)	(93)
Net Zero Exeter	(181)
ECL Business Case (no longer required)	(49)
Corporate	(20)
Budget Volatility	(2,386)
Corporate Property Support	<u>(85)</u>
	(2,842)

8.9.4 Additionally, there is an earmarked reserve to control the impact of additional reliefs granted, and funded, by Government in respect of Business Rates. In order to provide consistency in the figures reported, these movements are shown in Business Rates income to allow Councillors to compare the impact on the Council's Business Rates funding to previous years.

8.10 REVENUE ESTIMATES 2023/24

8.10.1 Service Committee Expenditure for 2023/24 is £14,326,420, which is £1,128,530 lower than the current year.

8.10.2 Appendix 4 sets out the proposed reductions and additional income identified in order to form a balanced budget. These tally with the proposals set out in the One Exeter Cost Reduction report. In addition, there are two further reductions in service budgets, which are not set out in the report as they have a cost neutral impact. Firstly, there has been a reduction in the budget for expenditure funded via CIL. This is offset by a corresponding reduction in the income used from CIL because of lower receipts being received. Secondly, the full income from the Guildhall shopping centre has been added to the budget. This is offset by either related expenditure or a transfer of the surplus to an earmarked reserve in line with the agreement with Government.

8.10.3 In addition there are other items to take into account referred to as 'below the line' as they do not form part of the individual service controllable budgets. These include an estimate of £1,320,000 for net interest payments in respect of the overall cash balances, £1,694,670 towards repaying debt in respect of the Council's capital programme and transfers in respect of balances and reserves. The Council's total General Fund Expenditure budget requirement for 2023/24 is proposed at £17,378,450, an increase of £91,000 compared to 2022/23 as shown in Appendix 5.

8.10.3 Attached at Appendix 6 is a breakdown of the movements for each management unit taking out the amounts that have been removed or added, but that don't actually impact on the Council Tax. This is either because they have been transferred to / from another part of the budget or because there is a statutory override, which means that the costs are removed elsewhere in the budget.

8.11 COUNCIL TAX BUDGET REQUIREMENT 2023/24 (APPENDIX 7)

8.11.1 As stated above, the Government is setting the referendum trigger for District Councils at above £5 or 3%, whichever is higher. The budget has been set based on a 2.99% increase, although this is ultimately a Member decision. A 2.99% increase generates around £3,200 more for the Council than an increase of £5.

8.11.2 When all the Government Grant and Business Rates funding is taken into account the resultant net expenditure to be financed from council tax is £6,784,990 (indicated in Appendix 7), an increase of £369,430 compared to 2022/23.

8.11.3 Each year the Council must estimate the likely surplus or deficit position on its Collection Fund and any such amounts must be taken into account when determining the band D Council Tax amount for 2023/24. For next year, it is estimated that the collection fund will have a surplus (£86,793), which will be used to fund part of the expenditure to be financed from Council Tax. This has been reduced to take account of the deficit arising in 2020/21, which the Government allowed Councils to spread over the following three years. This has reduced the surplus and will also reduce the amount of Council Tax received by that amount next year.

8.11.4 After taking into account the surplus and the taxbase of 38,247, the proposed band D council tax for 2023/24 is £175.13, which means that the council tax would increase annually by £5.08 or 2.99%.

8.12 HOUSING REVENUE ACCOUNT (HRA) (APPENDIX 8 & 9)

8.12.1 Since April 2012, the Council's HRA is expected to be self-financing. Thus all income collected locally from rents, service charges and other sources are kept at a local level to deliver housing services to tenants and to maintain the housing stock.

8.12.2 Since April 2012 each local authority had a limit on the amount of borrowing it could have for the purposes of the HRA, called the 'debt cap'. For Exeter City Council, the debt cap was £57,882,413.

8.12.3 The HRA debt cap was formally removed on 29 October 2018; as a result local authorities are now able to borrow for housebuilding in accordance with the Prudential Code.

The policy on rents for social housing came into effect from 1 April 2020. The Council is permitted to apply the policy of increasing rents by CPI plus 1%, however in the autumn budget statement in November 2022 the government announced a cap on this increase of 7% for 2023/24 in response to the cost of living crisis.

For 2023/24, this will result in an average increase of £5.65 per week, over 52 weeks, per property.

8.12.4 The proposed budgets for 2023/24 indicate that a total of £2,541,730 will need to be taken out of the HRA Working Balance in order to meet the budgeted deficit. The impact on the HRA Working Balance is set out below.

Movement on HRA Working Balance	£
Estimated HRA Working Balance, as at 1/4/23	6,549,316
Budgeted Deficit for 2023-24	(2,541,730)
Balance resolved to be retained (HRA contingency)	(4,000,000)
Total Forecast Balance Available, as at 31/3/24	7,586

8.13 CAPITAL PROGRAMME RESOURCES (APPENDIX 10)

8.13.1 Historically, the annual capital programme was financed from Government allocated grants together with money from the Council's own capital receipts and capital reserves. However the funding from these sources has now reduced and as a result the Council has to use borrowing instead to fund a significant part of its proposed capital programme. This also has an ongoing impact on the Council's revenue budget. The Council must ensure that any borrowing decisions remain affordable and to this end, has to adopt a number of prudential indicators, which are set out in the Prudential Code for Capital Finance in Local Authorities developed by CIPFA. A separate report to this meeting of the Executive sets out the Council's Prudential Indicators for approval by Members.

8.13.2 The following capital resources are available for General Fund (£11.476m) and Housing (£34.220m) in 2023/24. The Capital Programme totals £37.482 million in respect of the General Fund and £19.321 million for the HRA. The borrowing requirement for the General Fund is £27.758 million and is £0.750 million for the HRA. Appendix 10 sets out the forecast use of the resources available for the General Fund and the Housing Revenue Account and the likely amounts of borrowing that will be necessary to fund the capital programme in the future.

8.14 GENERAL FUND CAPITAL PROGRAMME (APPENDIX 11)

8.14.1 The proposed capital programme is set out in Appendix 11. The programme for 2023/24 totals £37.482 million.

8.15 HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME (APPENDIX 12)

8.15.1 For 2023/24, the HRA medium term financial plan provides for a capital programme of £19.321 million. This comprises capital investment of £11.834 million for improvements to the Council's existing housing stock and £7.487 million towards the provision of new council homes.

8.15.2 The HRA Capital Programme will be funded by:

HRA Capital Finance	£
Major Repairs Reserve	11,895,276
Revenue Contribution to Capital	4,000,000
Capital Receipts	2,675,589
Borrowing	750,000
Total HRA Capital Financing 2023/24	19,320,865

8.16 RISK ASSESSMENT

8.16.1 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:

- Economic volatility, higher interest rates and inflation have added substantial costs to running services. The Council's funding has not kept pace with the scale of increases seen. Further volatility and price pressures will result in greater reductions being required. Conversely, there is a chance that prices will settle and indeed in some cases reduce. This would have a positive impact of the reductions required;
- 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, would add a further significant gap in funding over the Medium Term Financial Plan. The overall impact of both streams of funding stopping in the next four years would require further reductions of around £3.3 million.

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

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

8.16.3 As part of the general budget-setting process the Council needs to also consider the risks inherent in the budgets set and the adequacy of the measures put in place to manage the potential risks.

8.17 STATEMENT OF THE ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

8.17.1 There is a requirement under Section 25 of the Local Government Act 2003 that requires the chief finance officer of a local authority to formally report to its members on the robustness of the estimates and the adequacy of its reserves when it is considering its budget and council tax.

8.17.2 I have already outlined above in this report the key assumptions that have been made in the budget proposals for next year including an assessment of the risks and mitigating factors. As the Section 151 Officer for this Council I therefore consider that the budget estimates for 2023/24 that have been prepared are both robust and achievable.

8.17.3 The Council's current policy is such that the minimum level of the General Fund Balance will be £3 million. This equates to 17.3% of the net revenue budget, which is at the top end of what would normally be expected.

8.17.4 The Council provides more Services than you would normally expect a District Council to provide. It also has some significant funding streams from fees and charges and historic commercial property leases that are fundamental to producing a balanced budget. These are reliant on a vibrant economy delivering the income required. An analysis of the Councils 2022-23 budget demonstrates that the cost of providing its statutory services, support services and payments to cover its legal liabilities (pension backfunding and debt and interest payments) exceeds the amount provided for by Grant, Business Rates and Council Tax by around £6 million. The Council therefore is reliant on fees and charges to meet its statutory obligations. It is for this reason that the Council needs a higher than anticipated level of reserves. A 20% downturn in car park and Commercial Property income would reduce our income by around £3 million and therefore the minimum level of reserves is set to ensure that the Council can continue to deliver services under these circumstances.

8.17.5 In the current financial climate, with uncertainty regarding the new financing of Local Government and taking into account the potential level of financial risk facing the Council in the medium term, it is proposed to maintain minimum reserves at this level. The latest estimated position of the General Fund Balance is that it will be £5.134 million as at 31 March 2023, equivalent to 27.3% of Exeter's net revenue budget. The Council's current medium-term financial plan indicates that the use of the General Fund Balance will be measured and be £3.171 million by the end of 2026/27, although further savings of £5.287 million are required to deliver this.

8.17.6 The Council's financial strategy recognises the need to maintain a General Fund Balance to provide stability for both medium and longer term planning and to provide a contingency against unforeseen events. In setting this minimum amount of £3 million the following have been taken into account:-

- The size of the authority;
- The volatility of some income and expenditure budgets;
- The risks faced by the Council with regard to funding unforeseen events; and
- The financial risks inherent in partnerships, outsourcing deals and as accountable body for external funding.

8.17.7 The Council's estimated revenue Reserves are as follows: -

<u>Earmarked</u>	31/03/2022	31/03/2023	31/03/2024
	£'000	£'000	£'000
Total Earmarked Reserves*	14,645	9,192	9,616
<u>Non-Earmarked</u>			
General Fund Balance	5,522	5,134	4,748

* Excludes Business Rates earmarked reserve to cover the deficit on the Collection Fund.

8.18 PRECEPTS

8.18.1 Devon County Council, the Office of the Police and Crime Commissioner Devon and Cornwall (OPCC Devon and Cornwall) and the Devon and Somerset Fire Authority will all precept separately upon the council tax payers in Exeter. The County Council, Devon and Cornwall OPCC and Devon & Somerset Fire Authority will meet on the 16th February, 27th January and 15th February respectively. The precepts will be tabled at the Council meeting for approval.

	2022/23	2023/24	Change
	£	£	£ %
Devon County Council	1,372.59	x,xxx.xx	xx.xx x.xx
DCC Adult Social Care	183.87	xxx.xx	xx.xx x.xx
OPCC Devon and Cornwall	246.56	xxx.xx	xx.xx x.xx
Devon and Somerset Fire Authority	91.79	xx.xx	x.xx x.xx
Total Precept	1,894.81	x,xxx.xx	xx.xx x.xx

8.19 FINAL POSITION

8.19.1 Based upon the recommendations above the aggregate requirements of Exeter City Council, Devon County Council, OPCC Devon and Cornwall and the Devon and Somerset Fire Authority will result in a council tax for the City of Exeter for 2023/24 of £x,xxx.xx per Band D property.

8.19.2 This is an overall increase of £xx.xx (x.xx%) on the amount of £2,064.86 levied for 2022/23.

8.19.3 The detailed figures are: -

Band	Exeter £	DCC £	Police £	Fire £	Total £
A	116.75	xxx.xx	xxx.xx	xx.xx	x,xxx.xx
B	136.21	xxx.xx	xxx.xx	xx.xx	x,xxx.xx
C	155.67	x,xxx.xx	xxx.xx	xx.xx	x,xxx.xx
D	175.13	x,xxx.xx	xxx.xx	xx.xx	x,xxx.xx
E	214.05	x,xxx.xx	xxx.xx	xx.xx	x,xxx.xx
F	252.97	x,xxx.xx	xxx.xx	xxx.xx	x,xxx.xx
G	291.88	x,xxx.xx	xxx.xx	xxx.xx	x,xxx.xx
H	350.26	x,xxx.xx	xxx.xx	xxx.xx	x,xxx.xx

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

9.1 The budget underpins the Corporate Plan by determining the amount of funds available to the Council to deliver its priorities.

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

10.1 The key risks are set out in section 8.16 above.

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 any decisions regarding specific changes in the level of service provided have been covered in at accompanying One Exeter report.

12. Carbon Footprint (Environmental) Implications:

12.1 The accompanying One Exeter Cost reduction report provides an assessment of the carbon footprint implications.

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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FORMULA GRANT DECREASES - DEVON AUTHORITIES

Authority	Grant 2021/22 £m	Grant 2022/23 £m	Yearly Decrease %	Grant 2023/24 £m	Yearly Decrease %	Grant Decrease 2021/22 - 2023/24	
						£m	%
Devon	103.200	103.217	0.0%	107.161	3.8%	3.961	3.8%
Plymouth	68.077	68.380	0.4%	72.080	5.4%	4.003	5.9%
Torbay	39.102	39.306	0.5%	41.467	5.5%	2.365	6.0%
East Devon	2.667	2.668	0.0%	3.027	13.5%	0.360	13.5%
Exeter	4.503	4.515	0.3%	4.847	7.4%	0.344	7.6%
Mid Devon	2.213	2.213	0.0%	2.394	8.2%	0.181	8.2%
North Devon	3.007	3.008	0.0%	3.336	10.9%	0.329	10.9%
South Hams	1.928	1.929	0.1%	2.138	10.8%	0.210	10.9%
Teignbridge	3.394	3.394	0.0%	3.766	11.0%	0.372	11.0%
Torrige	2.514	2.518	0.2%	2.780	10.4%	0.266	10.6%
West Devon	1.648	1.648	0.0%	1.798	9.1%	0.150	9.1%

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REVENUE SPENDING POWER CHANGES - DEVON AUTHORITIES

Authority	Core Spending Power	Core Spending Power	Core Spending Power	Core Spending Power	Core Spending Power	Core Spending Power Change	
	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	£m	%
Devon	552.0	590.9	621.0	649.7	723.0	171.0	31.0%
Plymouth	198.4	211.7	221.0	232.1	254.4	56.0	28.2%
Torbay	119.1	127.3	133.5	140.2	157.3	38.2	32.1%
East Devon	15.3	15.5	15.5	15.3	16.4	1.1	7.2%
Exeter	12.8	13.2	13.2	13.1	13.9	1.1	8.6%
Mid Devon	9.8	10.2	10.2	10.2	11.0	1.2	12.2%
North Devon	11.0	11.8	11.8	12.3	13.1	2.1	19.1%
South Hams	9.9	10.2	10.4	10.7	11.5	1.6	16.2%
Teignbridge	14.5	14.5	14.5	14.4	15.6	1.1	7.6%
Torridge	8.1	8.1	8.1	8.1	8.7	0.6	7.4%
West Devon	7.3	7.3	7.5	7.8	8.4	1.1	15.1%

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

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	
Resources						
Revenue Support Grant	855	1,572	902	920	938	
Business Rates Income	7,404	7,557	7,956	7,909	7,952	
CIL income	1,324	793	793	793	793	
New Homes Bonus	1,362	672	600	600	600	
Council Tax	6,416	6,785	6,968	7,248	7,539	
Likely resources	17,361	17,379	17,219	17,470	17,822	
Expenditure						
Service expenditure						
Committee expenditure	21,233	19,834	15,640	15,342	14,362	
Net Interest	1,011	1,320	1,581	1,805	1,773	
Repayment of debt	2,438	2,495	2,538	2,583	2,629	
Additional repayment of debt	(1,480)	(800)	(250)	(450)	0	
	23,202	22,849	19,509	19,280	18,764	
Other funding						
Contribution to/ (from) earmarked reserves	(5,453)	424	601	604	617	
Contribution to/ (from) balances - Other	(388)	(386)	(1,398)	(207)	28	
	(5,841)	38	(797)	397	645	
Further reductions required		0	(750)	(1,200)	(1,200)	(3,150)
Potential reductions identified		(5,508)	(743)	(1,007)	(387)	
Total Net Budget	17,361	17,379	17,219	17,470	17,822	

(3,150)

Opening General Fund Balance	5,522	5,134	4,748	3,350	3,143
Closing General Fund Balance	5,134	4,748	3,350	3,143	3,171
Balance as a percentage of budget	29.6%	27.3%	19.5%	18.0%	17.8%

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ONE EXETER – COST REDUCTION PROPOSALS**TABLE 1: Proposals identified by Review of Discretionary Services**

Discretionary Service		£
PA TEAM	Remove 2 vacant posts / merge with LM support	43,210
GUILDHALL CHAMBERS	Reduce Mace Sergeants (reduction of 60%)	18,000
GREEN ACCORD	Additional income from Green Accord scheme	3,000
NET ZERO & BUSINESS ADMIN	Removal of small budgets	1,400
BUSINESS PROJECTS	Removal of skills function and budgets – replaced by Management of UKSPF project for three years	83,740
	Building Greater Exeter – funded from UKSPF (2 years)	
COMMERCIALISATION	Removal of temporary post.	54,700
HIGHWAYS	Removal of budget paying DCC for improved maintenance	34,450
ARTS & EVENTS	Removal of part of budget to fund other NPO organisations	100,000
EXETER CORN EXCHANGE	Design events programme to achieve break even	35,660
COMMUNICATIONS & MARKETING TOURISM	Merge Tourism, Communications and Marketing.	
	Add in Contribution to Visit Exeter	(17,000)
	Delete all Tourism Supplies & Services budgets	62,000
	Remove 2 posts	68,000
	Add income budget for advertising	125,000
	Remove core non staff budgets	44,000
	Transfer Tourism Marketing Officer to Visit Exeter	30,000
	Recharge for services provided to HRA & ECL	<u>59,000</u>
	371,000	
		745,160

ONE EXETER – COST REDUCTION PROPOSALS

TABLE 2: Service Review Proposal

Service	LOW IMPACT	£
Executive Support	<ul style="list-style-type: none"> Terminate subscription for Exeter Data Mill and reduce public transport budget 	10,250
Public & Green Spaces	<ul style="list-style-type: none"> Technical support reduction – removal of vacant post Facilities, 85% reduction travellers and campers costs (duplicate budget) Arboriculture sub-contractor cost reductions, 8% reduction in sub-contractor costs based on annual spend analysis 	55,758
Recycling & Fleet	<ul style="list-style-type: none"> Not procuring 3 food waste vehicles following rationalisation of rounds - saving in fleet hire costs, leaving 5 vehicles – only 5 required for full roll out 	90,000
	<ul style="list-style-type: none"> Revenue saving from capitalising of lease costs (maintenance and interest charges) from 3 existing food waste vehicles 	20,493
Democratic & Civic Support	<ul style="list-style-type: none"> Stop undertaking empty property canvass Recharges to self-financing services; Taxi Forum and Council Housing Advisory Board Remove vending machines in the Civic Centre Smooth Elections budget to reflect variable cost over 4 years 	2,800 3,750 2,600 48,750
Revenues, Benefits and Customer Access	<ul style="list-style-type: none"> 1 x post has already accepted Voluntary redundancy – post soon to be vacant 	13,300
Corporate Property	<ul style="list-style-type: none"> Estates additional fees; EBC and ECQT 	8,000
	<ul style="list-style-type: none"> New rental income stream from acquisition of 83 Fore Street 	45,500
Exchequer and Accountancy	<ul style="list-style-type: none"> Minor budget reductions (stationery, public transport, seminar costs) 	2,250
	<ul style="list-style-type: none"> Financial support service costs to be met from Guildhall Shopping Centre surplus that would otherwise be for capital purposes 	27,550
	<ul style="list-style-type: none"> Reinstate 0.60 FTE Finance Technician (deleted in 2022/23 budget cycle) 	(19,596)
Housing Needs and Homelessness	<ul style="list-style-type: none"> Reduction in Housing Options budgets, including Sanctuary scheme and storage and removals Sanctuary scheme unused since police withdrew specific DV officer post (£3k) and reduce storage & removals to better match eligible need (£2.5k) 	5,500

ONE EXETER – COST REDUCTION PROPOSALS

Service	LOW IMPACT	£
Housing Needs and Homelessness	<ul style="list-style-type: none"> Reduction in Temporary Accommodation budgets, various budget headings relating to Glencoe, Haven, Queens Rd – better match patterns of spend 	23,500
City Development	<ul style="list-style-type: none"> Delete vacant post Delete part-time post Create Enforcement Officer post Utilise Planning uplift income, through reduction in budget for miscellaneous expenditure to meet cost of Enforcement Officer post 	35,466
	<ul style="list-style-type: none"> Reduction on other expenses budget Increase Service Lead salary allocation to Land Charges from 10% to 25% Minor budget reductions (public transport, equipment & mobile phones) Cancel subscriptions Reduce underused stationery budget 	41,909
Legal	<ul style="list-style-type: none"> Remove 2 x vacant posts Change in Property Lawyer role (increase hours) Change in Litigation Lawyer role (increase hours) 	18,000
	<ul style="list-style-type: none"> Minor budget reductions (car mileage, mobile phones and Hays DX) 	3,094
Environmental Health and Community Safety	<ul style="list-style-type: none"> Noise recharge to HRA for assistance with cases/contribution to equipment maintenance 	2,500
	<ul style="list-style-type: none"> Deletion of vacant post 	26,692
	<ul style="list-style-type: none"> Re designation of Technician role 	7,009
	<ul style="list-style-type: none"> Salary realignment following changes in duties of staff to licence related income work 	20,000
		495,075

ONE EXETER – COST REDUCTION PROPOSALS

Service	CAPITALISE	£
Public and Green Spaces	<ul style="list-style-type: none"> Engineering pay capitalisation (20%) 	36,750
Corporate Property	<ul style="list-style-type: none"> Assets restructure 	65,500
		102,250
Service	SERVICE CHANGES	£
Public and Green Spaces	<ul style="list-style-type: none"> Play area sub-contractor budget reductions, removal of 35% of sub-contractor budget will result in play offering minimal remedial maintenance only. Site development and equipment replacement costs will be capital or S106 dependent 	34,000
	<ul style="list-style-type: none"> Reduce grass maintenance provision, reduction of 2 vacant posts 	48,900
	<ul style="list-style-type: none"> Street Cleansing redesign 	101,855
		184,755
Service	ADDITIONAL LOW IMPACT	£
Revenues, Benefits and Customer Access	<ul style="list-style-type: none"> Move HB Overpayment Collection back to Benefits. Restructure; Delete 3 vacant posts, regrade 1 post and create 2 x technical posts 	27,314
Corporate Property	<ul style="list-style-type: none"> Estates admin support; remove Administration Support budget (hours reduced but budget still available) 	11,550
		38,864

ONE EXETER – COST REDUCTION PROPOSALS

Service	RELIANCE ON INCOME	£
Housing Needs and Homelessness	<ul style="list-style-type: none"> 0.30 FTE Housing Casework officer vacancy to be funded by Homeless Prevention Grant (50% of 0.60 FTE) 	12,849
Markets & Halls and Visitor Facilities	<ul style="list-style-type: none"> Additional income at Matford Centre 	8,500
Legal	<ul style="list-style-type: none"> Reduce agency from £66k to £61k budget used to perform work for recharging to third parties (ECL), whilst maintaining income at £87k 	5,000
Environmental Health and Community Safety	<ul style="list-style-type: none"> Energy Company Obligation (ECO) income from declarations 	15,000
Net Zero and Business	<ul style="list-style-type: none"> Reduce discount for standard price season ticket 	137,343
	<ul style="list-style-type: none"> Cease discounted season parking business permit 	71,268
	<ul style="list-style-type: none"> Review the use of events being held in car parks, currently provided FOC and no policy 	5,000
	<ul style="list-style-type: none"> Charge for the electricity used by EV in public car parks at 44p pkwh 	28,181
		283,141

ONE EXETER – COST REDUCTION PROPOSALSTABLE 3: OTHER PROPOSALS

Service		£
MANAGEMENT TEAM REDUCTIONS	<ul style="list-style-type: none"> Initial reductions in the top levels of management within the Council 	269,000
	<ul style="list-style-type: none"> Maintain a budget for support with elections 	(20,000)
RAMM	<ul style="list-style-type: none"> Removal of one Design Assistant post (Vacant) 	17,000
ACTIVE & HEALTHY STAFF COSTS	<ul style="list-style-type: none"> Sport England to fund Programme Lead post (3 years) 	82,600
CORPORATE PROPERTY	<ul style="list-style-type: none"> Additional Guildhall income added to cover additional borrowing costs 	296,000
STRATA DATA CENTRE COSTS	<ul style="list-style-type: none"> Charge East Devon & Teignbridge for a proportionate share of the energy costs 	56,688
CAR PARK INCOME	<ul style="list-style-type: none"> Rezoning Car Parks, Evening and night time parking charge 	872,030
	<ul style="list-style-type: none"> Potential budget to improve car parks 	(72,030)
NON STATUTORY FEES & CHARGES	<ul style="list-style-type: none"> 10% increase in line with inflation (except Cemeteries - increase 5%) 	372,000
SUPPORT SERVICES	<ul style="list-style-type: none"> Re-allocation of costs to self-financing Services 	80,000
		1,953,288

	2022/23 Budget	2023/24 Budget	Change
	£	£	£
Chief Executive & Growth Director	3,116,820	3,168,000	51,180
City Development	954,300	967,430	13,130
Housing & Supporting People	3,874,140	4,413,300	539,160
Communications, Culture & Leisure Facilities	7,550,910	6,521,180	(1,029,730)
Net Zero Exeter and City Management	3,764,620	3,735,100	(29,520)
Finance	(1,326,740)	(2,541,900)	(1,215,160)
Corporate Services	2,424,540	2,843,220	418,680
less Notional capital charges	(4,903,640)	(4,779,910)	123,730
Service Committee Net Expenditure	15,454,950	14,326,420	(1,128,530)
Net Interest	1,083,000	1,320,000	237,000
Revenue Contribution to Capital	0	0	0
Minimum Revenue Provision	958,240	1,694,670	736,430
General Fund Expenditure	17,496,190	17,341,090	(155,100)
Transfer To/(From) Working Balance	25,550	(386,640)	(412,190)
Transfer To/(From) Earmarked Reserves	(234,290)	424,000	658,290
General Fund Net Expenditure	17,287,450	17,378,450	91,000
Formula Grant	(4,985,380)	(5,856,570)	(871,190)
CIL income	(1,250,160)	(793,040)	457,120
Business Rates Growth	(3,274,000)	(3,272,000)	2,000
New Homes Bonus	(1,362,350)	(671,850)	690,500
Council Tax	(6,415,560)	(6,784,990)	(369,430)
	0	0	0

Working BalanceMarch 2023
5,134,000March 2024
4,747,360

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	BASE ESTIMATE 2022/2023	INFLATION	NEW PROPOSALS RECURRING	NEW PROPOSALS NON-RECURRING	BUDGET TRANSFERS	DEPRECIATION ADJUSTMENTS	OTHER ADJUSTMENTS	NEW ESTIMATE 2023/24
Chief Executive & Growth Director								
81C3 AFFORDABLE HOUSING DEVELOPMENT	0	4,330	0	0	0	0	(4,330)	0
86A6 CENTRAL SUPPORT	324,590	11,320	(10,250)	0	0	0	16,730	342,390
86B6 IT SERVICES	1,883,650	(1,150)	200,000	0	0	2,810	(28,820)	2,056,490
86B7 STRATEGIC MANAGEMENT	908,580	38,760	(155,820)	0	(52,440)	0	30,040	769,120
Net Cost	3,116,820	53,260	33,930	0	(52,440)	2,810	13,620	3,168,000
Housing & Supporting People								
81C2 HOUSING NEEDS & HOMELESSNESS	1,280,770	121,180	(41,850)	0	33,780	4,740	49,390	1,448,010
81C5 SUNDRY LANDS MAINTENANCE	95,460	0	0	0	0	0	0	95,460
81E1 GF HOUSING - PROPERTY	144,070	19,090	0	0	0	0	10,280	173,440
86A1 REVENUES, BENEFITS&CUST ACCESS	2,310,820	128,690	19,390	0	(33,780)	0	228,250	2,653,370
T414 ORGANISATIONAL CHANGE PROGRAMM	43,020	0	0	0	0	0	0	43,020
Net Cost	3,874,140	268,960	(22,460)	0	0	4,740	287,920	4,413,300
Communications, Culture and Leisure Facilities								
83A5 CULTURE	365,700	2,150	(100,000)	0	0	0	2,360	270,210
83A6 TOURISM	190,810	4,600	(92,900)	0	(83,220)	0	190	19,480
83B9 MARKETS & HALLS	(398,660)	35,170	(44,160)	0	0	(8,120)	37,590	(378,180)
83C2 MUSEUM SERVICE	2,224,640	497,870	(13,480)	0	0	(12,720)	68,530	2,764,840
83C3 LEISURE & SPORT	3,494,920	647,090	223,000	(750,000)	171,990	(553,410)	(221,490)	3,012,100
83C7 ACTIVE & HEALTHY PEOPLE	845,520	54,270	(82,600)	0	(38,640)	0	(272,980)	505,570
83C9 VISITOR FACILITIES	68,290	13,730	0	0	0	0	(4,770)	77,250
86A8 COMMUNICATIONS	555,690	18,140	(276,770)	0	(80,730)	0	18,580	234,910
86B9 EXETER COMMUNITY GRANTS PROGRA	204,000	0	0	0	38,640	0	(227,640)	15,000
Net Cost	7,550,910	1,273,020	(386,910)	(750,000)	8,040	(574,250)	(599,630)	6,521,180

	BASE ESTIMATE 2022/2023	INFLATION	NEW PROPOSALS RECURRING	NEW PROPOSALS NON-RECURRING	BUDGET TRANSFERS	DEPRECIATION ADJUSTMENTS	OTHER ADJUSTMENTS	NEW ESTIMATE 2023/24
Net Zero Exeter and City Management								
81A1 ENVIRONMENTAL PROTECTION	543,480	22,960	(63,200)	(10,000)	0	7,940	77,470	578,650
81A3 LICENCING, FOOD, HEALTH & SAFETY	307,660	18,010	12,000	0	0	0	38,330	376,000
81A4 PUBLIC SAFETY	213,130	130	64,150	0	0	2,610	33,690	313,710
81A6 PARKS & GREEN SPACES	2,034,420	65,930	(171,110)	0	(81,050)	(56,150)	153,810	1,945,850
81B2 BEREAVEMENT SERVICES	70,650	5,690	0	0	59,200	(21,850)	(3,710)	109,980
81B&C BUSINESS & COMMERCIAL OPS	0	0	0	0	0	0	0	0
81D2 DOMESTIC REFUSE COLLECTION	2,680,410	96,340	(110,490)	0	0	429,650	206,450	3,302,360
81D4 STREET CLEANING	1,713,130	51,770	(101,850)	0	0	(62,260)	135,440	1,736,230
81D5 PUBLIC CONVENIENCES	222,240	14,760	0	0	0	(15,460)	10,880	232,420
81D6 WASTE CHARGEABLE SERVICES	(644,220)	(162,250)	0	0	0	(40,230)	46,540	(800,160)
81D7 WASTE & FLEET OVERHEADS	141,170	19,100	0	0	0	(2,750)	10,720	168,240
81D8 RECYCLING	915,770	101,270	0	0	0	(200,600)	118,290	934,730
83A3 PARKING SERVICES	(6,017,160)	198,990	(1,072,260)	(32,500)	21,850	38,490	48,890	(6,813,700)
83A4 NET ZERO AND BUSINESS	566,940	15,160	(142,840)	0	0	132,290	24,060	595,610
83B4 ENGINEERING SERVICES	636,130	59,390	(36,750)	0	0	3,990	24,230	686,990
83C1 WATERWAYS	380,870	(2,500)	(22,840)	0	0	(10,580)	23,240	368,190
Net Cost	3,764,620	504,750	(1,645,190)	(42,500)	0	205,090	948,330	3,735,100
Finance								
83A1 CORPORATE PROPERTY - ESTATES	(4,559,800)	34,420	(1,442,540)	0	(8,040)	42,840	71,500	(5,861,620)
83B8 MAJOR PROJECTS	0	0	0	0	0	0	0	0
83C5 CORPORATE PROPERTY - ASSETS	837,220	17,240	134,500	0	0	(1,780)	11,440	998,620
86A3 CORPORATE	143,230	(1,650)	80,000	0	0	0	(20,460)	201,120
86A7 UNAPPORTIONABLE OVERHEADS	1,586,310	10,440	0	0	0	0	(288,340)	1,308,410
86B1 FINANCIAL SERVICES	470,610	20,740	17,350	0	0	0	59,580	568,280
86B2 INTERNAL AUDIT	100,340	4,420	0	0	0	0	2,360	107,120
86B8 PROCUREMENT	95,350	7,650	32,860	0	0	0	310	136,170
Net Cost	(1,326,740)	93,260	(1,177,830)	0	(8,040)	41,060	(163,610)	(2,541,900)

	BASE ESTIMATE 2022/2023	INFLATION	NEW PROPOSALS RECURRING	NEW PROPOSALS NON-RECURRING	BUDGET TRANSFERS	DEPRECIATION ADJUSTMENTS	OTHER ADJUSTMENTS	NEW ESTIMATE 2023/24
Corporate Services								
86A2 ELECTIONS & ELECTORAL REG	405,000	10,540	(52,600)	0	0	0	13,360	376,300
86A4 CIVIC CEREMONIALS	274,780	34,360	(41,430)	0	52,440	6,420	15,650	342,220
86A5 DEMOCRATIC REPRESENTATION	665,910	14,650	(20,490)	0	0	0	(11,570)	648,500
86B3 HUMAN RESOURCES	644,060	17,530	0	0	0	0	16,140	677,730
86B4 LEGAL SERVICES	167,320	5,360	28,390	0	0	0	26,310	227,380
86B5 CORPORATE SUPPORT	267,470	215,660	(80,130)	0	0	191,020	(22,930)	571,090
Net Cost	2,424,540	298,100	(166,260)	0	52,440	197,440	36,960	2,843,220
City Development								
83A9 BUILDING CONTROL & LAND CHARGES	51,780	(28,800)	0	0	0	0	33,080	56,060
83B5 PLANNING SERVICES	902,520	(14,000)	(77,370)	(60,000)	0	(620)	160,840	911,370
Net Cost	954,300	(42,800)	(77,370)	(60,000)	0	(620)	193,920	967,430
TOTAL	20,358,590	2,448,550	(3,442,090)	(852,500)	0	(123,730)	717,510	19,106,330

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**EXETER CITY COUNCIL
2023/24 COUNCIL TAX - SUMMARY**

APPENDIX 7

	2022/23		2023/24	
Council Tax Base	37,666		38,247	
	Total Expenditure £	Band D Council Tax £	Total Expenditure £	Band D Council Tax £
General Fund Budget	6,415,560	170.33	6,784,990	177.40
Collection Fund (Council Tax) Surplus	(10,442)	(0.28)	(86,793)	(2.27)
TOTAL	6,405,118	170.05	6,698,197	175.13

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2023/24 HRA ESTIMATES

	2022/23 BUDGET £	2023/24 BUDGET £	CHANGE £
Management	6,131,560	7,364,195	1,232,635
Sundry Land Maintenance	744,630	762,980	18,350
Repair & Maintenance Programme	7,387,350	7,530,770	143,420
HRA SERVICE PROVISION EXPENDITURE	14,263,540	15,657,945	1,394,405
Revenue Contribution to Capital	2,000,000	4,000,000	2,000,000
Capital Charges	3,830,620	4,073,090	242,470
Net Interest	2,282,400	1,874,260	(408,140)
HRA EXPENDITURE	22,376,560	25,605,295	3,228,735
Dwelling Rents	(19,400,000)	(20,563,000)	(1,163,000)
Service Charges	(1,187,000)	(1,482,245)	(295,245)
Other	(635,430)	(1,018,320)	(382,890)
HRA NET EXPENDITURE	1,154,130	2,541,730	1,387,600
Transfer to / (from) HRA Working Balance	(1,154,130)	(2,541,730)	(1,387,600)
TOTAL NET HRA BUDGET	0	0	0

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MEDIUM TERM REVENUE PLAN - HOUSING REVENUE ACCOUNT (2022/23 - 2026/27)

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Resources				
Rents	19,400	19,400	20,563	21,221
Service Charges	1,187	1,187	1,250	1,265
Other	1,027	1,028	1,350	1,429
Inflation on income	-	1,549	751	713
Likely resources	21,614	23,164	23,915	24,628
Expenditure				
HRA expenditure base budget	15,174	15,466	15,753	15,354
Inflation on expenditure	-	318	126	128
Repairs & Maintenance Programme	-	(50)	(134)	119
Reduction in Ash Die Back budget	-	-	(153)	-
Service Review savings	-	-	(257)	-
Depreciation	4,073	4,073	3,998	3,948
Revenue Contribution to Capital Outlay	5,000	4,000	2,500	3,350
Net interest	1,964	1,898	1,898	1,898
	26,211	25,705	23,731	24,797
Other Funding				
Contribution to / (from) HRA Working Balance	(4,597)	(2,541)	183	(169)
Total Net budget	-	-	-	-
Opening HRA Working Balance	11,146	6,549	4,008	4,191
Closing HRA Working Balance	6,549	4,008	4,191	4,022

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GENERAL FUND AVAILABLE RESOURCES

GENERAL FUND	2022/23 £	2023/24 £	2024/25 £	2025/26 £	Future years £	TOTAL £
CAPITAL RESOURCES AVAILABLE						
Capital Receipts Brought Forward	3,020,582					3,020,582
GF Capital Receipts	2,919,160	0	0	0		2,919,160
Revenue Contributions to Capital Outlay	0	0	0	0		0
Disabled Facility Grant	1,607,459	800,000	800,000	800,000	800,000	4,007,459
New Homes Bonus	0	0	0	0		0
Community Infrastructure Levy	72,976	350,000	225,000	200,000		847,976
Other - Grants/External Funding/Reserves/S106	4,400,739	7,568,340	160,000	0		12,129,079
Total Resources Available	12,020,916	8,718,340	1,185,000	1,000,000	800,000	22,924,256
GENERAL FUND CAPITAL PROGRAMME						
Capital Programme	95,550,050	37,481,618	3,100,000	2,287,310	1,153,910	138,418,978
Overspends/(Savings)	(4,614,744)					(4,614,744)
Slippage	(11,883,338)					(11,883,338)
Total General Fund	79,051,968	37,481,618	3,100,000	2,287,310	1,153,910	121,920,896
BORROWING REQUIREMENT:						
Spend in Year	79,051,968	37,481,618	3,100,000	2,287,310	1,153,910	121,920,896
Less Other Resources applied in Year	(6,081,174)	(8,718,340)	(1,185,000)	(1,000,000)	(800,000)	(16,984,514)
Less Capital Receipts applied	(3,181,860)	(1,005,570)	(203,910)	(203,910)	(203,910)	(4,799,160)
Borrowing Requirement	69,788,934	27,757,708	1,711,090	1,083,400	150,000	100,341,132
UNCOMMITTED CAPITAL RESOURCES:						
Capital Receipts Brought Forward	3,020,582					5,939,742
Capital Receipts Received in Year	2,919,160					
Less Capital Receipts applied in year	(3,181,860)	(1,005,570)	(203,910)	(203,910)	(203,910)	(4,799,160)
Capital Receipts available	2,757,882	1,752,312	1,548,402	1,344,492	1,140,582	1,140,582

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HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2022-23 £	2023-24 £	2024-25 £	2025-26 £	2026-27 £	TOTAL £
CAPITAL RESOURCES AVAILABLE						
Usable Receipts Brought Forward						9,917,820
Major Repairs Reserve Brought Forward						18,066,602
Other HRA Sales	175,000	150,000	150,000	200,000	150,000	825,000
RTB sales	2,968,000	875,000	875,000	875,000	875,000	6,468,000
Surrender back to DLUHC - pending investment in replacement affordable housing				(3,848,368)		(3,848,368)
Major Repairs Reserve	4,073,090	4,073,090	3,998,090	3,948,090	3,948,090	20,040,450
Revenue Contributions to Capital	5,000,000	4,000,000	2,500,000	3,350,000	3,550,000	18,400,000
External contributions						0
Commuted sums	112,402					112,402
Borrowing	2,400,000	750,000	750,000			3,900,000
Total Resources available	14,728,492	9,848,090	8,273,090	4,524,722	8,523,090	73,881,906
CAPITAL PROGRAMME						
HRA Capital Programme	18,341,020	19,320,865	13,412,017	11,155,711	11,517,358	73,746,971
Total Housing Revenue Account	18,341,020	19,320,865	13,412,017	11,155,711	11,517,358	73,746,971
UNCOMMITTED CAPITAL RESOURCES:						
Usable Receipts Brought Forward	9,917,820	9,044,974	7,394,385	5,619,385	846,017	9,917,820
Major Repairs Reserve Brought Forward	18,066,602	15,326,920	7,504,734	4,140,807	2,283,186	18,066,602
Resources in Year	14,728,492	9,848,090	8,273,090	4,524,722	8,523,090	45,897,484
Less Estimated Spend	(18,341,020)	(19,320,865)	(13,412,017)	(11,155,711)	(11,517,358)	(73,746,971)
Uncommitted Capital Resources	24,371,894	14,899,119	9,760,192	3,129,203	134,935	134,935
WORKING BALANCE RESOURCES:						
Balance Brought Forward	11,145,944	6,549,316	4,007,586	4,190,901	4,022,097	11,145,944
HRA Balance Transfer - to/(from) Working Balance	(4,623,656)	(2,541,730)	183,315	(168,804)	18,311	(7,132,564)
Cumulative forecast under/(over)spend 2022-23	27,028					27,028
Balance Carried Forward	6,549,316	4,007,586	4,190,901	4,022,097	4,040,408	4,040,408
Balance Resolved to be Retained	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Uncommitted HRA Working Balance (after balance resolved to be retained of £4m)	2,549,316	7,586	190,901	22,097	40,408	40,408
TOTAL AVAILABLE CAPITAL RESOURCES (after balance resolved to be retained of £4m)	26,921,210	14,906,705	9,951,093	3,151,300	175,343	175,343

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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
		£	£	£	£		
Bowing 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		

DESCRIPTION	2023-24	2024-25	2025-26	2026-27	Total
	£	£	£	£	£
INVESTMENT IN EXISTING STOCK					
1 Adaptations	560,000	560,000	560,000	560,000	2,240,000
2 Balcony Walkway Improvements	356,232	356,232	108,000	108,000	928,464
3 Bathroom Replacements (inc. Communal)	900,000	900,000	900,000	900,000	3,600,000
4 Boiler Replacement Programme & Central Heating	742,500	694,400	639,400	564,900	2,641,200
5 Common Area Footpath & Wall Improvements	220,000	192,000	190,000	770,000	1,372,000
6 Communal Area Improvements - New Flooring	50,000	50,000	50,000	50,000	200,000
7 Communal Door and Screen Replacements	100,000	100,000	100,000	100,000	400,000
8 Door Replacements (inc. Outbuildings)	416,000	416,000	416,000	416,000	1,664,000
9 Electrical Central Heating	10,000	10,000	10,000	10,000	40,000
10 Electrical Rewires - Communal	140,540	143,100	78,000	0	361,640
11 Electrical Rewires - Domestic	514,099	476,864	809,031	1,048,518	2,848,512
12 Energy retrofit	1,646,478	1,646,478	1,646,478	1,646,478	6,585,912
13 Estate Improvements	50,000	0	0	0	50,000
14 Fire Risk Assessment Works - Compliance	786,997	802,706	827,000	852,000	3,268,703
15 Fire Risk Assessment Works - Planned	333,340	333,340	333,340	0	1,000,020
16 Fire Safety Storage Facilities	109,462	109,462	109,462	109,462	437,848
17 Kitchen Replacements (inc. Communal)	1,047,000	1,047,000	1,047,000	1,047,000	4,188,000
LAINGS Refurbishments	0	0	0	0	0
18 Lift Upgrades	80,000	80,000	88,000	91,000	339,000
19 Reroofing - Flats	550,000	122,000	321,000	321,000	1,314,000
20 Reroofing - Houses (outbuildings, chimney, gutters, downpipes, fascia)	1,139,535	1,139,535	1,005,000	1,005,000	4,289,070
21 Porch Canopies	53,794	64,000	64,000	64,000	245,794
22 Rennes House Structural Works	250,000	250,000	250,000	250,000	1,000,000
23 Soil Vent Pipe Replacement	24,000	24,000	24,000	24,000	96,000
24 Structural Repairs	578,925	578,925	405,000	405,000	1,967,850
25 Window Replacements	1,100,000	1,100,000	1,100,000	1,100,000	4,400,000
26 Housing Management system	0	0	0	0	0
Zebcat Project	0	0	0	0	0
Plastering	75,000	75,000	75,000	75,000	300,000
Sub total - Investment in Existing Stock	11,833,902	11,271,042	11,155,711	11,517,358	45,778,013
PROVISION OF NEW COUNCIL HOMES					
Social Housing Acquisitions - Section 106	0	0	0	0	0
27 Social Housing Acquisitions - Open Market	0	0	0	0	0
St Loyes Extracare Scheme	0	0	0	0	0
Council House Building Programme - Bovemoors Lane	0	0	0	0	0
28 Council House Building Programme - Hamlin Gardens	2,986,964	0	0	0	2,986,964
29 Council House Building Programme - Vaughan Road	4,500,000	2,140,975	0	0	6,640,975
DP budget	0	0	0	0	0
Council Own Build (Phase 3)	0	0	0	0	0
Sub total - Investment in the Provision of New Homes	7,486,964	2,140,975	0	0	9,627,939
Total HRA Capital Programme	19,320,866	13,412,017	11,155,711	11,517,358	55,405,952

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REPORT TO EXECUTIVE

Date of Meeting: 7 February 2023

REPORT TO COUNCIL

Date of Meeting: 21 February 2023

Report of: Director Finance

Title: Capital Strategy 2023-24

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To approve the Capital Strategy.

