

## EXECUTIVE

Date: Tuesday 9 July 2024

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 Manager 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), Allcock, Asvachin, Foale, Vizard, Williams, R 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 4 June 2024.

(Pages 5 -  
10)

#### 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

items 17 to 19 on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 and 4 of Part I, 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 Democratic Services Manager 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 Review of the Corporate Risk Register**

To consider the report of the Director Finance. (Pages 11 - 22)

**7 Overview of General Fund Revenue Budget 2023/24 - Quarter 4**

To consider the report of the Director Finance. (Pages 23 - 48)

**8 General Fund Capital Monitoring 2023/24 and Revised Capital Programme for 2024/25 and Future Years**

To consider the report of the Director Finance. (Pages 49 - 66)

**9 2023/24 HRA Budget Monitoring Report - Outturn**

To consider the report of the Director Finance. (Pages 67 - 88)

**10 Treasury Management 2023/24**

To consider the report of the Director Finance. (Pages 89 - 98)

**11 Parking Tariffs 2024**

To consider the report of Director Net Zero Exeter & City Management. (Pages 99 - 134)

**12 InExeter Business Improvement District Business Plan 2025 - 2030**

To consider the report of the Director Net Zero Exeter & City Management. (Pages 135 - 160)

**13 Liveable Water Lane: Development Framework and Design Code Supplementary Planning Document**

To consider the report the Director City Development. (Pages 161 - 176)

14 **Productivity Plan**

To consider the report of the Director (JY).

(Pages  
177 - 192)

15 **King George V Playing Fields**

To consider the report of the Director Finance.

(Pages  
193 - 210)

**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.

16 **Land at Pendragon Road**

To consider the report of the Director Finance.

(Pages  
211 - 220)

17 **Relocation of the Green Space Team and Disposal of the Existing Green Space Depot at Belle Isle**

To consider the report of the Director Finance.

(Pages  
221 - 284)

18 **Disposal of land at Grace Road Fields for the facilitation of the Low Carbon Exeter District Heat Network**

To consider the report of the Director Finance.

(Pages  
285 - 330)

**Date of Next Meeting**

The next scheduled meeting of the Executive will be held on **Tuesday 3 September 2024** 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 4 June 2024

Present:

Councillor Bialyk (Chair)

Councillors Wright, Allcock, Asvachin, Foale, Vizard, Williams, R and Wood

Also present:

Councillor Jobson (as an opposition group Leader);

Councillor Moore (as an opposition group Leader); and

Councillor M. Mitchell (as an opposition group Leader).

Also present:

Director Net Zero Exeter & City Management, Director of City Development, Director Finance, Service Lead Legal Services and Democratic Services Manager

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### AGENDA UPDATE

The Leader advised that items 7, 10, 11 and 12 (Minute No's 62, 65, 66 and 67) were deferred to the next Executive Committee meeting scheduled for the 9 July 2024.

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### MINUTES

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

59

### DECLARATIONS OF INTEREST

No declarations of disclosable pecuniary interests were made.

60

### QUESTIONS FROM THE PUBLIC UNDER STANDING ORDER NO. 19

No questions from members of the public were received.

61

### LOCAL AUTHORITY HOUSING FUND (LAHF) ROUND 3 FUNDING

The Executive received the report on the Local Authority Housing Fund (LAHF) round 3, in which the Council had been invited to bid for a national £450 million of funding to deliver high-quality temporary accommodation for homeless families and to provide housing to those on the Afghan Citizens Resettlement Scheme (ACRS).

Particular reference was made to:-

- the housing of seven families under rounds one and two, with a further number of families waiting to move;
- the Council had been allocated nearly £600,000 to purchase four more homes and was using a matching process for the third round of funding;
- the Council would need to contribute a further £297,000, as part of the grant fund agreement and it was recommended that uncommitted Section 106 funding be used for this purpose;
- the recommendations would also support the Council in meeting its temporary accommodation needs without having to incur borrowing; and

- delegated authority was being sought to sign the Memorandum Of Understanding (MOU) to access the grant funding before the deadline to enable the Council to undertake the purchases.

Opposition group leaders spoke on the item and made the following points:-

Cllr Moore – thanked the officers for the work undertaken and enquired:-

- what was the reason for the delay in undertaking the matching process for the homes purchased under previous funding rounds; and
- why was the rent of the two bed properties proposed to be a higher than the Local Housing Allowance (LHA) level, given that housing and universal credit rent was based on the LHA level?

Cllr Mitchell – enquired on whether assurance could be given on whether the money was guaranteed, given the forthcoming General Election?

During the discussion, the following points were made:

- regardless of the election, the Council needed to proceed with accessing the grant funding;
- clarification was sought on the Council loans programme and options for Section 106 money to ensure there was enough to make the programme happen;
- was the council getting value for money?
- the outlay costs for maintenance and repairs appeared to be the same for both options, how were the figures made and did they reflect the costs of buying former council homes?
- the report highlighted Exeter being a welcoming city and beneficial to the Council's medium- and long-term housing provisions and the recommendations were supported in principle ;
- the positive impact within the equality impact assessment was welcomed; and
- the report and work undertaken in the report was welcomed.

In response to questions and points raised, the Director City Development advised that:-

- a written response to Councillor Moore's questions would be provided outside of the meeting;
- the money had already been agreed and the signing of the MOU would release the funding for use;
- the report provided full transparency on the land property and potential use of S106 funding and borrowing options;
- the Government calculated the amount of money awarded to a local authority through a median house price calculation, which for Exeter was £300,000;
- if the Council were looking to purchase new build homes on the open market it would increase the figure requiring more money to be added to the grants; and
- new build houses did not always meet the Council's requirements for electrical and gas appliances and required Council teams to enter the properties to fix the issues, which was an expensive endeavour.

The Leader moved, and Councillor Wright seconded, the recommendations which were voted upon and CARRIED unanimously.

**RECOMMENDED** that Council agree option 2 at the Extraordinary meeting on 10 June as follows:-

- (1) to accept the full allocation of £594,000 in Department for Levelling Up, Housing and Communities (DLUHC) grant funding;
- (2) the purchase of four properties off the open market;
- (3) that the Council's Capital contribution is funded through £297,000 of S106 funds;
- (4) the identification and purchase of suitable properties to let;
- (5) that the rents be set at affordable rates in accordance with the provisions of the Memorandum of Understanding between DLUHC and Exeter City Council and the DLUHC recommended rental funding model Rent Standard – April 2023;
- (6) that the MOU (Appendix 1) be signed and returned to DLUHC by the 12th of June 2024 confirming the Council's participation in the programme; and
- (7) that delegated authority be granted to the Director of City Development and Housing and the relevant Portfolio Holder to proceed with the acquisitions and to amend the number of properties purchased in line with the above agreement. This is to include where additional government grants may become available (provided that no further capital contribution is required from Exeter City Council).

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### **REVIEW OF THE CORPORATE RISK REGISTER**

**RESOLVED** that the item be deferred.

63

### **MEMBERS' ALLOWANCES AND EXPENSES PAID 2023/24**

The Executive received the annual statutory report outlining the allowances and expenses paid to Members in 2023/24.

During the discussion, the following points were made:

- there had been a productivity increase of 12.5% following the reduction in the number of Executive Committee Members; and
- Members commented on some of the expenses incurred during the year and noted that the Council was obliged to publish the allowances each year.

The Leader moved, and Councillor Wright seconded, the recommendations which were voted upon and CARRIED unanimously.

**RESOLVED** that the allowances paid and the expenses claimed by Members in 2023/24 be noted.

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### **EXETER PORT AUTHORITY: THE ROLE OF THE DUTY HOLDER**

The Executive received the report which sought to establish the role of the Duty Holder for the Port of Exeter. The Council as the statutory Harbour Authority was responsible for ensuring that the organisation complies Port Marine Safety Code (PMSC) and demonstrating best practice in harbour management.

Particular reference was made to:-

- the PMSC introduced two main roles - the Duty Holder and the Designated Person;
- the main responsibility of the Duty Holder was ensuring compliance with the PMSC and to act on recommendations made by the Designated Person; and

- in municipal ports it was common practice for the Duty Holder post being held by a committee of elected Members, rather than an individual.

The Leader clarified that the Executive were being recommended to become the Councils' Duty Holder and that Members would need to update their registerable interests accordingly.

Opposition group leaders spoke on the item and made the following points:-

- Cllr Moore – noted the onerous responsibility of the role and enquired on how Members would be advised on enabling compliance, and what would the extent of the indemnity provided would be for this role?
- Cllr Mitchell – sought further clarification on the Duty Holder's responsibility to ensure the Executive were compliant and if there was any legal responsibility to provide regular reports on the work undertaken?

During the discussion, the following points were made:

- the Executive would receive reports from the Designated Person in their role as the Duty Holder; and
- would the Duty Holder training be single or ongoing training?

