

EXECUTIVE

Tuesday 6 February 2024

Present:

Councillor Bialyk (Chair)

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

Councillor Jobson (as an opposition group Leader);

Councillor Moore (as an opposition group Leader); and

Councillor M. Mitchell (as an opposition group Leader)

Apologies:

Councillor Foale

Also present:

Chief Executive, Director Corporate Services, Director Finance, Assistant Service Lead – Local Plan, Organisational Transformation Programme Lead and Democratic Services Manager

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MINUTES

The minutes of the meetings held on 9 and 22 January 2024, were taken as read, approved and signed by the Chair as a correct record.

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DECLARATIONS OF INTEREST

No declarations of disclosable pecuniary interests were made.

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QUESTIONS FROM THE PUBLIC UNDER STANDING ORDER NO. 19

No questions from members of the public were received.

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ANNUAL REVIEW OF ONE EXETER PROGRAMME

The Executive received the annual review report of the One Exeter programme and the planned programme of work over the next 12 months in supporting the delivery of a well-run Council. Since the previous report, work had also incorporated organisational improvements to deliver on Member's priorities and respond to recommendations put forward by the LGA as part of their Decision Making and Accountability review.

Particular reference was made to:-

- the various workstreams outlined in the report had been assigned to a specific Strategic Director;
- a new values and behaviours framework had been introduced through collaboration with staff and that reference had been made in the corporate plan;
- work on developing a more collaborative working culture had been undertaken, which the creation of the Extended Leadership Team, consisting of the Strategic Management Board (SMB) and Operational Management Board (OMB) to address cross cutting issues;
- work had been undertaken to identify similar areas of work being conducted across the organisation and whether there were opportunities to do this work differently;

- all staff were invited to attend a meeting with SMB to talk about priorities, values and behaviours, which had been well received;
- Microsoft 365 had been rolled out to staff and work was underway to provide the system for Members; and
- thanks were made to SMB and OMB for their work in bringing the One Exeter initiative forward.

Councillor Moore, as an opposition group leader enquired on the strategic risk relating to the outcome of the change process and the impact on quality of service. She also enquired on the review trigger point to ensure the risk of cuts was reduced.

Councillor M. Mitchell, as an opposition group leader suggested a Members Briefing would be beneficial later in the year and enquired on how the customer and Member relationship fit in.

Councillor Jobson, as an opposition group leader welcomed the report and supported the suggestion of holding a Member Briefing.

Executive Members made the following points:-

- the report and the extensive work undertaken was welcomed,
- the LGA summary of improvements were noted;
- work on how Executive Members collaborated with Directors was underway and would be rolled out at the proper time;
- how were the staff briefings received and what was addressed? and
- how was the issue of administrative support being addressed?

The Chief Executive in responding to questions and points raised by Members advised:-

- the all-staff meetings, were incredibly positive and staff appreciated seeing all of SMB together in one place to engage with them. The questions and responses put to SMB would be made available to Members; and
- work on automation and digitization was being addressed to reduce the level of admin and the cross cutting work would also help to provide understanding of what admin work was being undertaken.

The Leader advised that a Member Briefing would be provided going forward and the detail of the work would be provided.

RECOMMENDED that Council note the progress with the programme.

GENERAL FUND / HRA ESTIMATES AND CAPITAL PROGRAMME 2024/25

The Executive received the report on the General Fund revenue estimates for 2024/25 and also included the proposed Capital Programme for 2024/25 and future years, together with the proposals for the Housing Revenue Account for 2024/25.

Particular reference was made to the following:

- the Council had received an extra £140,000 in the local government final settlement which was not included within this budget;
- the Council tax referendum threshold had been confirmed as less than 3% or £5 for District Council's. For Exeter, the increase was 2.99% or £5.24;

- the new homes bonus had been confirmed at £485,000 and meant that the Council had tipped over £30 million of new homes bonus over the life of that funding;
- the budget for 2024/25 would be balanced, however, work was required to identify further reductions of £5.6 million over the next three years. There were current proposals covering £1.5 million, requiring £4.15 million to be identified;
- the council tax budget recommendation was an increase of £5.24 on a Band D Council tax, equating to £7.04 million of council tax;
- a 2.99% increase for Band D council tax would equate to £180.37;
- the General Fund Capital Programme being proposed for next year was £15 million with a significant carry forward expected, for which approval would be sought for in July 2024, with £168,000 set aside for new IT equipment; and
- the Section 25 statement highlighted that a significant amount of work had been undertaken to address the level of reserves for the general fund and the HRA. A risk assessment process was used to identify risks and why reserves were held.