2. Recommendations:

It is recommended that Council approve the Capital Strategy as set out in Appendix 1.

3. Reasons for the recommendation:

The aim of the capital strategy is to ensure all elected members fully understand the long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

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

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

5. Section 151 Officer comments:

The Capital Strategy underpins the Council's approach to capital expenditure setting out the principles, which guide the decisions made. The strategy has been updated to reflect the focus on affordability. However, it is important to note that the Strategy remains underpinned by the condition survey results, which were approved in late 2020. There will be an increased concentration on delivering additional capital receipts, which will be used to increase the scope of the programme whilst keeping borrowing to affordable levels. In addition, the Council will continue to invest in IT projects as required and vehicles under the vehicle lease contract. The Council will continue to fund these investments through capital receipts or revenue resources where possible.

6. What are the legal aspects?

The capital expenditure system is framed by the Local Government and Housing Act 1989 and the Local Government Act 2003.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report details:

The capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

The proposed Capital Strategy is attached at Appendix 1.

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

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

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

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

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector 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 is for information only

12. Carbon Footprint (Environmental) Implications:

No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

No

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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APPENDIX A

EXETER CITY COUNCIL CAPITAL STRATEGY 2023/24

1. Introduction

- 1.1. This Capital Strategy sets out how, when the City Council considers often competing demands for investments, it takes account of stewardship, value for money, prudence, sustainability and affordability in a long term context, and gives due consideration to both risk and reward and impact on the achievement of the Council's priority outcomes. It is part of the Council's integrated operational, revenue, capital and balance sheet planning.
- 1.2. As local authorities become increasingly complex and diverse, it is vital that Councillors and Senior Officers are fully informed about the long term context in which investment decisions are made and about all the financial and operational risks to which the authority is exposed. With local authorities having increasingly wide powers around commercialisation and being part of group arrangements or combined authorities, it is increasingly important for Councils to take into account the residual risks and liabilities all around them.
- 1.3. This Capital Strategy covers both the General Fund and the Housing Revenue Account, supporting service provision and linking with the Council's Corporate Plan and Medium Term Financial Strategy. It provides a framework for the development of the three year capital programme.

2. Purpose and Aims

- 2.1. The Prudential Code for Capital Finance in Local Authorities was updated by CIPFA in December 2021. The 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following:

- A high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- An overview of how the associated risk is managed
- The implications for future financial sustainability

The aim of the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

- 2.2. The purpose of this Capital Strategy is to help achieve the Council's five strategic priorities set out in the Corporate Plan 2022-2026:
 - a. Prosperous local economy
 - b. Healthy and active city
 - c. Housing and building great neighbourhoods and communities
 - d. Net zero carbon city
 - e. Thriving culture and heritage

These priorities contribute to the Exeter Vision 2040:

"By the time they are an adult, a child born in Exeter today will live in a city that is inclusive, healthy and sustainable – a city where the opportunities and benefits of prosperity are shared and all citizens are able to participate fully in the city's economic, social, cultural and civic life."

3. What is Capital Expenditure?

- 3.1. An understanding of what constitutes capital expenditure is fundamental to realising the benefits that an authority can obtain under the Prudential framework. Unless expenditure qualifies as capital it will normally fall outside the scope of the framework and be charged to revenue in the period that the expenditure is incurred. If expenditure meets the definition of capital, there may be opportunities to finance the outlay from capital receipts or by spreading the cost over future years' revenues.

There are three ways in which expenditure can qualify as capital under the framework:-

- The expenditure results in the acquisition, construction or enhancement of fixed assets (tangible and intangible) in accordance with 'proper practices'.
- The expenditure meets one of the definitions specified in regulations made under the 2003 Local Government Act.
- The Secretary of State makes a direction that the expenditure can be treated as capital expenditure.

4. Approach to Capital Investment

- 4.1. The Council's approach to capital investment is fundamental to the Council's financial planning processes. It aims to ensure that:

- Capital expenditure contributes to the achievement of the Council's strategic plan.
- An affordable and sustainable capital programme is delivered.
- Use of resources and value for money is maximised.
- A clear framework for making capital expenditure decisions is provided.
- A corporate approach to generating capital resources is established.
- Access to sufficient long term assets to provide services are acquired and retained.
- Invest to save initiatives to make efficiencies within the Council's revenue budget are encouraged.
- An appraisal and prioritisation process for new schemes is robust.

5. Governance Arrangements

5.1. Capital Programme Approvals

The Authority's constitution and financial regulations govern the capital programme as set out below:

- All capital expenditure must be carried out in accordance with the financial regulations and the Council's Constitution.

- The expenditure must comply with the statutory definition of capital purposes as defined within this document and wider financial standards.
- The Capital Programme approved by Full Council as part of the Council's annual budget report sets the capital funding availability for the Council, the prioritisation of funding and the schemes receiving entry into the Capital Programme.
- Officers are not authorised to commit expenditure without prior formal approval as set out in the financial regulations.
- Each scheme must be under the control of a responsible person / project manager.
- Any agreements (such as section 106) which contractually commit to procure capital schemes will need to follow the same approval process as other capital expenditure before it can be formally incorporated into the capital programme.

Full Council:

- Approves the capital programme as part of the Annual Budget Report within the strategic boundaries set by the Council.
- Approves capital schemes into the approved capital programme to enable commencement of delivery and schemes to start to incur expenditure.

6. Funding Streams

Exeter City Council's Capital Programme is funded from a mix of sources including:

- **Prudential Borrowing** – The introduction of the Prudential Code in 2004 allowed the Council to undertake unsupported borrowing. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities. The Council must ensure that unsupported borrowing is affordable, prudent and cost effective. This funding can also be used as an option to front fund development to stimulate growth. This has provided the Council with the flexibility to raise capital funding as demand and business need have dictated. This type of borrowing has revenue implications for the Council in the form of financing costs. An authority must not borrow to invest primarily for financial return.
- **External Grants** – such as disabled facilities grant funding
- **Section 106, Community Infrastructure Levy (CIL) and External Contributions** – Elements of the capital programme are funded by contributions from private sector developers and partners.
- **Revenue Funding** – The Council can use revenue resources to fund capital projects on a direct basis and this funding avenue has been used in the past. However, pressures on the Council's revenue budget has reduced options in this area and therefore the preference is for Invest to Save options to be adopted where feasible.
- **Capital Receipts** – The Council is able to generate capital receipts through the sale of surplus assets such as land and buildings. The Council seeks to maximise the level of these resources which will be available to support the Council's plans.

The size of the Capital Programme will be influenced by funding sources and financing costs. The main limiting factor on the Council's ability to undertake capital investment is whether the revenue resource is available to support in full the implications of capital expenditure, both borrowing costs and running costs, after allowing for any support provided by central government, now mainly through capital grants.

The Council is required to set aside a Minimum Revenue Provision (MRP) in respect of capital expenditure previously financed by borrowing. To reduce risk and minimise cost on the General Fund in light of current interest rates, it has been decided to defer borrowing where possible and at least until rates are more favourable, however some targeted long term borrowing will be undertaken in 2023-24, where the costs will be offset against future income streams.

Revenue Implications

The revenue implications of capital investment must always be considered in investment decisions and prioritisation of projects. These include costs and savings implications.

Costs to consider include:

- Cost of borrowing (including Minimum Revenue Provision)
- Loss of investment income if reserves or useable capital receipts are used
- Running costs associated with the asset.

Savings, including benefits, to identify in the proposal include:

- Any positive impact of investment and economic growth on the Council's council tax base and business rates income
- Capital projects that generate income, revenue savings or efficiencies.

7. Stewardship of Assets

The Council's Asset Management Plan sets out the condition of its assets and the arrangements for managing these effectively. The Council's Corporate Property Strategy enhances these arrangements, including increasing the awareness that efficient use of property is an important element of maximising the value obtained from the Council's overall resources.

An extensive stock condition survey has been carried out on the majority of the Council's assets. This underpins the capital programme and has been updated to include the impact of our leisure portfolio of assets. As noted above however, the impact of rising costs and interest rates have caused the full capital programme to become unaffordable in the short-term and therefore the programme has been reduced to prioritise those assets which are considered highest risk. The other works have been removed from the approved capital programme pending a review of the portfolio.

8. Service Objectives

The option appraisal of proposed capital schemes overseen considers, amongst other factors, the following:

- How the proposal help achieve the objectives and priorities set out in the Council's Corporate Plan 2022-2026.
- How the proposal will help achieve objectives set out in Service Plans.
- The service improvements and other anticipated benefits expected to be delivered from the investment.

9. Monitoring

- Capital budget holders are responsible for providing quarterly forecasts to the Finance Team. Any slippage, acceleration, underspends or overspends on schemes is identified as soon as possible.
- All forecasts are collated by the Finance Team and reported to the Executive and Council on a quarterly basis.

DIRECTOR FINANCE
JANUARY 2023

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REPORT TO EXECUTIVE

Date of Meeting: 7 February 2023

REPORT TO COUNCIL

Date of Meeting: 21 February 2023

Report of: Director Finance

Title: The Prudential Code for Capital Finance in Local Authorities (Incorporating the Annual Statement of Minimum Revenue Provision)

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To set out the proposed 2023/24 Prudential Indicators for capital finance for adoption by the Council and set the annual statement of Minimum Revenue Provision (MRP).

2. Recommendations:

It is recommended that the Executive recommends to Council to approve the adoption of:

- (1) The Prudential Indicators set out in Appendices A-C;
- (2) The Annual Statement of Minimum Revenue Provision for the Council

3. Reasons for the recommendation:

With effect from 1 April 2004, the Government abolished the capital finance legislation in Part 4 of the Local Government and Housing Act 1989 and the Local Authorities (Capital Finance) Regulations 1997 (Statutory Instrument 1997/319) and replaced it with a new prudential system based on self-regulation. This means that Councils are free to borrow for capital investment where the borrowing is affordable.

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 came into force on 31 March 2008. The Regulations require Full Council to approve an Annual Statement of Minimum Revenue Provision which is the amount set aside from revenue for the repayment of debt principal relating to the General Fund only. The Housing Revenue Account remains exempt from making MRP although it can make voluntary set asides if it wishes.

The Prudential Indicators / MRP report will be incorporated within the Budget Book for approval at the full Council meeting as per the statutory requirement.

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

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

5. Section 151 Officer comments:

The Prudential Code, whilst complex, allows members to ensure that capital expenditure and in particular, the impact it has on the revenue budget is both affordable and prudent. The key indicators are set out below and members should ensure that they are comfortable with the limits set and the levels of borrowing allowed.

The MRP policy enables the Council to prudently manage the repayment of debt. The Council's policy of using the annuity method allows it to repay debt in line with the loan repayments required, where borrowing is taken out with the PWLB. This allows repayments to align with the increasing economic benefit that assets are expected to deliver over their useful lives. Members should note that the MTFP relies on the Council taking advantage of the opportunity to use the overpayments made in previous years to help smooth the reductions required in the revenue budget. This is considered prudent by the section 151 Officer.

6. What are the legal aspects?

With effect from 1 April 2004, the Government abolished the capital finance legislation in Part 4 of the Local Government and Housing Act 1989 and the Local Authorities (Capital Finance) Regulations 1997 (Statutory Instrument 1997/319) and replaced it with a new prudential system based on self-regulation. More detailed information is set out in paragraph 3 above.

7. Monitoring Officer's comments:

The content of this report raises no issues for the Monitoring Officer.

8. Report details:

CIPFA published the revised Codes on 20th December 2021 and has stated that revisions need to be included in the reporting framework from the 2023/24 financial year. This Authority, therefore, has to have regard to these Codes of Practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Council for approval.

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

8.1 Key issues to consider

Appendix C summarises the Prudential Code indicators for the Council and of particular importance are:

- The Capital Financing Requirement - demonstrates the amount that the Council has an underlying need to borrow, regardless of whether that amount has actually been borrowed.

- The Operational Boundary - this sets the amount of borrowing that the Council intends to keep within over the period covered by the indicators.
- The Authorised Limit - the maximum that the Section 151 Officer is allowed to borrow to cover the Operational Boundary and day to day cash flow needs. The Council is not allowed to exceed this amount of borrowing without first authorising an increase to the limit.

8.2 Lifting of the HRA Borrowing Cap

Since April 2012 each local authority had a limit on the amount of borrowing it could have for the purposes of the HRA, called the 'debt cap'. For Exeter City Council, the debt cap was £57,882,413.

The HRA debt cap was formally removed on 29 October 2018, as a result local authorities are now able to borrow for housebuilding in accordance with the Prudential Code.

The HRA have borrowed an additional £15.3m for the development of new sites since the debt cap was lifted. Further sites are being identified for the development of new council housing in order to make use of this new flexibility and to contribute to local housing delivery and further investigations by officers for further new sites are ongoing.

8.3 Capital Financing Requirement

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Director Finance reports that the Council complied with this Prudential Indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

8.4 ANNUAL STATEMENT OF MINIMUM REVENUE PROVISION

The Regulations require that "a local authority shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent".

Minimum Revenue Provision (MRP) is an amount set aside from revenue to meet the repayment of debt principal. It is in effect a replacement for depreciation that you would normally expect to see within a Company's Accounts. Under the old Regulations this was 4% of principal outstanding for the General Fund and no requirement to set aside MRP in the Housing Revenue Account. In local government accounting depreciation is charged and then reversed out so it does not affect the level of Council Tax, however MRP is charged to the General Fund and therefore does affect levels of Council Tax.

The Secretary of State for Communities and Local Government has issued guidance under section 21(1A) of the Local Government Act 2003. This states that "the broad aim

of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of the grant."

The guidance notes detail five options which the Secretary of State considers prudent. These are described in section 10 below:

- (a) Regulatory Method;
- (b) Capital Financing Requirement Method;
- (c) Asset Life (Equal Instalment) Method;
- (d) Asset Life (Annuity) Method; and
- (e) Depreciation Method

8.5 Key issue to consider

Section 8.7 sets out the proposed policy for MRP, which matches the amount set aside against the useful life of the assets. The only exception to this is the writing off of historic debt which is being undertaken over 50 years.

8.6 MRP OPTIONS

Regulatory Method

MRP is equal to the amount determined in accordance with the former regulations 28 and 29 of the 2003 Regulations as if they had not been revoked. In effect this is 4% of the debt principal outstanding.

Capital Financing Requirement Method

MRP is equal to 4% of the non-housing Capital Financing Requirement, which is a Prudential Indicator.

Asset Life (Equal Instalment) Method

Where capital expenditure on an asset is financed wholly or partly by borrowing then MRP is determined by reference to the life of the asset and an equal amount charged in each year.

Asset Life (Annuity) Method

MRP is the principal element for the year of the annuity required to repay over the asset life the amount of capital expenditure financed by borrowing.

Depreciation Method

MRP is equal to the provision required in accordance with depreciation accounting in respect of the asset, including any amount of impairment chargeable to the Income and Expenditure Account. As standard depreciation rules are used where an asset is part financed by loan, e.g. 50% loan, 50% Capital Receipt, then the full 100% depreciation charge on the asset is required to be charged as MRP. MRP is required to be charged

annually until the cumulative amount of the provision is equal to the original expenditure financed by borrowing. Should the asset be disposed of then the charge needs to continue as if the asset had not been disposed of unless the debt is repaid.

8.7 MINIMUM REVENUE PROVISION POLICY 2023/24

The Council's MRP policy is to match borrowing against specific capital investment and adopt either the Asset Life (Equal Instalment) or the Asset Life (Annuity) method for MRP. In this way the funding for the asset will be paid off over the useful life of that asset. This will ensure that loans are repaid over the asset life thus freeing financial resources for investment in other schemes or in asset renewal. They are also simple to operate and gives certainty in each year as to the level of charge for principal.

The other advantage is that it makes business cases and scheme appraisals easier to compile. As a general rule the Council will seek to borrow over the same period of the asset life up to a maximum of 50 years in line with the Regulations. The total capital financing requirement at the end of 2022/23 is likely to be approximately £244.972 million. The MRP for 2023/24 will be calculated based on the capital financing requirement at the end of 2022/23 using the varying periods of repayment. The MRP charge for 2023/24 will be approximately £1.783 million. For the avoidance of doubt, it is proposed to use both options from 2016/17 onwards, depending on the asset being financed. However, unless there is a good reason, for not doing so, all borrowing will adopt the Asset Life (Annuity) method.

8.8 MRP Overpayments

A change introduced by the revised DLUHC MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision (VRP) or overpayments, can, if needed, be reclaimed in future years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2023 the total VRP overpayments will be £3.836 million.

8.9 Capital Financing Requirement

Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Director Finance reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

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

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

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

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

11. Equality Act 2010 (The Act)

- 11.1 Under the Act's Public Sector 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 is for information only

12. Carbon Footprint (Environmental) Implications:

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

13. Are there any other options?

No

Director: David Hodgson, Director Finance

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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General Fund Prudential Indicator Calculations

The purpose of the prudential indicators is to demonstrate that the Council's financial plans meet the statutory requirement to be affordable, prudent and sustainable.

General Fund Capital Expenditure

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

Director	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Chief Executive & Growth Director	233	888	648	104	104
Transformation	8,880	-	-	-	-
Net Zero Exeter and City Management	3,604	7,569	14,245	1,943	1,150
City Development, Housing & Supporting People	2,170	2,681	-	-	-
Communications, Culture and Leisure Facilities	1,729	4,868	2,227	100.00	100
Finance	428	63,046	20,431	1,013	983
Total General Fund Capital Expenditure	17,044	79,052	37,551	3,160	2,337

General Fund Financing costs

The figures for the actual financing costs will be taken from the Council's financial statements using the definition of financing costs specified in the Prudential Code. Estimates for the current and future years should be calculated in a manner consistent with this definition.

Description	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Interest payable with respect to short term borrowing	289	551	600	600	600
Interest payable under 'irredeemable' long term liabilities	1,273	1,983	2,592	2,847	3,063
Interest and investment income	(577)	(1,441)	(1,872)	(1,866)	(1,858)
Replacement for Minimum Revenue Provision (England and Wales)	957	2,438	2,495	2,538	2,583
Voluntary contribution to financing costs in respect of short-life assets	(664)	(1,480)	(800)	(800)	(756)
Total General Fund Financing Costs	1,278	2,051	3,015	3,319	3,632

General Fund Estimates of the ratio of financing costs to net revenue stream

The net revenue stream is the estimate of the amounts to be met from government grants and local taxpayers. An important theme of the Code is transparency. For this reason the authority's calculation of the net revenue stream should be consistent with the figure that can be identified in the Income and Expenditure Account for 'Net Operating Expenditure'.

Description	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Financing costs	1,278	2,051	3,015	3,319	3,632
Net revenue stream	14,394	14,675	15,914	15,826	16,077
Ratio of financing costs to net revenue stream %	8.9%	14.0%	18.9%	21.0%	22.6%

General Fund Capital Financing Requirement

The Capital Financing Requirement will reflect the Council's underlying need to finance capital expenditure.

Actual General Fund Capital Financing Requirement at 31 March 2022

	£'000
Property, Plant and Equipment	176,939
Investment Properties	56,034
Heritage Assets	22,743
Intangible Assets / Other Long term Assets	13,774
Revaluation Reserve	(93,887)
Capital Adjustment Account	(70,092)
General Fund Capital Financing Requirement 31 March 2022	105,511

Estimated General Fund Capital Financing Requirement at 31 March 2023

Estimate of General Fund Capital Financing Requirement 31 March 2022	105,511
Estimate of change in Property, Plant and Equipment	24,052
Estimate of change in Investment Properties	55,000
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(11,157)
Estimate of General Fund Capital Financing Requirement 31 March 2023	173,406

Estimated General Fund Capital Financing Requirement at 31 March 2024

Estimate of General Fund Capital Financing Requirement 31 March 2023	173,406
Estimate of change in Property, Plant and Equipment	27,551
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	10,000
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(34,724)
Estimate of General Fund Capital Financing Requirement 31 March 2024	176,233

Estimated General Fund Capital Financing Requirement at 31 March 2025

Estimate of General Fund Capital Financing Requirement 31 March 2024	176,233
Estimate of change in Property, Plant and Equipment	3,160
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(1,053)
Estimate of General Fund Capital Financing Requirement 31 March 2025	178,340

Estimated General Fund Capital Financing Requirement at 31 March 2026

Estimate of General Fund Capital Financing Requirement 31 March 2025	178,340
Estimate of change in Property, Plant and Equipment	2,337
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(5,287)
Estimate of General Fund Capital Financing Requirement 31 March 2026	175,390

HRA Prudential Indicator Calculations

Local authorities that have a Housing Revenue Account (HRA) are required to prepare separate calculations for their HRA and non-HRA elements.

HRA Capital Expenditure

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

Description	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
INVESTING IN EXISTING STOCK	14,184	12,798	11,834	11,271	11,156
PROVISION OF NEW COUNCIL HOMES	5,150	7,243	7,487	2,141	0
Total HRA Capital Expenditure	19,334	20,041	19,321	13,412	11,156

HRA Financing costs

Description	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Interest payable with respect to short term borrowing	0	0	0	0	0
Interest payable under 'irredeemable' long term liabilities	2,181	2,454	2,394	2,394	2,394
Interest and investment income	(251)	(478)	(524)	(524)	(524)
Voluntary Revenue Provision (England and Wales)	0	0	0	0	0
Voluntary contribution to financing costs in respect of short-life assets	0	0	0	0	0
Total HRA Financing Costs	1,930	1,976	1,870	1,870	1,870

HRA Estimates of the ratio of financing costs to net revenue stream

For the Housing Revenue Account the net revenue stream, for the purposes of the Code, is the amount to be met from rent income.

Description	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Financing costs	1,930	1,976	1,870	1,870	1,870
Net revenue stream	19,248	19,849	21,012	21,684	22,378
Ratio of financing costs to net revenue stream %	10.0	10.0	8.9	8.6	8.4
Negative for a debt free authority	%	%	%	%	%

HRA Capital Financing Requirement

The Capital Financing Requirement will reflect the Council's underlying need to finance capital expenditure.

Actual HRA Capital Financing Requirement at 31 March 2022

Description	£'000
Property, Plant and Equipment	308,683
Investment Properties	0
Intangible Assets / Other Long term Assets	0
Revaluation Reserve	(63,989)
Capital Adjustment Account	(171,452)
Actual HRA Capital Financing Requirement 31 March 2022	73,242

Estimated HRA Capital Financing Requirement at 31 March 2023

Estimate of HRA Capital Financing Requirement 31 March 2022	73,242
Estimate of change in Property, Plant and Equipment	20,041
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(15,941)
Estimate of HRA Capital Financing Requirement 31 March 2023	77,342

Estimated HRA Capital Financing Requirement at 31 March 2024

Estimate of HRA Capital Financing Requirement 31 March 2023	77,342
Estimate of change in Property, Plant and Equipment	19,321
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(19,071)
Estimate of HRA Capital Financing Requirement 31 March 2024	77,592

Estimated HRA Capital Financing Requirement at 31 March 2025

Estimate of HRA Capital Financing Requirement 31 March 2024	77,592
Estimate of change in Property, Plant and Equipment	13,412
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(12,662)
Estimate of HRA Capital Financing Requirement 31 March 2025	78,342

Estimated HRA Capital Financing Requirement at 31 March 2026

Estimate of HRA Capital Financing Requirement 31 March 2025	78,342
Estimate of change in Property, Plant and Equipment	11,156
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(11,156)
Estimate of HRA Capital Financing Requirement 31 March 2026	78,342

Limit on indebtedness

The HRA borrowing cap was limited to £57,882k, but the cap was formally removed on 29 October 2018 so Local Authorities can now borrow for housebuilding.

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Prudential Indicator CalculationsPRUDENTIAL INDICATORS OF AFFORDABILITYTotal Actual / Estimates of Capital Expenditure

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

Description	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Total General Fund Capital Expenditure	17,044	79,052	37,551	3,160	2,337
Total HRA Capital Expenditure	19,334	20,041	19,321	13,412	11,156
Total Actual / Estimates of Capital Expenditure	36,378	99,093	56,872	16,572	13,493

Total Actual / Estimates of Financing Costs

Description	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Total General Fund Financing Costs	1,278	2,051	3,015	3,319	3,632
Total HRA Financing Costs	1,930	1,976	1,870	1,870	1,870
Total Actual / Estimates of Financing Costs	3,208	4,027	4,885	5,189	5,502

Actual / Estimates of Ratio of Financing Costs to Net Revenue Stream

The net revenue stream is the estimate of the amounts to be met from government grants and local taxpayers, and for the Housing Revenue Account, is the estimate of the amounts to be met from rent income.

Description	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
General Fund Ratio of Financing Costs to Net Revenue Stream	0.1	0.1	0.2	0.2	0.2
HRA Ratio of Financing Costs to Net Revenue Stream	10.0	10.0	8.9	8.6	8.4

Prudential Indicator Calculations

The estimates of financing costs include current commitments and the proposals in this budget report.

Actual / Estimates of Capital Financing Requirement

The Capital Financing Requirement will reflect the Council's underlying need to finance capital expenditure.

Description	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
General Fund Capital Financing Requirement	105,511	173,406	176,233	178,340	175,390
HRA Capital Financing Requirement	73,242	77,342	77,592	78,342	78,342
Total Actual / Estimates of Capital Financing Requirement	178,753	250,748	253,825	256,682	253,732

Authorised Limit

In England and Wales the prudential indicator for the Authorised Limit for external debt for the current year is the statutory limit determined under Section 3 (1) of the Local Government Act 2003: 'A local authority shall determine and keep under review how much money it can afford to borrow'

The Authorised Limit should not be set so high that it would never in any possible circumstances be breached. It should reflect a level of borrowing which, while not desired, could be afforded but may not be sustainable. The Authorised Limit must therefore be set to establish the outer boundary of the Council's borrowing, based on a realistic assessment of the risks.

Description	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Borrowing	300,000	305,000	305,000
Other long term liabilities	8,000	7,000	7,000
Authorised Limit	308,000	312,000	312,000

Prudential Indicator Calculations**Operational Boundary**

The Operational Boundary is the focus of day-to-day treasury management activity within the authority. It is a means by which the authority manages its external debt to ensure that it remains within the self-imposed Authorised Limit. The Operational Boundary may be breached temporarily on occasions due to variations in cashflow. However, a sustained or regular trend above the Operational Boundary would be significant and should lead to further investigation.

Description	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Borrowing	280,000	285,000	285,000
Other long term liabilities	6,000	5,000	5,000
Operational Boundary	286,000	290,000	290,000

The Authorised Limit and the Operational Boundary have been increased to include capacity to enable the establishment of a HRA development programme following removal of the debt cap.

Actual External Debt

The prudential indicator for actual external debt will not be directly comparable to the authorised limit and operational boundary, since the actual external debt will reflect the actual position at one point in time.

Description	2021/22 Actual £'000	To be repaid	
		within 12 months	after 12 months
Actual borrowing as at 31 March 2022	168,205	1,510	166,695
Actual long term liabilities as at 31 March 2022	2,996	599	2,397
Actual External Debt as at 31 March 2021	171,201	2,109	169,092

Prudential Indicator Calculations
PRUDENTIAL INDICATORS OF PRUDENCE

Gross Debt and Capital Financing Requirement

The Code makes it necessary, if a financial strategy is to be prudent, that it is one in which in the medium term gross debt is only used for capital purposes. In the Code this requirement is to be demonstrated through a comparison of gross debt with the Capital Financing Requirement.

Description	£'000
Total Capital Financing Requirement at 31 March 2022	178,753

2022/23 Estimated Change in Capital Financing Requirement	
Capital expenditure	99,093
Application of useable capital receipts	(3,182)
Application of capital grants/contributions	(22,957)
The replacement for MRP	(2,438)
Additional voluntary contributions	1,480
Total Estimated Change in Capital Financing Requirement 2022/23	71,996

2023/24 Estimated Change in Capital Financing Requirement	
Capital expenditure	56,872
Application of useable capital receipts	(1,006)
Application of capital grants/contributions	(51,094)
The replacement for MRP	(2,495)
Additional voluntary contributions	800
Total Estimated Change in Capital Financing Requirement 2023/24	3,077

Prudential Indicator Calculations

2024/25 Estimated Change in Capital Financing Requirement	
Capital expenditure	16,572
Application of useable capital receipts	(204)
Application of capital grants/contributions	(11,773)
The replacement for MRP	(2,538)
Additional voluntary contributions	800
Total Estimated Change in Capital Financing Requirement 2024/25	2,857

Capital Financing Requirement:	
Opening Balance 2021/22	178,753
Estimated Closing Balance 2024/25	256,683
This is an increase over the three years of	77,930

Operational Boundaries to Exposure to Interest Rate Risks

Interest rate risk management is a top priority for local authority management. The setting of upper limits has the effect of setting ranges within which the Council will limit its exposure to both fixed and variable interest rate movements.

Description	2022/23 £'000	2023/24 £'000	2024/25 £'000
Total projected interest payable on borrowing	5,586	5,841	6,057
Total projected interest receivable on investments	(2,396)	(2,390)	(2,382)
Net Interest	3,190	3,451	3,675

Description	Upper Limit
Upper limit - fixed rates = 100%	100%
Upper limit - variable rates = 20%	20%

This means that the Chief Finance Officer will manage fixed interest rate exposure within the range 0% to 100% and variable interest rate exposure within the range 0% to 20%

Prudential Indicator Calculations**Operational Boundary to the Exposure Inherent in the Maturity Structure of Borrowings**

This indicator is designed to be a control over the Council having a large concentration of fixed rate debt needing to be replaced at times of uncertainty over interest rates. The indicator is, in effect, a limit on longer term interest rate exposure and is set for the forthcoming year.

The analysis of borrowing by maturity used in the Code uses the same periods as that required in the local authority SORP.

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

Period	Upper Limit	Lower Limit	Estimated debt maturity %		
			2022/23	2023/24	2024/25
Under 12 months	100%	0%		5%	5%
12 months and within 24 months	20%	0%			
24 months and within 5 years	20%	0%			
5 years and within 10 years	20%	0%			
10 years and above	100%	0%	100%	95%	95%

Investments

Description	At 31/3/2022 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Long-term investments	5,000	5,000	5,000	5,000
Short-term investments	5,000	10,000	5,000	5,000
Cash and cash equivalents	20,000	15,000	5,000	5,000
Total Investments	30,000	30,000	15,000	15,000

REPORT TO EXECUTIVE

Date of Meeting: 7 February 2023

REPORT TO COUNCIL

Date of Meeting: 21 February 2023

Report of: Director Finance

Title: Treasury Management Strategy Report 2023/24

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To seek adoption by the Council of the Treasury Management Strategy Report, incorporating the Annual Investment Strategy 2023/24, as required under section 15(1)(a) of the Local Government Act 2003.

2. Recommendations:

That Executive recommend to Council the adoption of the new Treasury Management Strategy and delegations contained therein.

3. Reasons for the recommendation:

The Council adopted the CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes, which requires the Council to approve a Treasury Management Strategy before the start of each financial year.

CIPFA published the revised Treasury Management Code in December 2021. This Strategy reflects the new requirements of the Code including amendments to the knowledge and skills register, a new liability benchmark treasury indicator and arrangements for quarterly reporting of forward looking prudential indicators.

In addition, the Department for Levelling Up, Housing and Communities (DLUHC) Guidance on Local Authority Investments requires the Council to approve an investment strategy before the start of each financial year.

DLUHC and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments. Non-financial investments are covered in the Capital Strategy which is presented in a separate report to this Committee.

The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's Treasury Management Strategy.

4. What are the resource implications including non financial resources

Treasury Management is carried out by the Finance team of the Council, with advice procured from a specialist advisor. Prudent Treasury Management supports the Council's financial position by generating interest on investments / deposits and seeking to minimise the amount of interest paid on borrowing.

5. Section 151 Officer comments:

The strategy sets out the parameters under which the section 151 Officer and his team can operate. The Strategy aligns with the assumptions set out in the Council's MTFP and will enable good management of the Council's cash position throughout the year.

6. What are the legal aspects?

In February 2012 the Council adopted the updated *CIPFA Treasury Management in the Public Services: Code of Practice*, which requires the Council to approve a Treasury Management Strategy before the start of each financial year. Adoption of the Code is required by regulations laid under the Local Government Act 2003.

7. Monitoring Officer's comments:

As detailed in paragraph 6 above, the Council has a duty to adopt a Treasury Management Strategy and therefore this report, together with the detailed information within in the Appendix raise no issues for the Monitoring Officer,

8. Report details:

This is a statutory Strategy recommended for adoption by full Council. The key issues to be considered are:

- Investments in the CCLA – LAMIT fund have been made and details of the dividend yield are included in paragraph 3.1 of Appendix A attached to this report.
- Section 4.3 sets the limits on the value of investments to be held by any one institution and the type of institution that can be used.
- The maximum limit to be lent to any one organisation in respect of Property Funds was approved in December 2017, the maximum to be lent to any one organisation for this type of investment is £10m.
- All other limits on the value of investments to be held by one institution remains at £5m (other than the UK Government and money market funds).
- Section 3 of Appendix A attached to this report, sets out the current levels of borrowing and investments, along with the estimated changes and the financial impact for the year on both the General Fund and HRA.
- Sections 5 and 6 set out the planned strategy for the year, which Council must be satisfied meets their objectives and is in line with the level of risk they are comfortable to take.

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

Treasury Management supports the Council in generating additional funds for investing in Services, whilst minimising the amount of interest paid on borrowings. It does not in itself contribute to the Council's Corporate Plan.

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

The investment limits are designed to reduce risk as far as possible, however with any investments there is a risk of default. The Council minimises this risk by imposing limits on where cash can be invested based on credit ratings from the two main rating agencies and setting monetary and time limits on investments. Investments tend to be in immediate access accounts, or short term (less than three months).

11. Equality Act 2010 (The Act)

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

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

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

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

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

11.4.1 The report is for information only.

11. Carbon Footprint (Environmental) Implications:

No direct carbon/environmental impacts arising from the recommendations.

12. Are there any other options?

No

David Hodgson, Director Finance

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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EXETER CITY COUNCIL

TREASURY MANAGEMENT STRATEGY 2023/24

1. Introduction

- 1.1. The Council's Treasury Management Strategy (TMS) is based on the requirements of the DLUHC's Guidance on Local Government Investments ("the Guidance"), and CIPFA's Treasury Management Code and Prudential Code. CIPFA published the revised Codes in December 2021 and these need to be reflected in the reporting framework from 2023/24. This Authority, therefore, must have regard to these Codes of Practice when preparing the Treasury Management Strategy Statement including the Annual Investment Strategy, and also related reports during the financial year which are taken to full Council for approval.

The revised Treasury Management Code requires all investments and investment income to be attributed to one of the following three purposes: -

Treasury management

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

Service delivery

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

Commercial return

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to an authority's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

The revised Treasury Management Code requires an authority to implement the following: -

1. **Adopt a new liability benchmark treasury indicator** to support the financing risk management of the capital financing requirement; this is to be shown in chart form for a minimum of ten years, with material differences between the liability benchmark and actual loans to be explained (this prudential indicator is attached at Appendix B);
2. **Long-term treasury investments**, (including pooled funds), are to be classed as commercial investments unless justified by a cash flow business case;
3. **Pooled funds** are to be included in the indicator for principal sums maturing in years beyond the initial budget year;
4. Amendment to the **knowledge and skills register** for officers and members involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each authority;
5. **Reporting to members is to be done quarterly.** Specifically, the Section 151 Officer is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly. The Section 151 Officer is

expected to establish a measurement and reporting process that highlights significant actual or forecast deviations from the approved indicators. However, monitoring of prudential indicators, including forecast debt and investments, is not required to be taken to Full Council and should be reported as part of the authority's integrated revenue, capital and balance sheet monitoring;

6. **Environmental, social and governance (ESG)** issues to be addressed within an authority's treasury management policies and practices (TMP1).

2. Economic Context

Developed economies have been open for some months now post-pandemic, but the degree to which inflation has taken root in those economies has demanded central banks tighten monetary policy dramatically compared to the ultra-low interest rates of the past decade. For the UK, fiscal policy tightening is also underway following the Autumn Statement announcements of 17th November.

On the monetary policy front matters are complex, with the November 2022 UK CPI standing at 10.7%, and expected to fall only slowly through 2023 and 2024. Markets have been unsettled by the Government's announcements of unfunded tax cuts in September but are now calmer against the backdrop of public expenditure cuts and fiscal tightening.

The Bank of England's Monetary Policy Committee increased the Bank Rate to 3.5% in December 2022 and have indicated that further rate increases are in the pipeline and markets expect Bank Rate to peak at 4.5%-4.75%. Investing in 2023/24 is therefore likely to be conducted, first, in a rising interest rate environment, but also - potentially - a falling interest rate environment at the back-end of the financial year, depending on how quickly inflation falls back and how growth performs.

Interest rate forecasts

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives Link Group forecast to December 2025.