The Portfolio Holder for City Management in commending the report, advised that establishing a Duty Holder was the next step in obtaining a Harbour Revision order.

The Leader advised on the points raised, that the Executive would be taking the role seriously and would undertake all required training to provide the strategic responsibilities entailed in the role. He also advised that the Executive would report back on work undertaken to a relevant committee to ensure full transparency.

The Service Lead Legal Services advised that that the Duty Holder would have a Designated Person providing advice and guidance to Members to ensure they complied with their obligations as the Duty Holder.

The Leader moved, and Councillor Wright seconded, the recommendations which were voted upon and CARRIED unanimously.

**RESOLVED** that the Executive undertake the role of the Duty Holder for the Port of Exeter in accordance with the Port Marine Safety Code and undertake the required training to fulfil the role.

65

#### **PARKING TARIFFS 2024**

**RESOLVED** that the item be deferred.

66

#### **KING GEORGE V PLAYING FIELDS**

**RESOLVED** that the item be deferred.

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#### **LAND AT PENDRAGON ROAD**

**RESOLVED** that the item be deferred.

(The meeting commenced at 5.30 pm and closed at 6.02 pm)

**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 16 July 2024.**

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## REPORT TO EXECUTIVE

Date of Meeting: 9 July 2024

Report of: Director Finance

Title: Review of the Corporate Risk Register

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Risk management is a Council function.

Risk Management is an important element of the council's Code of Corporate Governance.

Regular monitoring of the council's corporate risks helps to ensure that the council's business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently, and effectively.

### 1. What is the report about?

1.1 The report advises the committee of the council's risk management progress and presents the revised Corporate Risk Register (Appendix A), which has been linked to the Council's Strategic Priorities.

### 2. Recommendations:

2.1 That the Executive proposes to Council any necessary actions to help mitigate the risks for which it is responsible.

### 3. Reasons for the recommendation:

3.1 To ensure that the risks associated with meeting the Council's strategic priorities are properly considered, managed, and monitored.

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

4.1 The Executive and, Directors and Senior Managers, as appropriate, are asked to review the Corporate Risk Register on a quarterly basis. The register is reviewed quarterly by the Strategic Management Board.

4.2 Any actions agreed to mitigate the risks identified in the Corporate Risk Register may result in some resource implication. These would be subject to a specific report and the resource implications would be considered in that report.

### 5. Section 151 Officer comments:

5.1 SMB and the Executive have produced an agreed new register based on the Council's Corporate Priorities. A new summary page has been added setting out the level of intervention required and the impact of failing to address the risk. The risk in relation to

finance has been updated to reflect the fact that a balanced budget has been set for 2024-25. This does not mitigate the longer term associated risks but carries the risk forward.

## 6. What are the legal aspects?

6.1 None identified.

## 7. Monitoring Officer's comments:

7.1 The risk register identifies for members attention the overall risk to the Council in order that this can be understood and managed proactively, optimising success by minimising threats.

## 8. Report details:

8.1 In light of a review of the council's approach to risk management, the Corporate Risk Register (Appendix A) has been revised following a workshop facilitated by the Council's insurers, Zurich. The risks identified in the revised Corporate Risk Register link to the Council's Strategic Priorities. As part of the Council's Improvement Programme, the Strategic Management Board has reviewed the council's approach to risk and propose that the Corporate Risk Register should be presented to Executive to provide assurance that the appropriate mitigations are in place. The council's Audit & Governance Committee will continue to have a role in ensuring that the council has a robust process in place for identifying and mitigating risks.

8.2 Each risk is assessed against the following matrix, assessing the likelihood and impact before and after mitigation.

Likelihood ↑	4	4	8	12	16
	3	3	6	9	12
	2	2	4	6	8
	1	1	2	3	4
		1	2	3	4
		Impact →			

8.3 The Risk Register includes a summary page, which enables Members to see the scope of the corporate risks in one straightforward table.

8.4 Alongside each risk on the summary page, there is a table, which sets out an assessment of the resources required to manage the risks under the themes of Time, Financial, People and Assets. This will allow for an assessment of the resources required to mitigate each risk to an acceptable level allowing members to determine if the resources required are deliverable and achievable.

8.5 In addition, the summary page includes an assessment of how the risks will affect a range of drivers. The drivers are set out below and look at the impact of failing to deliver the corporate priorities and failure in each of the four pillars.



Political	Financial	Reputational	Regulatory	Legal	Compliance	Community
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8.6 The two tables above use Very high, High, Medium, Low and Very Low to assess the resources required and the risk drivers.

8.7 The Final Column will assess the Council’s risk appetite, whether it is open to risk, more cautious or even risk averse.

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

9.1 Good governance contributes to the Council’s purpose of a “Well Run Council.”

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

10.1 N/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 the report is for information only.

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

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

12.2 Actions to mitigate the risks identified in the Corporate Risk Register may result in some future impact, however, any actions proposed would be subject to a specific report and the impacts would be considered in that report.

### **13. Are there any other options?**

13.1 N/A

**Director Finance, Dave Hodgson**

Author: Lorraine Betts, Organisational Transformation Programme Lead

### **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

			Review Month:			May 2024					
Ref	Date Risk Identified	Risk Owner	Inherent Risk			Mitigations & Controls	Residual Risk			Tracking notes and monitoring	Target Implementation Date
			L'hood	Impact	Risk Score		L'hood	Impact	Risk Score		
1	<b>Delivering against the key challenges in the Net Zero Carbon City section of the Corporate Plan</b>										
	<p><u>The key challenges are:</u></p> <ul style="list-style-type: none"> <li>GHG emissions in Exeter were on a downward trajectory with emissions down by a third from 2008 to 2019. This reduction is largely due to the reduction in the carbon intensity of the national electricity grid. There has been a 64% reduction in emission from the power sector (with most generation plant located outside Exeter) between 2007 and 2019. It is concerning that emissions from buildings and transport are exceeding targets set for 2020 and the lack of progress in these sectors, combined with growth in the city, will potentially lead to increases in emissions. Significant work to reduce emissions from buildings and transport will be required to deliver Net Zero for the City.</li> </ul> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>No resources currently assigned within ECC to Citywide Net Zero ambitions</li> <li>Financial pressures and the large costs of carbon reduction</li> <li>Behavioural challenges over influencing businesses and public</li> <li>Technical capability to deliver and limited solutions available on the market</li> <li>Lack of control over all stakeholders (businesses, visitors etc.)</li> <li>Political environment and acceptance of policy changes required</li> <li>Misalignment with the Devon Climate Plan and the wider UK plan to reduce carbon emissions</li> <li>Failure to engage with resident and business of Exeter to ensure solutions proposed meet real need.</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>Exeter does not meet its citywide target of becoming Net Zero by 2030.</li> </ul>										
	November 2019	PH - Climate & Ecological Change and Communities Officer Lead: None Identified	4	4	16	We are working with the University and Devon County Council to support their work in this area and focusing on reducing our own carbon emissions. Our internal carbon net zero plan is now the subject of a separate risk register presented half yearly to the Audit & Governance Committee by the Corporate Energy Manager, Net Zero Team.	4	4	16	May 2024: A Programme Manager has been recruited for two years to lead on City Wide Net Zero. The successful candidate starts in three months due to existing notice periods. Exeter Energy presented an overview of the proposed Exeter District Heat Network (DHN) to members and a recording is being made available for those who were unable to attend. Progress on the DHN continues and Exeter Energy have submitted	Apr-30
Page 15	<b>Making progress towards a Healthy and Active City</b>										
	<p><u>Potential causes</u></p> <ul style="list-style-type: none"> <li>Inability to deliver a cost neutral leisure service due to the financial nature of the service, cost of service delivery, and political aspiration of running a well run adequately funded service.</li> <li>Increasing socio-economic challenges and their impact on health inequalities and wellbeing with fuel poverty for example, resulting in reduced mental and physical wellbeing, with people in particular groups increasingly feeling isolated and unable to cope.</li> <li>Finding a sustainable funding model for Wellbeing Exeter, which we know makes a difference to the health and wellbeing of individuals and communities at a time of increasing pressure on public sector budgets.</li> <li>The ongoing risks to public swimming pools, gyms and leisure centres nationwide as a consequence of the Covid pandemic and increasing costs.</li> <li>The impact of the increasing cost of living, wage bill and energy on costs, whilst trying to keep costs to Exeter residents low.</li> <li>Responding to the post-pandemic impact on health inequalities and deprivation including a decrease in physical inactivity for those on low incomes or from culturally-diverse communities.</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>Inability to deliver a cost neutral leisure service.</li> <li>Conflict between aspiration of delivering 'cost neutral' and political expectation to deliver a well run service.</li> <li>Wellbeing Exeter closure and significant impact on creating stronger communities</li> <li>Inequalities deepen across the city.</li> <li>Sport England don't continue to fund work - including capital development for Wonford</li> <li>Short term changes may not be sustainable</li> </ul>										
	May 2023	Portfolio Holder for Leisure Services and Healthy Living <b>Officer Lead:</b> Director for Culture, Tourism and Leisure	4	3	12	Sport England provide external funding until 2025 and possibly longer. Playing Pitch Strategy identifies opportunities SSP has increased leisure membership beyond 10,000 and provides the opportunity for wider reach. Built Facilities Strategy underway. Engagement with multiple stakeholders around delivery of Wellbeing Exeter. Strong defined and realistic commercial targets monitored regularly	3	2	6	May 2024: Officers have submitted a funding application to Sport England for work until 2028. The bid is for £2.5million and will be heard by a national pannel in June, with results in September. It is linked to the future success of Wellbeing Exeter, and to the capital success of the redevelopment of Wonford.	Ongoing