Councillor Moore, as an opposition group leader enquired about the recommendation for a public consultation on the council budget.

Councillor M. Mitchell, as an opposition group leader expressed concern on the decreasing percentage of income from council tax and its impact in delivering statutory and discretionary services.

An Executive Member commended the report and advised that the Police and Crime Commissioners Panel had set a precept increase of £12.94.

The Director Finance in responding to questions and points raised by Members advised that a comprehensive consultation would be in place for next year.

RECOMMENDED that Council:-

- (1) approve the overall spending proposals in respect of its General Fund and HRA revenue budgets;
- (2) approve the General Fund and HRA Capital Programmes, subject to the identification of sufficient capital receipts to finance the new General Fund Capital bids in respect of IT and that the final decision be delegated to the Director Finance, in consultation with the Leader and Chief Executive.
- (3) in agreeing the recommendations, consider the Section 151 Officer budget assessment in 8.17 of the report.
- (4) approve setting the General Fund minimum Balance at £3.020 million for 2024/25 and the HRA minimum Balance at £3.525 million for 2024/25.
- (5) approve the Council Tax for each Band 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.
- (6) approve the revised Council Tax levels submitted to Council on 20 February 2024, 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.

The Executive received the report which sought approval of the Capital Strategy 2024/25 and to ensure that all elected Members understood the longer-term policy objectives and the resulting Capital Strategy requirements, governance procedures and risk.

Particular reference was made to the change in accounting standards for leases, which were now classed as capital assets and that there was no financial impact to the Council.

Councillor Moore, as an opposition group leader enquired on the criteria and assessment for the review of capital assets.

The Director Finance in responding to a question raised by a Member, advised that there were no planned changes in the capital programme and that officer's assessed the conditions of assets.

RECOMMENDED that Council approve the Capital Strategy as set out in Appendix 1 of the report presented at the meeting.

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**THE PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES
(INCORPORATING THE ANNUAL STATEMENT OF MINIMUM REVENUE
PROVISION)**

The Executive received the report on the proposed 2024/25 Prudential Indicators for capital finance for adoption by the Council and to set the annual statement of Minimum Revenue Provision (MRP), which would be incorporated within the Budget Book for approval at the full Council meeting in-line with statutory requirements.

Particular reference was made to the £1.905 million proposed MRP charge for next year and the total amount of overpayments at the end of the financial year was £0.7 million, which would be used in next year's budget to offset the MRP.

RECOMMENDED that Council approve the adoption of:-

- (1) the Prudential Indicators set out in Appendices A-C of the report presented at the meeting; and
- (2) the Annual Statement of Minimum Revenue Provision for the Council.

27

TREASURY MANAGEMENT STRATEGY REPORT 2024/25

The Executive received the report which sought the adoption of the Treasury Management Strategy Report, which incorporated the Annual Investment Strategy 2024/25, as required under section 15(1)(a) of the Local Government Act 2003.

Particular reference was made to:-

- the £20 million placed with other local authorities and banks, of which, £5 million was placed in the CCLA property fund and £23 million with the money market fund;
- section 3.2 of the strategy highlighted the physical long-term borrowing undertaken through the Public Works Loan Board (PWLB); and
- the net interest the Council expected to pay on the General Fund and the HRA was around £1.4 million each.

Councillor M. Mitchell, as an opposition group leader enquired on the £93 million of general fund capital borrowing and whether it went to a specific service and the definition of a UK owned bank.

Councillor Moore, as an opposition group leader enquired on what advice was received for the recommendation on the climate impact council investment.

The Director Finance in responding to questions raised by Members advised:-

- debt was not assigned to a particular service, however debt for purchased commercial properties was monitored to ensure they were still performing;
- banks, including HSBC were classed as a UK banking service; and
- it was difficult to report on deposits and impacts relating to climate impacts, due to how the financial services had been setup.