	End Q1 2023	End Q2 2023	End Q3 2023	End Q4 2023	End Q1 2024	End Q2 2024	End Q3 2024	End Q4 2024	End Q1 2025	End Q2 2025	End Q3 2025	End Q4 2025
Bank Rate	4.25%	4.50%	4.50%	4.50%	4.00%	3.75%	3.50%	3.25%	3.00%	2.75%	2.50%	2.50%
5yr PWLB Rate	4.20%	4.20%	4.10%	4.00%	3.90%	3.80%	3.60%	3.50%	3.40%	3.30%	3.20%	3.10%
10yr PWLB Rate	4.40%	4.40%	4.30%	4.10%	4.00%	3.90%	3.80%	3.60%	3.50%	3.40%	3.30%	3.30%
25yr PWLB Rate	4.60%	4.60%	4.50%	4.40%	4.20%	4.10%	4.00%	3.90%	3.70%	3.60%	3.50%	3.50%
50yr PWLB Rate	4.30%	4.30%	4.20%	4.10%	3.90%	3.80%	3.70%	3.60%	3.50%	3.30%	3.20%	3.20%

3. Current and Expected Treasury Portfolios

3.1. Investments

The Council's current investments as at 31 December 2022 was as follows:

Fixed Term Deposits - Current

Amount	Investment	Interest rate	Date Invested	Maturity Date	No. of Days
£5,000,000	Slough Borough Council	1.50%	18/05/22	20/02/23	278

£5,000,000	West of England Combined Authority	1.65%	23/06/22	16/03/23	266
£2,000,000	Barclays Green 95 day notice account	3.0%	19/07/22	95 days	Min: 95
£1,000,000	Barclays Standard 95 day notice account	3.0%	19/07/22	95 days	Min: 95
£5,000,000	Birmingham City Council	2.01%	28/07/22	30/01/23	186
£4,000,000	Cheltenham Borough Council	2.70%	13/09/22	13/07/23	303
£3,000,000	Standard Chartered – Sustainable deposit	4.32%	14/10/22	14/04/23	182
£3,000,000	Goldman Sachs	3.73%	15/12/22	15/06/23	182
£5,000,000	Surrey County Council	3.30%	19/12/22	20/03/23	91
£5,000,000	Woking Borough Council	3.75%	21/12/22	21/06/23	182

The Standard Chartered Sustainable deposit guarantees that investment is referenced against sustainable assets aligned to the United Nations' Sustainable Development Goals (SDGs).

Property Funds

Amount	Investment	Dividend Yield
£5,000,000	CCLA – LAMIT Property Fund	3.96%

Note: Dividend yield as at 30 September 2022

Money Market Funds

Amount	Investment	Interest rate*
£10,000,000	Federated Investors	1.75%
£10,000,000	Aberdeen Standard Investments	1.70%
£4,000,000	CCLA - The Public Sector Deposit Fund	1.61%
£0	Black Rock Asset Management	1.61%

* Interest rate is variable (therefore rates quoted are an average to 31 December 2022)

3.2. **Borrowings**

The Council's long term borrowing is currently £166.709 million (£94.465 million General Fund and £72.244 HRA) and there is currently no short-term borrowing. Details of current loans are set out below.

Existing loans

Amount	Lender	Interest rate	End date
£56,884,000	PWLB maturity (HRA)	3.48%	28/03/2062
£1,963,433	PWLB 25 year annuity	2.34%	11/01/2044
£1,911,646	PWLB 25 year annuity	2.08%	04/04/2044
£4,279,064	PWLB 30 year annuity	1.61%	26/09/2049
£8,233,947	PWLB 35 year annuity	1.71%	26/09/2054
£34,628,516	PWLB 50 year annuity	1.80%	26/09/2069

£15,360,000	PWLB maturity (HRA)	1.31%	14/04/2070
£43,448,157	PWLB 50 year annuity	1.78%	24/12/2071

3.3. Expected changes

The current capital programme indicates a further borrowing requirement of £30.836 million for the General Fund and £3.9 million for the HRA. The decision of whether to take external long-term borrowing will be made in light of current and forecast interest rates and the decision is delegated to the Section 151 Officer and Leader of the Council.

3.4. Budget implications

The net budget for interest payments in 2023/24 is £1.32m in respect of the General Fund and £1.898 million in respect of the HRA. The HRA covers the interest costs relating to the long term borrowing of £56.9 million and the interest on any other borrowings directly related to the HRA. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will differ correspondingly.

4. **Investment Strategy**

4.1. The Council holds surplus funds, which represent income received in advance of expenditure plus balances and reserves held. Both the CIPFA Code and the DLUHC Guidance require the Council to invest its funds prudently, and to have regard to the **security** and **liquidity** of its investments before seeking the highest rate of return, or **yield**.

4.2. Specified Investments

Specified investments are those expected to offer relatively high security and liquidity, and can be entered into with the minimum of formalities. The DLUHC Guidance defines specified investments as those:

- denominated in pounds sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of “high credit quality”.

4.3. The Council defines the following as being of “high credit quality” for making specified investments, subject to the monetary and time limits shown.

In-house investment	Monetary limit¹	Time limit
UK owned banks and building societies holding short-term credit ratings no lower than F1+ and P-1	£4m each	12 months
Foreign owned banks that deal in sterling holding short-term credit ratings no lower than F1+ and P-1	£3m each	9 months
UK owned banks and building societies holding short-term credit ratings no lower than F1 and P-1	£3m each	6 months
Money market funds ² and similar pooled vehicles holding the highest possible credit ratings (AAA)	£10m each	3 months

Property Funds	£10m each	3 months
UK Central Government	no limit	12 months
UK Local Authorities ³		
Upper Tier	£5m each	12 months
Lower Tier	£5m each	12 months

¹ banks within the same group ownership are treated as one bank for limit purposes

² as defined in the Local Authorities (Capital Finance and Accounting) Regulations 2003

³ as defined in the Local Government Act 2003

4.4. The maximum that will be lent to any one organisation (other than the UK Government) will be £5 million, with the exception of Property Funds and Money Market Funds where the limit is £10m. For an individual bank, the limit is £4 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes.

4.5. Non specified Investments

No non specified investments will be made by the Council.

4.6. Foreign countries

Investments in foreign countries will be limited to those that hold a AAA or AA+ sovereign credit rating from all three major credit rating agencies, and to a maximum of £3 million per country. Only banks that are domiciled in the UK but are owned in another country will be used and need to meet the rating criteria of and will count against the limit for both countries. There is no limit on investments in the UK.

4.7. Liquidity management

The Council uses purpose-built cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments.

Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

4.8. Credit ratings

The Council uses credit ratings from two main rating agencies Fitch Ratings Ltd and Moody's Investors Service to assess the risk of loss of investments. The lowest available credit rating will be used to determine credit quality.

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an institution has its credit rating downgraded so that it fails to meet the above criteria then:

- no new investments will be made,
- any existing investments that can be recalled at no cost will be recalled, and
- full consideration will be given to the recall of any other existing investments

Where a credit rating agency announces that it is actively reviewing an organisation's credit ratings with a view to downgrading it so that it is likely to fall below the above criteria, then no further investments will be made until the outcome of the review is announced.

Sole reliance will not be placed on the use of this external service. In addition, this Council will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.

4.9. Other information on the security of investments

Full regard will be given to other available information on the credit quality of banks and building societies, including credit default swap prices, financial statements and rating agency reports. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the above criteria.

4.10. Other information on the security of investments

Full regard will be given to other available information on the credit quality of banks and building societies, including credit default swap prices, financial statements and rating agency reports. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the above criteria.

4.11. Investment instruments

Investments may be made using any of the following instruments:

- interest paying bank accounts
- fixed term deposits
- call or notice deposits (where the Council can demand repayment)
- certificates of deposit
- treasury bills and gilts issued by the UK Government
- bonds issued by multilateral development banks
- shares in money market funds

5. **Planned investment strategy for 2023/24 – In-House**

5.1. The cash flow forecast will be used to divide surplus funds into three categories:

- Short-term – cash required to meet known cash outflows in the next month, plus a contingency to cover unexpected cash flows over the same period.
- Medium-term – cash required to manage the annual seasonal cash flow cycle, including amounts to cover forecast shortages, planned uses of reserves, and a longer-term contingency.
- Long-term – cash not required to meet cash flows, and used primarily to generate investment income.

5.2. The Council's in-house managed funds are based on the likely cash flow position.

Investments will be made to ensure that cash flow is protected and borrowing is minimised. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider investments for a longer period up to 12 months. These are funds which are not required for day-to-day cash management purposes.

5.3. The Council will seek to utilise money market funds (Aberdeen, Blackrock, Federated, and CCLA) and use short-dated deposits to ensure liquidity of assets for day-to-day cash flow. Although these are essentially cash, a monetary limit in line with the banks credit rating is retained on the accounts. The Council can also make use of the Government's Debt Management Office to ensure the highest possible security for cash. Additionally, the Council will hold a balance on its general account to cover any payments due. On occasion, to facilitate cash flow requirements, there may be in excess of £3 million in this account.

6. **Borrowing Strategy**

6.1. The Council's capital financing requirement (CFR, or underlying need to borrow) as at 31 March 2023 is expected to be £250.75 million, and is forecast to rise to £254.33 million by March 2024 as capital expenditure is incurred.

6.2. The maximum expected long-term borrowing requirement for 2023/24 is:

	£m
Borrowed in prior years	94.46
Long term borrowing (HRA)	72.24
Not borrowed in previous years	84.05
Forecast increase in CFR	3.58
TOTAL	254.33

6.3. The Council is expected to be in an under-borrowed position as at 31 March 2023. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as borrowing costs have increased and to mitigate exposure to counterparty risk.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Section 151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to any change in circumstances.

6.4. To reduce risk and minimise cost on the General Fund, it has been decided to defer borrowing where possible, however some targeted long term borrowing may be undertaken in 2023-24, where the costs will be offset against future income streams.

6.5. In addition, the Council may borrow for short periods of time (normally up to two years) to cover cash flow shortages.

6.6. If borrowing is required advice will be sought from the treasury management advisors in order that the most cost effective form of borrowing can be secured.

6.7. Sources of borrowing

The approved sources of long-term and short-term borrowing will be:

- Public Works Loan Board
- any institution approved for investments above
- any other bank or building society on the Financial Services Authority list.

6.8. Debt instruments

Loans will be arranged by one of the following debt instruments:

- fixed term loans at fixed or variable rates of interest
- lender's option borrower's option (LOBO) loans.

As an alternative to borrowing loans, the Council may also finance capital expenditure and incur long-term liabilities by means of:

- leases
- Private Finance Initiative.

6.9. Borrowing strategy to be followed

With high levels of uncertainty and short-term interest rates currently lower than long-term rates, it continues to be more cost effective in the short-term to not borrow and reduce the level of investments held instead, or to borrow short-term loans. However, with long-term rates not forecast to reduce in the near future, any such short-term savings will need to be balanced against potential longer-term costs.

If required, the council may arrange forward starting loans during 2023/24, where the interest rate is fixed in advance, but the cash is received in a later period.

7. Policy on Use of Financial Derivatives

- 7.1. Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans).
- 7.2. The Localism Bill 2011 includes a general power competence that removes the uncertain legal position over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The latest CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.
- 7.3. The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 7.4. Derivative counterparties
Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 7.5. In reality, whilst the Council is required to include the above policy, the only type of transaction that might be used is the forward deal, which means the Council agrees to borrow funds at a set price for a set period, in advance of the date the loan is actually taken. This is done to ensure the availability of funds at the time that they are needed.

8. Treasury Management Prudential Indicators

- 8.1. The Council sets each year, in February, prudential indicators for Treasury Management, to ensure that proper control of borrowing and investing is maintained. These indicators have been updated to reflect the requirements in the 2021 Code and can be found in the Council's budget book. A graphical indication of the Council's borrowing liability as a whole and for the General Fund and HRA is shown in Appendix 1 to this report.

9. Other Matters

- 9.1. The revised DLUHC Investment Guidance also requires the Council to approve the following matters each year as part of the investment strategy:
- 9.2. Investment consultants

The Council uses Link Group, Link Treasury Services Limited as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers. The services received include:

- advice and guidance on relevant policies, strategies and reports,
- advice on investment decisions,
- notification of credit ratings and changes,
- other information on credit quality,
- advice on debt management decisions,
- accounting advice,

- reports on treasury performance,
- forecasts of interest rates, and
- training courses.

The quality of the advisory service is monitored by the Director Finance.

9.3. Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.”

In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’, which is available from the CIPFA website to download.

The Director Finance covers treasury management as part of the induction process. The needs of the Council’s members and treasury management staff for training in investment management are assessed annually as part of the appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by Link Group and CIPFA.

A formal record of the training received by officers central to the Treasury function will be maintained by the Section 151 Office. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by the Section 151 Office .

9.4. Investment of money borrowed in advance of need

The Council may, from time to time, borrow in advance of spending need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit. The maximum periods between borrowing and expenditure is expected to be two years, although the Council does not link particular loans with particular items of expenditure.

9.5. The Treasury Management Role of the Section 151 Office

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and knowledge and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe (say 20+ years)
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following
 - Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
 - Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
 - Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;

- Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;
- Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

10. Investment Reports

10.1. The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. Prudential and treasury indicators and treasury strategy (in budget book) - The first, and most important report is forward looking and covers:

- the capital plans, (including prudential indicators);
- a Minimum Revenue Provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
- an Annual Investment Strategy, (the parameters on how investments are to be managed).

b. A mid-year treasury management report – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c. An annual treasury report – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

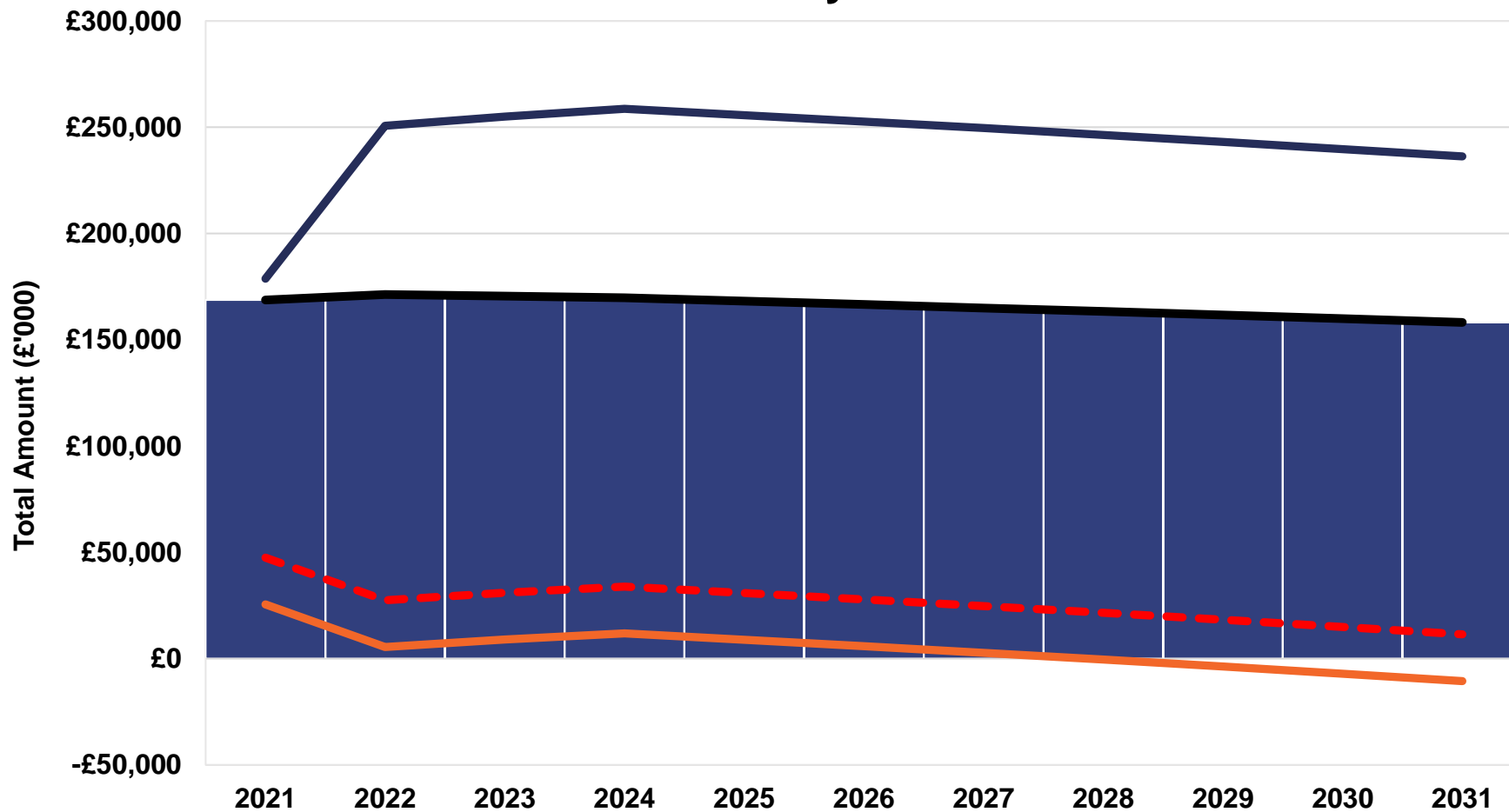
The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Executive Committee.

Quarterly reports – In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by the Executive Committee. (The reports, specifically, should comprise updated Treasury/Prudential Indicators.)

DIRECTOR FINANCE
JANUARY 2023

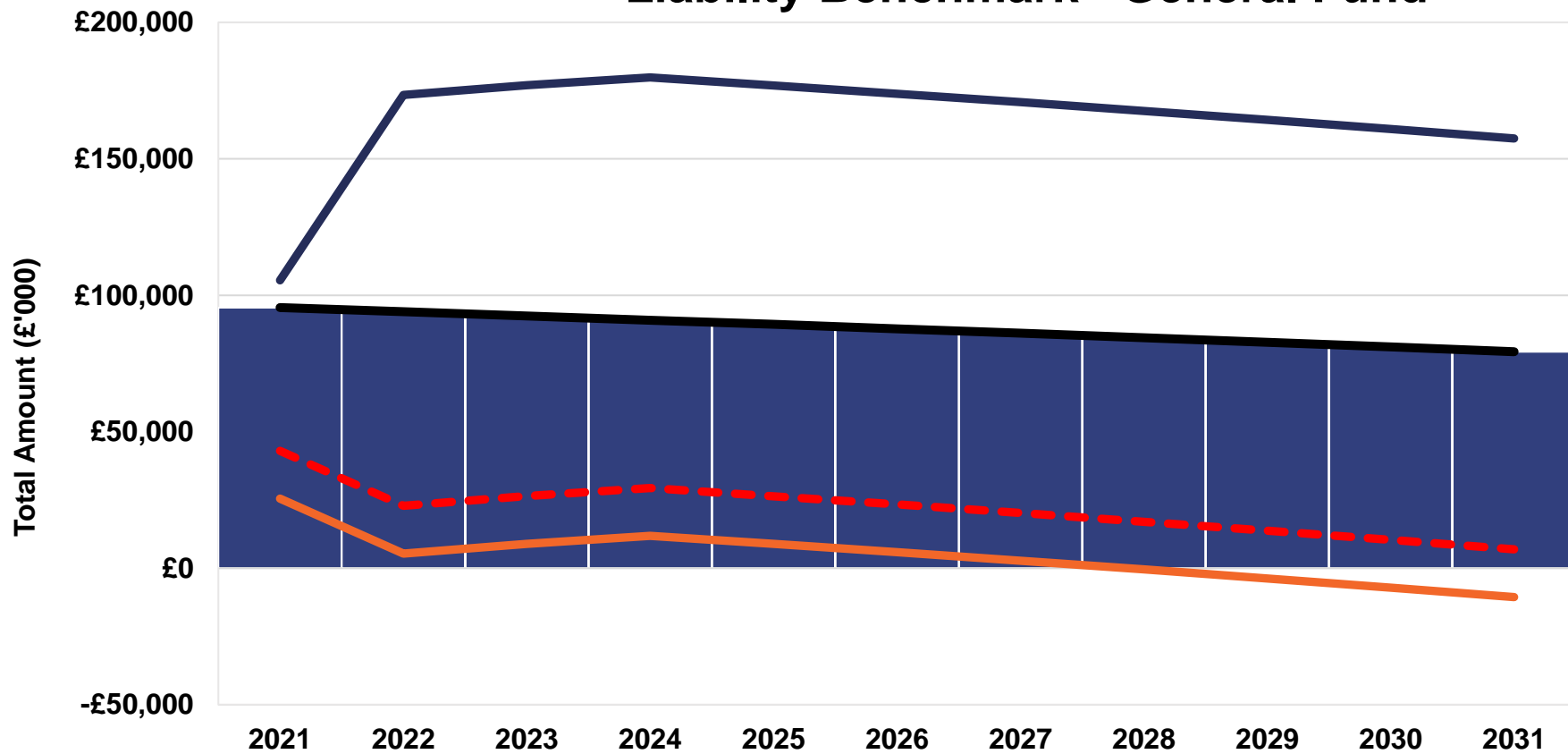
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Liability Benchmark



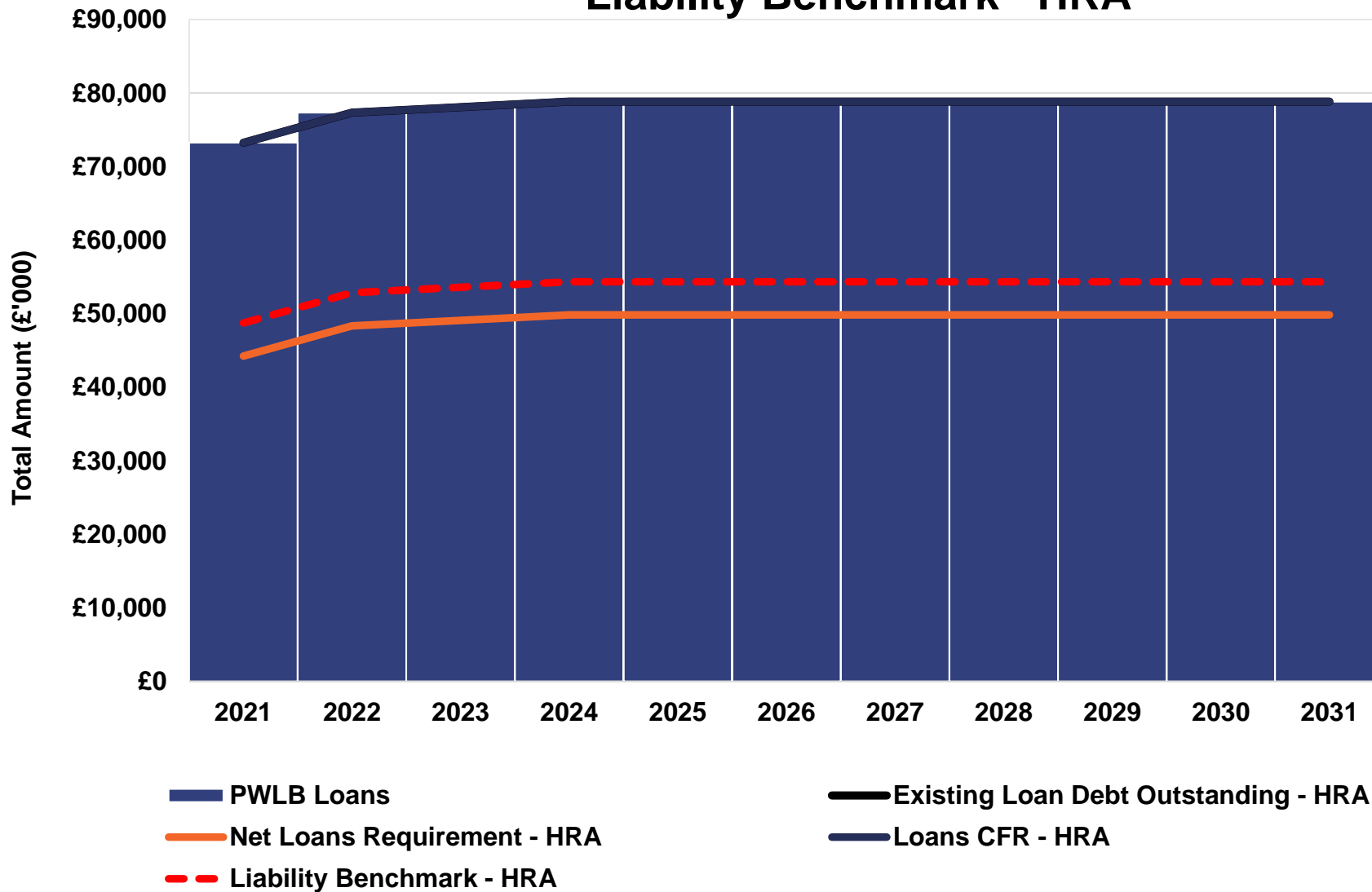
- PWLB Loans
- Net Loans Requirement (forecast net loan debt)
- Liability Benchmark (Gross Loans Requirement)
- Existing Loan Debt Outstanding
- Loans CFR

Liability Benchmark - General Fund



- PWLB Loans
- Net Loans Requirement - GF
- Liability Benchmark - GF
- Existing Loan Debt Outstanding - GF
- Loans CFR - GF

Liability Benchmark - HRA



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REPORT TO EXECUTIVE

Date of Meeting: 7 February 2023

REPORT TO COUNCIL

Date of Meeting: 21 February 2023

Report of: Director Finance

Title: Exeter Council Tax Premiums 2024/25

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 This report seeks members' agreement on amendments to the levying of Council Tax premiums within the City. These changes will take effect from 1 April 2024

1.2 The changes are provided by the Levelling Up and Regeneration Bill (Bill 169 2022-23) which is currently making its way through the legislation process. The changes within the Bill essentially fall into two distinct parts:

- a) To bring forward the period from two years to one year when an unoccupied and substantially unfurnished dwelling (empty dwelling) can be charged a premium of 100% All other empty dwelling premiums remain unchanged:
 - A premium of 200% where dwelling has remained empty for a period of 5 years or more; and
 - A premium of 300% where dwelling has remained empty for a period of 10 years or more;
- b) To enable the charging of a 100% premium for any dwellings which are:
 - No one's sole or main residence; and
 - Substantially furnished.

1.3 These decisions must be taken by full Council acting in its capacity as a Billing Authority. The Levelling Up and Regeneration Bill (Bill 169 2022-23) requires that one year's notice will need to be given and, if adopted, the changes to premiums would be effective from 1st April 2024.

1.4 Clearly due to timescale constraints, it is imperative that decisions are made by Council as soon as possible and any resolution will be subject to the Levelling Up and Regeneration Bill (Bill 169 2022-23) receiving Royal Assent.

2. Recommendations:

That Executive agrees and RECOMMENDS to Council the implementation of the following:

- (1) The application of the current premium of 100% for all dwellings which are unoccupied and substantially unfurnished (empty dwellings) from a period of one year with effect from 1st April 2024;
- (2) The application of a premium of 100% for all dwellings which are unoccupied but substantially furnished with effect from 1st April 2024; and
- (3) That the Section 151 Officer is given delegated powers to implement the policy in line with the Council's requirements and any guidance given by the Secretary of State.

3. Reasons for the recommendation:

3.1 The policy is primarily designed to encourage taxpayers to use premises as their main residence or allow others to use the premises as a main residence. It is also envisaged that the policy will allow more empty dwellings or unoccupied dwellings to be brought back into use.

3.2 In addition to 3.1 above, the policy will provide additional funding to the collection fund which will be shared between the Council, the major precepting authorities in line with their share of the Council Tax.

4. What are the resource implications including non financial resources

4.1 The implementation of this policy will assist the authority in bringing more dwellings back into use as main dwellings and in addition generate additional funds for the collection fund. However, its implementation will require additional resource in terms of staff time and resources in dealing with taxpayer enquiries as well as potential implications for collection.

4.2 The proposals outlined within this report are estimated to generate an additional £1.5m* in Council Tax income for 2024/25 based on current Council Tax (CTB1) data.

4.3 Based on the Council Tax Base (October 2022 CTB1) the authority has the following number of dwellings which are subject to an empty dwelling premium:

Empty Property Council Tax Premium

The premium authority charges for dwellings that have been empty for between two and five years as at 3 October 2022.

Percentage Premium	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
100	20	14	8	4	3	1	0	0	50

The premium authority charges for dwellings that have been empty for Between five and ten years as at 3 October 2022 and not included in table above.

The premium authority charges for dwellings that have been empty for more than ten years as at 3 October 2022 and not included in table above.

Percentage Premium	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
300	1	2	0	0	0	0	0	0	3
Percentage Premium	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
200	1	4	5	1	0	1	0	0	12

- a. Based on the Council Tax Base (October 2022 CTB1) the authority has the following empty and unfurnished homes receiving a 2 month 100% discount which *could* be subject to an empty homes premium after one year classed as empty and unfurnished. This table also contains those dwellings currently receiving a 12 month 50% empty and uninhabitable discount which *could* be subject to an empty homes premium after one year classed as empty and uninhabitable, subject to the Bill receiving Royal Assent and Government guidance:

Empty Property Council Tax Relief:

Percentage Discount	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total Column 10
100	103	106	66	24	12	5	1	0	317
50	5	14	14	12	2	2	2	0	51
Total	108	120	80	36	14	7	3	0	368*

*Of this total some dwellings will not be charged the 100% premium until after 01/04/2024 to exhaust the full 12 month period allowed.

- 4.5 Based on the Council Tax Base (October 2022 CTB1) the authority has the following second homes which *could* be subject to a second homes premium, subject to the Bill receiving Royal Assent and Government guidance:

Second Homes

The discount authority awards for dwellings registered as second homes.

Percentage Discount	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total Column 10
0	107	130	108	72	43	22	20	1	503
50	2	0	0	0	0	0	0	0	2
Total	109	130	108	72	43	22	20	1	505

- 4.6 The proposed changes are anticipated to generate approximately £1.5m* per annum based on current values. This increased income would only be available for the 2024/25 financial year and subsequent years.

5. Section 151 Officer comments:

5.1 The proposals, if approved, will allow the Council to implement the proposed legislation in April 2024. This is in line with other Councils in Devon. The additional funding Exeter will receive will be around £123,000.

6. What are the legal aspects?

6.1 The legislation that covers this report and the recommendations made is as follows:

- S11A & S11B of the Local Government Finance Act 1992;
- S11C of the Local Government Finance Act 1992 (as introduced by the Levelling Up and Regeneration Bill (Bill 169 2022-23)); and
- Levelling Up and Regeneration Bill (Bill 169 2022-23).

6.2 Where the recommendations are accepted, a resolution is to be made by full Council. The decision needs to be published in at least one local newspaper.

6.3 Due to the changes in the legislation, the Council will be required by statute to be mindful of any guidance issued by the Secretary of State.

7. Monitoring Officer's comments:

The recommendations set out in this report are in line with emerging legislation aimed at tackling the number of empty homes. As such the Monitoring Officer has no further comment to make.

8. Report details:

Background

8.1 A large part of the Council Tax legislation is mandatory on all billing authorities within England. Discounts such as single person discounts, disregards and exemptions are set by statute with no discretion allowed. However, there are an increasing number of areas where each Council may determine the type and levels of charge to be made.

8.2 The current main discretionary areas are as follows:

- a) Second homes (premises which are no-one's sole or main residence but are furnished);
- b) Unoccupied and substantially unfurnished premises;
- c) Unoccupied and substantially unfurnished premises which require or are undergoing structural repairs; and
- d) Premiums where premises have been unoccupied and substantially unfurnished for a period of 2 years or more.

8.3 When determining its policy, each billing authority has to decide the level of charge (or discount) by the 31 March prior to the financial year in which it wants to introduce the changes.

8.4 The Council, is therefore required to determine the level of any discounts or premiums which will apply in its area and a decision is required to be made by full Council under Section 11A and 11B of the Local Government Finance Act 1992.

8.5 Once determined, the resolution of the Council will need to be published in at least one local newspaper(s) within 21 days of the decision.

The current situation

8.6 Currently the Council has adopted the following level of discounts and premiums:

	Current policy
Second Homes (Class A) No one's sole or main residence and which is substantially furnished restricted by a planning condition preventing occupancy for a continuous period of at least 28 days	0% discount
Second Homes (Class B) No one's sole or main residence and which is substantially furnished the occupation of which is not restricted by a planning condition preventing occupancy for a continuous period of at least 28 days in the relevant year	0% discount
Class C (Unoccupied dwelling with is substantially unfurnished)	100% discount for 2 months only
Class D structural repairs (Unoccupied and substantially unfurnished) (Maximum 12 months)	50% discount for 12 months
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings premium) After 2 years up to 5 years of becoming empty.	100% premium
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings Premium) Dwellings empty between 5 years and up to 10 years	200% premium
Premium - Dwellings which are unoccupied and substantially unfurnished (Empty dwellings Premium) Dwellings empty for 10 years or more	300% premium

8.7 Until the legislation changed in 2013, mandatory exemptions would have been granted, since that time, the Council, along with the majority of other billing authorities, has reduced the 'discount' available.

8.8 Once any discount has ended, the Council charges a 100% Council Tax on empty dwellings. Second homes are immediately charged at 100%.

8.9 Premiums were also introduced by Government in 2013 with a view to encouraging homeowners to occupy homes and not leave them vacant in the long term. Initially premiums could only be charged at 50% but legislation has now changed to allow a progressive charge to be made as follows:

- Dwellings left unoccupied and substantially unfurnished for 2 years or more, up to 100%;
- Dwellings left unoccupied and substantially unfurnished for 5 years or more, up to 200%; and
- Dwellings left unoccupied and substantially unfurnished for 10 years or more, up to 300%.

8.10 The Council has adopted the maximum level of premium and it should be noted that premiums are charged *in addition to* the 100% Council Tax payable on empty premises.

8.11 Government, together with local authorities, has unfortunately seen a rise in the number empty dwellings together with a growth in second homes. Inconsistencies in the legislation have also been identified whereby a premium can be avoided by the taxpayer merely furnishing an empty premises, when it would become a 'second home' which currently has a maximum charge of 100%.

8.12 Clauses within the Levelling Up and Regeneration Bill (Bill 169 2022-23) have been introduced in order to address the inconsistencies and also to bring more dwellings into use.

Changes to empty dwelling premiums

8.13 Clause 75(1)(b) of the Bill will permit billing authorities in England to impose an empty dwellings premium after one year instead of two. This gives effect to a commitment made by Government in the [Levelling Up White Paper](#)

8.14 Clause 75(1)(a) provides that billing authorities must have regard to any guidance issued by the Secretary of State when deciding whether to implement an empty dwellings premium and it is expected that the current guidance drafted by Government in 2013 will be updated. This change will come into effect from the 2024/25 financial year. The Council is requested to approve delegated powers to the Section 151 officer to implement the policy in line with guidance when published.

8.15 In addition, Clause 75(2) of the Bill provides that from 1 April 2024, a property can be charged an empty dwellings premium at 100% after one year, even if it became empty before 1 April 2024.

Introduction of premiums for second homes

8.16 At present, English billing authorities may only impose an empty dwellings premium on properties that are 'unoccupied and substantially unfurnished'. This term is defined via case law, not in legislation. However, it does not cover dwellings that are no one's sole or main residence but are furnished. An empty dwellings premium could therefore not be imposed on properties that are maintained as second homes for regular use by their owners.

8.17 Clause 76 of the Bill will insert a new section 11C into the Local Government Finance Act 1992. This will permit billing authorities to apply a premium to properties that have no resident and are "substantially furnished". The maximum Council Tax charge in these cases would be a standard 100% charge plus, if the recommendations are accepted by Council, a premium of 100% making a total Council Tax charge of 200%. There would be no requirement for a property to have been used as a second home for a fixed period of time before the premium can apply.

8.18 As with other changes introduced by the Bill, section 11C (3) requires that the first decision to impose this class of premium must be taken at least 12 months before the financial year to which it would apply. In effect this means that premiums of this kind will not take effect until the 2024/25 financial year at the earliest. However, it is essential that

a decision is made by Council before 31st March 2023 to give the required one year notice.

8.19 The Bill provides that a dwelling cannot be subject to both a second homes premium and an empty dwellings premium imposed under section 11B of the 1992 Act, and that an existing empty dwellings premium would cease to apply to a property which became subject to a second homes premium.

Premiums – generally

8.20 In line with all similar legislation, any decision must be publicised in at least one local newspaper, within 21 days of its being taken.

8.21 Should the Council at any time wish to vary or revoke a decision to impose any type of premium this can be done at any time before the beginning of the financial year to which it would apply.

8.22 The Secretary of State has the power to prescribe certain classes of property that will not be subject to an empty dwelling premium. Currently these are homes that are empty due to the occupant living in armed forces accommodation for job-related purposes, or to annexes being used as part of a main property. It is expected that when regulations are laid, similar exceptions will apply to second homes premiums.

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

9.1 Through contributing to building great neighbourhoods. This policy contributes to achieving the Empty Homes Strategy of bringing back into use long-term empty dwellings. In addition, the premium on second homes will hopefully encourage use of premises as main residences.

9.2 The intention of raising premiums that can be applied to empty homes, is to bring more empty homes back into use, which will have a positive impact on homes available for residents as well as on community safety and the environment.

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

The proposals are considered to be low as premiums only apply to dwellings that are empty or where dwellings are used as a second home. Bringing those dwellings back into use will reduce the impact on the Council's Empty Homes Strategy and potentially will increase the level of income available to the Council and preceptors.

11. Equality Act 2010 (The Act)

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

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

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

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

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

12. Carbon Footprint (Environmental) Implications:

12.1 There are no specific environmental impacts identified by this recommendation. The application of additional Council Tax premiums is transactional online and by electronic or telephone communications to establish eligibility. Notification of premiums charged will be on annual and adjustment bills (including e-bills) as currently used. On rare occasion an officer visit to the premises may be required to establish circumstances arising mainly from a dispute on charging the premium.

13. Are there any other options?

The implementation of premiums is discretionary on the authority. As such, the Council could decide not to implement the policy.

Director Finance, Dave Hodgson

Author: Jayne Hanson, Revenues Lead

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

Background papers used in compiling this report:-

[Levelling Up and Regeneration Bill](#)

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

Ctax Band	2022/23 Ctax Charge	CTB1 recorded numbers	Additional 100% premium	Additional Estimated Gross Revenue	ECC %	DCC %	D&C PCC %	D&S FS %	Totalled % check
Band A	£1,376.57	109	£150,046.13	£150,046.13	£12,003.69	£112,534.60	£18,005.54	£7,502.30	£150,046.13
Band B	£1,606.00	130	£208,780.00	£208,780.00	£16,702.40	£156,585.00	£25,053.60	£10,439.00	£208,780.00
Band C	£1,835.43	108	£198,226.44	£198,226.44	£15,858.12	£148,669.83	£23,787.17	£9,911.32	£198,226.44
Band D	£2,064.86	72	£148,669.92	£148,669.92	£11,893.59	£111,502.44	£17,840.39	£7,433.50	£148,669.92
Band E	£2,523.72	43	£108,519.96	£108,519.96	£8,681.60	£81,389.96	£13,022.40	£5,426.00	£108,519.96
Band F	£2,982.58	22	£65,616.76	£65,616.76	£5,249.34	£49,212.57	£7,874.01	£3,280.84	£65,616.76
Band G	£3,441.43	20	£68,828.60	£68,828.60	£5,506.29	£51,621.45	£8,259.43	£3,441.43	£68,828.60
Band H	£4,129.72	1	£4,129.72	£4,129.72	£330.38	£3,097.29	£495.56	£206.49	£4,129.72
		505		£952,817.53	£76,225.41	£714,613.14	£114,338.10	£47,640.88	£952,817.53

Holiday Homes Total	£952,817.53	Details on 'Empty/Unfurn/Uninh
Empty/Unfurn Total	£531,356.70	ab' tab Details on 'Empty/Unfurn/Uninh
Empty/Uninhab	£97,736.65	ab' tab
Estimated additional revenue from 01/04/2024	£1,581,910.88	

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Ctax Band	2022/23 Ctax Charge	CTB1 recorded numbers*	Estimated One year charge	Estimated Additional Gross Revenue	ECC %	DCC %	D&C PCC %	D&S FS %	Totalled % check
Band A	£1,376.57	103	£141,786.71	£141,786.71	£11,342.94	£106,340.03	£17,014.41	£7,089.33	£141,786.71
Band B	£1,606.00	106	£170,236.00	£170,236.00	£13,618.88	£127,677.00	£20,428.32	£8,511.80	£170,236.00
Band C	£1,835.43	66	£121,138.38	£121,138.38	£9,691.07	£90,853.78	£14,536.61	£6,056.92	£121,138.38
Band D	£2,064.86	24	£49,556.64	£49,556.64	£3,964.53	£37,167.48	£5,946.80	£2,477.83	£49,556.64
Band E	£2,523.72	12	£30,284.64	£30,284.64	£2,422.77	£22,713.48	£3,634.16	£1,514.23	£30,284.64
Band F	£2,982.58	5	£14,912.90	£14,912.90	£1,193.03	£11,184.68	£1,789.55	£745.64	£14,912.90
Band G	£3,441.43	1	£3,441.43	£3,441.43	£275.31	£2,581.07	£412.97	£172.08	£3,441.43
Band H	£4,129.72	0	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
		317		£531,356.70	£42,508.53	£398,517.52	£63,762.82	£26,567.83	£531,356.70

*CTB1 category empty & unfurnished receiving 100% discount only (empty flex) 2 months discount CTB1

*Please note: This figure assumes all premiums payable from 01/04/2024 - which will not be the case as some discounts will continue into that financial year before the 12 month allowable period is exhausted.