						Review Month:			May 2024		
Ref	Date Risk Identified	Risk Owner	Inherent Risk			Mitigations & Controls	Residual Risk			Tracking notes and monitoring	Target Implementation Date
			L'hood	Impact	Risk Score		L'hood	Impact	Risk Score		
3	<b>Adapting the council workforce to ensure appropriate skills and experience (Developing a future proof workforce)</b>										
	<p><u>Key Challenges</u></p> <ul style="list-style-type: none"> <li>- the Council is changing and staff will need to develop new knowledge and skills to meet future needs</li> <li>- the Council has an ageing workforce and does not routinely succession plan</li> <li>- The Council is having difficulty recruiting into key areas</li> <li>- The Council's workforce is not reflective of the city's demographics</li> </ul> <p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>- <u>The introduction of new technology to provide an improved customer experience</u></li> <li>- Competition from the public and private sector in attracting new employees</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>- <u>Loss of experience</u></li> <li>- <u>Increased spending on agency workers</u></li> <li>- <u>Not having cost effective council services delivering the right outcomes</u></li> <li>- Service disruption</li> <li>- Cost of appeals / challenges across the council services</li> <li>- Increased stress / pressure on workforce</li> </ul>										
	June 2019	Corporate Services and City Centre <b>Officer Lead:</b> Director Corporate Services	3	3	9	Market supplement scheme in place - Apprenticeship opportunities for new and existing staff - Employing part qualified staff and training them (internal and external) - procurement, planning etc. - Improvements in metric tracking (age, gender, skills profiles) - Business Partnering model allowing for greater collaboration between service areas and HR - Metrics reported to SMB Ensure robust implementation of new workforce planning process (local mgmt team led) - Utilising agile program to complement modernisation of work environment - Review of progress against GDR. <u>Further Mitigations due for completion in next 12 months</u> - Review of council's Equalities, Diversity and Inclusion arrangements - Review of recruitment and retention policies - Roll out of new Performance and Development Review process - Pay Strategy Review - Development of Succession Plans for every Service - Development of training programme to meet future needs of the organisation (linked to risk 9)	2	3	6	May 2024 - the new Performance and Development Review process is being rolled out and training to Managers is currently underway. The LGA are supporting a peer review of the council's Equalities and Diversity arrangements and will identify opportunities for improvement. The review will take place in early June. A number of HR policies have been updated and reported to JCNC.	Jan-23

			Review Month:			May 2024					
Ref	Date Risk Identified	Risk Owner	Inherent Risk			Mitigations & Controls	Residual Risk			Tracking notes and monitoring	Target Implementation Date
			L'hood	Impact	Risk Score		L'hood	Impact	Risk Score		
4	<b>Maintaining the Financial Sustainability of the Council</b>										
	<p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>- Inability to deliver £5.4m savings target over four year period (to 2028-29);</li> <li>- Inability to maintain Business Rates income at levels currently generated;</li> <li>- Policy, regulatory or legislative changes which are not fully funded from central govt;</li> <li>- Impact of high inflation, rising interest rates and other external economic factors;</li> <li>- Potential for Local Government Finance redistribution (including a reset of Business Rates);</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>- Significant reductions required to Statutory Services, which become unable to function legally;</li> <li>- unable to balance budget, Government intervention required;</li> <li>- larger than anticipated reductions (in year or over longer term).</li> <li>- reduction in reserves below minimum level;</li> <li>- impacts on council services and therefore resident outcomes.</li> </ul>										
	January 2018	Leader of the Council <b>Officer Lead:</b> Director Finance	4	4	16	Detailed MTFP assessed and agreed with Members; - One Exeter plan agreed and being implemented with suitable governance arrangements in place; - Budget for 2024-25 agreed; - Significant investment in city centre regeneration (St Sidwell's point & bus station) including developing a new vision for the rest of the site which includes mixed use; - Appropriate level of unringfenced general fund reserves to protect against shocks; - Identify and bid for alternative sources of funding; - Lobby government for relaxation of council tax increase restrictions; - The Council has a clear strategy to address the savings required.	2	4	8	Oct 2023 - SMB have met and finalised the proposals to balance the 2024-25 budget. Some favourable assumptions around energy costs, insurance costs and Government Grant have allowed some of the income challenges to be addressed and deliver a balanced budget from the Service review proposals. The proposals have been checked and confirmed by each Directors (with a small number being removed). No further reductions are required. Longer term, there is a need for a further £5.7m reductions of which proposals totalling £1.3m have been identified. The cross cutting work and digital transformation work will underpin the Council's approach to addressing this gap. May 2024 - Initial work has been started by SMB in preparation for the 2025-26 budget. The required reduction remains around £3.5 million after the accounts have been closed for 2023-24. A detailed timetable will be produced shortly.	Feb-24

						Review Month:			May 2024		
Ref	Date Risk Identified	Risk Owner	Inherent Risk			Mitigations & Controls	Residual Risk			Tracking notes and monitoring	Target Implementation Date
			L'hood	Impact	Risk Score		L'hood	Impact	Risk Score		
<b>5</b>	<b>Maintaining the Council's Property and Infrastructure Assets</b>										
	<p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>• Council owns 100 operational properties and 600 Commercial Properties as well as 28 Bridges, 50 Parks, 90 Play Areas Footpaths, Highways, walls and a River, Canal and other watercourses</li> <li>• Shortages of materials and labour causing delay and increased costs across the capital programme</li> <li>• Interest Rate rises causing the cost of borrowing to rise significantly</li> <li>• Additional Borrowing adds pressure to the financial stability of the Council.</li> </ul> <p><u>Potential impacts:</u></p> <ul style="list-style-type: none"> <li>• Increased costs to Council</li> <li>• Sheer number of assets extremely high for a District Council, potential to cause significant financial harm</li> <li>• Delay in all projects, predominantly the condition survey projects and HRA programme, leading to prolonged periods of buildings being below the standard the Council is aiming for</li> </ul>										
	August 2021	Leader of the Council Officer Lead: Director Finance	4	4	16	<ul style="list-style-type: none"> <li>- Consider Programme of Asset rationalisation</li> <li>- Identify alternative sources of funding to reduce borrowing</li> <li>- Commercial Properties mainly let on a full repairing lease basis</li> <li>- Reviewed existing capital programme to defer and remove schemes.</li> <li>- Change of emphasis to internally borrow in the short term to offset interest rate rises.</li> </ul>	4	3	12	<p>October 2023 - Progress has been made in implementing the new structure in Corporate Property to deliver the capital programme. The work on a disposal strategy is continuing, which will allow further works to continue. Priority is being given to those statutory service properties and assets, but this is dependent on the Council generating further, significant, capital receipts to deliver without having a substantial, negative impact on the Council's revenue position.</p> <p>May 2024 - The Council is identifying options for potential disposal to generate an income to fund further works. There is a long lead in time however to sales of land and buildings and therefore this will not be a quick fix. There was little progress in delivering the existing capital programme in 2023-24 however the appropriate risk measures are in place to ensure our assets are operated safely.</p>	Feb-24