RECOMMENDED that Council adopt the Treasury Management Strategy and delegations contained therein.

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HOUSING BENEFIT MODIFIED SCHEME POLICY

The Executive received the report which sought Member's agreement to reaffirm support for the existing locally allowed disregard of certain war pension income within the Housing Benefit means test.

Executive Members commended the report and highlighted the importance of having clarification of the modified scheme policy.

RECOMMENDED that Council approve the proposed Housing Benefit Modified Scheme policy.

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LOCAL COUNCIL TAX SUPPORT SCHEME FOR 2024-25

The Executive received the annual report which sought Member's agreement on the Local Council Tax Support (CTS) scheme for working age residents for 2024-25. Reference was made to the in-principle agreement council tax exemption for care leavers in October 2023 and to conduct a consultation on a proposed change to the local Council Tax Support Scheme.

Particular reference was made to the 44 responses to the consultation, of which 39 were in favour, which included the preceptor bodies.

Executive Members commended the report and welcomed having a formal position with the scheme.

RECOMMENDED that Council approve for the scheme in place for the current year be continued for 2024-25 with the addition of a class of support within the scheme to award 100% council tax support to care leavers looked after by Devon County Council, up to age 25.

30

COUNCIL TAX EMPTY HOMES AND SECOND HOMES PREMIUMS FROM 2024-25

The Executive received the report to re-affirm the agreed recommendations made to Council in February 2023 regarding council tax empty homes and second homes premiums, following Royal Assent being granted to the Levelling-up and Regeneration Act 2023.

Members welcomed the report.

RECOMMENDED that Council:-

(1) implement a 100% premium after one year instead of two years on all dwellings that are unoccupied and substantially unfurnished (empty dwellings) in accordance with section 11B(8) of the Local Government Finance Act 1992 with effect from 1 April 2024 subject to any guidance and regulations issued by the Secretary of State;

(2) disapply the provisions of section 11(2)(a) of the Local Government Finance Act 1992 and to apply the provisions of section 11C of the Local Government Finance Act 1992 in order to impose a 100% premium in addition to the 100% Council Tax payable on all dwellings where there is no resident of the dwelling, and the dwelling is substantially furnished (second homes) with effect from 1 April 2025 subject to any guidance and regulations issued by the Secretary of State

(3) approve and adopt the Empty Homes and Second Homes Premium Policy 2024-25 attached to the report presented at the meeting.

4) grant delegated authority to the Council's Section 151 Officer in consultation with the Portfolio Holder for Council Housing Development and Support Services, to amend the policy in accordance with the Council's requirements or legislative requirements including regulations or guidance issued by the Secretary of State.

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GENDER PAY GAP REPORT

The Executive received the report on the Gender Pay Gap, which was a statutory requirement of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, for local authorities who employed over 250 or more employees to produce gender pay gap information relating to employees. The Act required the Council to report on the criteria outlined in the report and to publish the gender pay report by end of March 2024.

Particular reference was made to:-

- the average rate of pay for females working for Exeter City Council was still higher than of males and that average rate had also decreased since last year;
- there were three times more males in the lower level pay than females; and
- the Office of National Statistics (ONS), showed that the medium hourly pay for full time employees, was 6.7% less for women than for men and could take nearly 28 years to close the national gap between men and women's pay.

Councillor M. Mitchell, as an opposition group leader enquired if information was available in regard to male and female pay for similar levels of work?

An Executive Member enquired on whether the quartile of earnings was similar to the previous year's report.

The Director Corporate Services in responding to questions raised by a Members advised that the JCNC ensured roles were evaluated and compared correctly. The quartile of earnings from the previous year would be looked at for inclusion in future reports.

RECOMMENDED that Council:-

(1) note the findings and observations report as follows:-

- the average rate of pay for females is higher than males across the Council;
- the mean average difference has decreased since last year from 3.91% to 2.91%;

- the median average difference has decreased since last year from 10.42% to 9.71%; and
- that there are nearly three times more males in the lower quartile of earnings than females.