Ctax Band	2022/23 Ctax Charge	CTB1 recorded numbers*	Estimated One year charge	Estimated Additional Gross Revenue	ECC %	DCC %	D&C PCC %	D&S FS %	Totalled % check
Band A	£1,376.57	5	£6,882.85	£6,882.85	£550.63	£5,162.14	£825.94	£344.14	£6,882.85
Band B	£1,606.00	14	£22,484.00	£22,484.00	£1,798.72	£16,863.00	£2,698.08	£1,124.20	£22,484.00
Band C	£1,835.43	14	£25,696.02	£25,696.02	£2,055.68	£19,272.02	£3,083.52	£1,284.80	£25,696.02
Band D	£2,064.86	12	£24,778.32	£24,778.32	£1,982.27	£18,583.74	£2,973.40	£1,238.91	£24,778.32
Band E	£2,523.72	2	£5,047.44	£5,047.44	£403.80	£3,785.58	£605.69	£252.37	£5,047.44
Band F	£2,982.58	2	£5,965.16	£5,965.16	£477.21	£4,473.87	£715.82	£298.26	£5,965.16
Band G	£3,441.43	2	£6,882.86	£6,882.86	£550.63	£5,162.15	£825.94	£344.14	£6,882.86
Band H	£4,129.72	0	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
		51		£97,736.65	£7,818.94	£73,302.50	£11,728.39	£4,886.82	£97,736.65

Ctax Band	2022/23 Ctax Charge	CTB1 recorded numbers* *CTB1 category <u>empty and uninhabitable</u> receiving 50% discount only (empty flex) 12 months discount	Estimated One year charge	Estimated Additional Gross Revenue	ECC %	DCC %	D&C PCC %	D&S FS %	Totalled % check
				*Please note: This figure assumes all premiums payable from 01/04/2024 - which will not be the case as some discounts will continue into that financial year before the 12 month allowable period is exhausted.					

Equality Impact Assessment: *Exeter Council Tax Premiums 2024-25*

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 – 07/02/2023 Council – 21/02/2023	Exeter Council Tax Premiums 2024-25	(1) The application of the current premium of 100% for all dwellings which are unoccupied and substantially unfurnished (empty dwellings) from a period of one year with effect from 1st April 2024;	It is assumed that the empty unfurnished change will affect any resident who owns an empty property or who become the owners of an empty property. It is assumed that the empty

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
		<p>(2) The application of a premium of 100% for all dwellings which are unoccupied but substantially furnished with effect from 1st April 2024; and</p> <p>(3) That the Section 151 Officer is given delegated powers to implement the policy in line with the Council's requirements and any guidance given by the Secretary of State.</p>	<p>uninhabitable change will affect any resident who owns an empty property that is, or will be renovated or who becomes the owner of such an empty property.</p> <p>It is assumed that the second home change will affect any resident who owns and has the income to sustain ownership of a second property.</p>

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		May impact any households with second or empty unfurnished or empty uninhabitable homes.

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
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.	Negative	Low	May impact any households with second or empty unfurnished or empty uninhabitable homes.
Sex/Gender	Neutral		
Gender reassignment	Neutral		
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	Neutral		
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	Neutral		
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).	Negative		May impact any households with second or empty unfurnished or empty uninhabitable homes.
Pregnancy and maternity including new and breast feeding mothers	Negative		May impact any households with second or empty unfurnished or empty uninhabitable homes.
Marriage and civil partnership status	Neutral		

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

- **Advertising the changes (as legislation dictates) 12 months in advance of applying a premium to the Council Tax charge.**
- **Contacting those directly affected prior to the 2024/25 annual billing process to advise of the premium being applied, giving chance for alternative solutions to be found if applicable**

- **Close liaison with ECC Empty Homes Team to contact affected residents to assist bringing properties into use as a main residence, that will not be subject to the premium charge**
- **Offering advice on organisations able to assist with increased debt**

Officer: Jayne Hanson

Date: 02 December 2022

REPORT TO EXECUTIVE

Date of Meeting: 7th February 2023

REPORT TO COUNCIL

Date of Meeting: 21st February 2023

Report of: Deputy Chief Executive

Title: One Exeter – Annual Review

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

- 1.1 This report provides Executive with an annual review of the One Exeter work programme and sets out the plans for the next 12 months.
- 1.2 The One Exeter work programme aims to deliver a fit for purpose organisation and meet the requirements of the Medium Term Financial Plan (MTFP). It was initially agreed by Executive in February 2021.

2. Recommendations:

- 2.1 That Executive recommends that Council notes the progress with the programme.

3. Reasons for the recommendation:

- 3.1 To deliver the council's ambition of leading a well-run council as set out in the Corporate Plan 2022-26. This will include working directly with staff via the Strategic Management Board (SMB), the Operational Management Board (OMB) and Managers.

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

- 4.1 Delivering a programme of this magnitude will require additional resources. A Transformation Fund exists which has helped to fund delivery of the work programme. To date, the funding has been spent on resourcing the Programme Steering Group (PSG) through secondments. The PSG has been put in place to progress the work programme. This was initially for a period of one year but this has now been extended until 31 March 2024 to enable the continuous and uninterrupted delivery of the programme.
- 4.2 Some work within the programme plan will incur up-front costs such as staff development and support, or one-off implementation costs and these will need to be funded from existing resources or earmarked reserves. Such costs (recurring and non-recurring) will be clearly identified and set out in accordance with the agreed financial monitoring framework. Where appropriate, business cases for

funding this work will be developed and approval sought as appropriate from Members in the usual way.

- 4.3 The work programme is also dependent on an investment in ICT, for example, the introduction of Microsoft 365 and potential introduction of new technology to enable customers to self-serve. Work is currently being scoped to identify what can be achieved with the technology already in place.

5. **Section 151 Officer comments:**

The One Exeter programme underpins the approach to delivering a balanced budget over the life of the medium term financial plan. It provides a structured approach that not only delivers the reductions required but also provides a framework for improving service delivery and staff working conditions.

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

- 6.1 This report aims to provide an update on progress with the One Exeter programme and there are no legal aspects.

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

This report sets out progress on the agreed One Exeter Programme and as such raises no issues for the Monitoring Officer.

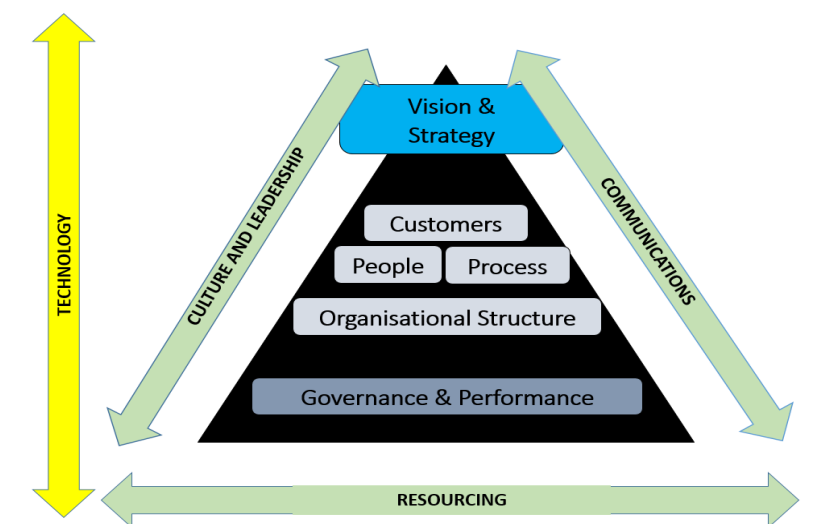
8. **Report details:**

Background

- 8.1 The One Exeter Work Programme was approved by Executive in February 2021 and aims to meet the requirements of the Medium Term Financial Plan (MTFP) and deliver a fit for purpose organisation.
- 8.2 Work began in 2021, and programme plan was developed to deliver the One Exeter work programme. The original programme work streams are set out below:

Work stream	Area	Details
1	Leisure Service Review	Work towards a cost neutral Leisure Service
2	Target Operating Model/Service Reductions	To include Organisational Change Programme, changes to management structure, cessation/reduction in discretionary services and review of statutory and support services
3	Technical Accounting	Review of charges from the General Fund to the following services – Building Control, Land Charges, Visit Exeter, Licensing and Housing Revenue Account (HRA)
4	Corporate Property	Asset disposal and management/potential additional income and review of Asset Improvement and Maintenance costs
5	Seek external funding	Seek funding from ring-fenced and externally funded services
6	HR	New working patterns
7	Income Generation	To include commercialisation, return from borrowing on Exeter City Living Group activities and car parking income

- 8.3 The focus of work stream 1 has changed over the last year. Whilst the original intention was to work towards a cost neutral Leisure Service, a detailed analysis and review of the service has identified that this will not be possible
- 8.4 The terms and conditions for Leisure employees, operational costs, competition in the leisure sector, changes to people's use of leisure facilities, lack of subsidy and cost of living crisis all factor. It is why an increasing amount of councils in the country have reluctantly closed facilities.
- 8.5 Officers are working on a detailed business case for the Leisure Service and focussing on work to control costs with a view to potentially identifying if or when a cost neutral position can be met, whilst giving the best opportunities for the residents of Exeter.
- 8.6 A Target Operation Model (TOM) was developed to shape the work required to deliver work streams 2 and 6 above which focus mainly on organisational change. The model adopted for the One Exeter work programme is presented below.



8.7 A vision and strategy was developed for each element of the TOM as shown in the table below:

Work Stream	Work Stream Vision (link to budget area shown in brackets)	Work Stream Strategies
Customers	A cost-effective exceptional customer experience every time (2)	<ol style="list-style-type: none"> 1. Use customer insight to design services 2. Limit costly contact channels 3. Embed a single point of contact ethos
People	The council is a place where staff are supported and developed to deliver quality services and reach their full potential (2 and 6)	<ol style="list-style-type: none"> 1. Develop a Workforce Plan 2. Develop an Employee Wellbeing framework 3. Consider how the work place should be utilised
Process	Streamlined, automated and efficient customer-facing processes for internal and external customers (2)	<ol style="list-style-type: none"> 1. Prioritise, analyse and redesign processes and continuously improve them
Organisational Structure	To have an agile and flexible organisational structure that's built on value for money principles (2)	<ol style="list-style-type: none"> 1. Explore alternative delivery models 2. Create a streamlined structure 3. Introduce generic roles where it makes sense to do so
Governance	A governance framework for the work programme that enables timely and effective decision making and accountability (2)	<ol style="list-style-type: none"> 1. Develop a framework of responsibility and accountability across the organisation (ToR) 2. Ensure framework is aligned with council's constitution and policies
Culture and Leadership	To develop and embed a culture for the organisation that all staff believe in	<ol style="list-style-type: none"> 1. Define and agree values and behaviours 2. Develop performance management framework

Work Stream	Work Stream Vision (link to budget area shown in brackets)	Work Stream Strategies
	(2)	3. Develop support for staff to adapt to new ways of working
Resourcing	The right people at the right time to successfully deliver One Exeter (2)	1. To identify, secure, develop and support organisational ownership and delivery of One Exeter
Communications	To keep our stakeholders informed in a timely way (2)	1. Identify stakeholders and methods of communications for each stakeholder group 2. Seek and respond to feedback 3. Develop a Communications Plan that is aligned with Corporate Communications

8.8 A series of design principles have also been developed that not only reflect the objectives of the One Exeter programme but also incorporate the Government's design principles for delivering and running great public services. When reviewing their Service, Service Leads were asked to consider how they can meet these principles in the future:

- Services that are simple to use and accessible
- Services that are built around users and their needs
- Reducing contact through the most expensive channels (channel shift)
- Reduction in 'non value' work
- Creation of multi-channel first point of contact team
- Improve first contact resolution
- Creation of generic roles where appropriate
- Exploration of shared services where appropriate
- Reduction in the use of paper
- Reduce need for physical space
- Reduce silo working through creating a joined up experience

The remainder of this report provides an update on the progress that has been made in relation to the TOM as out in sections 8.3 and 8.4 above. This work specifically focusses on organisational development.

8.9 **One year on**

A summary of the work that has taken place over the last year is set out below:

8.9.1 *Development of a proposed Green Travel Plan*

It has been agreed that a formal Workplace Green Travel Plan will be developed to replace the existing policy. In order to inform the Plan the council is working with Devon County Council to conduct a Green Travel Audit. Alongside this, a staff survey is being conducted to understand how staff are travelling to and for work and what more can be done to support staff to adopt more sustainable modes of transport. The results of the audit and the staff survey will be analysed and used to develop the formal Green Travel Plan. This will be presented to SMB in the Spring 2023 and then subsequently proposed to Executive Committee. Any additional resources will be funded from the already existing Green Travel budget which is funded through the staff car parking levy.

A revised digital offer of a corporate discount for staff and Members using Stagecoach services has also been agreed and will be launched in January 2023. Work is underway to communicate this across the organisation with a link on the intranet on how staff can access this new scheme.

8.9.2 *Draft Employee Wellbeing Framework*

Since Autumn 2022, when two papers on Wellbeing were presented to SMB (Wellbeing Immediate Ideas and Employee Wellbeing Programme Briefing Paper), a proposal paper is being developed. This will include, feedback from SMB, data from the Staff Survey and is planned to be available for discussion in Spring 2023. The paper provides a strategy for integrating Wellbeing into the organisation at all levels. The framework provides support for employees in five areas:

- Physical Wellbeing
- Mental Wellbeing
- Financial wellbeing
- Social Wellbeing
- Development and Professional Wellbeing

A Health and Wellbeing page is already available on the intranet and all employees have been offered a corporate discount on gym membership.

8.9.3 *Draft Values and Behaviours Framework*

Work has been taking place to develop a Values and Behaviours framework which reflects what's important to both the council and its employees and signals a shift to a new, fit for purpose council. Colleagues from SMB, OMB, the Staff Sounding Board, the Union and the Equalities and Diversity Group have all had an input into the development of this framework.

This final draft will be shown to a group made up of sounding board members, the PSG, the original working group and a union representative. It is planned for this to be the final round of staff consultation. Any final changes will be made, and the final proposed Values and Behaviours presented to SMB in the Springy 2023 for approval. Prior to this feedback will be sought from Members.

The final version of the Values and Behaviours will be communicated to all staff and will be incorporated into the new Performance and Development Review process. This will ensure that the Values and Behaviours are embedded across the council and that all staff understand what is expected from them as an employee of the council.

8.9.4 *Review of the Growth and Development Review process*

A new Performance and Development review process has been drafted to replace the former Growth and Development Reviews. Colleagues from SMB, OMB, the Staff Sounding Board, the Union and the Equalities and Diversity Group have all had an input into the development of the process. The draft new process has been designed to see how well employees are performing their role and demonstrating the proposed Values and Behaviours. The draft Performance and Development Review process has been piloted and a final version will be prepared in response to the feedback received through the pilot. Full roll out of the new process will commence in April 2023.

8.9.5 Service Reviews undertaken by all Services which have identified proposals to deliver a minimum 15% service cost reduction and opportunities and meet specific design principles.

As part of the work programme, all services were asked to undertake a review of their service. The aim of the review was two-fold:

- To provide a general overview of service operations to inform identification of opportunities for reducing service costs and meeting the One Exeter design principles (see section 8.4)
- To provide a list of actionable opportunities/proposals with cashable savings profiled over the lifetime of the Medium Term Financial Plan (MTFP) from 2023/24 – 2026/27.

The outcome of this work has resulted in the identification of £1.104 million of proposed savings for 23/24. The details of these proposals are set out as item 18 on the Executive Agenda. The work has also identified a number of cross cutting functions which will be considered/developed through a series of task and finish groups. There are opportunities to bring these functions together to provide a more streamlined and efficient service for both employees and customers.

8.9.6 Engagement with the Local Government Association (LGA)

The LGA has been invited to spend some time with the council early this year to help understand whether decisions are being made at the right level and by the right people.

This approach is known as Decision Making Accountability (DMA). Some of the benefits of this approach are that it leads to timely decision making and employees have clear responsibilities and are empowered to make decisions as near as practicable to the point of delivery. This in turn should lead to a more productive and agile Council.

8.9.7 Development of Redundancy and Flexible Working Policies

The council recognises that employees are integral to the successful delivery of the council's objectives. The current employment policies are being reviewed and updated to reflect new ways of working.

To date, the Flexible Working Policy and the Redundancy Policy have been updated.

8.9.8 Draft Tri-Council Digital Strategy

A draft Tri-Council Digital Strategy has been developed in conjunction with Strata and East Devon and Teignbridge District Councils. The strategy identifies how the council might improve its online offer to residents, visitors, businesses, Members and staff through the use of simpler and better services and tools. This Strategy will underpin the council's Customer Access Strategy which is currently being developed.

8.9.9 Employer of Choice

An initial assessment has been conducted to compare council's terms and conditions and employee benefits against other employers in the city. The purpose of the

exercise was to identify opportunities to improve the council's employment proposition and ultimately attract and retain staff in what is currently a very competitive employment market. The overall results of the exercise found that the council compares favourably against other employers in the city but that its full and competitive offering should be better promoted to current and prospective employees. Work is underway to address this and further opportunities are being explored through the Green Travel Plan and the Employee Wellbeing Framework referred to above.

8.9.10 *Creation of Staff Sounding Board*

A Staff Sounding Board has been formed to engage with staff throughout the delivery of the work programme. Every service has a representative that sits on the Board. To kind of areas the group has looked at include the Green Travel Plan, the Employee Wellbeing Framework and Internal Communications. The Union also sits on the group and this complements the other work undertaken with the trade union as part of the change process.

8.9.11 *Staff Survey*

A staff survey was conducted in October 2021 to understand how staff were feeling about their work. At that time the country was coming out of lockdown and employees were adjusting to new ways of working. 288 responses were received where the majority of staff said they were happy in their work and with the support they received for their wellbeing. The survey has been conducted again in January 2023 to compare the results with last time and to help further inform the work around employee wellbeing and green travel.

8.9.12 *Pilot and ongoing review work in Customer Services*

Customer Services has already started to pilot some of the new ways of working. The learning from this work will be used to inform the development and delivery of the wider Customer Access Strategy. The work includes:

- The complete cessation of published email channels, replaced with contact forms that promote self-service and improve efficiency and reporting. This means that all enquiries can be tracked and managed and handled more quickly.
- Bringing decision making to frontline delivery in relation to waste and recycling services, to improve and speed up customer outcomes and reduce unnecessary hand overs between departments. This has led to a reduction in handovers between Waste and Customer Services and shorter resolution times for customers.
- Conducted customer surveys around revenues forms, to assess barriers to online services and inform future actions. Early findings include:
 - 64% of callers do not refer to website before calling
 - 50% of callers unaware that transaction could be carried out online
 - 27% had no internet access and or access to a computer

Customer Services are currently pulling together next steps in response to these results, including those to promote use of online services.

- Continued delivery of digitised complaints in Customer Services (previously in Corporate Support). Outcomes include:
 - One full time equivalent saving through digitisation of process

- Improved first time resolution with switch to trained frontline Customer Support staff responding to complaints
 - Improved corporate consistency of complaint responses
 - Significant reduction in number of complaints, including those escalating to stage 2 and beyond
- Ongoing review of Customer Service Centre face to face operations, to promote self-service, better enable those who may be vulnerable or excluded and to maximise the use of staff and physical resources

8.9.13 *Communication with Stakeholders and Unions*

The Programme Sponsor has met regularly with the Leader, Deputy Leader, Portfolio Holder and Union Representative to provide updates on progress with the One Exeter Programme. SMB and OMB have of course been closely involved in this work.

8.10 Proposed Outcomes - Next 12 months

A summary of what the One Exeter Programme aims to deliver over the next 12 months is set out below.

8.10.1 *Implementation of Service Review proposals with a particular focus on cross cutting functions*

Service Leads will be instrumental in delivering the cost reduction proposals identified for 2023/24 and finding ways to break down silos and deliver more joined up services for customers. The PSG will work closely with Service Leads to develop task and finish groups to deliver this work. Part of this process will involve defining roles and responsibilities and understanding what help and support will be required.

8.10.2 *Development of Customer Access Strategy*

The One Exeter vision for customers is 'A cost-effective exceptional customer experience every time'. The key strands of this work include:

- Creating self-service information and a digital experience that becomes the channel of choice
- Restricting the use of more expensive channels
- Creating a single front door for customers, based around a centralised customer service team

Work has already started on gaining insight into both the digital and customer improvement opportunities, as highlighted by service leads through their service reviews. Further work is taking place to develop a Customer Access Strategy which will communicate both internally and externally the vision for customer delivery and the roadmap for achieving this. As with the Digital Strategy, this strategy will cut across the whole of the council and link to many of the work streams identified within the work programme.

If the council is to achieve its vision for customers, it will require input and buy in from all of its stakeholders.

8.10.3 *Technology*

Delivering a new model for customer delivery will require a fundamental shift in emphasis as to how technology is used. In the past it has been about underpinning services, now it is about service delivery. The council plans to:

Move away from	Move to
IT enables staff to perform their role	Digital is the enabler of citizen engagement and services
IT as a cost saving activity	Investing in IT will create greater savings elsewhere in the Council
Call centre focussed	The primary channel of delivery is digital
Desktop estate	Mobility first, mobile, laptop and device agnostic
Labour intensive upgrades to large systems	Incremental upgrades and component-based systems. Lo-code, no-code solutions for quick and easy roll out.

The council will look to utilise existing technology to achieve these plans but there will be an inevitable cost associated with delivery of this work which will be assessed on an invest to save basis.

8.10.4 Introduction of Microsoft 365 (M365)

M365 will replace the Microsoft Office environment and the desktop products that are used by the council every day, such as Word, Excel and PowerPoint with a cloud-based version. More significantly, M365 has a much wider range of products, which are designed to help improve the user experience, the customer experience and business efficiency.

Delivery of this project will be broken down into four phases, with the first phase due to start in the next month. The first phase will be for MS Teams to be rolled out to all staff and for training to be provided.

8.10.5 Service Plans

As part of the performance management framework and to support the introduction of the new Performance and Development Review process, all Service Leads will be asked to prepare a Service Plan. Most Services already have a Service Plan but for those that do not, guidance and a template has been created.

8.10.6 Revised Organisational Structure

The programme identified a need for a new organisation structure to be in place for April 2024 at the latest. This has already commenced with the forthcoming departure of the Chief Executive and Growth Director. The LGA have been asked to develop proposals for the council to consider and the DMA work already described in this report will contribute to that. These proposals will be presented to Members in due course.

8.10.7 Review of terms and conditions

A review of the Councils' employment Policies will be presented to SMB for consideration in early 2023.

8.10.8 Accommodation Review

Following the roll out of the Agile and Flexible work programme, COVID-19 struck, and staff use of the Civic Centre declined considerably. A headcount undertaken in November 2022 revealed that only an average of 65 staff were in Phase 2 of the Civic Centre each day, spread over the five active floors. This is clearly not an efficient use of the Civic Centre.

Over the coming year, an Accommodation Review will be undertaken which will identify the most cost efficient method for accommodating staff that need to work from an office base.

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

9.1 The One Exeter work programme contributes to the following corporate priorities and plans:

Priority	Plans
Leading a Well Run Council	<ul style="list-style-type: none">- Make it as easy as possible for more people to help themselves by providing high quality information and advice through digital and self-help services- Provide a 'single front door' for customers who need to contact the council and provide high quality information and advice through digital and self-help services.- Continue to support our staff to shift to agile, mobile and remote working, ensuring we make the best use of the skills and experience of all of our staff- Development of an Employee Wellbeing Framework- Review of the Organisational Structure- Provision of value for money services
Prosperous Local Economy	<ul style="list-style-type: none">- Continue to identify opportunities to improve the council's employment proposition and ultimately attract and retain staff
Promoting Active and Healthy Lifestyles	<ul style="list-style-type: none">- Development of an Employee Wellbeing framework- Development of a Green Travel Plan for employees

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

10.11 A detailed risk register has been developed. The top five risks identified can be found in Appendix A.

11. Equality Act 2010 (The Act)

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

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

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

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

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

11.5 As the work progresses, an Equalities Impact Assessment will be undertaken for each area of work that will impact on people with protected characteristics. The assessment will be kept under regular review by the PSG to meet the continuing duty to monitor and review.

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

12.1 The implementation of the One Exeter work programme will make a positive impact on the Council’s carbon footprint. Specific projects are set out below:

Programme Activity	Impact on carbon footprint
Green Travel	Encouraging staff to walk or cycle to and for work will reduce the need to use cars and consequently positively impact congestion and pollution levels.
Agile/hybrid working	The continuation and development of agile and flexible working will reduce the need for office space which will, in turn, reduce the amount of energy needed.
Microsoft 365	Microsoft 365 will offer the council much more scope to collaborate and share ideas. More meetings can be held remotely reducing the need to travel and information can be shared without the need for emails or printing papers, thereby reducing energy and paper wastage.
Customer	More services will be available online which will allow customers to self-serve at times that are convenient to them, rather than during traditional office hours. This will reduce the need for customers to travel to

Programme Activity	Impact on carbon footprint
	the city centre for face to face services or complete paper based forms.

13. Are there any other options?

- 13.1 Each of the work streams identified in the One Exeter programme could be delivered in isolation by nominated work stream leads. However, without any strategic oversight or coordination, there is a very high possibility that double counting of savings or duplication of work could occur. In addition, adopting a joined up delivery approach, will ensure that any unintended consequences that have an impact on other parts of the organisation, are identified at an early stage.

Deputy Chief Executive, Bindu Arjoon

Report Author: Lorraine Betts

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

Background papers used in compiling this report:-

None

Contact for enquires:
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One Exeter – Strategic Risks

	Risk	Current Risk Assessment			Owner	Mitigated	Mitigation Actions
		Likelihood	Impact	Score			
1	Capacity to design and deliver at pace	4	4	16	Sponsor	8 2x4	<ul style="list-style-type: none"> • Programme communicated to all Stakeholders • OMB involvement in identification of opportunities to meet MTFP and deliver fit for purpose organisation. • Corporate Programme Steering Group has been established • Re-allocation of some functions across the Council to create capacity in the Programme Steering Group • Funding exists to buy in additional expertise and/or support if required • Director been brought in to help lead the Customer/Digital transformation
2	Resources diverted to other corporate priorities as they emerge	3	4	12	CX/Sponsor	8 2x4	<ul style="list-style-type: none"> • Continue to work closely with SMB, Leader and Portfolio Holders to ensure that the work programme is adequately resourced and maintained. • One Exeter has been identified as a priority for the Council.
3	Insufficient funding to successfully deliver One Exeter	3	4	12	CX/Sponsor	8 2x4	<ul style="list-style-type: none"> • Chief Finance Officer has identified funding to deliver the programme • Work closely with Finance to Identify and report funding requirements
4	Failure to deliver predicted savings/income	3	4	12	Sponsor/SMB/OMB	6 2x3	<ul style="list-style-type: none"> • The Finance Team meet regularly with Service Leads to check that predicted savings have been delivered. Any shortfalls will be reported to Members. • Service Leads have undertaken service reviews to identify cost reductions for future financial years.
5	Insufficient Strata resources to deliver technology requirements.	3	4	12	Sponsor/Director Strata	8 2x4	<ul style="list-style-type: none"> • Early engagement with Strata • Coordinate work via the via the IRB and ensure priorities are aligned to work programme • Strata to review how they can best support the work programme and flag any resourcing issues.

Likelihood	Score	Definition
Remote (0% to 15%)	1	Rare/may occur in exceptional circumstances
Unlikely 15% to 55%	2	Could occur at some time
Likely/possible 55% to 90%	3	Will/might occur at some time
Very Likely 90%+	4	Almost certain/is expected to occur in most circumstances
Impact	Score	Risk Score (Likelihood x Impact)
Major	4	12- 16 = High
Serious	3	6-9 =Medium
Significant	2	1-4 + Low
Minor	1	

REPORT TO EXECUTIVE

Date of Meeting: 7 February 2023

REPORT TO COUNCIL

Date of Meeting: 21 February 2023

Report of: Director Corporate Services

Title: Annual Pay Policy Statement 2023/24

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To set out the council's annual Pay Policy Statement 2023/24 which must be approved by Full Council each financial year in line with legislation.

2. Recommendations:

That Executive recommends to Council to approve:

- (1) The attached Pay Policy and Appendices ready for publication in accordance with the legislation; and
- (2) Delegated authority be given to the Director - Corporate Services to make necessary amendments to the pay policy statement following any changes in legislation or subsequent increases in pay.

3. Reasons for the recommendation:

Section 38 (1) of the Localism Act 2011 requires English and Welsh Authorities to produce a statutory Pay Policy Statement each financial year commencing in 2012/13 and thereafter each subsequent financial year. The Secretary of State for Communities and Local Government issued further guidance in early 2013. The Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017.

4. What are the resource implications including non financial resources

There are no new resource implications created as a result of the revisions to the Pay Policy Statement.

5. Section 151 Officer comments:

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

6. What are the legal aspects?

(a) Local Authorities are required by Section 38 (1) of the Localism Act 2011 to set out a written statement each financial year relating to:

- The remuneration of chief officers;
- The remuneration of its lowest paid employees; and
- The relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers

(b) The Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017 requires local authorities who employ over 250 or more employees to produce a gender pay gap report and compare the difference in pay between females and males.

7. Monitoring Officer's comments:

As there is a statutory requirement to produce this report, this report raises no issues for the Monitoring Officer.

8. Report details:

In line with statutory requirements, the Council's Pay Policy Statement has been reviewed and updated for 2023/24 for approval by full Council prior to publishing on the Council's website.

The revised policy and appendix take into account the following changes:

- The increase in the nationally determined real living wage (Grades A) in November 2022 which comes into effect at Exeter City Council on 1 April 2023 (paragraph 3.2);
- The 2022/23 pay award resolved that from 1st April 2023 the bottom spinal point, point 1, will be deleted;
- The re-introduction of spinal point 2 to keep the differential difference between Grades A and B;

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

The attached Statement supports a well-run Council and our compliance with statute.

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

There are no new implications arising from the recommendations.

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 consideration has been given to the impact upon differing groups and a full assessment is not required.

12. Carbon Footprint (Environmental) Implications:

No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

No.

Director Corporate Services, Baan Al-Khafaji

Author: David Knight, System Lead - Information and Payroll Services

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

Background papers used in compiling this report:-

None

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

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Exeter City Council

Pay Policy Statement 2023/24

1 Purpose and scope of the Policy

- 1.1 Section 38 (1) of the Localism Act 2011 (Part 1, Chapter 8, Sections 38 to 43) requires English and Welsh local authorities to produce a statutory pay policy statement each financial year.
- 1.2 The Act requires that a relevant authority must approve, through Full Council, a pay policy statement for the following financial year and this must set out the authority's policies for the financial year relating to:
 - (a) the remuneration of its chief officers, (see Appendix 1)
 - (b) the remuneration of its lowest-paid employees (see Section 4 and Appendix 1), and
 - (c) the relationship between:
 - (i) the remuneration of its chief officers (Section 4 and Appendix 1), and
 - (ii) the remuneration of its employees who are not chief officers (see Section 4 and Appendix 1)
- 1.3 The statement must state:
 - (a) the definition of "lowest-paid employees" adopted by the authority for the purposes of the statement, and (see Section 3)
 - (b) the authority's reasons for adopting that definition. (see Section 3)
- 1.4 The statement must include the authority's policies relating to:
 - (a) the elements of remuneration for each chief officer, (see Section 2 and 5 and Appendix 1)
 - (b) remuneration of chief officers on recruitment, (see Section 5 and Appendix 1)
 - (c) increases and additions to remuneration for each chief officer, (see Section 5)
 - (d) the use of performance-related pay for chief officers, (see Section 5)
 - (e) the use of bonuses for chief officers, (see Section 5)
 - (f) the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and (see Section 5)
 - (g) the remuneration of chief officers who return to local authority employment (See Section 5)

- (h) the publication of and access to information relating to remuneration of chief officers. (see Section 6)
- 1.5 This policy also takes into account “Openness and accountability in local pay: Guidance under section 40 of the Localism Act February 2012” and the letter from the Secretary of State to leaders of local authorities and chairs of fire and rescue authorities of 20 February 2013 which advocate:
- (a) Publishing the ratio between the highest paid employee and the median average earnings across an organisation (Section 4, Appendix 1)
 - (b) Explaining the approach to the setting and publication of fees for chief officers in respect of local election duties (Section 5)
 - (c) Setting out the policy for the remuneration of chief officers who return to Local Authority employment where the chief officer was a previously employed chief officer who left with a severance payment and applies to come back as a chief officer under an employment contract or contract for services (Section 5)
 - (d) Setting out the policy in respect of the employment of individuals and Chief Officers in receipt of a Local Government Pension Scheme pension, including pension abatement arrangements (Section 5)
 - (e) Full Council having the opportunity to approve salary packages and the cost of severance packages of £100,000 or more (Section 5)
- 1.6 In the context of managing scarce public resources, remuneration at all levels within the Council needs to be adequate to secure and retain high-quality employees dedicated to the service of the public, but at the same time providing value for money to the residents of Exeter.
- 1.7 Exeter City Council already works within a pay and reward framework which seeks to ensure that its pay and reward processes and procedures facilitate the retention and recruitment of employees with the right skills and capabilities to meet the needs of the Council now and in the future. The framework also takes account of regional and national variations, local market factors and is open and transparent and complies with equal pay legislation.
- 1.8 This Statement complies with the requirements of the Localism Act 2011 and the statutory guidance issued by Communities and Local Government in ‘Openness and accountability in local pay: Guidance under section 40 of the Localism Act’ which was issued on 17 February 2012.

2 Definition of Chief Officers

- 2.1 The posts which are defined as ‘Chief Officers’ for the purposes of this Statement are those scheduled in the Local Government and Housing Act 1989 (“the Act”) under sections 4(1), 5(1), 2(6, 7 and 8) together with other members of the councils Strategic Management Board. For Exeter City Council this term includes:

Statutory Chief Officers:

- Chief Executive & Head of Paid Service under Section 4(1) of the Act.
- Director - Corporate Services - The Council's Monitoring Officer in accordance with Section 5(1) of the Act.
- Director - Chief Finance Officer – the Council's section 151 Officer underin accordance with Section 6 (1) Of the Act.

Non-Statutory Chief Officers:

- Directors x4
- Managing Director (Exeter City living)
- Corporate Managers x3

- 2.2 The post of Chief Executive is made on terms and conditions of employment agreed by the Joint National Council for Chief Executives and supplemented by local terms and conditions of employment agreed by Exeter City Council.
- 2.3 All the remaining posts are made on the terms and conditions of employment agreed by the Joint National Council for Chief Officers and supplemented by terms and conditions of employment agreed by Exeter City Council.
- 2.4 All Chief Officer Posts as defined in this Statement are subject to job evaluation using the LGA's Senior Managers job evaluation. The remuneration of the Council's Chief Officers is set out in Appendix 1.

3 Definition & Remuneration of Lowest Paid

- 3.1 All posts which are not designated as Chief Officers in accordance with this Statement, and with the exception of apprentice roles, are subject to job evaluation using the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service.
- 3.2 The Council has adapted the National Local Government Pay Scale to include locally agreed spinal column points. With effect from 1 January 2014, the Council adopted the Real Living Wage as its minimum spinal column point, and the Living Wage of £10.90 per hour from 1 April 2023 equates to Grade A of the Council's pay scale. The Real Living Wage is determined nationally in or around November each year. The Council applies any uplift to the living wage from 1 April in the year following the increase.
- 3.3 The Council therefore defines its lowest paid employees as those on Grade A of the Council's pay scale. The Council has adopted this definition as it can be easily understood.
- 3.4 The Council has 16 grades (excluding Apprentice) on its existing pay scale for employees not designated as Chief Officer in this Statement. With the exception of Grades A, B and C each Grade provides for incremental progression of either 3 or 5 scale points subject to satisfactory service. Increments are applied on the 1 April each year (or on the 6 month anniversary of the employee's appointment if the appointment falls between October and March inclusive, with subsequent increments applying from 1 April each year) until the postholder reaches the maximum of the grade.

4 Relationship between Remuneration

- 4.1 The Hutton Review of Fair Pay in the Public Sector outlined that the most appropriate metric for pay dispersion is the multiple of Chief Executive to median earnings. Whilst not a requirement of this Statement, tracking this multiple as recommended in the Code of Recommended Practice for Local Authorities on Data Transparency will ensure public service organisations are accountable for the relationship between the pay of their executives and the wider workforce.
- 4.2 The Council also publishes as part of this Statement the relationship between its Chief Executive and lowest paid employee. Both of these pay multiples are set out in Appendix 1.
- 4.3 Through this policy the pay multiple of the Chief Executive will be monitored annually. Should the multiplier between the annual salary paid to a full time employee on the lowest spinal column point and the annual full time salary payable to the Interim Chief Executive be greater than 10, this will be reported to full Council for consideration.

5 Chief Officer Remuneration

- 5.1 The Joint Negotiating Committee has previously emphasised that ‘it is good governance that local authorities can demonstrate that decisions on pay and reward packages for chief executives and chief officers have been made in an open and accountable way.’
- 5.2 Salaries for chief officers operate on the basis of fixed pay points and are therefore not subject to a salary scale providing for incremental progression. New appointments will be made to the appropriate pay point in force at the time of the appointment. These fixed pay points will be agreed through an accountable and transparent process. Salary levels will be consistent with similar organisations which aim to pay according to median salaries. There will be due regard to balance the need to ensure value for money but enable Exeter City Council to recruit and retain high quality chief officers in the context of national, regional and local labour markets.
- 5.3 In determining any future changes to the remuneration package for appointments to Chief Officer posts as defined in this Statement, the Leader of the Council will take independent pay advice. The Leader will then, in consultation with the Chief Executive, except in relation to the pay of the Interim Chief Executive, make recommendations which will be subject to the approval of full Council.
- 5.4 The Leader of the Council, in consultation with the Chief Executive, except in relation to the remuneration package of the Chief Executive, may recommend to full Council changes to the remuneration package following an annual review. Any changes to the remuneration packages will be subject to full Council approval.

- 5.5 Salary increases for Chief Officers defined in this Statement in relation to cost of living will be made in line with increases agreed by the Joint National Council's for Chief Officers and Chief Executives as appropriate.
- 5.6 At present, there are no additional payments made to chief officers in relation to performance related pay or the use of bonuses.
- 5.7 Any termination payments to chief officers on ceasing office will comply with Local Government Pension Scheme Employer Discretions Policies which are subject to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as amended and in force at the time. All such payments are equally applicable to all employees.
- 5.8 The Employer Discretions Policy and severance payments (which include redundancy / efficiency compensation, pension strain and pay in lieu of notice) in excess of £100,000 are subject to approval at Full Council. No additional payments will be made to Chief Officers without express approval by Full Council.
- 5.9 A chief officer appointment (under an employment contract or contract for services) will not be offered to any former chief officer in receipt of a severance payment, except in circumstances where they left employment as a result of being made redundant from their previous Chief Officer role, without the approval of Full Council.
- 5.10 Exeter City Council will not enter into employment or service contracts with any persons in receipt of a local government pension within 12 months of the termination date of their previous employment without the approval of Full Council. Employees of the Council who are also in receipt of a local government pension may have their pension abated in accordance with legislation / policy as enacted / determined by the relevant pension administrator.
- 5.11 The Council's Policy on Market Supplements applies to all posts at the Council, including Chief Officers. Evidence based market supplements will be subject to periodic review (every 2 years) to ensure they continue to be justifiable. No Chief Officer is currently in receipt of a Market Supplement.
- 5.12 Additional payments are made by Central Government to officers (including the Returning Officer) carrying out additional duties at Parliamentary, European and other national elections and referendums. These payments are set nationally and are not within the scope of this Statement. Payments to the Returning Officer and other officials for duties in relation to City Council elections are linked proportionately to these national rates.

6 Transparency & Publication of Data

- 6.1 This Statement aims to ensure that the process for setting pay at a senior level is transparent fair and consistent. This policy will be reviewed annually to track the relationship of chief officer pay with the rest of the workforce.
- 6.2 The Council will publish its Pay Policy Statement on the Exeter City Council website alongside information related to the Council's management structure. Further information relating to the remuneration of Chief Officers is published in the Council's annual Statement of Accounts.

7 Equality Impact Considerations

- 7.1 The principles of equal pay are integral to this policy and applied consistently within the pay and reward frameworks adopted by Exeter City Council. The definition of Equal Pay is:
- Like work where the woman and the man are doing the same job
 - Work rated as equivalent where the 2 jobs are different but have been evaluated by the employer's job evaluation scheme at the same level/grade
 - Work of equal value where the jobs are different but an argument is made that both jobs should be regarded as being of equal value or worth.