						Review Month:			May 2024		
Ref	Date Risk Identified	Risk Owner	Inherent Risk			Mitigations & Controls	Residual Risk			Tracking notes and monitoring	Target Implementation Date
			L'hood	Impact	Risk Score		L'hood	Impact	Risk Score		
6	<b>Delivering Housing and Building Great Neighbourhoods and Communities</b>										
<p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>- brownfield first approach is the most sustainable option, and aligns with government policy but most sites are currently unviable and developers are unwilling to invest, resulting in sites being stalled</li> <li>- inadequate infrastructure funding for brownfield land regeneration</li> <li>- lack of specialist staff resources to support the work</li> <li>- inability to address complex land assembly and infrastructure challenges</li> <li>- significant abnormal costs associated with this type of programme</li> <li>- low land/property values and lack of investment appetite (especially BTR sector)</li> <li>- Significant local community opposition to development</li> </ul> <p><u>Potential impacts:</u></p> <ul style="list-style-type: none"> <li>- significant loss of income to fund services/infrastructure (CIL; S106; NHB; Council Tax; Business Rates) and inability to secure external funding from government</li> <li>- increased traffic congestion and net-zero not achieved by 2030</li> <li>- Exeter Plan found unsound resulting in city housing needs not being met and exacerbating the Devon Housing Crisis, especially in terms of affordable housing; lack of 5-year housing supply resulting in loss of planning control/sub-optimal development and loss of green space/special characteristics of Exeter.</li> <li>- new neighbourhoods not created, existing communities become unbalanced and suffer from lack of infrastructure/services, and economy of the city is stalled</li> <li>- active travel and accessible city aspirations not met</li> <li>- unsustainable development and new homes do not meet Garden City principles</li> <li>- housing built on greenfield sites</li> </ul>											
Page 19	November 2021	PFH: City Development Officer Lead: Director City Development & Housing	4	4	16	<p>Successful bidding for government funding programmes including Brownfield Land Release Fund; Garden Communities; One Public Estate; New Development Corporations Competition Fund) which support Liveable Exeter and Council Owned Building projects and provide capacity for:</p> <ul style="list-style-type: none"> <li>- project management</li> <li>- business cases, feasibility studies, development frameworks and infrastructure strategies and plans for strategic sites</li> </ul> <p>Director of City Development &amp; Housing appointed. ECC demonstrating willingness to acquire land and property using CPO powers, and dispose of land to the private sector, where necessary to move forward in a sensible phased programme. ECC recognises need to step up the support commensurate with the scale and pace of development required Through the Exeter Design Quality Partnership, adopting an enabling and collaborative culture with developers and landowners, instilling confidence in the planning process; including providing pre-application advice. Enhanced Member Training is offered to improve quality of decision making in planning Liveable Exeter Place Board established and subject to timely reviews to bring together the city's institutions to take ownership of the vision and aspirations and to work collectively on obstacles to delivery. Following the review of the Senior Management Board, Directors take collective ownership of City Development, Liveable Exeter, net zero, city centre strategy, investment and culture and align with other programmes such as Council Owned Building and retrofit. Bringing forward the new Exeter Plan for adoption in 2025. Further capacity resource to enable effective development delivery. Staff training and development.</p>	4	4	16	<p>May 2023: Consultation on an outline draft Exeter Plan was completed; A comprehensive study of Council car parks has been concluded; A Stage 1 Feasibility on Southgate completed; Consultants appointed to deliver a Development Framework and Design Code for Water Lane; the Exeter Design Quality Partnership has been established; Planning Performance Agreements have been completed for Water Lane and Exeter St Davids - planning applications anticipated later in year; a successful recruitment process in City Development has been undertaken and only one senior post remains vacant; consultants have been appointed to undertake a FBC for the EDF; The Growth Board meets monthly to monitor progress on LE/brownfield sites and identify delivery solutions; a portfolio of sites for R3 BLRF are being brought together; Vaughan Road Phase 1 has commenced; a project team has been assembled to kick start City Point.</p> <p>October 2023: Exeter Plan: Full draft published for 12-week public consultation on 23.10.2023. Liveable Exeter Projects: Stage 2 Feasibility Study for 'Liveable Southgate' site is underway and due to be completed in March 2024; Draft Liveable Water Lane Development Framework and Design Code published for 6-week public consultation on 23.10.2023. Exeter Design Quality Partnership (EDQP): A planning charter incorporating new pre-application charges to be presented to Executive and Council for approval in November/December 2023. Government funding programmes: Work commenced on Business Case for Exeter Development Fund; Brownfield Land Release Fund 1 (BLRF). Cathedral &amp; Quay car park and Bonhay Meadows - no longer being taken forward and grant monies to be returned to DLUHC; Belle Isle, Canal Basin, Mary Arches Car Park and Lower Weir Road - Delivery Plans are being prepared and discussions underway with One Public Estate (OPE) to vary the terms of the Grant Funding Agreement to allow for delayed land release triggers. Former ECL sites: Clifton Hill - subject to confirmation by Full Council, a delivery plan and business case will be produced. Council Owned Building Programme (COB): Vaughan Road - Phase 1 (35 homes) under construction and Delivery Plans for phases 2 &amp; 3 (56 homes) being prepared; Laings, Rennes House, Chestnut Avenue &amp; Clifford Close - Project Plans for each site being prepared. Planning Applications: Outline planning application received for Water Lane "southern development zone"; Detailed planning application for Haven Banks retail park to be considered by Planning Committee on 05.12.2023. Pre-applications discussions with Network Rail on St David's Station car parks</p>	

						Review Month:			May 2024		
Ref	Date Risk Identified	Risk Owner	Inherent Risk			Mitigations & Controls	Residual Risk			Tracking notes and monitoring	Target Implementation Date
			L'hood	Impact	Risk Score		L'hood	Impact	Risk Score		
<b>7</b>	<b>Maintaining a thriving Culture and Heritage sector</b>										
<p><u>Potential Causes:</u></p> <ul style="list-style-type: none"> <li>• Uncertainty around National Portfolio Organisations</li> <li>• To be seen by the Arts Council as 'Priority Place' against levelling up schematics</li> <li>• Moving from delivery to enabling and facilitation</li> <li>• Inability to create a flourishing night-time economy</li> <li>• A need to balance cultural ambition with the national funding picture and local financial challenges</li> <li>• A need to support Visit Exeter as a vital mechanism for promotion of our events, business and cultural offer.</li> <li>• Budget savings to address the medium term financial plan</li> <li>• UNESCO City of Lit working as a separate entity to the city, which is the designation holder.</li> </ul> <p><u>Potential Impacts:</u></p> <ul style="list-style-type: none"> <li>• Loss of NPO funding</li> <li>• Loss of wider impact of cultural regeneration of the city.</li> <li>• Inability to support night time economy</li> <li>• Inability to support cultural sector</li> <li>• Inability to deliver services including RAMM, Corn Exchange, Red Coats, Custom House, Underground Passages, Box Office</li> <li>• Non-renewal of UNESCO status</li> <li>• Reputational impact locally, nationally and internationally</li> </ul>											
	May 2023	PfH: Arts, Culture and Tourism <b>Officer Lead:</b> Director Culture, Tourism and Leisure	3	3	9	Strong relationship with Arts Council England and stakeholders. New five year Cultural Strategy being developed with tangible deliveries. Significant cultural assets owned and run by the cultural sector. UNESCO City of Literature status awarded and monitored. Funding agreed with ACE until 2026 with Exeter's National Portfolio Organisations	1	2	2	May 2024: The restructure of RAMM's senior team is now complete and the focus is on NPO business case delivery. The renewal of the city's UNESCO designation is also taking place in June 24 with ECC officers supporting Exeter City of Literature.	Mar-26
<b>8</b>	<b>Delivering against the key challenges in the 'Prosperous Local Economy' section of the Corporate Plan.</b>										
<p><u>The key challenges are:</u></p> <ul style="list-style-type: none"> <li>• Retention and recruitment, with some difficult-to-fill vacancies, which is stifling business growth.</li> <li>• A rise in residents becoming economically inactive, particularly those in the 50+ age groups.</li> <li>• Matching the learning and skills opportunities for residents with current and future job opportunities.</li> <li>• Low levels of graduate retention from the University of Exeter.</li> <li>• Levels of aspiration amongst our young people and limited awareness of opportunities.</li> </ul> <p><u>Potential Causes:</u> Following budget reductions in April 2019 and the discretionary services review implemented in April 2023 there is no longer an economic development service or skills function. Both discretionary services have ceased and there is no officer resource or budget to progress this corporate priority.</p> <p><u>Potential Impacts:</u> The identified key challenges are not addressed.</p>											
	May 2023	PfH: Corporate Services and City Centre <b>Officer Lead:</b> Director Net Zero and City Management	3	4	12	We have worked with the University and Exeter College to enable them to take on more of a leading role in this area.	3	3	9	May 2024: No change. There remains no resources, budget or officers assigned to this work area since the discretionary services review.	Mar-24
<b>9</b>	<b>Progressing the design and delivery of a corporate Customer and Digital Strategy</b>										
<p><u>The key challenges are:</u> Digital technology has, and is continuing to change the way people live, connect and work. The Covid-19 pandemic has seen resident and customer expectations shift. Digital technology has evolved significantly and for most of us, digital technologies have become an essential part of our lives and we all want easy access to joined-up information and efficient secure services in the palm of our hand. People increasingly expect to interact with organisations wherever they like, whenever they like, on whichever device they have and on whatever channel they choose. With customer behaviour changing faster than ever, the task of digital transformation demands significant changes to people, processes and technology. We are currently lagging behind many other Councils in our development of digital services and how we engage with our customers to improve and develop them. We have identified this as a priority to address in the One Exeter programme. We are taking a strategic approach and will be launching a draft Customer Communication and Digital Services Strategy consultation alongside developing a digital road map in partnership with Strata our shared IT Company and our co-owners (Teignbridge and East Devon District Councils). Our key challenges are the pace and scale of transformation needed in business processes; functional and organisational structures; culture; skills and resources within the Council and also within and between Strata and our partners.</p> <p><u>Potential Causes:</u></p> <p><u>Potential Impacts:</u> Failure to agree and implement the required level of Corporate change will impact on the ability of the Council to deliver a balanced MTFP which requires transformational change in how services are delivered. One Exeter requires staff working more effectively to meet increases in demand with higher costs and reduced income. Digital, integrated and automated services are essential to achieving the most cost-effective outcomes for customers.</p>											