(2) approves the publication of the Gender Pay Gap Report on the Exeter City Council website, and to the centrally held database on gov.uk;

(3) approves the annual review of the report to track the relationship between female and male earnings.

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ANNUAL PAY POLICY STATEMENT 2024/25

The Executive received the report which set out the Council's annual Pay Policy Statement 2024/25 which was a statutory requirement for approval by Full Council each financial year.

Particular reference was made to the report appendix, which would be amended before the next year's review.

RECOMMENDED that Council:-

(1) approve the Pay Policy Report and Appendices for publication in accordance with the legislation.

(2) agree that the £100,000 threshold previously requiring full Council be removed until the legislation referred to in paragraph 3.2 of the report is brought into force in relation to public sector exit payments, and in the meantime, that any payments should demonstrate value for money and be conducive to the effective and efficient operation of the Authority.

(3) agree that the Leader of the Council be informed of any such termination payment made, as soon as possible.

(4) grant delegated authority to the Chief Executive to make necessary amendments to the pay policy statement following any changes in legislation or subsequent increases in pay.

33

REVIEW OF THE ARTICLE 4 DIRECTION

The Executive received the report on the Article 4 Direction, which provided a summary of the comments and outcomes from the notification process undertaken to 'make' a new Direction, as agreed at the Council meeting on 12 December 2023. The report sought approval to 'confirm' the new Direction and to 'make' a further direction to cancel the 2014 Direction with non-immediate effect.

Particular reference was made to there being no changes to the provisions to the amended article four direction and that this was the next stage of the legal process, called the confirmation stage. Once agreed by Council, the next stage would be in notifying interested parties, for implementation in December 2024.

Councillor Moore, as an opposition group leader enquired on what the annual monitoring arrangements were for assessing the impact of the policy.

Councillor M. Mitchell, as an opposition group leader enquired on what monitoring would be undertaken on Wards that were not included in the Article 4 Direction?

Executive Members welcomed the detailed report and thanked officers for the work that had been undertaken.

The Portfolio Holder for City Development commended the report and advised that the consultation data had been used to inform from members of the public on the next stages of the Article 4 Direction and would continue to be monitored.

The Assistant Service Lead – Local Plan in responding to points raised by Members, advised that monitoring of student accommodation would continue and be reported to Members through the working group process and the authority monitoring report.

RECOMMENDED that Council approve:-

(1) the confirmation of the revised Article 4 Direction (including the Article 4 area plan) attached at Appendix A with non-immediate effect, meaning it will come into effect on 23 December 2024;

(2) the making of a Direction (“the Cancellation Direction”) cancelling the existing Article 4 Direction confirmed in 2014 as this area would be covered by the new Article 4 Direction; and

(3) for the Director for City Development to confirm the Cancellation Direction as of 23 December 2024 subject to the consideration of any representations received on the same.

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

RESOLVED that under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 2 of Part 1, Schedule 12A of the Act.

35 **APPLICATION TO JOIN SOUTH WEST AUDIT PARTNERSHIP**

The Executive received the report which sought approval for the Council to apply to join the South West Audit Partnership (SWAP). Moving to join an established Audit Partnership would provide the Council and the small team with immediate access to a range of specialist skills, more up to date audit software and increased resilience to support for delivering the audit plan.

Particular reference was made to the resilience issues in the current team and the limited resources available to them, notably for counter fraud, for which the established company would provide additional support. Staff would be offered the opportunity to transfer, which would include same terms and conditions of employment. Staff would also benefit from additional training to support them in enhancing their skills.

Councillor M. Mitchell, as an opposition group leader enquired on the whether the Council would maintain control of its internal audit, the impact to Members, and the cost for joining the partnership.

An Executive Member enquired on the term broadly cost neutral, despite there being no additional financial implications.

The Director Finance in responding to questions raised by Members advised:-

- that there would be no change to the internal audit which would continue to be reported to the Audit and Governance Committee and may be of a higher quality, using the SWAP audit reporting;
- SWAP would support the development of the team and if required, bring in their own experienced staff; and
- there was no cost to join the partnership.

RECOMMENDED that Council agree to apply to join the South West Audit Partnership from 1 April 2024.

(The meeting commenced at 5.30 pm and closed at 6.53 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 20 February 2024.