8 Related Policies/Strategies, Procedures and Legislation

- 8.1 Exeter City Council pay and reward policies and procedures are operated within the framework of JNC and NJC terms as nationally negotiated and agreed and supplemented by local agreements. The Council applies the national framework for job evaluation and works within equality and equal pay legislation in order to apply all pay related issues in a fair, consistent and transparent way.
- 8.2 Key policies/procedures/strategies and legislation include:
- Exeter City Council Pay and Reward Policies, frameworks and local agreements
 - Equal Pay Legislation
 - Equality Act 2010
 - Localism Act 2011
 - Openness and accountability in local pay: Guidance under section 40 of the Localism Act February 2012
 - Local Government Act 1972
 - Local Government & Housing Act 1989

1. Levels and elements of remuneration for each Chief Officer role as at April 2023

Post title	Full time Remuneration
Chief Executive	£123,678
Directors x6	£88,729
Managing Director (ECL)	£88,729
Corporate Manager x3	£65,148

2. The FT remuneration of the lowest paid employee

Post title	Full time Remuneration
MRF Operative	£21,030

3. The multiplier of the remuneration of the chief officer based upon taxable earnings:

Post Title	Full time Remuneration
Annual median pay of all employees	£26,845
Pay multiple of Chief Executive to median	4.61
Pay multiple of Chief Executive to lowest paid FT employee	5.88

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Equality Impact Assessment: *Annual Pay Policy Report 2023/24*

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 – 07/02/2023 Council – 21/02/2023	Annual Pay Policy Report 2023/24	For information	n/a

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

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

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

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

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	n/a	Low	For information
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.	n/a	Low	For information
Sex/Gender	n/a	Low	For information
Gender reassignment	n/a	Low	For information
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	n/a	Low	For information
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	n/a	Low	For information
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).	n/a	Low	For information

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Pregnancy and maternity including new and breast feeding mothers	n/a	Low	For information
Marriage and civil partnership status	n/a	Low	For information

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

Officer: David Knight

Date: 10/01/2023

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REPORT TO EXECUTIVE

Date of Meeting: 7 February 2023

REPORT TO COUNCIL

Date of Meeting: 21 February 2023

Report of: Director Corporate Services

Title: Gender Pay Gap Report

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires local authorities who employ over 250 or more employees to produce a gender pay gap report.

1.2 The Act requires that an authority must report on the following information: (see Appendix 1)

- Their mean gender pay;
- Their median gender pay gap;
- Their mean bonus gender pay gap;
- Their median bonus gender pay gap;
- Their proportion of males receiving a bonus payment;
- Their proportion of females receiving a bonus payment; and
- Their proportion of males and females in each quartile pay band

1.3 Calculations:

- Mean average involves adding up all of the numbers and dividing the result by how many numbers were in the list; and
- Median average involves listing all of the numbers in numerical order. The median is the middle figure.

1.4 Exeter City Council does not operate any bonus schemes.

1.5 The relevant or snapshot date is the key date on which the calculations must be made. The relevant date is 31st March 2022. It is also the date from which an employer has a year to publish their gender pay report.

2. Recommendations:

That Executive recommend to Council:-

(1) That the report be noted with the following Findings and Observations:

- The average rate of pay for females is higher than males across the Council;
- The difference has decreased slightly since last year from 5.00% to 3.91%; and
- There are nearly 3 times more males in the lower quartile of earnings than females.

(2) That the Council will publish its Gender Pay Gap Report on the Exeter City Council website, as well as on the centrally held database on gov.uk.

(3) This report will be reviewed annually to track the relationship between both females and males earnings.

3. Reasons for the recommendation:

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires local authorities who employ over 250 or more employees to produce a gender pay gap report.

4. What are the resource implications including non financial resources

There are no new resource implications created as a result of the revisions to the Gender Pay Gap Report.

5. Section 151 Officer comments:

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

6. What are the legal aspects?

The Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017 requires local authorities who employ over 250 or more employees to produce a gender pay gap report comparing the difference in pay between females and males.

7. Monitoring Officer's comments:

This is a statutory report and as such raises no issues for the Monitoring officer. However, it is pleasing to note that Exeter city Council continues to buck the trend where, on average, rate of pay for females is higher than males across the Council.

8. Report details:

The relevant date for the Gender Pay Gap Report is 31st March 2022. The results of the report need to be published before 31st March 2023.

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

The attached Statement supports a well-run Council and our compliance with statute.

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

There are no new implications arising from the recommendations.

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:-

Although not directly connected to the gender pay gap the principles of equal pay are integral to this report and applied consistently within the pay and reward frameworks adopted by Exeter City Council. The definition of Equal Pay is:

- Like work where the woman and the man are doing the same job;
- Work rated as equivalent where the 2 jobs are different but have been evaluated by the employer's job evaluation scheme at the same level/grade; and
- Work of equal value where the jobs are different but an argument is made that both jobs should be regarded as being of equal value or worth.

12. Carbon Footprint (Environmental) Implications:

No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

No.

Director Corporate Services, Baan Al-Khafaji

Author: David Knight, System Lead – Information and Payroll Services

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

Background papers used in compiling this report:-

None

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

Exeter City Council

Gender Pay Gap Report 2023

1. Gender Pay Report (31st March 2022)

Results (hourly rates to 2 decimal places)

Mean Female Pay	£15.41
Mean Male Pay	£14.83
Mean Gender Pay Gap	-3.91%

Median Female Pay	£14.25
Median Male Pay	£12.91
Median Gender Pay Gap	-10.42%

Mean Female Bonus Pay	£0.00
Mean Male Bonus Pay	£0.00
Mean Gender Pay Gap	0.0%

Median Female Bonus Pay	£0.00
Median Male Bonus Pay	£0.00
Median Gender Pay Gap	0.0%

Number of Females receiving Bonus Pay	0
Number of Males receiving Bonus Pay	0
Proportion of Females receiving Bonus Pay	0.0%
Proportion of Males receiving Bonus Pay	0.0%

Quartile	Female	Male
Lower	25.37%	74.63%
Lower Middle	50.63%	49.37%
Upper Middle	57.98%	42.02%
Upper	42.93%	57.07%

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Equality Impact Assessment: *Gender Pay Gap Report*

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 – 07/02/2023 Council – 21/02/2023	Gender Pay Gap	For information	n/a

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

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

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

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

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	n/a	Low	For information
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.	n/a	Low	For information
Sex/Gender	n/a	Low	For information
Gender reassignment	n/a	Low	For information
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	n/a	Low	For information
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	n/a	Low	For information
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).	n/a	Low	For information

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Pregnancy and maternity including new and breast feeding mothers	n/a	Low	For information
Marriage and civil partnership status	n/a	Low	For information

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

n/a

Officer: David Knight

Date: 22/12/2022

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REPORT TO EXECUTIVE

Date of Meeting: 7th February 2023

REPORT TO COUNCIL

Date of Meeting: 21st February 2023

Report of: Director of City Development

Title: Exeter Homelessness & Rough Sleeping Prevention Strategy 2023 - 2027

Is this a Key Decision?

No

Is this an Executive or Council Function?

Full Council

1. What is the report about?

The report is to brief the Executive and Members on the new homelessness and rough sleeping prevention strategy 2023-2027 (copy attached inc. Exec summary) and to request its approval.

The report asks the Executive to note:

- The achievements of the previous homelessness strategy 2016-2021 and
- The findings of the 2022 homelessness needs assessment

And for Full Council to approve the new strategy including its key priorities and the proposed governance arrangements. Subject to approval action planning will then be undertaken with stakeholders for a 1st April 2023 “go live” date.

2. Recommendations:

The Executive recommends to the Council that the strategic priorities for the new homelessness strategy and the proposed governance arrangements are approved.

3. Reasons for the recommendation:

The new strategy requires formal approval by Executive and Full Council prior to the formulation and implementation of action plans around each strategic priority.

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

The strategy sets out priority development areas at high level in acknowledgement of the current economic climate and the financial constraints upon the Council and partners. Approval of the strategy and its progression into action presents no immediate specific financial resource requirement to the Council.

The extent and scope of the actions to be planned will be initially tailored to current budgets and resources both internally and to those of relevant external stakeholders. The extent to which the Council can agree and commit to delivery plans will inevitably need to

align with the available future budgets and resources within the Housing Needs and wider Council departments. The future of government homelessness grants and fundraising bid opportunities will also determine future annual budgets set to the priority work.

Any future budget reductions beyond those already proposed under the service review exercise are likely to have a detrimental impact on achieving key priorities and objectives. In particular this would likely compromise the work delivering reductions in rough sleeping especially as a result of the ongoing development of additional bespoke housing options.

A degree of optimising and pooling of resources currently in the local commissioned homelessness system is also anticipated. This will also need to include new funds from future fundraising and bidding exercises by current partners including registered providers and social landlords as well as the local business community.

Other resource implications include management time for planning, monitoring and reviewing the strategy commitments. Delivery plans will be reviewed annually in order to maximise flexibility and fit to available resources in order to avoid risking unachievable / over-commitment at any stage.

5. Section 151 Officer comments:

There are no specific requests for additional funding in the paper, although the proposals for future fundraising are noted. Where there are successful bids for funds these will be added to the budget subject to the appropriate member approval.

6. What are the legal aspects?

There are no specific legal aspects of note.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report details:

The strategy incorporates an overview of the outcomes from the previous homelessness strategy (Exeter City Council - 2016-2021) plus a review of current homelessness need in Exeter.

Based on the learning and progress from the above the new strategy sets out key priority areas for further development and growth of the resources needed to reduce current and future homelessness in Exeter. A number of working principles and a proposed governance structure are included with a view to improve strategic alignment, stakeholder engagement and consolidation of current and future service planning and delivery.

Set within the context of current economic and policy challenges the strategy fundamentally proposes the following five high level key priority work areas with the following key objectives:

1 Ending Rough Sleeping – by end 2024

- through further tackling “flow” onto the streets with closer working protocols and prevention activities with landlords, prisons, hospitals etc

- by increasing bespoke supported housing option e.g. housing first, themed peer supported shared housing, crash-pads / respite, host schemes, private rented and social housing
- by increasing health and treatment interventions and support aiding recovery from mental ill-health and / or harmful substance use
- Increasing opportunities for positive life changes in education, training and employment

2 Increasing Homelessness Prevention

- Increasing engagement with community services / partners especially in areas of high deprivation and homelessness risk
- Pro-active working with partners in early identification of homelessness risk
- Increased community in-reach including schools, children and family services

3 Progressing Health, Wellbeing & Recovery

- Increase levels of support to people needing health treatment interventions e.g. substance use, mental and physical ill-health, social care needs
- Maximising household income, money management and self-sustainability including opportunities in training and employment
- Building more trauma-sensitive service delivery across all partners

4 Growing Inclusion and Enablement

- Increasing opportunity for engagement and input from people with lived experience of homelessness in service design and delivery, policy leadership and progressive employment
- Increasing outreach services to specific vulnerable groups e.g. domestic violence victims and perpetrators, persons with complex and / or multiple need, young persons
- Widening accessibility for housing advice and homelessness support through diversifying engagement options e.g. in person, online information, digital access and self-assessment and increasing contact / service opening hours

5 Optimising Systems and Partnerships

- Forming and maintaining multi-agency homelessness partnerships including a strategic homelessness reduction board and management partnerships for ending rough sleeping and integrating treatment and recovery services
- Aligning strategy and commissioning agendas to increase co-commissioning / multi-disciplinary funding opportunities and aligned business planning
- Increasing shared and flexible resources across services including policies, staff and budgets, training etc
- Increase workforce support and development resources to retain knowledge and skills and improve sector stability and resilience

Stakeholder involvement & Consultation

The proposed working principles and strategic priorities have been met with high levels of agreement and support from stakeholders informing the new strategy through extended consultations including:

- targeted provider and partner meetings over the last twelve months
- co-design of the rough sleeping initiative including revised need analysis
- co-design of the rough sleeper drug and alcohol treatment service

- direct feedback from people with lived experience of homelessness
- leading local stakeholder reports and narratives regarding the primary homelessness challenges and existing intervention and prevention work.
- An online strategy consultation exercise from November to December 2022.

Consultation findings

The above consultation survey returned the following feedback and findings:

- **91% of respondents agreed with the strategy vision set out to end homelessness in Exeter:**
“Every resident will have a home that is secure affordable and healthy in a balanced and connected neighbourhood that supports wellbeing and reduces social isolation. For Exeter to be a place where no one has to spend a night without shelter. Where homelessness in the city is permanently ended, enabling everyone to have a place to live that is safe and that they can call their home.”
- **98% of respondents agreed with the immediate strategy aim:** *For the short term wherever possible homelessness should be prevented, and if it cannot be prevented it should be rare, brief and non-recurring*

Comments included the need to put words into action in order to achieve the strategy in practice; and that people at risk of homelessness need much higher resources and support than is currently perceived to be on offer. Also references were made to the perceived value of housing first model and the need for multi-disciplinary interventions especially to help those people with mental health, disability, and age-related (youth) needs.

- **There was broad support for the working principles that will guide the delivery of the Strategy (ranging between 91% highest and 70% lowest; average = 83%):**
 - **Person centred and Holistic** – Taking a bespoke individual-led approach to resolving homelessness and its underlying causes. This includes recovery-planning accounting for individual needs and the cycle of change.
 - **Trauma-informed** – Seeking awareness and responding with understanding and focus on strength-based solutions
 - **Expert led** - Involving people with lived experience of homelessness as equals and optimising engagement and self-enablement
 - **Early Intervention and Prevention** – Optimising intervention at the earliest identifiable stage, alongside reducing crisis-focused responses
 - **Evidence based** – Using clear data to identify and understand current need and trends and projections of future need
 - **Partnership and Collaboration** - A commitment to joint-working and co-production given no one service can single-handedly address and resolve homelessness
 - **Challenge** - A need for, and a willingness to participate in challenging conversations whilst minimising assumptions
 - **Value For Money** – Ensuring that available resources are optimised towards achieving the most cost effective sustainable solutions and outcomes

Feedback noted again the need for action to follow the rhetoric and also noted the importance of collaboration and partnership working especially in meeting the need for well-informed wraparound support services for homeless people.

- **The top priorities (with 95%, 95% and 93% support respectively) were:**
 - ✓ Ending Rough Sleeping

- ✓ Increasing Homelessness Prevention
- ✓ Progressing Health, Wellbeing and Recovery

“Growing Inclusion & Enablement” and “Optimising Systems & Partnership” were also highly supported (86% and 89% respectively)

Comments included the need to plan resources effectively, position inclusion and enablement as a given necessity for all service users, and to consider work to change attitudes of statutory services and legislation to enable easier access (to services).

All comments will be taken into account at the action planning stages in order to incorporate into the delivery plan where appropriate.

Next Steps for the Strategy

Subject to internal (Council) approval these five key strategic priorities and their respective objectives will inform the delivery planning to be undertaken over the next 2 months to the end of March 2023. Action plans under each priority will be co-produced with partners and designed to maximise engagement and shared ownership of the work and co-responsibility for reducing and minimising homelessness over the next 5 years.

The action plans will be scheduled to go live from 1st April 2023 with the first bi-annual progress review by the (impending) Homelessness Reduction Board due in October 2023.

It should be noted that following the significant consultation exercise undertaken by the Customer Focus Scrutiny Task and Finish Group reviewing local homelessness need and service delivery, a report with recommended actions has been produced for review by the Customer Focus Scrutiny Committee on 2nd February 2023. The draft recommendations present no concerns or conflict with the new strategy. It is anticipated that the majority, if indeed not all, can be accommodated and progressed within the homelessness strategy delivery plans to follow.

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

Reducing homelessness is central to the key corporate strategic priority of “Housing and Building Great Neighbourhoods and Communities” through the tackling of social inequality and maximising homelessness preventions and reliefs. This is primarily achieved through the provision of housing advice and multi-faceted support and assistance. And through the supply of emergency, first and second stage housing options with suitable personalised support to address single and multiple needs. The priorities of the new homelessness strategy are reflected in the following 2022-26 Corporate Plan commitments:

Housing advice and homelessness support - *We play a leading role in ensuring that the most vulnerable citizens receive the best advice and, where possible, an accommodation offer at the earliest opportunity with ongoing bespoke support.*

We will:

- *Publish and implement a new Homelessness Strategy that supports our ambition to reduce rough sleeper numbers, and end rough sleeping where possible by 2025.*

- *Increase integrated offers of accommodation and treatment to build better recovery from homelessness as well as homelessness prevention in the first place.*
- *Continue co-production and partnership work with the voluntary sector to provide accommodation units with tenancy training and support where needed.*
- *Explore setting up strategic forums for local providers and commissioners to better join up services and deliver improved outcomes around acute homelessness need.*
- *Invest £4M in new “stepping stone” homes for rough sleepers, plus annual £1.5M investment over next 3 years in new accommodation and support interventions.*

The Council’s homelessness and housing needs work is also key to other corporate plan priorities relating to a healthy city and a thriving local economy through supporting households to access key health and advocacy services. For example, primary and secondary healthcare services including mental health assessment and support, physical and social care, and education, training and employment opportunities.

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

The key risks are the constraints upon the budget and resources available for deployment to each priority area especially in light of increasing demand for homelessness services and complexity of need. Wherever possible opportunities for maximising grant funding will be pursued (subject to feasibility and sustainability). However maintenance of the present core Housing Needs budget funding, plus access to capital / borrowing for match-funding property development grant applications where required, is imperative. Any further budget reductions in Housing Needs will likely result in the scaling down of Council homelessness delivery plans and the extent of work possible unless alternative resource can be identified and deployed.

A key parallel inherent risk is that any reduction in current and future productivity from the Council’s homelessness services and partners will expose the Council to increased statutory homelessness presentations. This will include households requiring homelessness relief (i.e. already homeless) and requiring emergency accommodation and support plus statutory case management. This will present significant additional cost to the general fund in excess of the current homelessness budget, therefore wielding a greater financial cost to the Council’s overall budget.

Increasing demand for homelessness advice and assessment and temporary housing also presents a key risk to achievement especially in working towards increased early prevention measures and reducing and ending rough sleeping. The ability of services to intervene at earlier stages of homelessness risk is currently constrained by the need to address emergency level need. Similarly any increase in the “flow” of rough sleepers into the area normally compromises the overall reduction of rough sleeping in creating a higher incoming flow over and above numbers of rough sleeping cases being resolved. This risk can be reduced by concurrent development of additional supported and social housing units under the wider housing strategy and developing more effective avenues into private rented sector housing.

11. Equality Act 2010 (The Act)

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

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

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

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

11.4 In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention (see attached EQIA).

12. Carbon Footprint (Environmental) Implications:

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

13. Are there any other options?

There is not an option to not publish and deliver to a homelessness strategy. Local Authorities with responsibility for Housing and Homelessness have a statutory duty to have a published and active homelessness strategy. Authorities delivering services under the Rough Sleeping Initiative (as Exeter is) are also required to document their respective strategy for preventing and reducing rough sleeping.

Director of City Development, Ian Collinson and Assistant Director, Lawrence Blake.

Author: Richard Crompton, Service Lead, Housing Needs & Homelessness.

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

Background papers used in compiling this report:-

Exeter & Teignbridge Joint Homelessness Strategy 2016-2021.

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

Exeter Homelessness & Rough Sleeping Prevention Strategy

2023-2027



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1. Foreword (PFH)

(To follow)

2. Executive Summary

The strategy incorporates an overview of the **outcomes from the previous homelessness strategy** (Exeter City Council - 2016-2021) plus a **review of current homelessness need in Exeter**.

Based on the learning and progress from the above the strategy sets out key priority areas for further development and growth of the resources needed to reduce current and future homelessness in Exeter.

A number of **working principles** and a proposed **governance structure** are included with a view to improve strategic alignment, stakeholder engagement and consolidation of current and future service planning and delivery.

Set within the context of current economic and policy challenges the strategy fundamentally proposes **five high level key priority work areas with the following key objectives:**

1 Ending Rough Sleeping – by end 2024

- through further tackling “flow” onto the streets with closer working protocols and prevention activities with landlords, prisons, hospitals etc
- by increasing bespoke supported housing option e.g. housing first, themed peer supported shared housing, crash-pads / respite, host schemes, private rented and social housing
- by increasing health and treatment interventions and support aiding recovery from mental ill-health and / or harmful substance use
- Increasing opportunities for positive life changes in education, training and employment

2 Increasing Homelessness Prevention (including early intervention)

- Increasing engagement with community services / partners especially in areas of high deprivation and homelessness risk
- Pro-active working with partners in early identification of homelessness risk
- Increased community in-reach including schools, children and family services

3 Progressing Health, Wellbeing & Recovery

- Increase levels of support to people needing health treatment interventions e.g. substance use, mental and physical ill-health, social care needs
- Maximising household income, money management and self-sustainability including opportunities in training and employment
- Building more trauma-sensitive service delivery across all partners

4 Growing Inclusion and Enablement

- Increasing opportunity for engagement and input from people with lived experience of homelessness in service design and delivery, policy leadership and progressive employment
- Increasing outreach services to specific vulnerable groups e.g. domestic violence victims and perpetrators, persons with complex and / or multiple need, young persons
- Widening accessibility for housing advice and homelessness support through diversifying engagement options e.g. in person, online information, digital access and self-assessment and increasing contact / service opening hours

5 Optimising Systems and Partnerships

- Forming and maintaining multi-agency homelessness partnerships including a strategic homelessness reduction board and management partnerships for ending rough sleeping and integrating treatment and recovery services
- Aligning strategy and commissioning agendas to increase co-commissioning / multi-disciplinary funding opportunities and aligned business planning
- Increasing shared and flexible resources across services including policies, staff and budgets, training etc
- Increase workforce support and development resources to retain knowledge and skills and improve sector stability and resilience

These key strategic priorities and their respective objectives will form the basis of action planning to be undertaken with key stakeholders in order to maximise joined up engagement and delivery of services to reduce and minimise all forms of homelessness within the next five years.

3. Introduction

The last five years has seen some of the most significant impacts upon homelessness for a generation. It has included the introduction of revised homelessness legislation in England, major cross-party strategic and financial investment in rough sleeping reduction, and a national health pandemic that transformed aspects of homelessness services across the country; the lasting impact of which is yet to be fully determined.

Homelessness is often primarily envisaged in the form of a person or group of individuals living on the open street in doorways or in a tent or makeshift bed amidst undergrowth or buildings. This is of course the visible form of homelessness and sadly the tip of the iceberg when it comes to wider homelessness. Homelessness also encompasses people in overcrowded or temporary accommodation, people leaving institutions such as hospitals or prisons with no fixed abode, households threatened with eviction and people entering the country with no address to call home.

A wide range of social and economic factors can lead to the state of being homeless. The contributing factors can be multiple or single and range from early childhood experience (e.g. neglect, trauma) to issues such as unemployment, economic and / or social poverty, poor physical or mental health, poor education, loss, addiction and relationship breakdown. Homelessness is something that can happen to anyone at any time in their life.

In accompaniment to specific causality are the wider national conditions increasing the risk and impact of homelessness. The substantial national housing shortage continues to leave demand for homes far outstripping supply resulting in ever-rising house prices and rents. The current cost of living crisis combined with the prevailing pressure on services resulting from high demand and the reduced public purse is putting many more people at risk of becoming homeless. The impact of this is likely to be of far greater cost not only in terms of the emotional and physical distress to individuals and families. But in many cases the impact and cost to society and the state as a whole is much higher. This particularly applies where homelessness requires high cost interventions from emergency services e.g. police, ambulance, hospital, criminal justice services and health, housing and social care services.

Within this strategy the Homelessness Review section (6) illustrates the current rates of local homelessness and patterns of household need. However it is incumbent on those creating and contributing to this strategy to “look behind the lines” to further advance the upstream detection of potential homeless cases and develop more improvements in joined up early intervention work. Early assessment and intervention is repeatedly shown as the most efficient and effective way of preventing homelessness.

It remains a prevailing challenge for services to maximise early assessment and prevention work when many are faced with addressing homelessness at emergency and crisis intervention stages. This strategy aims to encourage a greater spread of the help and local resources available at both ends of this spectrum, and in between. It will seek to build on these resources and maximise opportunity to tackle the multiple complexities of homelessness. With a pro-active approach of cross-collaboration and shared common-goal responsibility local services can continue to build on their commitments to end homelessness and eradicate the misery and inequality experienced by those living with it.

4. Purpose and Function

Purpose

The Homelessness Act (2002) asks all local housing authorities to look at how homelessness affects residents in its local area and to develop a new Homelessness Strategy every five years. The new strategy document sets out what Exeter City Council and our partners plan to do to prevent homelessness and support people who are homeless in the city to be housed at the earliest opportunity.

Whilst the need for a continuing strategy to address homelessness is somewhat self-explanatory it is important to clarify the intent and therefore purpose of this strategy. It is a strategic plan of direction to achieve long-term aims by setting out the strategic goals around homelessness reduction and prevention.

This strategy seeks to review the inputs and views of existing local services directly and indirectly contributing to reducing homelessness. The purpose is for assessing how current and future need can be best met and where to best expend efforts and resources.

This exercise naturally involves an ongoing review of current and emerging need against the landscape of existing services and will endeavour to seek a balance between:

- maintaining (and improving) existing effective services
- re-designing / changing existing less-effective services
- introducing new resources and shaping new services
- sharing and combining resources towards more effective services

Function

There are multiple and varied organisations and individuals working in Exeter on a daily basis supporting people to resolve their homelessness in a variety of different ways. Similarly there is a multiplicity of local strategies directly and indirectly relating to homelessness service provision. Any joining up of strategy and re-calibration of services requires time for both planning and implementing change. This is particularly the case when seeking strategic join up in such areas as joint commissioning and high-end system change. However it is also the case that good quality information and sufficient time is needed in order to develop and process change. And it must not be overlooked that all stakeholders, including the end-receiver or user of homelessness services, need time and engagement in order to inform, lead, learn from and adapt to change.

It is therefore imperative that this strategy is designed and regarded as a dynamic and organic tool. By that it is purposed with both the ability to develop and morph into new directions in response to emerging and changing need and to avoid becoming “fixed”, especially without consensus partner agreement.

It is intended to aid planning and collaboration as an agile five-year strategy underpinned and updated through a process of rolling review and consultation across all stakeholders. This will ensure the document and its subsequent action plans are both “live” and relevant. It is also in recognition of the fluctuating funding landscape which predominantly determines the realistic ability to deploy resources towards meeting need.

5. Vision

Corporate Strategy

Exeter City Council's Corporate Plan 2022-2026 outlines a shared "Exeter Vision 2040" which states that *"by the time they are an adult, a child born in Exeter today will live in a city that is inclusive, healthy and sustainable. A city where the opportunities and benefits of prosperity are shared and all citizens are able to participate fully in the city's economic, social, cultural and civic life"*

Within this vision a key condition is that the city must be "Healthy and Inclusive" where *"Every resident will have a home that is secure affordable and healthy in a balanced and connected neighbourhood that supports wellbeing and reduces social isolation"*.

Addressing housing need and tackling homelessness sits squarely under this key agenda. Furthermore one of the Plan's key five strategic priorities "Housing and Building Great Neighbourhoods and Communities" incorporates within its challenges the need to address:

- Shortages of social and affordable homes
- People sleeping on the streets on any given night
- Households in temporary accommodation
- Renters facing high rents, insecurity and eviction
- Unaffordable house prices and rents

The revised homelessness strategy endeavours to help build solutions to these needs accordingly:

- Building great neighbourhoods - By tackling social inequality through maximising homelessness preventions and reliefs and through developing sufficient levels of housing options with suitable bespoke help and support for households.
- Healthy and Inclusive - Supporting households to access key health and advocacy services in primary and secondary healthcare including mental health support, physical and social care, and mainstream education, training and employment opportunities.

Ending Homelessness

The Council's Housing Needs service has a more specific vision statement directly relating to homelessness:

"For Exeter to be a place where no one has to spend a night without shelter. Where homelessness in the city is permanently ended, enabling everyone to have a place to live that is safe and that they can call their home."

The City Council remains committed alongside its partners within the wider Exeter Homeless Partnership, formed in 2019, in her drive towards a straightforward joint purpose *"to end homelessness in Exeter"*.

Turning these visions into reality over the forthcoming years will require concerted long term partnership focus and effort. Resolving homelessness can feel a long way off from now. But the vision sets out the direction of required travel and this strategy sets the key priorities for the journey ahead. The vision recognises the need for a citywide approach in not only tackling homelessness at face value and its underlying causes but in also combatting the deep-rooted inequalities, misconceptions and prejudice that often accompany "the homeless".

Over time this strategy aspires to develop the conditions and the resources required in order for Exeter to reach a position whereby the city as a whole is resolving its own homelessness issues. And is doing so with less reliance on crisis-focused services but with a fully supportive and holistic infrastructure that prevents homelessness from becoming a long-term reality.

6. Challenges – National, Local & Strategic context

The leading issue in terms of national context is that of demand and supply in the housing market. The severe shortage of affordable homes in the UK is comprehensively viewed by many as the prevailing challenge to resolving the nation's homelessness crisis. However encompassing this are a number of wider issues around social and economic infrastructure including poverty, social care and health support, all of which significantly affect homelessness levels. The ongoing yet unclear impacts of post-pandemic recovery, Brexit and the growing cost of living crisis all contribute to an unstable economy within which poverty levels are likely to rise.

Local authorities and services are also dealing with significant budget pressures amidst rising demand for public services as a whole. New strategies with specific resources have been recently targeted at aspects of the anticipated surges in homelessness e.g. the local domestic abuse strategy and the national "ending rough sleeping for good" strategy. These welcome initiatives exist alongside a broad framework of national policies that influence and alleviate the impact on homelessness; the primary ones being:

- The Housing Act (1996)
- The Homelessness Reduction Act (2017) and Homelessness Code of Guidance (2018)
- The Rough Sleeping Strategy (2018)
- The Domestic Abuse Act (2021)

Other key pieces of legislation under domains such as health and social care and children and families services also impact at both national and local levels. Alongside the Council's Corporate Plan the homelessness strategy seeks to align with:

- Devon County' Council's Healthy Lives, Vibrant Communities, Housing Choices strategy (2020-25)
- Devon Strategy for Domestic Abuse support in Safe Accommodation in Devon (2021)
- Happy & Healthy Communities – Devon Health & Wellbeing Strategy (2020-25)
- Exeter Community Safety Partnership Action Plan (2021)
- Exeter City Council Housing Strategy (2023 pending)

From a resource-led perspective Exeter is no different when it comes to nationwide issues that play out at a local level and influence local priorities and capacity to manage and reduce homelessness. Those key to Exeter are:

Social and Affordable housing

Exeter has a shortage of social and affordable housing, particularly one and two bedroomed homes. Social housing only constitutes 17% of the city's total housing stock (national average is 18%). There are over 2,800 households (individuals or families) waiting for social housing allocations (November 2022). However the number of social lets to Exeter households in the 12 months of 2021-2022 represents less than a fifth of that number (18%). Although the waiting list fluctuates throughout the year it has gradually been climbing in number over the last few years at an average rate of 185 households per annum (over 15 per month on average) to its current level. Unfortunately social housing development is not resourced to keep up to this growing rate of demand with only a limited number of new tenancies delivered in the Exeter boundary in recent years. New housing development has not yet matched the over-riding need for one-bedroom homes or the need for more housing to meet larger family need (four bedrooms or more).

Rough sleeping and Supported housing

Despite recent reductions in the number of people rough sleeping in Exeter numbers have recently increased (as at November 2022) to a current fluctuating 20+ people sleeping on the streets of Exeter on any given night, the majority of whom are homeless. “Flow” onto the street from loss of short-term accommodation (eviction, abandonment etc.) coupled with discharge as NFA (no fixed abode) from hospitals and prisons remains significant, especially in the case of a short term remand prison such as HMP Exeter.

Exeter has a supported housing homelessness pathway to which the Council and partner organisations have been growing capacity over the last few years. Approximately 215 accommodation units are commissioned through varying means and multiple organisations. This includes a growth of 123 additional units over the last two years. A further 70 units (minimum) are scheduled to be added over the forthcoming 18 months. Nevertheless a key challenge alongside the growing demand for supported housing units is move-on from this type of accommodation due to the very limited availability and unaffordability of social and private rented housing.

Temporary Accommodation and the “hidden homeless”

Over 600 households (individuals and families) are homeless in Exeter in temporary accommodation with insecure licences-to-occupy including those in homelessness hostels, shared accommodation plus hotels and bed and breakfasts. An undefined number of additional households also live in insecure and / or unsuitable accommodation such as those staying with friends (“sofa surfers”) or in overcrowded dwellings. This includes those likely to be of no fixed abode upon leaving institutions such as hospitals and offender-based accommodation (prisons, secure or approved premises etc.)

Private Rented housing

In the face of competing residential property demands and the absence of market rent controls accessibility to the local private rented sector is becoming increasingly more difficult for households on middle to lower incomes. Despite recent government legislation limiting fees and targeting no-fault evictions market forces have consistently driven rents up above inflation rates to a point where the majority percentage of the private rented market has been rendered inaccessible for the purposes of relieving homelessness. The Exeter area local housing allowance further exacerbates the unaffordability issue with typical average market rents being between 25%-30% higher than LHA rates. Added to this as a city with a strong business economy and leading central-based university there is significant competition for existing former private rented housing to be let as higher rent professional or student accommodation. There has also been significant numbers of purpose-built student housing developments in recent years on city-centre brownfield sites.

Health and Social Care

Although by no means applicable across all cases of homelessness and homelessness risk a significant proportion of households requiring homelessness assistance experience health or social care challenges such as mental or physical ill-health, social care issues, learning difficulties and harmful substance use. Many of these issues go undiagnosed and untreated primarily due to service capacity issues and assessment or eligibility thresholds. Whilst the prevalence of individuals having one or multiple health

issues is not reflective of the majority of homelessness cases in Exeter it is nevertheless a significant area of high impact unmet need for which the social and financial cost to communities and the public purse remains disproportionately high.

Household Income / Employment

In 2021 an Exeter home typically cost an average of 9.1 times average local earnings; an upward rise from 7.9 in 2020. Annual house price inflation is up to 13.4%; the strongest quarterly growth (3.5%) of any region in the UK (average house price just under £294k). Private rents paid by tenants in the South West rose by 3.5% in the last financial year ending March 2022. In contrast to these rising housing cost indicators income for households drawing welfare benefits remains subject to restrictions such as the benefit cap which places larger families at higher risk of unaffordability and therefore potential homelessness. Similarly the reduction in housing benefit for those households with one or more spare bedrooms (“under-occupation charge” or “bedroom tax”) continues to put families at risk if down-sizing is not a promptly achievable option. The impact of cost of living increases is also already beginning to show in the rising number of households falling behind with rent and other essential living payments. Coupled to this regular and reasonably paid employment is not often unachievable for many households already homeless or at risk of becoming so. This can be as a result of skills and education deficits and / or the negative health impact of homelessness rendering employment not achievable or practicable.

Refugee and Asylum Seeker need

Over the last few years the need for both temporary and settled housing for refugees from war-torn countries has added a degree of new demand in the national housing market. Alongside the majority of local areas working with the Home Office and immigration partnerships Exeter has committed to assist individuals and households in emergency and resettlement housing need. These and other national programmes supporting humanitarian asylum and resettlement add a significant but hard to predict additional need upon the housing and homelessness work of Councils, partners and local communities.

Immediate Aim

In acknowledgement of the above challenges it is important that the strategy recognises the existing national and local landscape and tailors ambition and existing capacity accordingly. Hence the following aim derived from the national rough sleeping strategy is presented as the attainable shorter term interim goal:

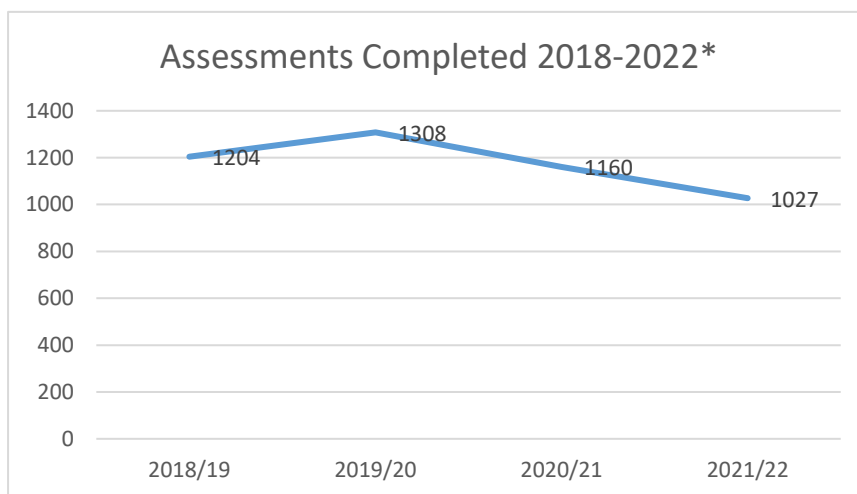
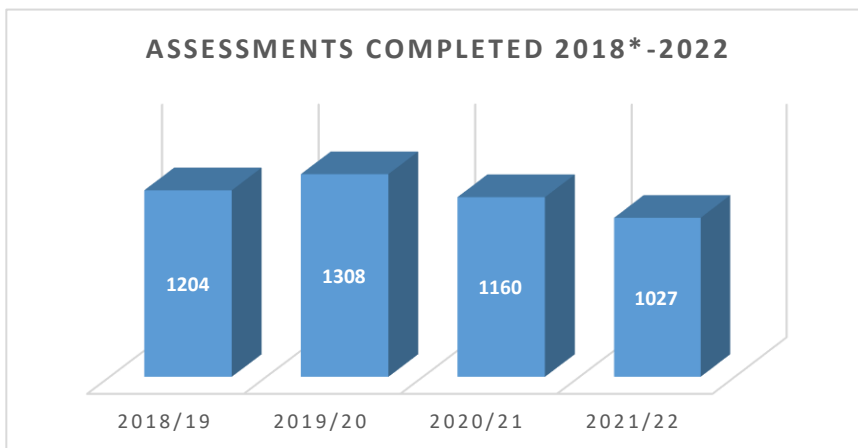
“For the short term wherever possible homelessness in all its forms should be prevented, and if it cannot be prevented, it should be rare, brief and non-recurring”.

7. Homelessness Review – summary findings

Exeter City Council closely monitors homelessness trends and a comprehensive review of homelessness demand and key performance indicators was undertaken prior to this strategy development. The following information is primarily based on data collected by the Council including reporting information from partners, e.g. rough sleeper data. At present the input datasets are not fully representative of all partners involved in wider homelessness prevention and relief work. It is anticipated that in pursuing a citywide single strategy a wider range of stakeholder data will be included in further informing future need analyses. The key findings from the recent homelessness needs review are summarised below.

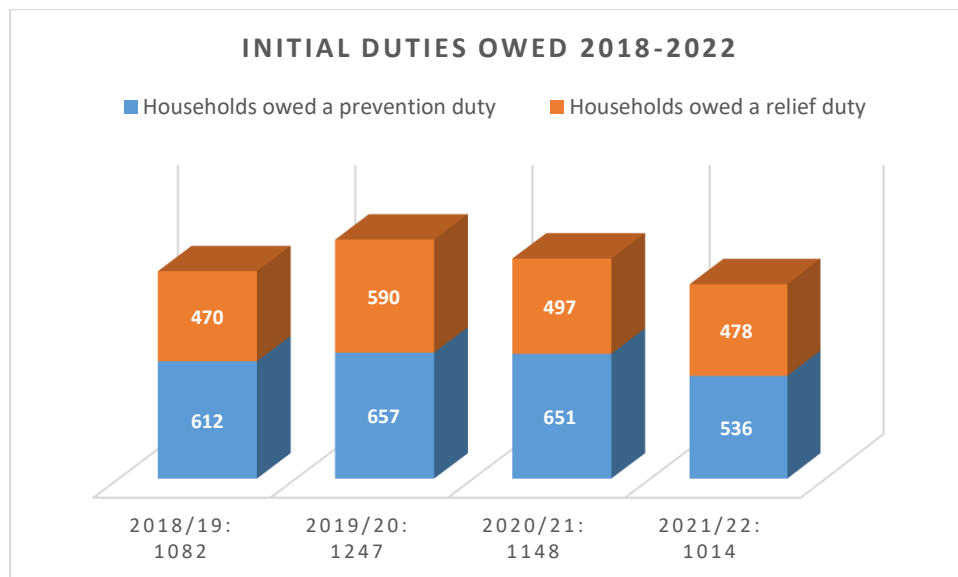
Homelessness Approaches

The graphs below show the number of households (individuals and / or families) where Exeter City Council (“the Council”) has taken a formal homelessness application i.e. where there is assessed homelessness risk (statutory or otherwise) or the household is already homeless. It should be noted that this is a proportion of the total number of households referred to the Council for homelessness need. For example these figures do not include households receiving advice only or assistance from other Council services that mitigates the risk of homelessness (3,441 total recorded approaches for housing/homelessness enquiries in 2018-19; 2,558 in 2021-22).



* Data is taken from 2018 onwards as pre-Homelessness Reduction Act (prior to 2018) indicators and collection methods differ.

The number of homelessness applications taken and completed has fallen in the last two years although this is highly likely to be due to the Covid-19 pandemic which resulted in a 4% reduction in the number of assessments undertaken nationally by March 2021. Exeter's rate also dropped by 4% that year. Prior to 2020 approaches and assessments had been on a four year upward profile averaging an increase of 3.5% demand year-on year from 2016.



The above chart shows the determination of completed homeless applications as to whether a prevention duty was owed (to support households to prevent losing their home) or a relief duty (to support a homeless household to find a home). Whilst a similar last-year (2021-22) reduction is again showing as a result of the pandemic the number of households with homelessness prevention needs was increasing to 2021. These figures also demonstrate that an increasing proportion of the completed assessments resulted in the household being owed a statutory (prevention or relief) duty; rising from 90% in 2018-19 to 95% the following year and 99% in 2020-22.