			Review Month:			May 2024					
Ref	Date Risk Identified	Risk Owner	Inherent Risk			Mitigations & Controls	Residual Risk			Tracking notes and monitoring	Target Implementation Date
			L'hood	Impact	Risk Score		L'hood	Impact	Risk Score		
	24-May		4	4	16	SLT participation in cyber risk awareness and management workshop and completion of assurance/action plans	2	4	8	Action to be completed by October 2024	
	May-23	PFH: Corporate Services and City Centre Officer Lead: Director Customer and Digital	4	4	16	Implementing a strategic, corporate approach to ICT, digital, automation and customer communication Deeper collaboration and development of shared approaches and services with Strata, Teignbridge and East Devon District Councils Implementing a single integrated transformation programme across the Council, with strong leadership from SMB and the Extended Leadership Team Breaking down service silos and introducing a customer-centric culture to underpin functional and structural integration across the Council Investing in updating technology resources and skills	2	4	8	The strengthened leadership within Strata is delivering amore agile, flexible and effective approach to digital and the operational and transformation needs of the Councils within the Strata partnership. The new operational and strategic governance architecture, whilst in its infancy, is already demonstrating better alignment and collaboration. Full Council approved a Digital Customer Strategy for Exeter in Dec 2023, detailed delivery plans are currently under production and investigation phases of key projects are underway. In Dec 2023 the Strata Joint Executive Committee approved a new Busines Plan for Strata, designed to facilitate the delviery of the Councils transformation plans. Funding to support this work was included ion the budget for 24/25 approved by Council in February 2024. Through the One Exeter programme the Cross Cutting themes project reccommendations have been adopted by the CEO and included in the senior leadership restrucutre approvevd by Council in April 2024. MS 365 roll out for staff and members will be completed by May 2024. Reseach and development work for a new data strategy and architecture to underpin the Digital Customer Strategy have been completed and will be considered for approval by Council by July 2024. Priroities for delivery over the next 12 months include : 1. Expanding the function and capacity of the Customer Contact Centre to offer single, digital sign on and point of contact for customers. 2. Increased resident engagment through resident survey and consultation on a revised Corporate Plan. 3. Improve data governance, quality and access and moving digital storage to Sharepoint. 4. Improve productivity by re-designing business processes and using AI to undertake back office functions. 5) Working with Strata commission new telephony sysem (curent one at end of life) and upgrade exisiting Customer Relationship Management platform. 6) upgrade staff and member hardare to facilitate transfer to the Cloud, reduce dependancy on global desktop and on remises serviers which in turn will support more agile and flexible working and inprove reliability and security. The impact of all this work, when completed will reduce the likelihood and the impacts of the identified risks happening.	24-Mar

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## REPORT TO EXECUTIVE

Date of Meeting: 9 July 2024

## REPORT TO COUNCIL

Date of Meeting: 16 July 2024

Report of: Director Finance

Title: Overview of General Fund Revenue Budget 2023/24 – Quarter 4

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

### 1. What is the report about?

To advise Members of the overall financial position of the General Fund Revenue Budgets for the 2023/24 financial year and to seek approval for the General Fund working balance, a number of supplementary budgets and the creation of new earmarked reserves.

### 2. Recommendations:

It is recommended that Members of the Executive note the report and Council notes and approves (where applicable):

- 1) That the net transfer of £173,188 to Earmarked Reserves as detailed in paragraph 8.11 is approved;
- 2) That the supplementary budgets of £6,235,860 and budget transfers as detailed in paragraph 8.13 are approved;
- 3) That the Earmarked Reserves at 31 March 2024 be noted
- 4) That the Council Tax account and collection rate be noted
- 5) That the outstanding sundry debt, aged debt analysis and debt write-off figures be noted
- 6) The creditors payments performance be noted
- 7) By taking into account the overall financial position of the Council, the General Fund working balance at 31 March 2024 be approved at £5,882,563.
- 8) The One Exeter programme update

### 3. Reasons for the recommendation:

To formally note the Council's end of year financial position and carry forward any budgets that were not spent but where the funding is still required.

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

The impact on the General Fund working balance is set out in section 8.12.

## 5. Section 151 Officer comments:

Whilst the current General Fund Working Balance remains high, the supplementary budget requests plus the approved use of reserves for the 2024/25 budget will bring the Balance down to its minimum level. This means there will be little scope for overspends and to move future reductions into the future. Therefore, budget monitoring will be extremely important next year as we ensure that spending remains within budget.

## 6. What are the legal aspects?

Section 28 of the Local Government Act 2003 imposes a statutory duty on the Council to monitor during the financial year its expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such action as it considers necessary to deal with the situation. This might include, for example, action to reduce spending in the rest of the year, or to increase income, or to finance the shortfall from reserves.

The Local Government Finance Act 1992 places a legal requirement on Council to approve not only the budget but also any changes to the budget proposed during the year. Council has a legal duty to ensure that the budget is balanced and that any changes to the budget are fully funded.

## 7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

## 8. Report details:

### Overview of General Fund Revenue Budget 2023/24

#### 8.1 Financial Summary

<b>FUND</b>	<b>Planned Transfer To/ (From) Working Balance</b> £	<b>Budget Variance Over/(Under)</b> £	<b>Outturn Transfer 2023/24</b> £
General Fund	(3,225,320)	2,956,589	(268,731)

#### 8.2 General Fund (Appendix 1 & Appendix 2)

The services show an overall underspend of £5,937,550 against a revised budget of £21,713,220. This includes supplementary budgets of £7,386,800. Variances of more than +/- £30,000 are detailed below:

#### 8.3 Chief Executive

<b>Budget Heading</b>	<b>Over / (Underspend)</b>
Affordable Housing Development	£334,995

**Responsible Officer: Chief Executive**

This overspend reflects the impact of winding down Exeter City Living; no recharges were made to ECL from quarter three onwards.

## 8.4 Transformation

Budget Heading	Over / (Underspend)
<b>IT Services</b>	<b>(£136,506)</b>
<p><b>Responsible Officer: Director, IT &amp; Transformation</b></p> <p>This figure represents ECC's share of Strata's overall savings apportioned across the three Councils. £74,000 was included at year-end as an additional saving from 22/23 (this saving will be requested as a supplementary budget in 24/25). Internal recharges also exceeded budget by almost £25,000.</p> <p>From 24/25, the contract with Strata will be for costs only and will not include any savings, to reflect a new model of working with member councils.</p>	
<b>Organisational Change Programme</b>	<b>(£254,218)</b>
<p><b>Responsible Officer: Organisational Transformation Programme Lead</b></p> <p>The budget is funded from an earmarked reserve and has been re-profiled to reflect the on-going future programme, the underspend has been requested as a supplementary budget in 2024/25.</p>	

## 8.5 City Development

Budget Heading	Over / (Underspend)
<b>Housing Needs &amp; Homelessness</b>	<b>(£217,705)</b>
<p><b>Responsible Officer: Service Lead, Housing Needs &amp; Homelessness</b></p> <p>The underspend is predominantly due to an unexpected £236k in-year Homelessness Prevention Grant top-up, expenditure that was originally budgeted from reserves was able to be funded from the grant instead.</p> <p>This reserve, along with a smaller homelessness grant reserve of £16k in respect of rough sleeping health initiatives, is expected to be fully expended in 2024/25 (supplementary budgets requested). The remaining variance balance of £6.5k is underspend on the Devon Home Choice management budget as a result of efficiency savings and higher than budgeted re-charge income.</p>	
<b>Building Control &amp; Land Charges</b>	<b>£55,784</b>

**Responsible Officer: Service Lead, City Development**

In the 2023-2024 fiscal year, there has been a 10% shortfall in the Building Control and Land Charges budgets due to decreased demand reflecting the impact of higher borrowing costs due to inflation. Nationally house sales have been 10% lower than pre-pandemic levels with those involving mortgages are even more (c20%). Moreover, construction activity continues to be curtailed by labour and material shortages which resulted from the pandemic's disruption of supply chains, this has been exacerbated by the conflict in Ukraine, which has affected supply chains (10% of all construction timber comes from Ukraine). Additionally, high fuel costs have contributed to increased material expenses and therefore building costs, thereby reducing people's purchasing power. These services are financed by their own ring-fenced reserves and are expected to break even over a rolling 3 year period.

**Planning**

**(£414,740)**

**Responsible Officer: Service Lead, City Development**

Consultants fees have been higher than expected due to an appeal.

An underspend of £427,000 is being reported for the Exeter Plan. This is as a result of a revised timetable in terms of evidence production. Significant evidence is currently being commissioned to underpin the key elements of the Exeter Plan regarding brownfield development. This expenditure will show during 2024/25 when the plan runs towards publication and submission. A supplementary budget has been requested.

**Liveable Exeter Garden City**

**(£671,954)**

**Responsible Officer: Director**

Grant funding has been provided from DLUCH to progress Liveable Exeter, the money can be spent in any given financial year so the flexibility remains to apportion the money as projects are developed. Therefore, the unspent grant money has been transferred into an earmarked reserve and a supplementary budget requested in 2024/25.

**8.6 Communications, Culture and Leisure Facilities**

<b>Budget Heading</b>	<b>Over / (Underspend)</b>
<b>Culture</b>	<b>(£109,641)</b>

**Responsible Officer: Service Lead – Communications, Tourism & Culture**

This underspend is predominantly due to the supplementary budget for the Women's Rugby World Cup not being fully utilised. This has been requested again for 24/25 and will be used in full.

Overall, the Arts, Culture & Communications team have had an impressive year, exceeding their revenue budget by over £100,000; this has been offset by unbudgeted

<p>costs, including a subscription to Panacea and the loss of internal income due to the wind-down of ECL.</p> <p>This strong performance is expected to continue and with Exeter being a host city for the Women's Rugby World Cup, next financial year will be both challenging and rewarding.</p>	
<b>Markets &amp; Halls</b>	<b>(£293,532)</b>
<p><b>Responsible Officer: Facilities &amp; Markets Manager</b></p> <p>Markets &amp; Halls have achieved a £62,314 improvement in savings from the quarter three forecast. This is predominantly due to the Corn Exchange improving their net event revenue by almost £45,000; however, the Matford Centre has also contributed due to net savings across premises and supplies &amp; services costs.</p>	
<b>Museum Services</b>	<b>(£295,686)</b>
<p><b>Responsible Officer: Service Co-Leadership Team</b></p> <p>The year-end position shows a saving of £295,686, an improvement of £43,186 from quarter three forecast. This improvement is due to two factors – an overly cautious utilities forecast (an additional £29,000 saving was achieved as a direct result of a sustainability project the team at RAMM are leading to manage and reduce RAMM's energy use) and the shop improved on their quarter three position by £14,000. The energy management work is an ongoing project and ongoing savings are expected in future years.</p> <p>The situation in 2024/25 remains challenging for RAMM. The café operator did not wish to renew their lease at the end of 23/24 and the resulting period with no café (and therefore no rental income for the period) also has a knock-on impact for shop sales. In addition, the ongoing delays in roof repair works continues to have a direct impact on RAMM's ability to generate income from corporate hire and events.</p> <p>The year-end saving includes £71,000 of redundancy costs, which will be covered by reserves.</p>	
<b>Leisure &amp; Sport</b>	<b>(£1,086,985)</b>
<p><b>Responsible Officer: Director - Communications, Culture &amp; Leisure</b></p> <p>At quarter three, a saving of £687,650 was reported; however, this included an assumption that VAT owing to HMRC would have been removed by year-end which unfortunately didn't occur. The actual forecast saving was £805,293 so an additional saving of £281,692 was achieved in the fourth quarter. The majority of this additional saving was in premises costs and supplies &amp; services (£172,000). This was always going to be difficult to forecast as 23/24 is the first year that all the centres have been open all year and operating at capacity; it should also be recognised that Leisure has been bearing maintenance costs while the Estates team go through their restructure. There was also an additional £64,000 of income from what was forecast at quarter three.</p>	

<b>St Sidwells Point</b>	<b>(£59,850)</b>
<p><b>Responsible Officer: Director - Communications, Culture &amp; Leisure</b></p> <p>This supplementary budget has not been utilised this year. It has been requested again in 2024/25.</p>	
<b>Active &amp; Healthy People</b>	<b>(£1,549,028)</b>
<p><b>Responsible Officer: Active &amp; Healthy People Programme Lead</b></p> <p>The Wonford Health &amp; Wellbeing Hub project has been delayed during 2023/24 particularly whilst awaiting the appointment of the new Trustees. This has moved the remaining design works and planning submission matters into 2024/25. A supplementary budget has been requested.</p> <p>£1.137 million grant funding paid in advance by Sport England has been transferred to an earmarked reserve, supplementary budgets have been requested to spend this in 2024/25.</p>	
<b>Exeter Community Grants Programme</b>	<b>(£823,067)</b>
<p><b>Responsible Officer: Active &amp; Healthy People Programme Lead</b></p> <p>£797,000 grant income in respect of the Homes 4 Ukraine scheme has been received in advance, this income has been transferred to an earmarked reserve and a supplementary budget requested for 2024/25.</p> <p>There have been a small underspends within the Exeter Community Grants Programme, the programme is funded by Neighbourhood CIL and so the underspend will be available to re-allocate in future years.</p>	

#### 8.7 Net Zero Exeter and City Management

<b>Budget Heading</b>	<b>Over / (Underspend)</b>
<b>Environmental Protection</b>	<b>(£272,821)</b>
<p><b>Responsible Officer: Service Lead – Environmental Health &amp; Community Safety</b></p> <p>Vacancies within the Neighbourhood and Environmental Quality Teams have more than compensated for the extra cost of the pay offer across the service unit (£90,000). The increased funding for Disabled Facilities Grants has also increased the income from the administrative burden rechargeable to the grant allocation above expectation (£81,000). One-off funds, allocated from Homes4Ukraine income, to support the work of these teams will not be spent in year due to current staffing shortages in this area (£94,000). An Air Quality grant from DEFRA provides funding through to February 2025 with the £178,000 unspent balance rolled forward to 2024/25.</p>	
<b>Licensing, Food, Health &amp; Safety</b>	<b>£196,497</b>



**Responsible Officer: Service Lead – Environmental Health & Community Safety**

The CCTV Control Room & Home Call Alarm Service budgets were set on 21/22 pay scales rather than those of 22/23 which only came to light after this year's pay settlement was actioned in November – this in conjunction with the flat rate pay award caused pay to overspend by £6,000 despite the management unit having a number of vacancies. Home Call income remained the largest contributor to the overspend at year end, falling short of the income target by £140,000, despite the marketing campaigns that have taken place since March 2023. Additional sources of income, in particular making use of the Council's expertise in the field of CCTV monitoring, are being developed to help offset this issue with contracts due on stream during the coming year.

**Parking Services**

**£782,593**

**Responsible Officer: Service Lead – Net Zero and Business**

The introduction in mid-May of car park re-zoning was expected to generate additional income, but Car Park charges did not reach budgeted levels (£481,000). The switchover from cash to cashless payment has impacted on costs with the fees charged by 3<sup>rd</sup> parties some £275,000 higher than budget. This follows an audit of bank charges that identified a significant proportion of these charges had been miscoded over the last 2 years, increasing costs by some £110,000 within year and by some £60,000 going forward to 2024/25.

Season ticket income continued to be affected by changes in demand, as a result of commuters working from home. Changes to the discounts offered have not had the impact that had been expected with receipts only at 48.7% of budgeted levels giving a shortfall of £339,000. Parking permits will be reviewed next financial year to address new trends.

A temporary reduction to Business Rates has offset £97,000 of the overspend; reduced Electricity charges have offset a further £99,000, whilst less maintenance than predicted has also offset some £49,000. Parking Charge Notice income has been above expected levels to offset a further £47,000.

The £700,000 income budget realignment will help to bring this Management Unit back into balance in 2024/25.

**Waterways**

**£21,326**

**Responsible Officer: Service Lead – Harbour Master**

Whilst not technically required, this commentary on the Management Unit's position provides supporting information to the supplementary budget requests that appear in Appendix 4 of the report as the variance masks significant issues within the budget.

The application for a Harbour Revision Order, a potential 2-year process was funded on a one-off basis at £150,000. The contingent element of £80,000 which has not been required this year and the legal and other fees element will carry forward £27,060 into 2024/25; both have been requested as supplementary budgets for 2024/25. Funding for dredging work has been smoothed between years with a notional £25,000 included in the budget each year. Work occurs on a biennial basis with nothing planned for 2023/24 – a supplementary budget request to move these funds to 2024/25 has also been included which would allow for such work to be carried out during the year.

The Exeter Port Authority operates a mooring repairs service, purchased by the Council some years ago. The intention was for this to be self-financing, but costs increased significantly whilst workload and income did not. The outturn was an overspend of £49,000 when the budget proposed a surplus of £23,000 – a variance of £72,000.