Primary Reasons for Homelessness

The primary reason recorded for households needing homelessness advice and assistance over the past five years in Exeter is:

- Breakdown of a family household where the parent(s) or relatives are no longer willing to accommodate (t.214; 21% of overall cases in 2021-22)

The second most common reason is:

- Ending of a private rented tenancy (t.195; 19%)

The third most common reason for local homelessness is:

- Relationship breakdown with a partner (t.134; 13%)

Whilst these presenting factors do not necessarily convey all the underlying issues Exeter reflects the national picture of homelessness attribution.

Key Demographics (Based over the period 2018 to 2022)

Age

Households in the age banding of 25-34 form the highest number of cases owed an initial duty (prevention or relief) in Exeter, accounting for around 30% households owed an initial duty each year since the Homelessness Reduction Act 2017 (HRA) was implemented.

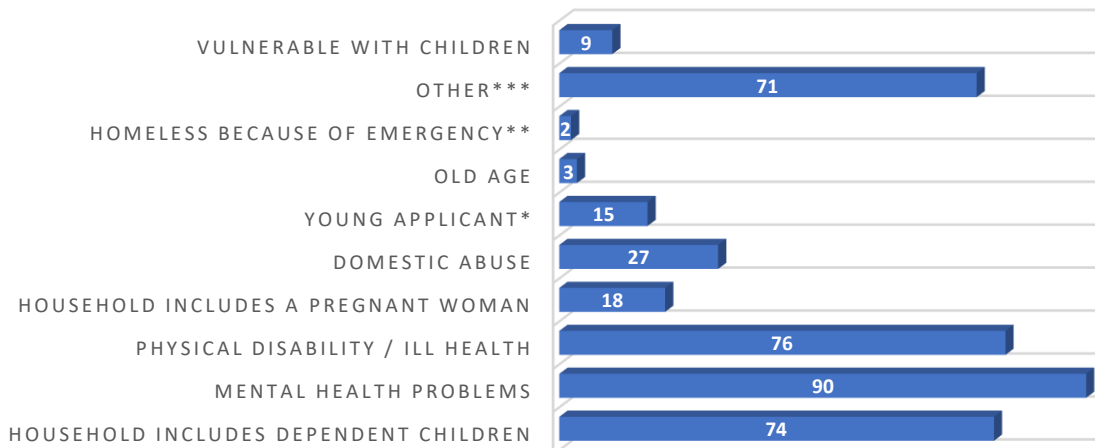
Age of main applicants owed a prevention or relief duty:	2018/19	2019/20	2020/21	2021/22
16-17	39	40	49	37
18-24	264	285	293	221
25-34	311	372	342	300
35-44	220	235	203	223
45-54	140	195	154	136
55-64	74	84	69	80
65-74	26	21	28	14
75+	8	15	10	3
Overall % 18-24	24%	23%	26%	22%
Overall % 25-34	29%	30%	30%	30%
Overall % 35-44	20%	19%	18%	22%

The above table also demonstrates that households in the combined three age bandings from 18 to 44 year-olds represent the majority homeless age group, at three quarters (consistent 73% to 74%) of all homelessness cases across the four year period.

Priority Need

The main reason for establishing priority need for statutory homeless cases in Exeter 2018/19 – 2021/22 has been mental health problems. Nationally since 2018 “household includes dependent children” has always been the main reason. Alongside physical impairment and ill-health this nevertheless represents the secondary reasons behind priority need.

MAIN REASON FOR PRIORITY NEED 2018-2022



Exeter	2018/19	2019/20	2020/21	2021/22	TOTAL 2018-2022
Household includes dependent children	9	20	21	24	74
Mental health problems	14	45	13	18	90
Physical disability / ill health	10	11	29	26	76
Household includes pregnant woman	4	8	0	6	18
Domestic abuse	0	9	5	13	27
Young applicant*	1	5	5	4	15
Old age	0	2	0	1	3
Homeless because of emergency**	0	0	0	2	2
Other***	13	21	18	19	71
Vulnerable with children	1	1	6	1	9

*16-to17 year-olds and 18-to 20-year-old care leavers

**Incorporates alcohol / drug dependency, learning difficulty, time spent in care, in custody, in HM forces or as former asylum seeker, those fleeing home because of violence other than domestic abuse

***Applicants who are accepted as homeless because of an emergency, for example fire or flood

Young Persons

The number of young persons (16-17 year olds) approaching the Council as statutorily homeless has remained high averaging 31 per year (34 and 33 in 2020 and 2021 respectively). This equates to more than 1 new homeless young person per fortnight.

Families

The number of families (adult plus at least one child) approaching the Council as homeless has remained high over the period averaging 182 per year. Approaches by families with one child increased in 2021 by 10% above the period average or 93 per year. Approaches by families with two children in 2021 have increased by 5% compared to the period average of 46 per year.

The number of households with children in Council temporary emergency accommodation has increased between 2020 and 2022 by 26%. In comparison the number of households with children in temporary accommodation recorded nationally has decreased by 6% during the same time period.

Households with children in temporary accommodation at financial year end	2019/20	2020/21	2021/22
England	62970	59300	58910
Exeter	19	16	24

Rough Sleeping

The last five years has seen significant investment in reducing rough sleeping nationally and locally, both to valuable effect. However rough sleeping has been and continues to be one of Exeter's more visible symptoms of acute homelessness need over the years. The below table shows the official rough sleeper figure over the years of the last homelessness strategy.

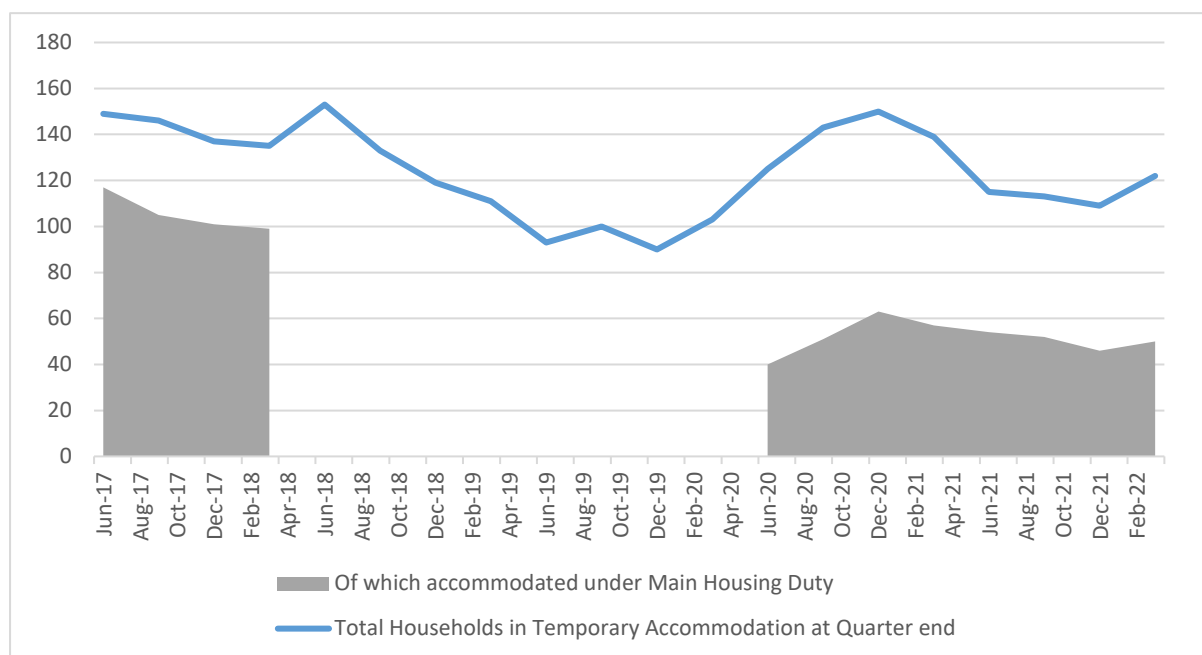
Year	No. recorded rough sleeping	Method	No. in night-shelter on relevant night
2016	41	Estimate	None (no service)
2017	35	Estimate	None (no service)
2018	17	Count	28
2019	31	Count	17
2020	37	Estimate	5 (restricted due to CV-19 pandemic)
2021	14	Count	6 (restricted due to CV-19 pandemic)

The number of people verified as rough sleeping on a consistent (November) example night is shown alongside the number accommodated overnight in emergency winter shelter provisions. The significant reduction in the annual count figure in 2021 in tandem with the reducing combined number over the last few years is testament to the investment and commitment of partners across the city.

Whilst partners continue working towards the aspiration of ending rough sleeping by the close of 2024 the level of demand and intervention remains challenging. Over the twelve months to end October 2022 the number of people sleeping out in the city averages 18 on any given night. The number of people verified as rough sleeping over the course of a year is also concerning.

For example the twelve months ending March 2022 recorded a total of 176 individuals contacted and supported by the outreach service. Not only is this level of need representative of recent years the number of females rough sleeping was 20% of this total. This reflects a growing prevalence of women in acute homelessness need in the city during the last few years (compared to 10% rolling average in previous years).

Temporary Accommodation



The above chart shows the high though fluctuating number of households in temporary accommodation in Exeter at the end of each reporting quarter. 2017 continued to demonstrate a marginal downward trajectory in numbers (reducing from an average of 155 households per quarter over the preceding three years from 2013 to 2016). The introduction of the Homelessness Reduction Act in April 2018 saw numbers further decrease due to increased early intervention and prevention work. This is also reflected in the reduced number of households accommodated under a main housing duty.

The ‘Everyone In’ rough sleeping relief directive in March 2020 and follow-on impacts of the Covid-19 outbreak caused numbers to increase to a peak by the end of the year before falling again as many individuals successfully moved on to more settled accommodation. However numbers have unfortunately been on the increase again through 2021 into 2022 and continue to exert pressure on the Council’s resources.

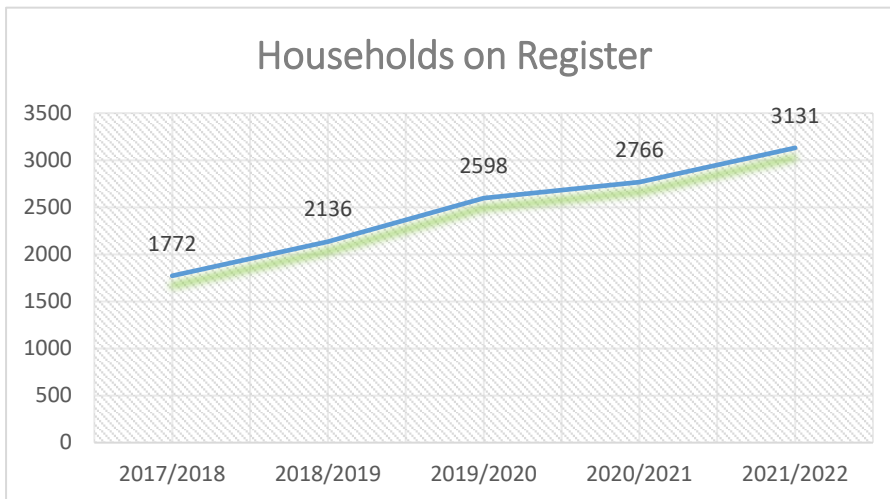
The average length of time households spent in Council temporary accommodation was 14.5 weeks. However the average length of stay has increased year on year:

- 2018 = 7 weeks
- 2019 = 13 weeks
- 2020 = 15 weeks
- 2021 = 23 weeks

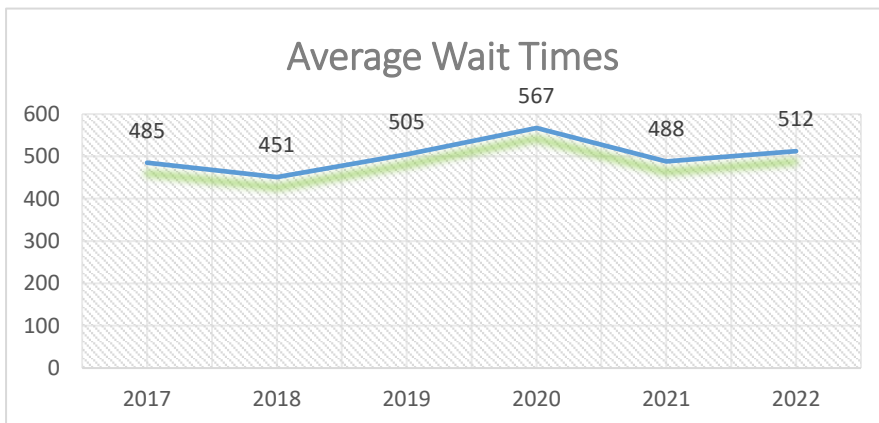
The number of households in temporary accommodation for more than a year has also increased year on year to a 2021 total of 39 households, nearly 6 times the total in 2019. This is due to the reducing level of affordable move-on into the private rented sector and lack of adequate growth in housing generally but including social housing.

Social Housing

The graph below shows the increasing level of registered housing need (77% increase over the last five years) indicated in the Exeter register (waiting list) for social housing.



With average waiting times (below) across all household sizes showing no signs of significant change over the last five years Exeter’s social housing demand looks set to increase beyond 2022.



Further detail of the need analysis information is provided in appendix 2 including benchmarking data with comparator areas to Exeter.

8. Core Working Principles

This strategy is underpinned by a set of working principles that are anticipated to be actively committed to by all stakeholders and integrated across all aspects of the formulated work plans going forward.

- i. Person centred and Holistic – Taking a bespoke individual-led approach to people using homelessness services and fostering personal ambition. This includes progressive recovery-planning accounting for individual needs and the cycle of change.
- ii. Trauma-informed – Seeking awareness and responding with understanding and focus on strength-based solutions.
- iii. Expert-led - Involving people with lived experience of homelessness as equals and optimising engagement and self-enablement.
- iv. Early Intervention and Prevention – Maximising intervention with households at risk of homelessness at the earliest identifiable stage, alongside reducing crisis-focused responses.
- v. Evidence-based – Using clear data to identify and understand current need and trends and projections of future need.
- vi. Partnership and Collaboration - A commitment to joint-working and co-production given no one service can single-handedly address and resolve homelessness.
- vii. Challenge - A need for, and a willingness to participate in challenging conversations whilst minimising assumptions and neutralising traditional power dynamics.
- viii. Value for Money – Ensuring that available resources are optimised towards achieving the most cost-effective sustainable solutions and outcomes.

These principles include the three driving objectives committed to by the founding partners of the Exeter Homeless Partnership (2019 onwards) and those of the subsequent homelessness charter. The strategic objectives that follow incorporate continuations of the priority work streams undertaken within the partnership.

It should also be noted that a conceivably natural but nevertheless vital commitment to be undertaken in this strategy is to best align with existing and emerging local resources and strategies pertaining to homelessness. This is for the purpose of jointly complementing direct or indirect homelessness prevention or relief. It is also for targeting better alignment of service reviews and commissioning timeframes and the combination of resources through future joint-commissioning.

9. Strategic Priorities

Exeter's joint homelessness strategy 2016-2021 was constructed around four themes reflecting the primary resource deficiencies underpinning homelessness:

- A Place to Live – housing and homes are needed*
- Access To Services – information and support needs to be client-oriented
- Health & Protection – illness, abuse and neglect needs to stop
- Money Matters – income for having a home needs to be available and sustainable

These themes remain fundamentally relevant and are therefore embedded in the following five strategic priorities. For each of the priority areas an action plan will be co-created to detail the specific work streams with target outcomes, interim milestones, resource requirements and lead accountability.

*Housing

It should be noted that whilst naturally key to any homelessness strategy housing in terms of physical bricks and mortar is also core to the sustainability of this and Exeter's future homelessness strategies. Exeter is at present some way off from achieving the critical mass and range of housing options needed for meeting existing and future need. Key to this strategy will be the action plan and resourcing for the next phase of housing acquisition dedicated for local homelessness need. This may be met through a mix of leasing, purchase and build schemes. But it will need to be met with creative solutions in order to provide the cornerstone or accommodation and sustainable funding underpinning most of the following priorities.

The Priorities are:

- 1) Ending Rough Sleeping – by end 2024
- 2) Increasing Homelessness Prevention
- 3) Progressing Health, Wellbeing & Recovery
- 4) Growing Inclusion & Enablement
- 5) Optimising Systems & Partnership

Priority 1 – Ending Rough Sleeping – by end 2024

All forms of homelessness are best averted but in its most acute form homelessness in Exeter in the form of rough sleeping as a result of there being no available housing option is unacceptable. This has to end. Whilst Exeter has successfully further developed services over the last few years resulting in reduced rough sleeping the issue still prevails. Ending rough sleeping means preventing it wherever possible and where it cannot be prevented making it a rare, brief and non-recurrent experience. This means:

- Prevention - Stop people from being forced to sleep out in the first place
- Rare - Reduce numbers to a measurable indicator which is as close to zero as possible
- Brief - If a person sleeps rough, the episode should be as short as possible
- Non-recurring - No one should experience multiple episodes of rough sleeping

Exeter has recently established a new operational housing pathway forum ("Access to Accommodation") to maximise access to accommodation for rough sleepers. Partners are in the process of developing a supporting management group for further reducing and then ending rough sleeping.

Key Objectives

- 1.1 To further halve rough sleeping by the end of 2023 and end rough sleeping (as a norm) by the end of 2024. This is to be achieved by further tackling flow onto the streets and by delivering more housing for rough sleeping relief.
- 1.2 To maximise the level of state-funded housing services signed up to ending rough sleeping and fully commit to practices of duty to refer, tenancy sustainment (minimal eviction) protocols and tenancy rescue schemes. This includes community housing (social and supported) and institutions e.g. prisons, general and specialised hospitals including mental health wards.
- 1.3 To ensure the same for supporting services such as health and social care, children and young person's services, and services working with households with specific homelessness risk such as ex-military and persons experiencing domestic violence and/ or abuse.
- 1.4 To optimise housing capacity at all tiers of the rough sleeper supported housing pathway. This includes emergency crash-pad accommodation such as night chairs/beds, host schemes, No second night out / off the streets schemes through to supported housing placements tailored and specialised to specific or cohort need (e.g. gender-based, health recovery-based, DVSA). This includes growing the number of housing-first dedicated accommodation.
- 1.5 To support Health & Wellbeing services (with sufficient capacity and appropriate remit) to provide more bespoke, timely interventions with homeless households providing ongoing care and support where needed. This includes treatment for health issues such as substance use (building services on the rough sleeper drug and alcohol treatment grant), mental ill-health regardless of formal diagnosis and / or fluctuating need, "dual non-diagnosis" illness, and social care or learning difficulty needs.
- 1.6 To evaluate and re-map cross partner multi-agency priorities to increase resource committed to supporting complex, severe and multiple need that contributes to repeat rough sleeping. This entails dedicated frontline services with remit to work "under the thresholds" where barriers to ongoing work and rough sleeping resolution are addressed by a resources creative solutions panel.
- 1.7 To develop personal and progressive recovery capital with a particular focus on enabling clearer established routes to employment, new relationships and "exiting the system". This includes opportunities for current and former rough sleepers to access dedicated occupational and vocational services (supporting self-esteem and confidence) with local services and businesses as stepping stones into mainstream education, training and employment services

Priority 2 – Increasing Homelessness Prevention

Exeter's homelessness services deploy their limited resources across the working spectrum of homelessness. This ranges from early indicators and early prevention through to crisis intervention and follow-on recovery and ongoing support functions. However it is widely accepted that the earlier a service can identify and proactively intervene in homelessness risks the more successful the intervention is likely to be i.e. homelessness is often averted.

“Upstreaming” resources requires careful balance to avoid a “cover-all” approach at danger of rendering potential effect and impact too thinly spread. Proactive targeting of the highest homelessness-risk characteristic groups in the local population can act as effective early intervention. Working to complement and join up existing partner initiatives in this area will be a key goal.

Key Objectives

- 2.1 To raise the levels of homelessness awareness in terms of risks of homelessness as well as the challenges of the housing market. This will be in the form of increased information and material distributed amongst all existing homelessness stakeholders. Also to reach out to those services in closer contact with the potential homeless of tomorrow e.g. church and community groups, schools, colleges, health centres, youth centres and libraries. The use of creative messaging and social media channels will be vital especially for connecting with the younger population.
- 2.2 To develop a programme of tenancy sustainment support across the system and partnerships including tenancy rescue interventions. Tenancy support will ideally need to be available from the start in terms of practical household living skills in order to minimise the need for short term and emergency tenancy rescue.
- 2.3 To increase early identification of homelessness cases by identifying and targeting local potential need for information and advice. This includes local hotspots such as the lowest income / socially deprived wards. Also those groups with higher risk characteristics e.g. troubled families, recurrent offender / criminality issues, households with assessed high adverse childhood effect (“ACE”) need and / or health needs.
- 2.4 To continue building meaningful information exchange with existing early intervention services e.g. Early Help, Children’s’ services, Youth Offender Team, Police. This will include a pro-active programme of promoting duty to refer responsibilities as well as building opportunities for joint budgeting and pooled / devolved spend to save funds.
- 2.5 To expand the number of targeted outreach-based / co-location housing advice in the community (including the above closer contact services) with statutory agencies such as DWP (Job Centre Plus) and voluntary services such as Exeter CAB and other local service hubs.
- 2.6 To deliver home-based advice and assistance through visits to household homes either at early referral stage or early risk (e.g. 2 month notice on a tenancy). This would also include home assessment for those with accessibility issues and also for a number of households in priority need on the social housing register.
- 2.7 To train and increase mediation and relationship training skills, knowledge and experience within the sector. This will be to better equip staff to negotiate with partners, parents and landlords of potential homeless individuals or families. This will include maximising assistive prevention tools such as money services (income maximisation), debt advice, supporting payments and follow-up tenancy rescue and sustainment support.

Priority 3 – Progressing Health, Wellbeing & Recovery

Exeter’s homelessness services are composed of a multi-stakeholder mix of housing partners alongside partners from the likes of health and social care, primary care, offender management, and community-building and engagement. Close multi-agency for “wraparound” support services has been key to the

successes achieved in local homelessness over the past five years. However more needs to be done at all stages of prevention, intervention and recovery in order to reduce “flow” of new homelessness including rough sleeping but also to reduce “returners” i.e. households with repeat episodes of homelessness.

The prevalence of significant health inequalities amongst homeless individuals and households is a well-documented fact. Some health and well-being issues lead to homelessness whereas others arise or further develop as a result of having no home. Typically these are physical and / or mental ill-health and substance misuse. Aside from critical resource levels core themes in this priority area of need often include issues such as high service access and complex eligibility thresholds, engagement issues such as consistency, expectations, lead worker turnover, diagnostic-centric design, range and availability of treatment offers and service waiting lists.

For homelessness to see reductions that are achieved and sustained by the individual or household wraparound services need capacity and flexibility. This is particularly relevant for statutory services, including housing, where multiple services often hold their piece of the intervention and treatment jigsaw but do not always put them together in a sequenced and user-informed way. The end result can sometimes create a scenario of “hand-offs” rather than a joined up recovery pathway. People experiencing homelessness could also benefit more from early access through screening opportunities and health education as a way of reducing crisis service contact of high cost (human and money) access routes.

Key Objectives

- 3.1 To develop leading strategy and operations multi-agency groups across housing, health and recovery partners with homelessness reduction as the key term of reference and primary objective. Work will include growing a trauma-informed network with inclusive service policies and operating models with sub-threshold accessibility and outreach-based practice, connecting with a significantly higher number of individuals and households than currently afforded.
- 3.2 To mobilise a growth in substance misuse health and wellbeing care and support for rough sleepers including those with severe and multiple / complex need. This will include access to both psychological and psychosocial services and continuing to build of local primary care health outreach with rough sleepers and particularly when moving into housing when engagement is more likely to be needed. One indicator of success will be a significant reduction in the number of homeless people not in receipt of active wraparound support, including those in temporary and supported accommodation.
- 3.3 To increase and optimise early referrals from health services including hospitals, mental health housing and community wards, expanding the existing in-reach homelessness prevention service if necessary, to reduce the number of NFA discharges and also those without post-discharge timely community-follow up.
- 3.4 Maximise household income for the purposes of averting homelessness (e.g. eviction for rent arrears and associated affordability issues) through increase welfare and benefits advice and support, access to relief funds, added discretionary benefits including spend to save monies, plus individual budgets and creative solutions packages. To include the development stages of earnings from employment. To support fundraising and awareness raising initiatives such as continuing

alternative giving plus developing a financial welfare package targeted towards the homelessness impact of the cost of living crisis.

- 3.5 To develop and deliver a wider range of means to achieving income and reducing reliance on (sub-market rate) welfare benefits. This is via a focused programme in ETE (Education, Training and Employment) which will also contribute to personal achievement and social learning. A foundation of the ETE work should include “soft occupation” such as leisure and early vocational opportunities to enable growth of self-esteem, confidence and resilience. Employment engagement will aim to include volunteering and paid employment opportunities within partner agencies plus apprenticeships across a portfolio of local employers and businesses.

Priority 4 – Growing Inclusion & Enablement

The homelessness review affirms the position that many of Exeter’s homeless households are excluded from a variety of services. Inequalities exist amongst the service landscape and there is more work to do to tackle elements of discrimination, exclusion and stigma around homelessness. This priority will continue to build upon the progress made under the preceding strategy theme regarding eligibility and accessibility to services and will seek to grow the opportunities for individual self-enablement, involvement and empowerment.

Inclusion and enablement is particularly an ongoing issue for those more marginalised cohorts of people who find themselves homeless and struggling to integrate or be integrated into society and / or local community. People rough sleeping can often fall into this category especially where underlying causes are enduring poor mental health or drug or alcohol addiction. Embedded rough sleeping and “street attachment” can reflect an individual’s loss of connectivity with general societal norms and signal disenfranchisement with services and the system. Complexity or multiplicity of need can often further compound this effect.

Neglect or limited family structure or dysfunctional upbringing may also play out resulting in relationship loss and traumatic breakdown for young people in particular (e.g. adverse childhood experience; “ACE”). The risk of developing a lifestyle of homelessness is often high in such cases especially where schooling has been affected and education limited. Evidence shows the drawing effect of gang culture and associated anti-social behaviour that acts as the precept for criminal behaviour e.g. substance use and enrolment into illicit drug supply networks such as County lines.

In circumstances where victims of anti-social / unlawful behaviour are put at risk of homelessness Exeter has similarities with other largely rural counties. A regular number of households approach the city’s homelessness services as a result of feeling violence or abuse. It is imperative that the necessary emergency and specialist supportive housing settings are established in the city with longer term funding than present. It is equally important that services work better together to understand the triggers and profiles of tomorrow’s victims as well as the perpetrators and continue to grow the capacity for effective prevention.

Key Objectives

- 4.1 Services to increase outreach-based delivery to reach out to “where people are at” (as opposed to expecting people to come to services) to increase contact with excluded high risk of homelessness populations in the city. Similar to prevention activity this will include campaigning work around

homelessness awareness and skills training for those most at risk in these communities (e.g. through Wellbeing Exeter work). It will also include increasing the capacity for in-situ / home visits to households at most risk of homelessness.

- 4.2 Homelessness services to develop a common set of individual (client) engagement tools and opportunity based on the participation ladder concept which includes consultation, service co-production and key individual governance and employment opportunities. This work must start with building dialogue and opening more effective communication channels with clients. And for services to engage with clients as equals and experts by their own experience. Opportunities for volunteering and paid consultancy work will be developed in recognition of expertise, knowledge and participation.
- 4.3 To assess need and develop / grow targeted accessibility points for specific cohorts of excluded / marginalised household need e.g. specialist advice, support and housing (where necessary) for people with complex need, victims of domestic abuse, young persons.
- 4.4 To review and extend accessibility of homelessness information, advice and assistance. This will include online platforms, digital media and non-digital (in person) access, and specialist information and ensure access and signposting to services is extended to include weekends and maximise provision 24/7, 365 days per year.

Priority 5 – Optimising Systems & Partnerships

Partnership working and “the system” are common phraseology often espoused by services but not always broken down to component parts in order to identify, engage and amplify connectivity and working practice in key issues such as frontline and management / strategic connectivity, and mainstream homelessness organisations and the “peripheral” partners (e.g. business community, faith networks, local community hubs etc).

Numerous services and agencies work within the sphere of homelessness and their contribution to preventing and resolving homelessness is acknowledged as high value work. There have been many recent examples of effective partnership work delivering positive impact for homeless households in Exeter, some examples being:

- Co-location and multi-agency working within the Colab community
- New interventions co-ordinated and delivered under the Exeter Homeless Partnership
- Health interventions and service co-ordination under the Homelessness Groundswell partnership including Public Health
- Design and commissioning of new services under the new Domestic Abuse Partnership, Homelessness Prevention Taskforce, Ending Rough Sleeping group, Mental Health Alliance, Rough Sleeper Drug & Alcohol Task Group

However there is more to do and build upon especially in the co-designing of services to align target objectives, develop shared outcomes and pooled resources and budgets for optimising and maximising joint impact.

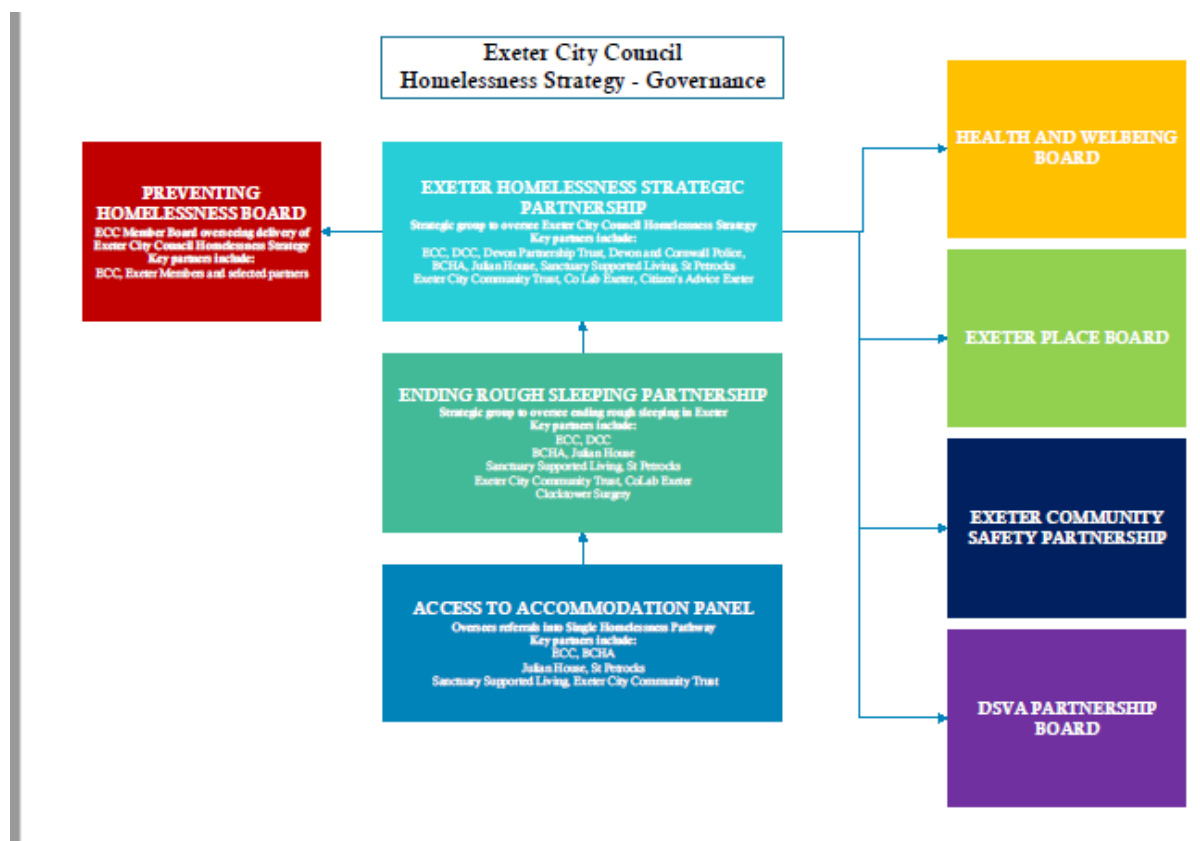
Key Objectives

- 5.1 To establish and embed the Ending Rough Sleeping collaboration as a mandated strategic partnership with clear terms of reference and designated resources to drive the further reduction towards an ultimate ending of rough sleeping in the city. This will include the establishment of clear reporting and governance oversight for this work (including that of the equivalent drug and alcohol targeted rough sleeper grant programme) from an existing or new oversight board taking lead responsibility for prioritising homelessness prevention.
- 5.2 To develop more strategic alignment whereby homelessness is central to commissioning agendas. Homelessness and ensuing mitigating activities to be clearly cited in all partner lead plans and strategies given that it is a near universal risk factor / outcome associated with the work of each respective service. Partners to have an identified ending homelessness champion suitably equipped with the mandate and resources to make an extra difference with positive change. The former Devon County Council led Creative Solutions partnership could act as a seed model for this work.
- 5.3 To develop modelling and scheduling for strategic and funding alignment. This is to increase the join up of local strategies and their supporting resources in order to deliver more clearly targeted and shared service delivery on the ground. This includes activities such as identifying each partner contributions to preventing and resolving homelessness, developing shared job descriptions, enabling more flexibility around working practices (to reduce unhelpful practices and minimise risk aversion) and eliminating duplication and counter-active or conflicting inputs. Barriers to more positive or pro-active working with homeless (or at risk of) households to be challenged and overcome at levels including attitudinal or cultural, organisational, policy and process-driven and where possible, resource-led.
- 5.4 To promote and deliver a landscape for closer shared resource modelling within frontline partner organisations e.g. consortium structures, alliance commissioning practices. Seeking to spread responsibility and risk management and effect greater flexibility and transferable skills and knowledge within the workforce.
- 3.6 To maintain and improve the network of support for staff working in and around the “homelessness sector”. To better identify and understand the impact of repeat exposure to trauma and distress (including dysfunctional or harmful responses from individuals) and to generate greater workforce care and capacity including pooled supportive services to aid well-being and resilience. To build a shared network of opportunity for the workforce (paid and unpaid) to develop and maintain resilience, knowledge and qualification. The latter would include developing trauma-informed skillsets and excellence in standards of personalised communications, expertise. Learning and best practice.

10. Governance - Ownership, Delivery, Monitoring & Review

As with any strategy planning the process of action planning, implementation, review and evaluation requires planning and resourcing. For expedience and sector efficiency it would be advantageous to integrate the priority work areas into existing structures wherever feasible. This acknowledges however that much of the existing strategic landscape does not explicitly cite homelessness and its reduction amongst the target priorities.

Whilst improving the existing position is an objective in the Systems and Partnership priority the planning, implementing and reviewing of the work will inevitably depend on ongoing multi-agency collaboration. Co-ordination of this can sit with the Council under its statutory responsibility with bi-annual monitoring and review structures to be established for the strategy launch in 2023. The following is the proposed new structure:



Ownership & Review

- A new Preventing Homelessness Board – for oversight purposes - including Council officers and members (councillors) and leading stakeholders. 6 monthly progress monitoring.
- A new Homelessness Strategic Partnership – merging the abeyant Exeter Homelessness Forum and Exeter Homeless Partnership – including key stakeholders at strategic level. Reviewing and mapping resource to need and local agendas and service development and system advancement.
- Strategic Partnership to propose two-way feed and read across to other relevant strategic forums e.g.
 - Health & Wellbeing Board
 - Exeter Place Board
 - Community Safety Partnership
 - DVSA Partnership Board
 - Other Boards & Partnerships e.g. Integrated Care Board

- 6 monthly progress reporting and action plan developments to be published via newsletter and social media feeds

Delivery

- Delivery via Operational Steering groups:
 - RSDATG – Rough Sleeping Drug & Alcohol Task Group (working title “STAR”)
 - EERSP – Exeter Ending Rough Sleeping Partnership
 - EHP - Exeter Homeless Partnership

These steering groups would potentially constitute a prevention and recovery-driving coalition.

Monitoring & Reporting

- Working sub-group of members of the Preventing Homelessness Board and Strategic Partnership meeting quarterly to prepare and plan agendas and feedback reports etc.

11. Appendix 1: 2016-21 Homelessness Strategy – Overview of Progress and Outcomes

Over the last 5 years the Council and its partners have worked tirelessly in delivering to the key priorities of the Homelessness Strategy 2016-2021. That strategy, initially joint for the first three years with neighbouring Teignbridge District Council, had twelve specific aims (see below), the leading four of which were a continuation of priorities of the predecessor Exeter City Council Homeless Strategy (2008-2013).

The aims were set out under four primary themes; A Place to Live, Access To Services, Health & Protection and Money Matters. Within these themes the specific aims of the 2016-2021 strategy were:

- Increase access to good, safe and affordable accommodation
- End the use of bed and breakfast for families and young people
- Bring rough sleeping to an end
- Work together to put clients first
- Offer help at times and places where clients need them most
- Make sure help is accessible for everyone
- Improve the health and wellbeing of homeless people
- Help protect the vulnerable from violence and abuse
- Support people who are released from prison, hospital, or leaving the armed forces
- Help people manage household finances when faced with homelessness
- Target investment to reduce homelessness
- Maximise opportunities with partners and provide better value for money

2016-2018

Alongside the challenges and opportunities afforded by a cross-district strategy blending urban and rural agendas some examples of key achievements made in the first three years were:

- The launch of a dedicated Tenancy Rescue referral service for private landlords with failing tenancies. 55 tenancies were successfully supported to avoid homelessness
- Significant reductions of cases reaching crisis intervention stages. e.g.
 - 58% reduction in the numbers of rough sleepers on the streets
 - 32% reduction in the number of families in temporary accommodation
 - 58% reduction in the numbers of young persons in emergency bed and breakfast placements
- Launch of “Safe Sleep” winter night shelter and support service for rough sleepers and people at risk of rough sleeping. This built on the success of Exeter’s “No Second Night Out” scheme and 143 people accessed the service during its three and a half month timeframe with nearly 50% moving to more settled housing
- Launch of Integrated Care Exeter pilot forming a dedicated team to work with the city’s most complex and vulnerable homeless people including outreach-based assessment of housing and health need
- Re-design of Housing Advice access information with suite of client self-help guides including specialised guides for protected characteristics and vulnerable groups
- New resettlement pathway for prison release from HMP Exeter and other SW prisons

- The raising of over £2M additional funds towards reducing homelessness in the city through successful bids to government for Trailblazer and Rough Sleeping projects and Rapid Re-housing and Private Rented services
- Implementation of housing advice and assessment services in community settings specialised to vulnerable persons either homeless or at high risk of rough sleeping
- Successful out-sourcing of local authority funding targeted to homelessness and increase in joint-working multi-agency services e.g. rough-sleeping outreach services, homelessness healthcare, debt advice and welfare services, resettlement from institutions, private rented housing access.

2019-2022

Following the introduction of the Homelessness Reduction Act 2017 (live from 1st April 2018) areas and Councils refocused action plans to help deliver the new legislation and develop additional services under the newly launched national government Rough Sleeping Initiative.

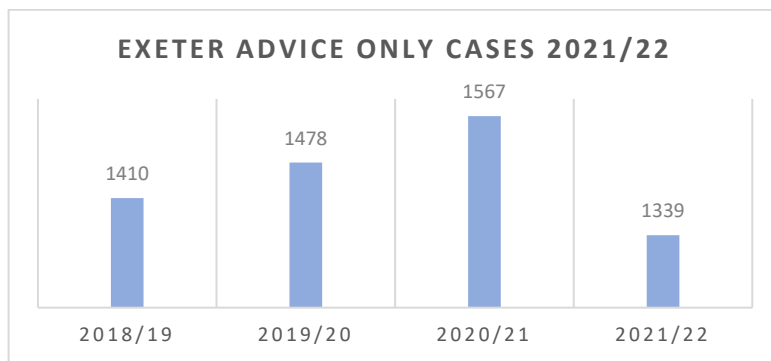
Significant progress has been made on both fronts in Exeter and notwithstanding the impact of the two-year Covid-19 national health pandemic from March 2019 the following are some of the key examples of progress over the last four years to 2022. It should be noted that the vast majority have only been achievable through the commitment of partners and multi-agency partnership working across the city.