There has been no change on Canal licences, which represent the other area of concern – despite the significant uplift in rates charged. The outturn position was that income remained some £52,500 below budgeted level, slightly better than forecasts during the year.

**Engineering Services**

**(£392,965)**

**Responsible Officer: Service Lead – Public and Green Space**

One-off funding for a Waterways Engineer post was agreed in 2022/23 and will provide support for this to operate for at least three years, with the available funding rolled forward but reducing each year unless funds from other vacancies in the team are able to be used to sustain it – supplementary budgets have been requested for 2024/25 to move unspent funds to the new year and to top the fund back up to the previous level. Funding relating to the proposed demolition of an over-bridge has not been required in-year, although some work has been undertaken to ensure there is no access to the bridge before any work might be carried out in the current year. The unspent balance (£134,180) is also the subject of a supplementary budget request.

**Parks & Green Spaces**

**(£129,824)**

**Responsible Officer: Service Lead – Public and Green Space**

Children's play areas received one-off additional support (£98,050) for sub-contractor work in 2022/23. This was carried forward to the current financial year, but due to limited sub-contractor availability, it has remained unspent. The service is looking to engage a contractor via a tender process early in the new financial year. There is a supplementary budget request for this to be rolled forward into 2024/25. Sub-contractor spend on Arboriculture has also been below budget, particularly over the middle part of the year (Q2 & Q3).

**Bereavement Services**

**(£73,955)**

**Responsible Officer: Service Lead – Public and Green Space**

Lower premises, services and transport maintenance costs alongside income budgets almost being achieved this year have left the service with an underspend.

**Street Cleaning**

**(£130,667)**

<b>Responsible Officer: Service Lead – Public and Green Space</b>	
The redesign of the service proposed last year has reduced the pay bill for both permanent and agency staff this year.	
<b>Public Conveniences</b>	<b>(£46,479)</b>
<b>Responsible Officer: Service Lead – Public and Green Space</b>	
Premises related budget underspends have continued to increase throughout the year, particularly for utility charges. Workforce costs have stabilised from last year and have come in under budget.	
<b>Domestic Waste Collection</b>	<b>(£497,261)</b>
<b>Responsible Officer: Service Lead – Waste, Recycling &amp; Fleet</b>	
The service has suffered continuing operational difficulties as it struggles to recruit. Agency spend has been reviewed and charges correctly apportioned over the two main services – Domestic & Trade Waste. The continuing delay to further roll out of the doorstep food waste programme, on-going until the construction of the food waste bay, has generated savings in the year due to vacancies and vehicles not yet being leased. These savings more than offset being unable to claim from DCC's Share Scheme saving fund, to which we have no eligibility until the scheme achieves 100% coverage.	
<b>Waste Chargeable Services</b>	<b>£581,329</b>
<b>Responsible Officer: Service Lead – Waste, Recycling &amp; Fleet</b>	
As reported in previous years there is a shortfall (£466,000) in the trade waste income budget which, whilst new contracts have come online, has not meet the income target set for the service. The £400,000 realignment of this income budget in 2024/25 will help to make significant progress on achieving financial balance in this Management Unit next year. Trade Waste generated an operating surplus (£78,000) against the costs associated with delivery, with performance from last quarter having improved since the Q3 report. Other income aspects of the service have recovered well since the pandemic and are more than covering the costs associated with operational delivery of the Unit in total (£140,000 surplus). On-going recruitment issues and the higher than budgeted flat rate pay award mean that the pay element of service costs has overspent (£180,000).	
<b>Waste and Fleet Overheads</b>	<b>£135,138</b>
<b>Responsible Officer: Service Lead – Waste, Recycling &amp; Fleet</b>	
Unallocated fleet costs of £30,000 have added to the steep increase in Property related Insurance Premium charges, that had occurred earlier in the year, which generated an overspend (£77,000). This has added to the previously reported Clothing, Laundry and Uniform issues – specifically gloves, where there is an overspend of £34,000 after adjusting for stock levels.	

<b>Recycling</b>	<b>£256,235</b>
<p><b>Responsible Officer: Service Lead – Waste, Recycling &amp; Fleet</b></p> <p>Use of secondary Materials Reclamation Facilities (MRF) and the transportation costs associated therewith have pushed costs up by some £323,000. Further pressures within staffing have caused an increase in expected spend (£161,000), both through the payment of the 2023/24 flat rate pay award, referred to elsewhere earlier, and agency spend. Recyclates materials saw market fluctuations during the year reducing income, but there is still a £212,000 benefit from sales partially offsetting costs identified above.</p>	
<b>Net Zero and Business</b>	<b>(£175,204)</b>
<p><b>Responsible Officer: Service Lead – Net Zero and Business</b></p> <p>The coming on stream of Water Lane Solar Farm has generated significant income in year that had not been anticipated at the time of the budget (£72,000). This is augmented by no further spend having taken place against the one-off funding for Exeter Net Zero Projects work (£49,000) in year, which will roll forward to 2024/25 and an underspend against the Net Zero Admin Project work (£33,000) for which supplementary funding has been requested for next year.</p>	

## 8.8 Finance

<b>Budget Heading</b>	<b>Over / (Underspend)</b>
<b>Major Projects</b>	<b>(£1,601,656)</b>
<p><b>Responsible Officer: City Surveyor</b></p> <p>This underspend is entirely due to supplementary budgets for various projects not being fully used in 23/24. The remaining amounts have been requested again for 24/25, apart from ECL property support, which has been discontinued due to the wind-down of the company.</p>	
<b>Corporate Property – Estates</b>	<b>£715,925</b>
<p><b>Responsible Officer: City Surveyor</b></p> <p>This adverse out-turn to budget is predominantly due to The Guildhall underperforming against budget, resulting in a £582,000 deficit. Forecasting proved problematic throughout the year which is why the final position varies considerably to what was forecast at quarter 3. The primary cause was the impact in year of the Wilkinson's administration and the subsequent lease restructuring that this necessitated.</p>	

<b>Corporate Property – Assets</b>	<b>(£134,312)</b>
<p><b>Responsible Officer: City Surveyor</b></p> <p>In M015, we'd been forecasting a £200k underspend throughout the year, as this is the budget for the maintenance of the Leisure estate, which your team hasn't taken management of yet. The actual out-turn for M015 is "only" £127,325, which means that it would have been overspent by at least £73k if this additional budget hadn't been there. This suggests that in future years, this budget won't be sufficient for both Leisure and non-Leisure maintenance work, especially if we assume that £200k won't cover the work needed for Leisure. I'm sure you're aware of all this already but thought it was worth pointing it out as it may be something that will need to be addressed in coming years.</p>	
<b>Unapportionable Overheads</b>	<b>£161,393</b>
<p><b>Responsible Officer: Chief Financial Officer</b></p> <p>This overspend is due to pension strain payments offset by an underspend against additional pension allowances paid to Devon County Council. The pension strain payments will be covered by reserves.</p>	
<b>Financial Services</b>	<b>£48,621</b>
<p><b>Responsible Officer: Service Lead, Finance Services</b></p> <p>The overspend is predominantly due to a reduction in recharge income from Exeter City Living Ltd for financial support services along with the cost of seeking specialist tax advice to inform the asset transfer agreement. Commission in respect of leasehold flat insurance also ceased during the year in accordance with insurance renewal terms.</p>	

## 8.9 Corporate Services

<b>Budget Heading</b>	<b>Over / (Underspend)</b>
<b>Legal Services</b>	<b>£51,128</b>
<p><b>Responsible Officer: Service Lead – Legal Services</b></p> <p>At quarter three, the forecast overspend was £5,630. The adverse increase in the overspend is due to the support service internal recharge being less than anticipated; the internal recharge is calculated after quarter three forecast is reported.</p>	
<b>Elections &amp; Electoral Registration</b>	<b>£42,312</b>
<p><b>Responsible Officer: Director, Corporate Services</b></p> <p>The year-end position has improved from the quarter three forecast by £13,569. The overspend is due to the budget reduction that was included in the 2023/24 estimates. These reductions - which continue in future years - will be smoothed in the MTFP as there will be savings in those years when there are no elections being held.</p>	

<b>Corporate Support</b>	<b>£179,481</b>
<p><b>Responsible Officer: Director, Corporate Services</b></p> <p>At quarter three, the adverse variance to budget was reported as £123,470. The reason for the worsening position is predominantly due to a reduction in the internal recharge, which was calculated after quarter three finished.</p>	
<b>Transportation</b>	<b>(£53,129)</b>
<p><b>Responsible Officer: Director, Corporate Services</b></p> <p>This net surplus to budget will be transferred to reserves for future Green Travel initiatives.</p>	

#### 8.10 Other Financial Variations

<b>Budget Heading</b>	<b>Over / (Underspend)</b>
<b>Net interest</b>	<b>(£782,814)</b>
<p>The budgeted interest payable on PWLB loans for 2023/24 anticipated that the Council would take out additional borrowings in the year to finance capital projects and a loan to Exeter City Living. However the loan to ECL is no longer planned and no external borrowing was taken out due to prohibitively high interest rates. This resulted in a saving in interest paid of £744k.</p> <p>ECL loans were written off during the year resulting in a reduction of £732k of anticipated interest. Continued high interest rates on temporary investments offset this and lead to a net £3k additional interest after paying over interest relating to the HRA and other funds held, and £36k higher than budgeted dividends on the CCLA Property Fund.</p>	

#### 8.11 Earmarked Reserves

During 2023/24 there has been an overall net transfer to Earmarked Reserves of £137,314. The details of all Earmarked Reserve movements are shown in Appendix 3. Going forward, the redundancy Reserve and Transformation reserve will be merged to allow a single pot to cover Council Transformation.