- Successful roll out of the Homelessness Reduction Act including new case recording system, duty to refer processes and online client-accessible platform
- Significant development of homelessness prevention services across partner agencies including targeted advice, welfare benefits and money management services key to a sustained uplift in homelessness preventions averaging 23 per month over the last 18 months
- Creation of online housing advice service providing 24/7 all year round client access to housing and homelessness advice and assistance averaging 873 users per year between 2019 and 2022.
- Increase of online self-help by 18% between 2019 and 2022.
- Launch of a Private Rented digital referral service plus enhanced “Housing Access Together” tenancy set up and support package resulting in over 50 new landlord offers in the first two years (2019-2021)
- Launch of a charitable social lettings agency “Fairlets” – 19 new tenancies set up in its first year
- Launch of Housing First Service for the most entrenched rough sleepers – 15 homes plus dedicated tenancy and life-skills support
- Creation of the Exeter Homeless Partnership achieving:
 - delivery of the City’s first successful alternative giving scheme
 - belongings storage for people with no fixed abode
 - active education and homelessness awareness campaigning
 - lead-consultation and service design with people with lived experience
 - learning / training opportunities for homeless persons citywide
- New service and venue for winter night shelter for rough sleepers – 183 people accessed the service in its first winter period (5 months to March 2019); of which 56 moved to more settled accommodation. The service currently continues as an emergency housing project

- Management of Covid-19 pandemic through multi-agency approaches to vulnerable cohorts including primary healthcare treatment and testing, the “Everyone In” accommodation drive for rough sleepers, vaccination and resettlement of rough sleepers and vulnerable households
- The establishment of a successful Rough Sleeper Partnership which has co-producing funding bids and service design and implementation resulting in a reduction in rough sleeping to the lowest recorded number in a decade (14 in Autumn 2021)
- Roll out of new tiered Single Homelessness Pathway incorporating delivery of 123 new units of supported housing. Also the launch of a supported housing pathway dedicated to homelessness vulnerable women
- New housing and support pathway for young persons (including over 30 additional housing units)
- Over £5 million of additional grant funding towards services to prevent and relieve homelessness and rough sleeping including
 - a new prison resettlement service
 - multi-agency Navigator team working with rough sleepers with complex and multiple need
 - winter rough sleeper services including new emergency bed spaces and creative funds for essential provisions including travel, resettlement and accommodation set up costs
- Additional funding secured towards the purchase of twenty-five one-bedroom flats as “meanwhile” homes for single homeless rough sleepers.
- Significant advances in client-led client-involved services including:
 - rough sleeper strategy service user consultation
 - Client co-production and Trauma training
 - Council homeless client access survey

12. Appendix 2: Homelessness Need Review – Exeter detail and comparator local authority information

2.1 Advice-only cases

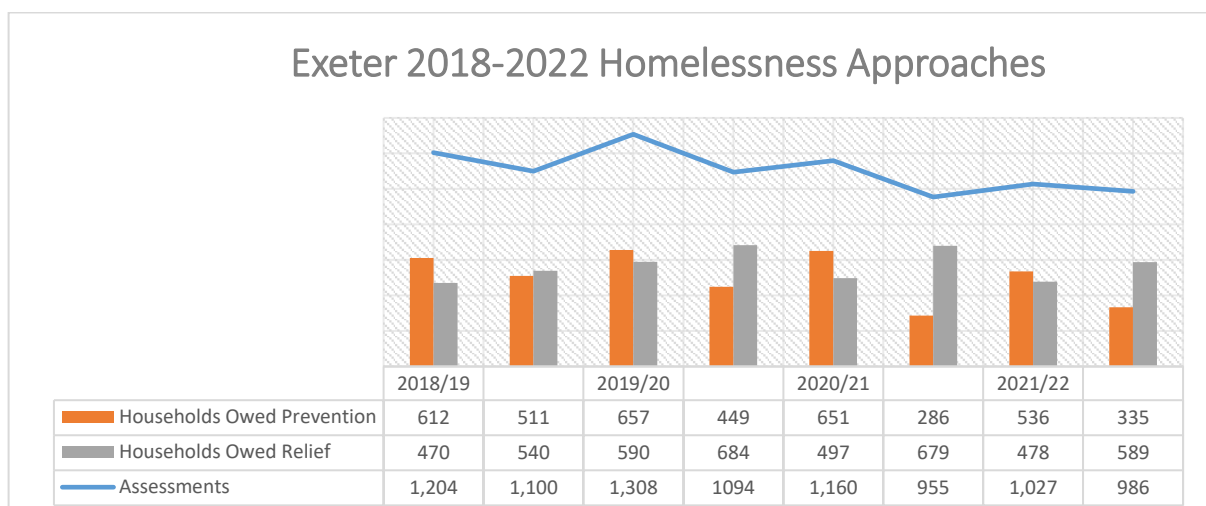


“Advice only” are where households approached the Council’s Homelessness team regarding potential risk of homelessness but where the case either did not reach homeless application status (i.e. within the 56-day at risk of homelessness) or the household did not return to make a homeless application.

The above graph shows an increasing profile of advice need which peaked in 2020-21 and has since curtailed. The peak was attributed to the number of households approaching as a result of the pandemic; threat of S21 notices (though suspended), affordability (mainly due to job loss) and people without secure tenancies being asked to leave households due to alleged health risks (Covid-19). The reduction during 2021-22 is on account of the increased availability of online advice combined with reduced capacity for drop-in advice.

NB: National and Local Authority specific “Advice only” data is not published data due to it not being a statutory reporting requirement.

2.2 Homelessness Approaches



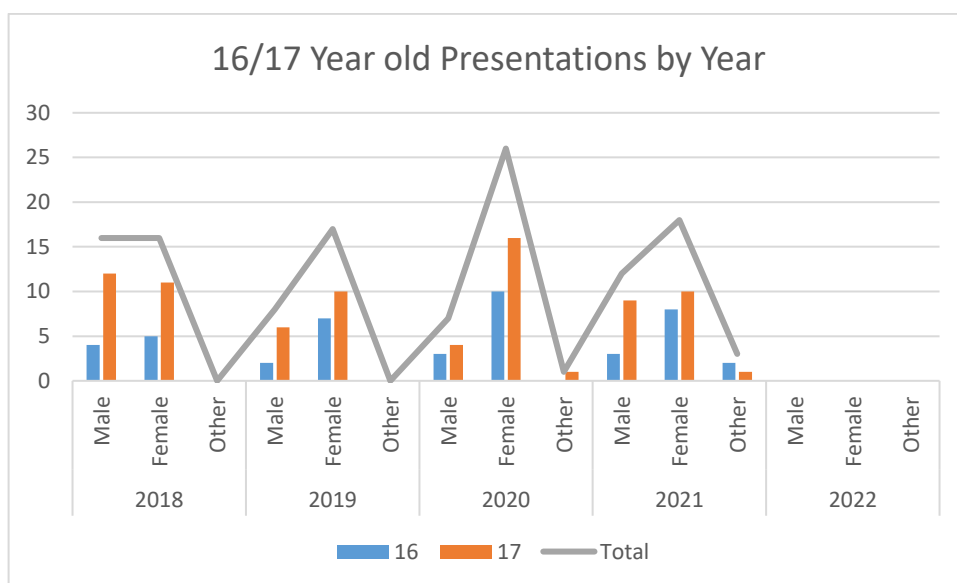
“Homelessness Approaches” records cases that reached the status of a homeless application either at prevention stage (where the household is currently housed) or relief stage (where the household has no available accommodation).

“Assessments” is the total of cases where a Housing options case officer has taken a homeless application. Not all assessments reach a prevention stage or relief stage as a result of circumstances such as further information or verification issues arising or the application being withdrawn.

The assessment totals increase year on year from 2018 to 2020 remaining high in 2020-21 but reducing by 21% across 2021-22. This profile correlates with that of the advice-only cases in reaching a peak across 2020-21. This signifies that the risk or threat of homelessness was comparatively high across the first 12+months of the pandemic. However the number of households at both prevention and relief stages reduced across the following 12 months of 2021-22. Aside from suspended S21 notices other notable key risks driving assessment numbers were the increase of presentations as a result of household income reductions (e.g. through wage loss, benefit reduction) and changed eligibility under the Domestic Abuse Bill.

The overall reductions into 2021-22 most likely reflect the ongoing preventions of homelessness as a result of various household support schemes and the deployment of short-term government grants e.g. Household Support Fund, Vulnerable Renters Fund. It is too early to determine the sustainability of these “arrested” cases, especially as many may only be postponed evictions given tenancy sustainability pressures such as the cost of living and affordability crises.

2.2.1 Young persons

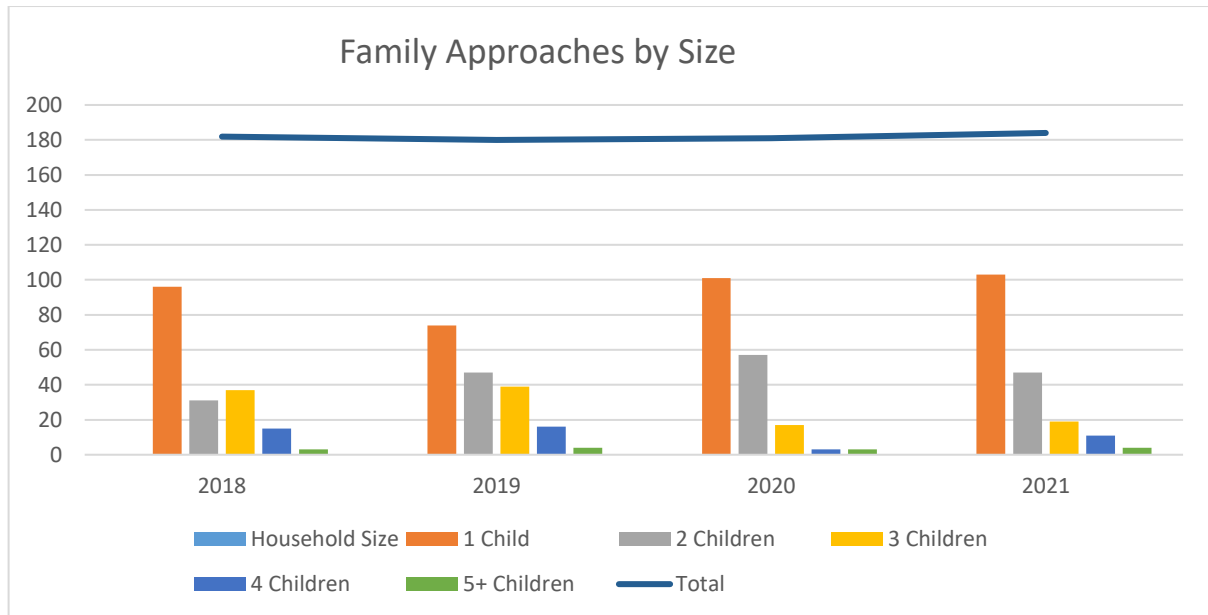


The data shows a peak in homelessness approaches in 2020 with the highest recorded figures for approaches by females. (Data for 2022 not yet verified). Datasets do not illustrate the numbers where statutory homelessness was prevented as a result of an alternative solution being found.

2018				2019			2020			2021		
Age	Male	Female	Other	Male	Female	Other	Male	Female	Other	Male	Female	Other
16	4	5	0	2	7	0	3	10	0	3	8	2
17	12	11	0	6	10	0	4	16	1	9	10	1

2018			2019			2020			2021			
Total	16	16	0	8	17	0	7	26	1	12	18	3
Annual Total	32			25			34			33		

2.2.2 Families

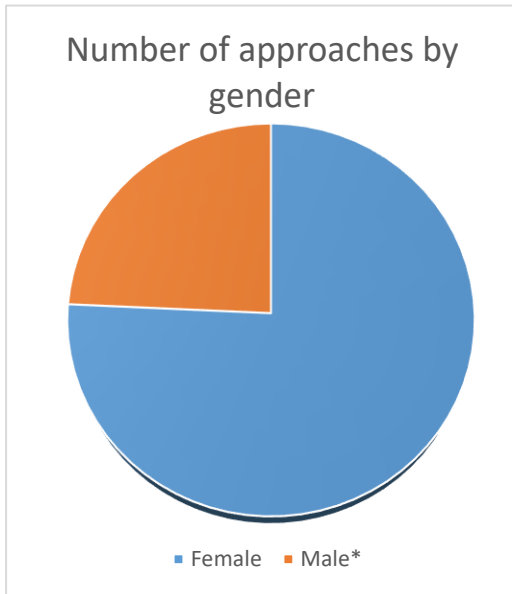


	Year	2018	2019	2020	2021	Total
Household Size						
1 Child		96	74	101	103	
2 Children		31	47	57	47	
Total 3 Children		37	39	17	19	
4 Children		15	16	3	11	
5+ Children		3	4	3	4	
		182	180	181	184	727

The data shows a relatively consistent profile of household size over the four year period with households with one child presenting as the most common family size at risk of homelessness. This area of need can be seen to be steadily increasing over the last 3 years.

2.2.3 Domestic Abuse

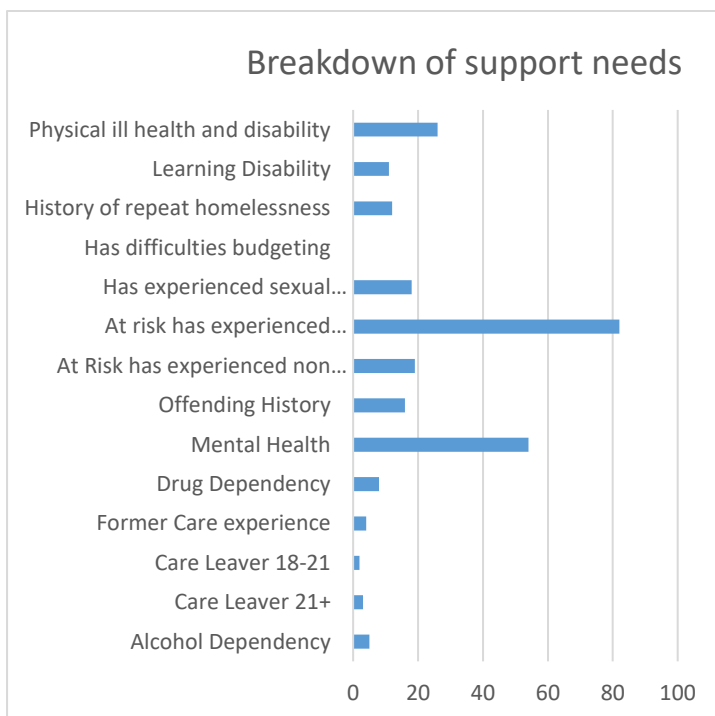
April 2020 to Mar 2021



Gender of Main Applicant	Number of approaches
Female	78
Male*	25
Total	103

- Includes alleged perpetrators

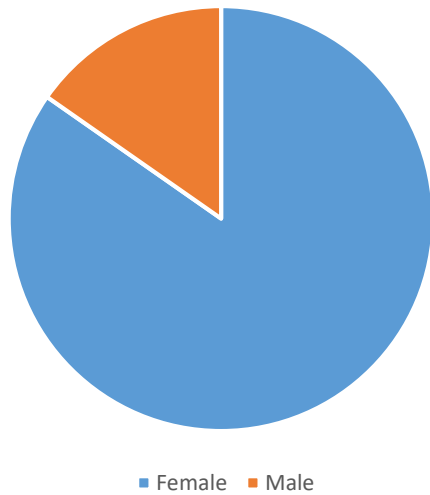
Total number of households with Children	Total Number of Children
48	79



Support Needs	Number of applicants
Alcohol Dependency	5
Care Leaver 21+	3
Care Leaver 18-21	2
Former Care experience	4
Drug Dependency	8
Mental Health	54
Offending History	16
At Risk has experienced non domestic abuse	19
At risk has experienced Domestic Abuse	82
Has experienced sexual abuse/exploitation	18
Has difficulties budgeting	0
History of repeat homelessness	12
Learning Disability	11
Physical ill health and disability	26
Total	260

April 2021 to Mar 2022

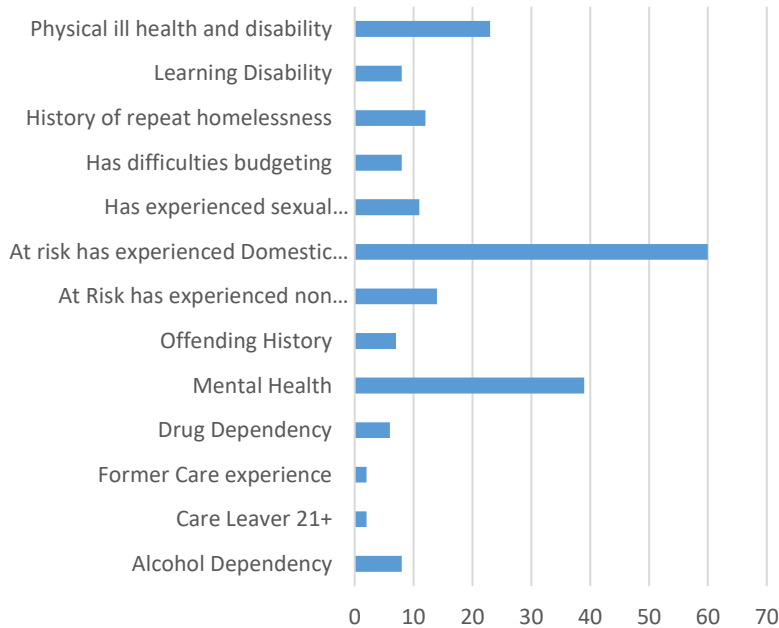
Number of approaches by gender



Gender of Main Applicant	Number of approaches
Female	72
Male	13
Total	85

Total number of households with Children	Total Number of Children
36	74

Support needs identified



Support Needs	Number of applicants
Alcohol Dependency	8
Care Leaver 21+	2
Former Care experience	2
Drug Dependency	6
Mental Health	39
Offending History	7
At Risk has experienced non domestic abuse	14
At risk has experienced Domestic Abuse	60
Has experienced sexual abuse/exploitation	11
Has difficulties budgeting	8
History of repeat homelessness	12
Learning Disability	8
Physical ill health and disability	23
Total	200

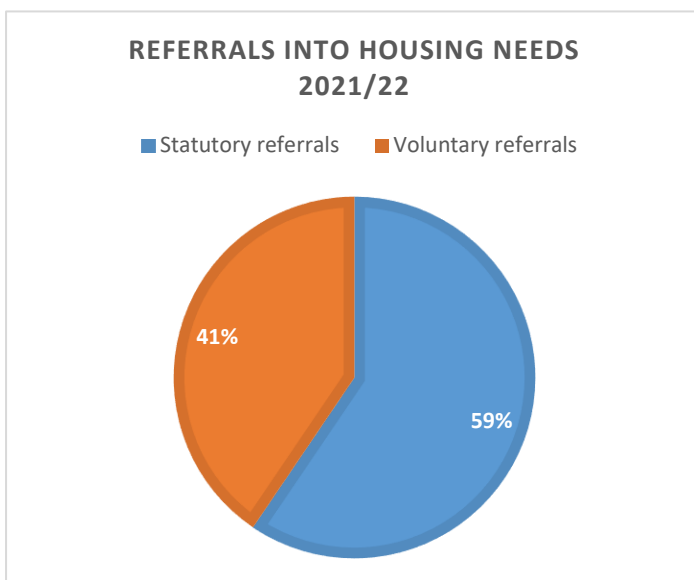
In the 12 months from April 2020 to March 2021 a total of 78 households approached the Council with no alternative housing option due to domestic abuse. In 2021-22 approaches fell marginally to 72. Women accounted for 75% of the approaches in 2020-21 and 85% in 2021-22.

Households making homelessness approaches with children formed 46% of the total number in 2020-21 and 42% in 2021-22. Alongside the primary need for help and support for households experiencing

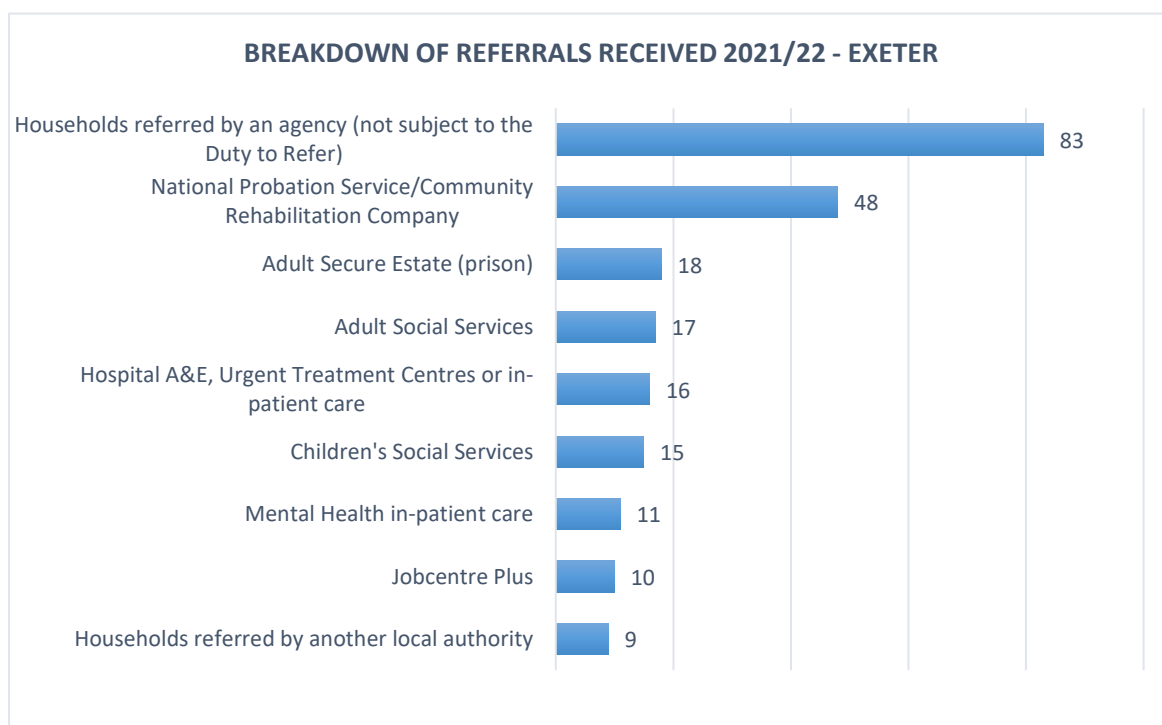
domestic abuse mental and physical ill health were cited in both years as the leading issues individuals needed support for.

N.B. The above data is limited to applicants who were defined as being in priority need and eligible for an accommodation offer. As a result, these applicants were more likely to have complex needs. Data collected did not include victims of domestic abuse who were not considered to be in priority need.

2.2.4 Referrals



Overview of referrals into Housing Needs 2021/22 due to homelessness/risk of homelessness. Over 2/5ths proportion of referrals are from agencies with no statutory duty to refer. This is supporting the opportunity for early intervention/prevention work.



The above top referral number (by agencies with no statutory duty to refer) includes referrals from

supported housing providers including homelessness and mental health housing. Referrals from the National Probation service primarily reflect those coming from HMP Exeter and other SW prisons via the Homeless Prevention Taskforce (2020 onwards).

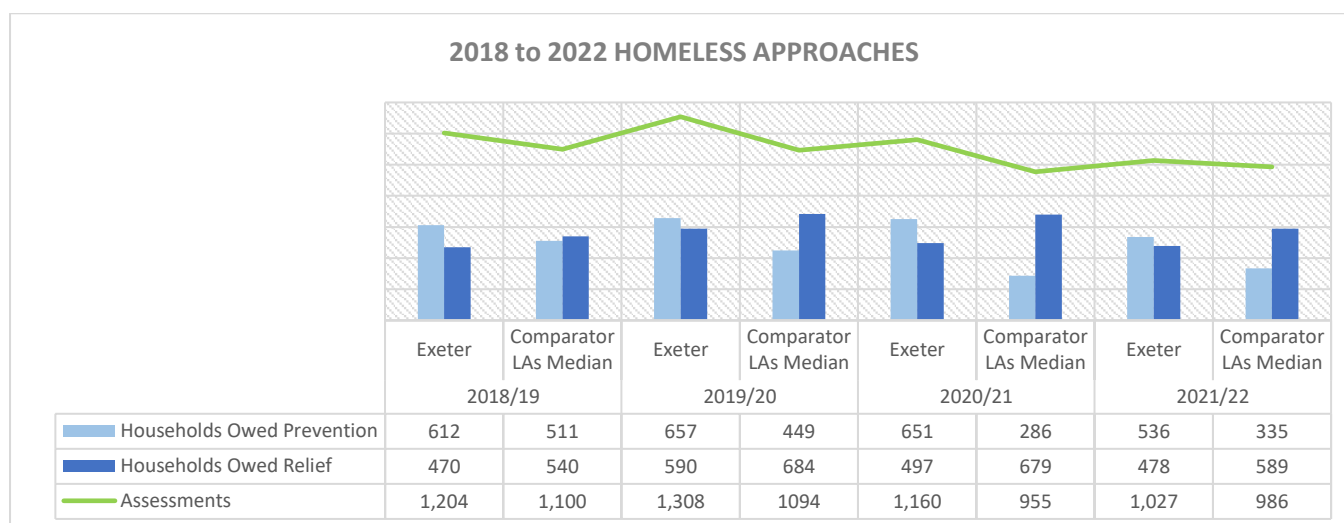
2.2.5 Online contacts

Duty to refer	Total	Within working hours	Out of working hours	Statutory	Voluntary	Statutory	Voluntary
2019/20	162	136	26	44	118	27%	73%
2020/21	225	199	26	99	126	44%	56%
2021/22	364	325	39	164	200	45%	55%
2022/23 - first 6 months	259	221	38				

Online form type	2019/20	2020/21	2021/22	2022/23 - First 6 months	2022/23 - Full year projection	% change
Self-help access information	1318*	623	738	413	826	+18%
Agency referrals (Duty To Refer)	162	225	364	259	518	+62%

*form launch - high volume of test forms included in this figure.

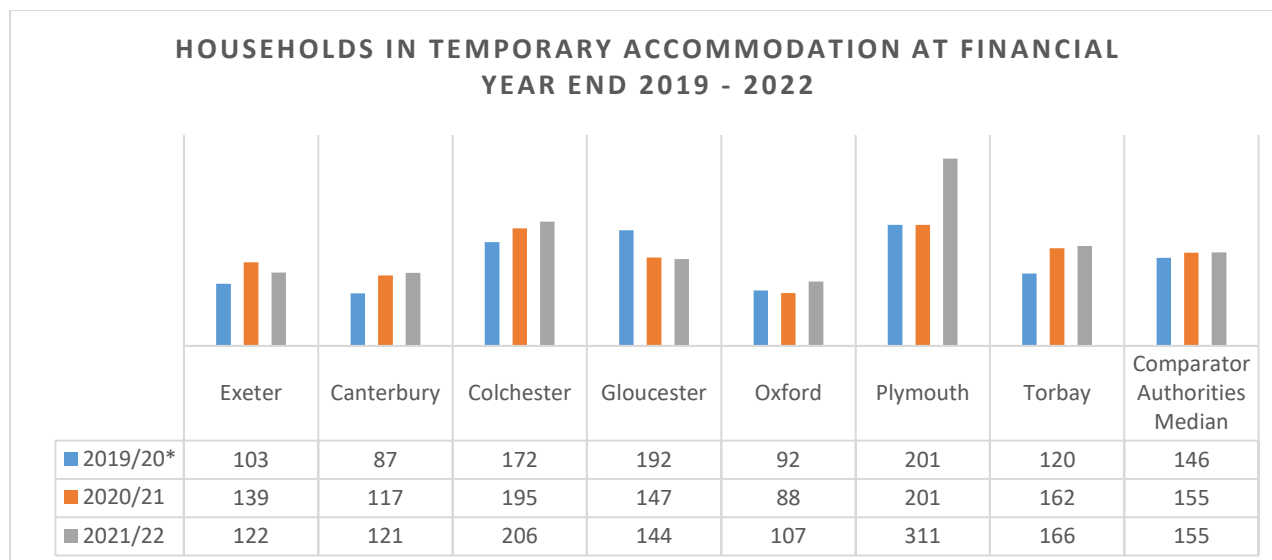
National & Comparator Authorities



It can be noted that Exeter consistently undertakes more assessments than comparator areas.

Early intervention and prevention work is consistently higher in Exeter when related to the comparator median. This is particularly stark in 2020-21 where Exeter managed to maintain high rate of early intervention despite the challenges (Covid-19) of that year. Exeter continues to buck the comparator trend with less households reaching relief need as a result of successful homelessness prevention work.

2.3 Temporary Accommodation



*2018/19 data unavailable.

Emergency temporary accommodation (TA) numbers in Exeter have been generally stable. The ‘Everyone In’ rough sleeping relief directive in March 2020 and follow-on impacts of the Covid-19 outbreak caused numbers to increase to a peak by the end of the year before falling again as many individuals successfully moved on to more settled accommodation.

However the number of households requiring emergency accommodation or a move-on offer (from emergency and / or supported housing) has increased over the last two years. The development of additional capacity in the city through various schemes has helped keep a lid on the Council’s TA placements. These additional housing schemes include the Council’s rough sleeper programme investment, Exeter City Community Trust housing, and developments under other 3rd sector partners such as YMCA Exeter, Julian House and BCHA. Despite the new capacity demand for emergency accommodation has unfortunately been on the increase again through 2021 into 2022.

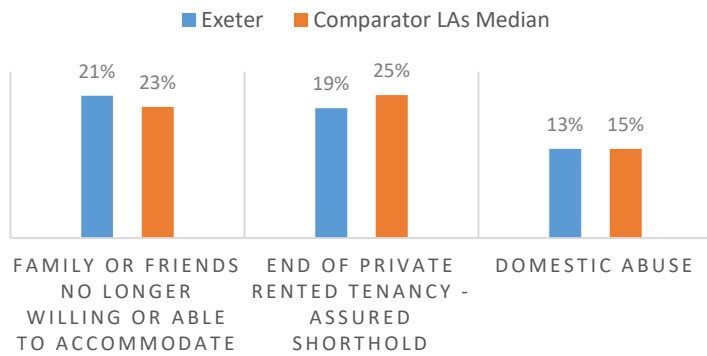
Exeter’s figures remain generally lower than those of its comparator authority areas. The below median number of households in TA in Exeter reflects the higher proportion of prevention cases successfully achieved.

2.4 Causality

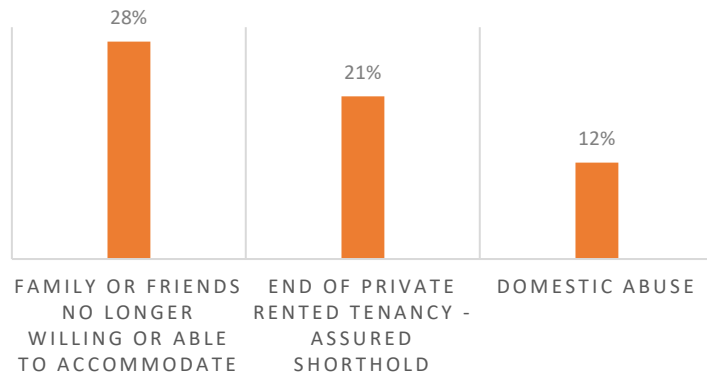
Exeter’s top three primary reasons for homelessness approaches to the Council are:

- 1) Family or Friends no longer willing or able to accommodate
- 2) Private Rented tenancy loss / end
- 3) Domestic Abuse

TOP 3 APPROACH REASONS 2021/22



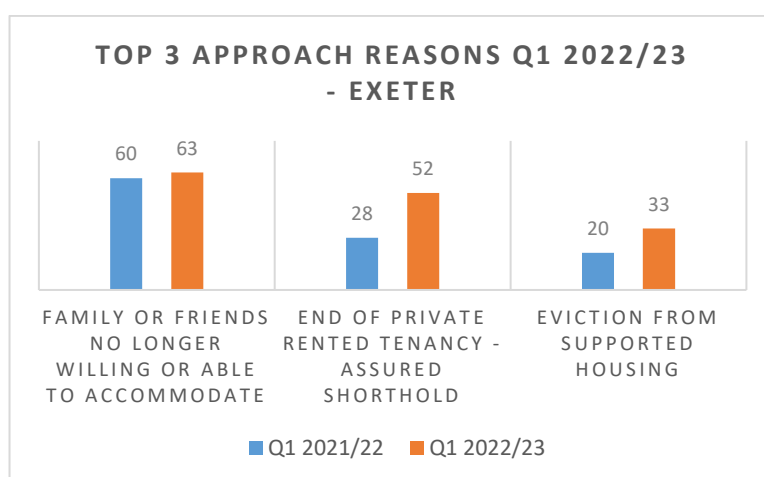
TOP 3 APPROACH REASONS - ENGLAND 2021/22



	Family or friends no longer willing or able to accommodate		End of private rented tenancy - assured short-hold		Domestic abuse	
	Figure	% of total	Figure	% of total	Figure	% of total
ENGLAND						
2018/19	66,250	25%	58,660	22%	22,980	9%
2019/20	74,490	26%	57,960	20%	26,650	9%
2020/21	88,070	33%	34,130	13%	31,620	12%
2021/22	78,270	28%	58,500	21%	34,710	12%

	Family or friends no longer willing or able to accommodate		End of private rented tenancy - assured short-hold		Domestic abuse	
	Figure	% of total	Figure	% of total	Figure	% of total
EXETER						

	Family or friends no longer willing or able to accommodate		End of private rented tenancy - assured short-hold		Domestic abuse	
2018/19	209	19%	181	17%	101	9%
2019/20	197	16%	191	15%	128	10%
	Family or friends no longer willing or able to accommodate		Domestic abuse		Non-violent relationship breakdown with partner	
2020/21	237	21%	137	12%	134	12%
	Family or friends no longer willing or able to accommodate		End of private rented tenancy - assured short-hold		Domestic abuse	
2021/22	214	21%	195	19%	134	13%



The same top three primary reasons are reflected in Exeter as they are nationally. However Exeter's comparator areas have the ending of private rented tenancies as their top cause whereas this is Exeter's second most common primary cause of homelessness.

Going into 2022-23 the gap in Exeter between the reasons of family no longer willing to accommodate and that of private rented tenancy loss is widening whilst there is a change in the third source issue being loss of supported housing placements.

Of note is that 17% of the approaches are due to the ending of a private rented tenancy relate to affordability (arrears). 63% are due to landlords wishing to sell or re-let the property. This is very likely to be a reflection of the cost of living crisis as well as the buoyant local housing market.

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Equality Impact Assessment: Exeter Homelessness & Rough Sleeping Prevention Strategy 2023-2027

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:
Exec 7 th February 2023 Council – 21 February 2023	Exeter Homelessness & Rough Sleeping Prevention Strategy 2023-2027	To approve the strategic priorities and governance proposals	See below

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

planned to be carried out in future).

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

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

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

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	Positive	medium	The strategy focuses on improving and increasing services and support to highly vulnerable sections of the local community. Its delivery plans will specifically review and set development targets for service improvements to cohorts of specific need / protected characteristics including people rough sleeping, street-attached persons, travellers, military and ex-armed forces, persons with mental or physical impairment, people with addictions, young persons including care leavers, refugees and asylum seekers, and individuals with gender-related support needs. The majority of the above need areas constitute priority need in terms of statutory homelessness duties and responsibilities including, but not limited to, emergency accommodation and social housing priority.
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.	Positive	medium	As above
Sex/Gender	Positive	medium	As above
Gender reassignment	Positive	medium	As above
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	Positive	medium	As above

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	Positive	medium	As 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 categories are for illustration only as overriding consideration should be given to needs).	Positive	medium	As above
Pregnancy and maternity including new and breast feeding mothers	Positive	medium	As above
Marriage and civil partnership status	-	-	(No negative impacts identified)

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

Officer: Richard Crompton

Date: 16th December 2022

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REPORT TO EXECUTIVE

Date of Meeting: February 7th 2023

REPORT TO COUNCIL

Date of Meeting: February 21st 2023

Report of: Director of Culture, Leisure and Tourism

Title: National Portfolio Organisation funding 2023 to 2026

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 March 2023 will see the end a funding agreement with Exeter's National Portfolio Organisations.

2.1 Following the announcement of Arts Council's England's investment programme, this report sets out recommendations for £147,000 per annum of funding to NPO's. This cultural commitment funding is in addition to any small grants, Exeter Phoenix's £51,100 rent grant and the £2.2million funding of RAMM.

1.2 Exeter has five organisations with NPO status. Previous National Portfolio Organisations Theatre Alibi and Kaleider lost their NPO status in in ACE's new investment programme when it was announced at the end of 2022. Exeter City of Literature gained NPO status for the first time.

1.3 Culture remains a strategic priority for the city. This report seeks to balance how to continue to support NPO's operating as the best examples of cultural activity whilst delivering savings on this discretionary area.

1.4 Officers have identified an internal target of £100,000 of savings compared to previous funding available to National Portfolio status arts organisations (excluding RAMM which is has its own budget and savings targets). Savings are part of the One Exeter programme to start to address the medium term financial plan.

1.5 In conjunction with the Portfolio Holder, it is therefore suggested annual funding for Exeter's new set of National Portfolio Organisations is as follows:

Organisation	Annual Funding
Exeter Phoenix	£75,000 plus £51,000 rent grant
Exeter Northcott Theatre	£57,000
Exeter UNESCO City of literature	£5,000
Libraries Unlimited	£10,000
TOTAL	£147,000 plus £51,000 rent grant

2. Recommendations:

That Council approve:-

2.1 Funding in accordance with the table below:

Organisation	Annual Funding
Exeter Phoenix	£75,000 plus £51,000 rent grant
Exeter Northcott Theatre	£57,000
Exeter UNESCO City of literature	£5,000
Libraries Unlimited	£10,000
TOTAL	£147,000 plus £51,000 rent grant

2.2 that new service level agreements for 2023-26 based are agreed based on the National Portfolio Organisations business case for delivery.

2.3 Members note that whilst this is a three year commitment, it will be reviewed annually to take into account the Council's financial position.

3. Reasons for the recommendation:

3.1 This recommendation gives Exeter's National Portfolio Organisations certainty around their financial planning for the next three years. The adjustment allows Exeter City Council to continue to support the arts and heritage sector and contribute to a balanced budget.

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

4.1 The Arts & Events manager and Director will design a new reporting system to demonstrate impact in Exeter and be closer aligned to the ACE business case reporting.

4.2 Funding is to be issued annually. Should Exeter City Council's financial situation worsen during the 2023-26 agreement the matter would return to Executive and Council.

5. Section 151 Officer Comments:

5.1 Members should note that whilst this is a three year commitment, it will be reviewed annually to take into account the Council's financial position.

6. What are the legal aspects?

None identified.

7. Monitoring Officer's comments:

The Service level agreement will set out the Council's expectations of each of the NPO's in terms of delivery. In particular the NPO will have to account for the spend in terms of output and delivery.

8. Report Details:

8.1 Culture is a strategic priority for the city as outlined in the corporate plan. Over the next three years the council will commit over £6.78million in supporting the five National Portfolio Organisations. In addition it runs the Corn Exchange theatre, holds the service level agreement for delivery at The Custom House, provides small grants to arts organisation, and helps run, facilitate and enable events across the city.

8.2 The council has a long standing relationship with Arts Council England to support the arts sector and recognise and support excellence. This has resulted in the recent Cultural Compact status. There is ongoing work around cultural master planning and work through the Creative Arc programme with the University of Exeter around how to embed culture in future neighbourhoods in the city. Preparation work including the master plan and public art strategy will help accelerate investment into the sector.

8.3 Arts Council England are the national development agency for creativity and culture. They have set out at strategic vision called Let's Create. It is designed to help shape a country (by 2040) in which the creativity of each of us is valued and given a chance to flourish and where everyone has access to a remarkable range of high quality cultural experiences. Our NPO's have been successful at hitting that benchmark. Successful funding for 2023-2026 in Exeter are:

Organisation	Annual Funding
Exeter Phoenix	£128, 038
Exeter Northcott Theatre	£127, 300
Exeter UNESCO City of literature	£150, 000
Libraries Unlimited	£240, 123
Royal Albert Memorial Museum	£618, 326
TOTAL	£1, 263, 824

8.4 Communication with NPO's regarding this new phase of funding began in April 2022 and involved individual meetings with the Arts & Events Manager and a group meeting. Existing service level agreements around service delivery and impact to culture in Exeter existed for all organisations apart from Exeter City of Literature. NPO organisations have now finalised their business cases with Arts Council England. Each has received information about the proposals in this report.

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

9.1 The decision contributes to 'Thriving culture and heritage', 'prosperous local economy' and 'housing and building great neighbourhood and communities'.

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

10.1 There is a risk that a decrease in funding whilst arts organisations are facing increasing costs will destabilise the sector. Having a three year plan will assist with forecasts and commitments.

10.2 There is a risk that Arts Council England will react negatively to this decision. Stakeholder management, Exeter's longstanding commitment to the arts, and a sector wide issue around local authorities wanting to, but finding they are unable to continue to fund culture to the same degree, will help mitigate this 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: because in recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

12. Carbon Footprint (Environmental) Implications:

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

13. Are there any other options?

13.1 Increase or decrease any amounts of funding.

Director of Culture, Leisure and Tourism, Jon-Paul Hedge

Author: Director of Culture, Leisure and Tourism

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

Background papers used in compiling this report:-

None

Contact for enquires:

Democratic Services (Committees)

Room 4.36

01392 265275

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Equality Impact Assessment: Funding for Exeter’s new National Portfolio Organisations

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 February 7 th 2023 Council February 21 st 2023	National Portfolio Organisation funding 2023 to 2026	Funding for Exeter’s new National Portfolio Organisations	All

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).	Both	Low	Business cases for NPO’s support those with protected characteristics. Each organisation has its own equalities impact assessment. Funding to these organisations will help support that work. Not supporting the work to as much as previous years will have a negative impact. This funding is a comparatively small amount to that of Arts Council England, therefore the impact is low
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.	Both	Low	“
Sex/Gender	Both	Low	“
Gender reassignment	Both	Low	“
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	Both	Low	“
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	Both	Low	“
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	Both	Low	“

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).			
Pregnancy and maternity including new and breast feeding mothers	Both	Low	“
Marriage and civil partnership status	Both	Low	“

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

Officer: Jon-Paul Hedge

Date: 13th Jan 2023

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REPORT TO EXECUTIVE

Date of Meeting: 7 February 2023

Report of: Director for Net Zero Exeter & City Management

Title: Parking Tariffs 2023

Is this a Key Decision?

Yes

Is this an Executive or Council Function?

Executive

1. What is the report about?

1.1 To make amendments under the Parking Places Order to improve the regulation of Council car parks and to support the aims of reducing traffic congestion and addressing the goal of a carbon neutral Exeter by 2030.

2. Recommendations:

2.1 To amend the Car Park Places Order 2014 as follows:

- 1) Change the zoning of a number of City Centre car parks;
- 2) Change the 'Premium' zone to 'Central';
- 3) Extend the charge period from 8am - 6pm to 8am - 10pm for all Central and Zone 1 Car Parks, and for Car parks located in Topsham from 9am - 5pm to 8am - 6pm;
- 4) Increase the fee to purchase a seasonal parking permit and increase the number of city centre car parks that accept a seasonal parking permit;
- 5) Increase the fee to purchase a discounted business and residential parking permit;
- 6) To charge for events held in City Council car parks;
- 7) Introduce a fee for the electricity used through Electric Vehicle charge points in City Council car parks;
- 8) Charge the owners of electric vehicles that qualify for a residential parking permits; and
- 9) From the additional income achieved, £72,000 is set aside for maintenance and improvements to city centre car parks, as well as carbon reduction measures.

3. Reasons for the recommendation:

3.1 To support City Council Corporate Priority in supporting 2030 Net Zero Targets.

3.2 To provide consistency across our car parks and to be in line with other City Council policies, such as charging event organisers for the use of City Council land and assets.

4. What are the resource implications including non financial resources

- 4.1 Analysing previous car park ticket and seasonal parking permit sales, as well as electricity use through EV charge points, the projected net income for 2023/24 would be approximately £10,053,646.
- 4.2 There will be a small cost for software upgrades to pay and display machines, as well as updates to car park welcome boards and notice boards in car parks affected by any proposed recommendations, this will be met from within existing revenue budgets. There will be a small amount of staff time to implement the proposals, working with suppliers of the payment machines and pay by phone.

5. Section 151 Officer comments:

- 5.1 The proposals set out in the report align with the proposals to set a balanced budget in the budget report. Any amendments to the proposals would therefore require members to identify how to fund that in the budget to be set on 21 February.

6. What are the legal implications?

- 6.1 In order to bring the proposed changes into effect the Council must comply with the procedural requirements of the Road Traffic Regulation Act 1984, including giving notice of the proposed changes and considering any representations received during the consultation period.

7. Monitoring Officer's comments:

- 7.1 Please see the content of the legal implications set out in paragraph 6 above.

8. Parking Tariff 2023 Change Proposals

- 8.1 The City Council declared a climate emergency and are committed to working towards net zero by 2030, for the city and the City Council. On-Road transportation contribute 88,515 tco2 to city wide carbon emissions (table in 12.2), an area that the City Council does not direct control, but can nudge people into visiting the city by alternatives forms of transport.
- 8.2 Discussions are ongoing with Devon County Council on changes that can be made to highway infrastructure across Exeter, to reduce on road transportation emissions.
- 8.3 The number of car park tickets sold increased by 27.18% from 1,560,071 in 2021 to 1,984,058 in 2022 (section 12.1). This increase is mainly related to the covid bounce back, with shoppers, visitors and employees returning back to Exeter. Since covid, some businesses within the city centre have continued with agile working, with employees working on average 3 days in the office and 2 days working from home. In the long run, this may impact on car park capacity and income.
- 8.4 The City Council recently commissioned City Science to undertake a thorough review of car parking across the city. The final report is due Spring 2023, with recommendations expected on repurposing underutilised car parks, improvements to

car parks and suggestions on tariff alternations – hence why tariff changes are not being reviewed this time round.

8.5 There are some changes proposed within the car park estate, which was the subject of a recent committee report on 29 November 2022 - ‘Mary Arches Street Car Park Re-development’.

8.6 The management of car parks has recently changed, with the previous service lead retiring. Car Parks now sits under the Service Lead for Net Zero & Business, which has allowed the Service Lead to review car parking and suggest alternative changes to address the climate change and to support the medium term financial plan.

8.7 Many of the proposals are to provide some consistency across the City Council’s car park estate. The main changes are the zoning of City Centre car parks, changing many Zone 1 car parks to Central car parks, this is due to their central location in the city centre. It is also proposed to extend the charging period to later in the evening, to better reflect the continued use of our car parks later into the evening.

8.8 The following proposals are recommended within this report:

- **Change the zoning of a number of City Centre car parks;**
- **Change the ‘Premium’ zone to ‘Central’;**
- **Extend the charge period from 8am - 6pm to 8am - 10pm for all Central and Zone 1 Car Parks**
- **Extend the charge period in car parks located in Topsham from 9am - 5pm to 8am - 6pm;**

	Current Zone	Proposed Zone	Current Charging Period	Proposed Parking Period
Guildhall	Premium	Central	8am – midnight free after 6pm on Thursday evenings	No Change
John Lewis	Premium	Central	8am – 9.45pm free after 6pm on Thursday evenings	No Change
Mary Arches (ground level)	Premium	Central	8am – midnight free after 6pm on Thursday evenings	No Change
Mary Arches (multi-storey)	Premium	Central	8am – midnight free after 6pm on Thursday evenings	No Change
Bampfylde Street	Zone 1	Central	8am – 6pm	8am – 10pm
Bartholomew Terrace	Zone 1	No Change	8am – 6pm Resident permit holders after 6pm	No Change
Harlequins	Zone 1	No Change	8am – 6pm	8am – 10pm

King William	Zone 1	Central	8am – 6pm	8am – 10pm
Leighton Terrace	Zone 1	Central	8am – 6pm	8am – 10pm
Magdalen Road	Zone 1	Central	8am – 6pm	8am – 10pm
Magdalen Street	Zone 1	Central	8am – 6pm	8am – 10pm
Matthews Hall, Topsham	Zone 1	No Change	9am – 5pm	8am – 6pm
Princesshay 2	Zone 1	Central	8am – 6pm	8am – 10pm
Princesshay 3	Zone 1	Central	8am – 6pm	8am – 10pm
Smythen Street	Zone 1	Central	8am – 6pm	8am – 10pm
Belmont Road	Zone 2	No Change	8am – 6pm	No Change
Bystock Terrace	Zone 2	No change	8am – 6pm	No change
Cathedral & Quay	Zone 2	No change	8am – 6pm	No change
Haven Banks One	Zone 2	No change	8am – 6pm	No change
Howell Road	Zone 2	Zone 1	8am – 6pm	8am – 10pm
Parr Street	Zone 2	No change	8am – 6pm	No change
Richmond Road	Zone 2	No Change	8am – 6pm Resident permit holders after 6pm	No change
Topsham Quay	Zone 2	No change	9am – 5pm	8am – 6pm
Triangle	Zone 2	Zone 1	8am – 6pm	8am – 10pm
Flowerpot Lane	Zone 3	No change	8am – 6pm	No change
Gordons Place	Zone 3	No change	8am – 6pm	No change
Haven Banks Two	Zone 3	No change	8am – 6pm	No change
Haven Banks Three	Zone 3	No change	8am – 6pm	No change
Holman Way, Topsham	Zone 3	No change	9am – 5pm	8am – 6pm
Okehampton Street	Zone 3	No change	8am – 6pm	No change
Station Road	Zone 3	No change	8am – 6pm	No change
Tappers Close, Topsham	Zone 3	No change	9am – 5pm	8am – 6pm
Bromhams Farm	Zone 3	No change	8am – 6pm	No change
Turf	Zone 3	No change	8am – 6pm	No change

- **Increase the fee to purchase a seasonal parking permit**
- **Increase the range of seasonal parking permits to include 2 months, 6 months and 12 months**
- **Increase the number of city centre car parks that accept a seasonal parking permit.**

	Current Price	Proposed Price
	Based on a 75% discount on Zone 2, M-S	Based on a 60% discount on Central, M-S
Month	£125	£201
Two Months	£250	£403
3 Month	£375	£604
6 Month	£750	£1,209
12 Month	£1,500	£2,419

Seasonal Parking permit currently available	Seasonal Parking permit proposed available
Belmont Road	Belmont Road
Bystock Terrace	Bystock Terrace
Cathedral & Quay	Cathedral & Quay
Haven Road	Haven Road
Howell Road	Howell Road
Parr Street	Parr Street
Triangle	Triangle
Magdalen Road (M-F only)	Magdalen Road (M-F only)
Richmond Road	Richmond Road
	Bampfylde Street
	King William Street
	Leighton Terrace
	Magdalen Street
	Princesshay 2 (Pay & Display bays only)
	Princesshay 3 (Pay & Display bays only)
	Smythen Street

- **For EXISTING permit holders, increase the fee to purchase a discounted business and residential parking permit for the next 4 years;**
- **For NEW permit holders, the cost to purchase will be:**
 - **Business Bartholomew Terrace - £650**
 - **Business Cathedral & Quay - £1,150**
 - **Residential - £350**

	Current	2023/24	2024/25	2025/26	2026/27
Business (Annual Season Ticket Bartholomew Terrace)	£250	£350	£450	£550	£650
Business (Annual Season Ticket) Cathedral & Quay	£750	£850	£950	£1,050	£1,150
Residential (Annual Season Ticket)	£150	£200	£250	£300	£350

- **To charge for events held in City Council car parks;**

Charge for events held in ECC Car Parks, for either the whole car park or individual bays. Adopt City Council policy in charging for events held on ECC owned land.

- **Introduce a fee for the electricity used through Electric Vehicle charge points in City Council car parks;**

Charge customers when charging electric vehicles using City Council charge points in electric vehicle charging bays, to include Electric Vehicle charge points at the rear of the Civic Centre. The City Council currently pays a tariff of £0.25 per kwh for our 22kw and 7kw chargers.

Current Price	Proposed Price
£0.00 per kwh	£0.44 per kwh

- **Charge the owners of electric vehicles that qualify for a residential parking permit**

For those that own and electric vehicle and purchase a residential parking permit, charge for a parking permit.

- **From the additional income achieved, £72,000 is set aside for maintenance and improvements to city centre car parks.**

Many of our car parks suffer from severe ASB, it is proposed to earmark £72,000 from the income raised to address the look and feel of city centre car parks to reduce ASB, so the City Council can provide a premium service.

Some of the income will also be used on reducing carbon emissions through the car park estate.

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

9.1 The recommendations within this report, support a number of 2022 Corporate Priorities:

- **Healthy & Active City:** nudging those that are able to, commute into Exeter via active sustainable travel means
- **Net Zero Carbon City:** changes in tariffs, nudging customers to park outside of the immediate city centre and to travel into the city by alternative means (bus, train or active travel)
- **A Balanced Budget:** car park income enables the City Council to deliver a wide range of services for residents, businesses and visitors to the city

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

10.1 It is widely recognised that the City Council relies heavily on car park income in order to fund many services across the city, which supports the delivery of the City Council's Corporate Plan. From the recommendations within this report, the number of vehicles using City Council car parks may reduce overtime.

- 10.2 Medium to long term consideration needs to be given as to how to replace a potential reduction in car park income, by utilising underutilised car park to generate other revenue streams. This is the focus of the merging car park strategy.
- 10.3 There is a potential that customers of City Centre car parks opt not to pay for parking on some of the days they park. The car park team will put a greater focus on parking enforcement to reduce that risk.
- 10.4 There is the potential for users of the electric Vehicle charging points, opt to charge their electric vehicles at home or elsewhere. Once we start to charge, a communications plan needs to be put in place to promote the benefits of destination charging.

11. Equality Act 2010 (The Act)

- 11.1 In recommending proposals within this report, potential impacts have been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.
- 11.2 Changes to city centre zoning and an increase in the cost to buy a parking permit may have a negative impact on those working in the city centre. This may have a detrimental impact on affordability for young people working in entry-level positions, in sectors such as retail, hospitality and the social care in the city centre.
- 11.3 Changes to extending the charging period to 10pm may impact those who attend religious evening services within city centre.

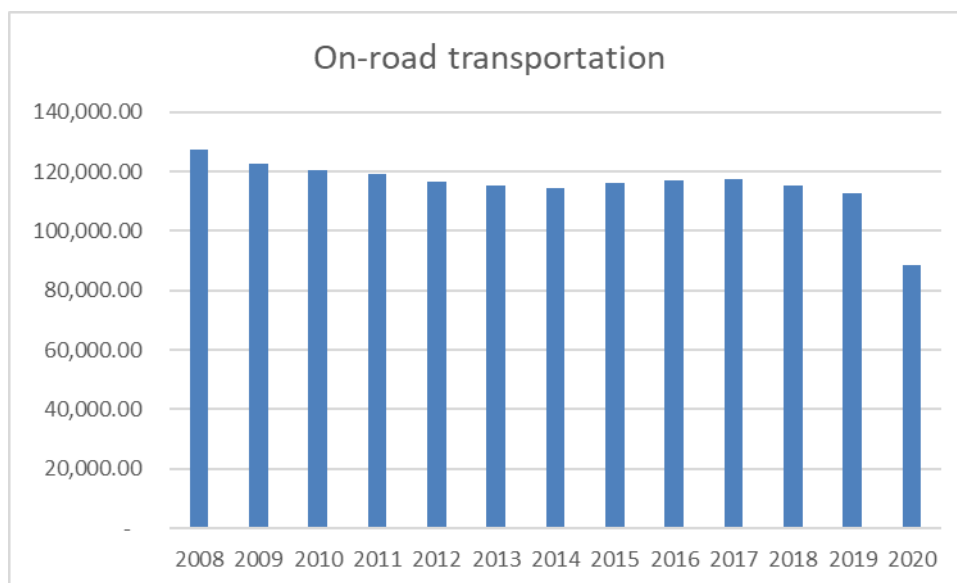
12. Carbon Footprint (Environmental) Implications:

- 12.1 As in previous years, there is the expectation the number of people parking in City Council car parks will reduce, as commuters' transition to more sustainable forms of transport. The table below shows the total number of car park tickets sold across the whole estate, regardless of how they pay – cash, credit card or pay by phone. Income levels have been maintained, whilst the number of car park tickets sold has reduced – an aspiration of previous tariff changes. During 2020 and 2021 covid restrictions were in place, with employees working from home and shopping locally or online; which resulted in reduced use of City Council car parks.

Total number of car park tickets sold	2022	2021	2020	2019	2018	2017
	1,984,058	1,560,071	1,212,392	2,254,431	2,403,162	2,581,781

- 12.2 The chart below shows the latest available data (January 2023) on carbon emissions (output t CO₂e) for the City of Exeter for on-road transportation, as a whole. The dramatic drop in 2020 aligns with national covid restrictions and tally's with the data above. There is an expectation that there will be a bounce back for 2021 and 2022,

as covid restrictions were removed. Train strikes and challenges within the local bus network may impact on the on-road transportation emissions, as well as the number of people using City Council car parks.



2020 Devon Greenhouse Gas Inventory for SWEEG – Centre for Energy & the Environment, University of Exeter

12.3 From the £100,000 income set aside for maintenance and improvements, this will be focused on improving the look and feel of car parks located within the Central Zone to reduce anti-social behaviour, as well as reducing carbon emissions from the car park service – such as improved lighting and additional EV charge points.

12.4 The Road Map to a carbon neutral Exeter recognises that we have to reduce the dominance of cars. The document states “To achieve a modal shift away from high-carbon forms of transport it is vital to implement options that are cheaper, quicker and more convenient than private car ownership. It recognises that a Net Zero Exeter will have cleaner, more efficient public transport and reduced dominance of cars in the city centre, making more attractive public spaces.” It further recognises the city centre will need to be free from non-essential motorised vehicles, providing vibrant public spaces and freeing up land currently used for driving and parking.

12.5 The parking tariff structure and the availability of car parking is an important lever in moving to a carbon neutral city. The emerging Car Park Strategy will address the need to balance the availability of car parking to support a vibrant city centre economy and business community, whilst supporting City Council strategic priorities and tackling congestion.

13. Are there any other options?

13.1 There is the option of not making any changes to the car park estate, which would result in other services having to make changes to achieve additional income or reduce service delivery.

Director for Net Zero Exeter & City Management, David Bartram

Author: Victoria Hatfield, Service Lead Net Zero & Business

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

Background papers used in compiling this report:-

None

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Equality Impact Assessment: *Parking Tariffs 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 7 February 2023	Parking Tariffs 2023	Change the zoning of a number of City Centre car parks; Change the 'Premium' zone to 'Central' Extend the charge period from	Age: Changes to city centre zoning and an increase in the cost to buy a parking permit may have a negative impact on those working in the city centre. Those working in entry-level positions may not be

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
		<p>8am - 6pm to 8am - 10pm for all Central and Zone 1 Car Parks, and for Car parks located in Topsham from 9am - 5pm to 8</p> <p>Increase the fee to purchase a seasonal parking permit and increase the number of city centre car parks that accept a seasonal parking permit;</p> <p>Increase the fee to purchase a discounted business and residential parking permit;</p> <p>To charge for events held in City Council car parks;</p> <p>Introduce a fee for the electricity used through Electric Vehicle charge points in City Council car parks;</p> <p>Charge electric vehicles for residential parking permits;</p> <p>From the additional income achieved, £100,000 is set aside for maintenance and improvements to city centre car</p>	<p>able to afford to park in the city centre.</p> <p>Religion & Belief: Changes to extending the charging period to 10pm may impact those who attend religious evening services within city centre.</p>

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
		parks, as well as carbon reduction measures.	

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

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

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

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

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	N/A	Low	Changes to city centre zoning and parking permits does not have an impact on this particular protected characteristic
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.	N/A	Low	Changes to city centre zoning and parking permits does not have an impact on this particular protected characteristic
Sex/Gender	N/A	Low	Changes to city centre zoning and parking permits does not have an impact on this particular protected characteristic
Gender reassignment	N/A	Low	Changes to city centre zoning and parking permits does not have an impact on this particular protected characteristic

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	N/A	Low	Changes to extending the charging period to 10pm may impact those who attend religious evening services within city centre.
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	N/A	Low	Changes to city centre zoning and parking permits does not have an impact on this particular protected characteristic
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).	Negative	Medium	Changes to city centre zoning and an increase in the cost to buy a parking permit may have a negative impact on those working in the city centre. Those working in entry-level positions may not be able to afford to park in the city centre.
Pregnancy and maternity including new and breast feeding mothers	N/A	Low	Changes to city centre zoning and parking permits does not have an impact on this particular protected characteristic
Marriage and civil partnership status	N/A	Low	Changes to city centre zoning and parking permits does not have an impact on this particular protected characteristic

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

Work with particular sectors and businesses located within the city centre to highlight Seasonal Parking Permits to businesses and employees, that there is a more affordable option, rather than buying a daily parking ticket.

Inform places of worship located within the city centre the extension on the parking period within the city centre.

When updating notice boards within car parks, highlight what parking fees pay for across the City Council.

Officer: Victoria Hatfield

Date: 6 January 2023

REPORT TO EXECUTIVE

Date of Meeting: 7th February 2023

REPORT TO COUNCIL

Date of Meeting: 21st February 2023

Report of: Deputy Chief Executive

Title: One Exeter – Cost Reduction Proposals

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

- 1.1 The One Exeter work programme aims to deliver a fit for purpose organisation and meet the requirements of the Medium Term Financial Plan (MTFP). It was initially agreed by Executive in February 2021.
- 1.2 This report provides Executive and Council with a summary of the key proposals to reduce costs across the council in 2023/24. The proposals have been informed by:
 - a detailed review of the Discretionary Services currently provided by the council,
 - an initial Service Review of all service operations provided by the council to identify opportunities to reduce service costs whilst still maintaining effective and efficient service delivery
 - additional proposals submitted by the Strategic Management Board to reduce costs and deliver a balanced budget in 2023/24
- 1.3 Alongside the proposals to reduce costs, the report also sets out the impacts on staff arising from the proposed changes.

2. Recommendations:

That Executive recommends to Council:

- 2.1 To support the initial Organisational Change Business Case proposals set out in Appendix A as a Part 2 item. This is because the report contains personal information from which some members of staff can be identified; and
- 2.2 To agree the cost reduction proposals set out in paragraphs 8.4 to 8.8 and detailed in Appendix B.

3. Reasons for the recommendation:

- 3.1 To ensure a structured and coordinated approach to delivering the cost reductions identified in the Medium Term Financial Plan for 2023/24.

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

- 4.1 The implementation of such wide-reaching change initiatives will mean a shift away from business as usual for the Human Resources (HR) team to interventions which are change related. This means that the “normal” HR service provision will be disrupted, leading to the potential for a change to (reduction) the services delivered by, and a slowing down of responses from, members of the HR Team.
- 4.2 There is likely to be increased pressure on services as they implement the proposals set out in this report, and the wider One Exeter programme. Some individuals may need to pick up additional work as the headcount across the organisation reduces and existing levels of service may reduce. Those staff taking on additional responsibilities may need additional training and support and potentially, an increase in pay. An investment is likely to be required in the workforce that stays.
- 4.3 The Accountants will work closely with Service Leads to monitor delivery of the proposed cost reductions and provide early warning if the anticipated cost reductions are unlikely to be realised. This will be an additional responsibility for the Accountants.

5. Section 151 Officer comments:

- 5.1 The proposals set out in the report align with the budget report on the agenda. The work undertaken has been significant and has delivered what was required to present proposals for a balanced budget in 2023-24. Members should read the two reports together to get a rounded view of the proposals put forward. Any amendments to the proposals would require members to identify how they plan to fund that in the budget to be set on 21 February

6. What are the legal aspects?

- 6.1 The legal aspects are set out in the Organisational Change Business Case proposals set out in Appendix A as a Part 2 item.
- 6.3 As part of the consultation process, where staff at risk propose alternatives that are reasonable, implementable and deliver the same financial savings required by the business case, these will, of course, be given serious consideration.

7. Monitoring Officer’s comments:

The contents of this report raise no issues for the Monitoring Officer as due process has been followed.

8. Background

- 8.1 When the MTFP was presented to Executive in February 2022, the funding gap identified was £6.6m. However, over the last year, this position has changed due

to inflationary pressures causing higher wages and energy costs, together with higher interest rates. As a result of this, the funding gap identified over the life of the MTFP has increased and is now showing a funding gap of £9.675m. Expressed as a percentage figure this amounts to around 18% of the Council's general fund operating budget. As a direct result of in year increases in energy price, rising interest rates and the national cost of living crisis, the MTFP identifies increased funding gaps of £3.095m in 23/24 £2.236m in 24/25, £2.450m in 25/26 and £1.8m in 2026/27.

8.2 In order to meet the funding gap, the Council has undertaken a number of actions to identify proposals to reduce costs over the life of the MTFP with an immediate focus on 2023/24. These proposals have been informed by:

- a detailed review of the Discretionary Services currently provided by the council,
- an initial Service Review of all service operations provided by the council to identify opportunities to reduce service costs whilst still maintaining effective and efficient service delivery
- additional proposals submitted by the Strategic Management Board to reduce costs and deliver a balanced budget in 2023/24

8.3 A summary of the outcomes of this work is set out in the next part of this report.

Review of Discretionary Services

8.4 The review of Discretionary Services has identified a proposed overall cost reduction of £745,160. The majority of these cost reductions will come through a merger of the Communications, Tourism and Marketing Team and the removal of part of the budget to fund NPO organisations. Additional proposed cost reductions have been identified by funding the skills function and Building Greater Exeter with UKSPF funding instead of the General Fund. A full breakdown of the proposed cost reductions can be found in Appendix B, Table 1.

Service Reviews

8.5 The cost reduction proposals identified by the Service Reviews can be grouped into five themes:

8.5.1 **Low Impact** – these are proposals that will have a low impact on service delivery and will include the removal of underused budgets, not procuring three food waste vehicles following the rationalisation of rounds and the removal of some vacant posts.

8.5.2 **Capitalisation** – these are proposals to fund some services by the capital budget rather than the general fund.

8.5.3 **Service Changes** – this proposal relates to a review of the street cleansing service. In addition, and in line with the council's ambition to re-

wild the city, it is also proposed to reduce the grass maintenance provision in the city.

8.5.4 **Impact on other services** – this proposal relates to the Housing Benefit Overpayment Collection service moving from Payments and Collections to Housing benefits. It is also proposed that the budget for Corporate Property admin support is removed

8.5.5 **Reliance on Income** – these are proposals to increase income generation. The highest proportion of the proposed income comes from a review of the charges for car park season tickets.

8.6 A full breakdown of the cost reductions proposals can be found in Appendix B, Table 2.

SMB and other proposals

8.7 In order to meet the budget shortfall identified for 2023/24, the Strategic Management Board have identified a number of additional proposals to deliver the required cost reductions. These are detailed below:

8.7.1 **Review of car parking** – it is proposed to re-zone some of the car parks located in or near that city centre so that their charges are all the same. It is also proposed to extend the hours that the council charges for car parking to include evenings and night time.

8.7.2 **Reduction of Management Costs** – it is accepted that there will be an organisational restructure and the Local Government Association (LGA) has been instructed to assist with this work.

8.7.3 **Active and Healthy People** – it is proposed that the Sport England Programme Lead is funded by Sport England for three years

8.7.4 **Corporate Property** – it is proposed that the additional income from Guildhall Shopping Centre is used to cover additional borrowing costs.

8.7.5 **Non statutory fees and charges** – it is proposed that non statutory fees and charges are increased by 10% in line with inflation. This proposal excludes cemeteries (5% increase)

8.7.6 **Strata Data Centre Costs** – it is proposed to charge East Devon District Council and Teignbridge District Council for a proportionate share of the energy costs of the Data Centre.

8.7.7 **Support Services** – it is proposed to reallocate appropriate costs to self-financing services

8.7.8 **Leisure Restructure** – it is proposed to restructure the Leisure Service and business case is currently being prepared which will be shared with the Strategic Management Board.

A full breakdown of the proposed cost reductions can be found in Appendix B, Table 2.

Summary of proposed cost reductions

8.8 A summary of the proposed cost reductions can be found in the table below.

Theme	Amount (£)
Discretionary Services	745,160
Service Reviews:	
Low Impact	495,075
Capitalisation	102,250
Service Reduction	184,755
Impact on other services	38,864
Reliance on income	283,141
SMB and Other	2,096,288
TOTAL	£3,945,533

Impact on staff

8.9 The proposals outlined in this report will have an inevitable impact on staff and service delivery. A large proportion of the general fund is made up of staff costs and accordingly, this is where a proportion of the cost reductions are proposed to be made.

8.10 This may mean that a number of staff will be put at risk of redundancy and some staffing structures are revised. An Organisational Change Business Case, setting out these proposals, has been agreed by SMB. Consultation with staff that may be impacted by the proposals has already commenced. The Organisational Change Business Case agreed by SMB is set out in Appendix A as a part 2 item.

8.11 In addition to the above, it is also proposed that 22.3 vacant posts are not filled. The removal of these posts will not place any staff at risk or require a revision to staffing structures and therefore are not contained within the Organisational Change Business Case. The spread of the posts can be seen in the table below:

Service	Number of posts
City Development	2
EH and Licensing	1
Legal	2
Parks and Open Spaces	1
Democratic and Civic Support	2
Net Zero and Business	1 (temporary contract)
Revenues and Benefits	3
RAMM	1
Leisure	9.33
TOTAL VACANT POST DELETIONS	22.3

8.12 In addition to the vacant post deletions, it has been agreed to grant three staff voluntary redundancy and the roles will not be filled. A fourth is being considered.

8.13 As noted earlier in this report, there is likely to be increased pressure on services as they implement the proposals set out in this report, particularly as the size of some services reduce. The shift to online delivery and a 'single front door' will, to some extent, help to mitigate the impact over the longer term by enabling services to operate more efficiently.

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

9.1 If approved, the proposals outlined in this report will contribute to the council's priority of delivering a well-run council.

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

10.1 As part of the service review process, Service Leads were asked to consider the exiting or emerging barriers or risks that may prevent them from achieving their proposed cost reductions.

10.2 Most of the risks and barriers identified were service specific and will be managed at an operational level. However, at a strategic level, the following risks have been identified:

Risk	Current Risk Assessment			Owner	Mitigated	Mitigation Actions
	Likelihood	Impact	Score			
Savings proposals are not approved by Council	3	4	12	Sponsor/ Director Finance	8	<ul style="list-style-type: none"> SMB have engaged with Members throughout the budget setting process
Savings proposals are not delivered	3	4	12	CX/Sponsor	8	<ul style="list-style-type: none"> Robustness of the proposals has been verified by SMB, Service Leads and Accountants Accountants will meet regularly with Service Leads to check that proposed cost reductions will be met. If predicted cost reduction cannot be met, Members will be advised
Reduced service due to need to reduce council's budget	4	4	16	CX/Sponsor	9	<ul style="list-style-type: none"> Development and delivery of Customer Strategy to create 'single front door' to reduce strain on services Undertake review of cross cutting functions to identify opportunities for improvement and efficiencies

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 these proposals, a potential impact has been identified on people with protected characteristics who use the council's car parks. An EQIA is attached at Appendix C.

11.5 In relation to the other proposals, no potential impact has been identified on people with protected characteristics as determined by the Act because the proposals do not reduce or change services to the extent that they will impact on any individuals including those with protected characteristics.

12. Carbon Footprint (Environmental) Implications:

12.1 Some proposals are likely to have an impact on the Council's carbon footprint as set out below.

Proposal	Impact on carbon footprint
Not procuring 3 food waste vehicles following rationalisation of rounds	Positive impact - less emissions being released into the environment and less fuel use
Reduction in grass maintenance provision	Positive impact - the reduction in grass maintenance will enable the council to re-wild parts of the city.

13. Are there any other options?

13.1 Should any of the proposals put forward by this report be rejected, alternative options to achieve the identified cost reductions will need to be identified. This will require a further review of the work and services delivered by the council and will need to be undertaken as a matter of urgency.

Deputy Chief Executive, Bindu Arjoon

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

Background papers used in compiling this report:-

None

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

ONE EXETER – COST REDUCTION PROPOSALS

TABLE 1: Proposals identified by Review of Discretionary Services

Discretionary Service		£
PA TEAM	Remove 2 vacant posts / merge with LM support	43,210
GUILDHALL CHAMBERS	Reduce Mace Sergeants (reduction of 60%)	18,000
GREEN ACCORD	Additional income from Green Accord scheme	3,000
NET ZERO & BUSINESS ADMIN	Removal of small budgets	1,400
BUSINESS PROJECTS	Removal of skills function and budgets – replaced by Management of UKSPF project for three years Building Greater Exeter – funded from UKSPF (2 years)	83,740
COMMERCIALISATION	Removal of temporary post.	54,700
HIGHWAYS	Removal of budget paying DCC for improved maintenance	34,450
ARTS & EVENTS	Removal of part of budget to fund other NPO organisations	100,000
EXETER CORN EXCHANGE	Design events programme to achieve break even	35,660
COMMUNICATIONS & MARKETING TOURISM	Merge Tourism, Communications and Marketing.	(17,000)
	Add in Contribution to Visit Exeter (£17,000)	
	Delete all Tourism Supplies & Services budgets	62,000
	Remove 2 posts	68,000
	Add income budget for advertising	125,000
	Remove core non staff budgets	44,000
	Transfer Tourism Marketing Officer to Visit Exeter	30,000
	Recharge for services provided to HRA & ECL	<u>59,000</u>
	371,000	
		745,160

ONE EXETER – COST REDUCTION PROPOSALS**TABLE 2: Service Review Proposals**

Service	LOW IMPACT	£
Executive Support	<ul style="list-style-type: none"> • Terminate subscription for Exeter Data Mill • Reduce public transport budget 	10,250
Public & Green Spaces	<ul style="list-style-type: none"> • Technical support reduction – removal of vacant post • Facilities, 85% reduction travellers and campers costs (duplicate budget) • Arboriculture sub-contractor cost reductions, 8% reduction in sub-contractor costs based on annual spend analysis 	55,758
Recycling & Fleet	<ul style="list-style-type: none"> • Not procuring 3 food waste vehicles following rationalisation of rounds - saving in fleet hire costs, leaving 5 vehicles – only 5 required for full roll out 	90,000
	<ul style="list-style-type: none"> • Revenue saving from capitalising of lease costs (maintenance and interest charges) from 3 existing food waste vehicles 	20,493
Democratic & Civic Support	<ul style="list-style-type: none"> • Stop undertaking empty property canvass • Recharges to self-financing services to cover meetings; Taxi Forum and Council Housing Advisory Board • Remove vending machines in the Civic Centre • Smooth Elections budget to reflect variable cost over 4 years 	2,800 3,750 2,600 48,750
Revenues, Benefits and Customer Access	<ul style="list-style-type: none"> • 1 x post has already accepted Voluntary redundancy -- post soon to be vacant 	13,300
Corporate Property	<ul style="list-style-type: none"> • Estates additional fees; EBC and ECQT 	8,000
	<ul style="list-style-type: none"> • New rental income stream from acquisition of 83 Fore Street 	45,500
Exchequer and Accountancy	<ul style="list-style-type: none"> • Minor budget reductions (stationery, public transport, seminar costs) 	2,250
	<ul style="list-style-type: none"> • Financial support service costs to be met from Guildhall Shopping Centre surplus that would otherwise be for capital purposes 	27,550
	<ul style="list-style-type: none"> • Reinstate 0.60 FTE Finance Technician (deleted in 2022/23 budget cycle) 	(19,596)
Housing Needs and Homelessness	<ul style="list-style-type: none"> • Reduction in Housing Options budgets, including Sanctuary scheme and storage and removals • Sanctuary scheme unused since police withdrew specific DV officer post (£3k) and reduce storage & removals to better match eligible need (£2.5k) 	5,500

ONE EXETER – COST REDUCTION PROPOSALS

Service	LOW IMPACT	£
Housing Needs and Homelessness	<ul style="list-style-type: none"> Reduction in Temporary Accommodation budgets, various budget headings relating to Glencoe, Haven, Queens Rd – better match patterns of spend 	23,500
City Development	<ul style="list-style-type: none"> Delete vacant post Delete part-time post Create Enforcement Officer post Utilise Planning uplift income, through reduction in budget for miscellaneous expenditure to meet cost of Enforcement Officer post 	35,466
	<ul style="list-style-type: none"> Reduction on other expenses budget Increase Service Lead salary allocation to Land Charges from 10% to 25% Minor budget reductions (public transport, equipment & mobile phones) Cancel subscriptions Reduce underused stationery budget 	41,909
Legal	<ul style="list-style-type: none"> Remove 2 x vacant posts Change in Property Lawyer role (increase hours) Change in Litigation Lawyer role (increase hours) 	18,000
	<ul style="list-style-type: none"> Minor budget reductions (car mileage, mobile phones and Hays DX) 	3,094
Environmental Health and Community Safety	<ul style="list-style-type: none"> Noise recharge to HRA for assistance with cases/contribution to equipment maintenance 	2,500
	<ul style="list-style-type: none"> Deletion of vacant post 	26,692
	<ul style="list-style-type: none"> Re designation of Technician role 	7,009
	<ul style="list-style-type: none"> Salary realignment following changes in duties of staff to licence related income work 	20,000
		495,075
Service	CAPITALISE	£
Public and Green Spaces	<ul style="list-style-type: none"> Engineering pay capitalisation (20%) 	36,750
Corporate Property	<ul style="list-style-type: none"> Assets restructure 	65,500
		102,250

ONE EXETER – COST REDUCTION PROPOSALS

Service	SERVICE CHANGES	£
Public and Green Spaces	<ul style="list-style-type: none"> Play area sub-contractor budget reductions, removal of 35% of sub-contractor budget will result in play offering minimal remedial maintenance only. Site development and equipment replacement costs will be capital or S106 dependent 	34,000
	<ul style="list-style-type: none"> Reduce grass maintenance provision, reduction of 2 vacant posts 	48,900
	<ul style="list-style-type: none"> Street Cleansing redesign 	101,855
		184,755
Service	ADDITIONAL LOW IMPACT	£
Revenues, Benefits and Customer Access	<ul style="list-style-type: none"> Move HB Overpayment Collection back to Benefits. Restructure; Delete 3 vacant posts, regrade 1 post and create 2 x technical posts 	27,314
Corporate Property	<ul style="list-style-type: none"> Estates admin support; remove Administration Support budget (hours reduced but budget still available) 	11,550
		38,864
Service	RELIANCE ON INCOME	£
Housing Needs and Homelessness	<ul style="list-style-type: none"> 0.30 FTE Housing Casework officer vacancy to be funded by Homeless Prevention Grant (50% of 0.60 FTE) 	12,849
Markets & Halls and Visitor Facilities	<ul style="list-style-type: none"> Additional income at Matford Centre 	8,500
Legal	<ul style="list-style-type: none"> Reduce agency from £66k to £61k budget used to perform work for recharging to third parties (ECL), whilst maintaining income at £87k 	5,000
Environmental Health and Community Safety	<ul style="list-style-type: none"> Energy Company Obligation (ECO) income from declarations 	15,000

ONE EXETER – COST REDUCTION PROPOSALS

Service	RELIANCE ON INCOME	£
Net Zero and Business	<ul style="list-style-type: none"> Reduce discount for standard price season ticket 	137,343
	<ul style="list-style-type: none"> Cease discounted season parking business permit 	71,268
	<ul style="list-style-type: none"> Review the use of events being held in car parks, currently provided FOC and no policy 	5,000
	<ul style="list-style-type: none"> Charge for the electricity used by EV in public car parks at 44p pkwh 	28,181
		283,141

TABLE 3: OTHER PROPOSALS

Service		£
MANAGEMENT TEAM REDUCTIONS	<ul style="list-style-type: none"> Initial reductions in the top levels of management within the Council 	269,000
	<ul style="list-style-type: none"> Maintain a budget for support with elections 	(20,000)
RAMM	<ul style="list-style-type: none"> Removal of one post (Vacant) 	17,000
ACTIVE & HEALTHY STAFF COSTS	<ul style="list-style-type: none"> Sport England to fund Programme Lead post (3 years) 	82,600
CORPORATE PROPERTY	<ul style="list-style-type: none"> Additional Guildhall income added to cover additional borrowing costs 	296,000
STRATA DATA CENTRE COSTS	<ul style="list-style-type: none"> Charge East Devon & Teignbridge for a proportionate share of the energy costs 	56,688
CAR PARK INCOME	<ul style="list-style-type: none"> Rezoning Car Parks, Evening and night time parking charge 	872,030
	<ul style="list-style-type: none"> Potential budget to improve car parks 	(72,030)
NON STATUTORY FEES & CHARGES	<ul style="list-style-type: none"> 10% increase in line with inflation (except Cemeteries - increase 5%) 	372,000
SUPPORT SERVICES	<ul style="list-style-type: none"> Re-allocation of costs to self-financing Services 	80,000
LEISURE	<ul style="list-style-type: none"> Leisure Restructure 	143,000
		2,096,288

ONE EXETER – COST REDUCTION PROPOSALS



Equality Impact Assessment: One Exeter – Cost Reduction Proposals *Parking Tariffs 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 7 February 2023	Parking Tariffs 2023	Change the zoning of a number of City Centre car parks; Extend the charge period from 8am - 6pm to 8am - 10pm for all Premium and Zone 1 Car Parks, and for Car parks located in	Age: Changes to city centre zoning and an increase in the cost to buy a parking permit may have a negative impact on those working in the city centre. Those working in entry-level positions may not be

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
		<p>Topsham from 9am - 5pm to 8</p> <p>Increase the fee to purchase a seasonal parking permit and increase the number of city centre car parks that accept a seasonal parking permit;</p> <p>Increase the fee to purchase a discounted business and residential parking permit;</p> <p>To charge for events held in City Council car parks;</p> <p>Introduce a fee for the electricity used through Electric Vehicle charge points in City Council car parks;</p> <p>Charge electric vehicles for residential parking permits;</p> <p>From the additional income achieved, £100,000 is set aside for maintenance and improvements to city centre car parks, as well as carbon reduction measures.</p>	<p>able to afford to park in the city centre.</p> <p>Religion & Belief: Changes to extending the charging period to 10pm may impact those who attend religious evening services within city centre.</p>

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).	N/A	Low	Changes to city centre zoning and parking permits does not have an impact on this particular protected characteristic
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.	N/A	Low	Changes to city centre zoning and parking permits does not have an impact on this particular protected characteristic
Sex/Gender	N/A	Low	Changes to city centre zoning and parking permits does not have an impact on this particular protected characteristic
Gender reassignment	N/A	Low	Changes to city centre zoning and parking permits does not have an impact on this particular protected characteristic
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	N/A	Low	Changes to extending the charging period to 10pm may impact those who attend religious evening services within city centre.
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	N/A	Low	Changes to city centre zoning and parking permits does not have an impact on this particular protected characteristic
Age (children and young people aged 0-24; adults aged 25-50; younger	Negative	Medium	Changes to city centre zoning and an increase in the cost to buy a parking permit may have a negative impact on those working in the city

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
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).			centre. Those working in entry-level positions may not be able to afford to park in the city centre.
Pregnancy and maternity including new and breast feeding mothers	N/A	Low	Changes to city centre zoning and parking permits does not have an impact on this particular protected characteristic
Marriage and civil partnership status	N/A	Low	Changes to city centre zoning and parking permits does not have an impact on this particular protected characteristic

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

Work with particular sectors and businesses located within the city centre to highlight Seasonal Parking Permits to businesses and employees, that there is a more affordable option, rather than buying a daily parking ticket.

Inform places of worship located within the city centre the extension on the parking period within the city centre.

When updating notice boards within car parks, highlight what parking fees pay for across the City Council.

Officer: Victoria Hatfield

Date: 6 January 2023

By virtue of paragraph(s) 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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