<b>Movement</b>	<b>2023/24</b>
Opening Balance, as at 01/04/23	<b>£13,396,181</b>
Net transfer	(£173,188)
<b>Balance, as at 31/03/24</b>	<b>£13,569,370</b>

#### 8.12 General Fund Balance

During 2023/24 there has been an overall surplus of £628,716. The minimum requirement for the General Fund working balance was approved by Council in February 2024 at £3 million.

Movement	2023/24
Opening Balance, as at 01/04/23	<b>£6,151,294</b>
Net	(£268,731)
<b>Balance at Year End</b>	<b>£5,882,563</b>

### Supplementary Budgets

There is a requirement for some supplementary budgets in 2024/25 as the Council has identified at the end of the year a number of revenue budgets that have not been spent but where a commitment is required in the following financial year.

It is therefore proposed that supplementary budgets totalling £6,235,860 identified in Appendix 4 are approved and added to the 2024/25 budget. The supplementary budgets will be financed from Earmarked Reserves (£4,658,410), CIL (£125,940) and the General Fund working balance (£1,511,510).

Appendix 4 also lists proposed budget transfers which have been identified where budgets need to be transferred from one service area to another.

### 8.14 Outstanding Sundry Debt

An aged debt analysis of the Council's sundry debts is shown in the table below:

Age of Debt	March 2022	March 2023	March 2024
Up to 29 days (current)	£1,154,547	£1,436,904	£1,411,457
30 days – 1 Year	£2,129,058	£1,697,735	£2,738,947
1 – 2 years	£387,330	£1,645,793	£299,265
2 – 3 years	£623,164	£199,426	£273,541
3 – 4 years	£280,899	£539,002	£78,227
4 – 5 years	£180,759	£254,721	£290,834
5 + years	£1,136,701	£1,186,130	£340,009
<b>Total</b>	<b>£5,892,458</b>	<b>£6,959,711</b>	<b>£5,432,280</b>

In November 2023 aged debt totalling £1.7m in respect of overpaid Housing Benefits was transferred from the ASH Sundry Debtors system to the IMAN system, a new system specifically to manage the recovery of overpaid Housing Benefits. The aged debt analysis in the above table therefore reflects outstanding sundry debtors.

### 8.15 Council Tax

As at 1 April 2024, arrears amounted to £8.600m, the movements during 2023/24 were as follows:



	£m	£m
<b>Arrears as at 1 April 2023</b>		<b>7.768</b>
Add:		
2023/24 debits raised net of discounts	£85.233	
Less:		
Payments received	(£84.561)	
Refunds and change in pre-payments	£0.396	
Write-offs	(£0.236)	
<b>Arrears as at 31 March 2024</b>		<b>8.600</b>

Against the arrears of £8.600m, a bad and doubtful debt provision of £3.990m has been provided, calculated in accordance with the appropriate accounting guidelines.

The 'in-year' council tax collection rate for 2023/24 was 96.20% compared with 95.89% in 2022/23.

#### 8.16 Debt Write-Offs

The following amounts have been written-off during 2023/24:

	2022/23 Total	2023/24
• Council Tax	£160,603	£236,172
• Business Rates	£487,464	£38,096
• Sundry Debt	£2,320	£2,238
• Housing Rents	£70,467	£93,187
• Non-HRA Rents	£76,325	£63,376
• HB Overpayments	£54,507	£191,856

#### 8.17 Creditor Payments Performance

Creditors' payments continue to be monitored in spite of the withdrawal of statutory performance indicator BVPI8. The percentage paid within 30 days was 95.60% for 2023/24 compared with 94.79% for 2022/23.

### 9. One Exeter Update

As Members will be aware, One Exeter is the Council's transformation programme and is a critical priority for the council.

A progress report was presented to Executive in February 2024. The report provided an annual summary of progress against the One Exeter Programme and set out a series of proposed outcomes for the following 12 months. Alongside this, work will start shortly on identifying cost reduction proposals for 2025/26.



Appendix 5 sets out how the Council has performed against the 2023/24 cost reductions. Savings of £2.441m were achieved against the budgeted reductions of £3.049m, resulting in a £0.608m shortfall, of which £0.488m relates to car park income.

The Council's medium term financial plan anticipates reserves being reduced to the minimum required by the end of 2024/25 and further budget reductions of £3.5m are required in 2025/26. Work has now started on identifying cost reduction proposals, which includes the cost reductions identified through the service reviews undertaken in December 2022.

Since the last update, a key piece of work has been undertaken to understand the council's performance. This work has been broken down into three strands; a review of how well the council manages its data, a review of how the council captures and uses business intelligence and customer insight and a review of how the council manages, measures and reports on progress with corporate strategies. As a result of this work a number actions will be taken over the next year including the development of a Data Strategy, a review of the Corporate Plan priorities (in conjunction with Members) and the development of a corporate performance management framework.

The LGA will be working with the council in June to undertake a review of how the council complies with its responsibilities under the Equalities legislation and whether there are opportunities to improve.

In February 2024, Council agreed the initial business case for a revised senior leadership structure as a draft for consultation. Following consultation with affected colleagues, the recommendations for the final structure were put to Full Council in April and unanimously agreed by councillors.

Work has now started on implementation of the restructure by holding individual consultations with affected colleagues. This will continue until mid-May. Subsequent appointments of the new Directors will commence in June. The anticipated start dates for Service Leads will be August 2024.

## **10. How does the decision contribute to the Council's Corporate Plan?**

This is a statement of the 2023/24 financial position.

## **11. What risks are there and how can they be reduced?**

The risks relate to overspending the Council budget and are mitigated by regular reporting to the Strategic Management Board and Members. Members have a legal responsibility to take action where balances are projected to reach an unsustainable level and the Strategic Management Board are working to address the current projected shortfall in reserves.

## **12. 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 there are no significant equality and diversity impacts associated with this decision.

### **13. Carbon Footprint (Environmental) Implications:**

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

### **14. Are there any other options?**

Not applicable.

**Director Finance & S151 Officer, Dave Hodgson**

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

Background papers used in compiling this report:  
None

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## 2023/24 GENERAL FUND BUDGET MONITORING - SUMMARY

APPENDIX 1

	Original Budget £	Supplementary Budgets & Transfers £	Revised Budget £	Year End £	Variance to Budget £
Chief Executive	3,168,000	(2,023,790)	1,144,210	1,466,056	321,846
IT & Transformation	0	2,709,900	2,709,900	2,319,176	(390,724)
Housing & Supporting People	4,413,300	(4,413,300)	0	0	0
City Development	967,430	3,760,440	4,727,870	3,472,304	(1,255,566)
Communications, Culture and Leisure Facilities	6,521,180	1,263,760	7,784,940	3,531,164	(4,253,776)
Net Zero Exeter and City Management	3,735,100	1,152,540	4,887,640	5,141,582	253,942
Finance	(2,541,900)	5,339,240	2,797,340	1,992,513	(804,827)
Corporate Services	2,843,220	25,380	2,868,600	3,060,169	191,569
less Notional capital charges	(4,779,910)	(427,370)	(5,207,280)	(5,207,293)	(13)
<b>Service Committee Net Expenditure</b>	<b>14,326,420</b>	<b>7,386,800</b>	<b>21,713,220</b>	<b>15,775,671</b>	<b>(5,937,550)</b>
Net Interest	1,320,000		1,320,000	537,186	(782,814)
Revenue Contribution to Capital	0		0	137,314	137,314
Minimum Revenue Provision	1,694,670		1,694,670	2,553,247	858,577
<b>General Fund Expenditure</b>	<b>17,341,090</b>	<b>7,386,800</b>	<b>24,727,890</b>	<b>19,003,417</b>	<b>(5,724,473)</b>
Transfer To/(From) Working Balance	(386,640)	(2,838,680)	(3,225,320)	(268,731)	2,956,589
Transfer To/(From) Earmarked Reserves	424,000	(4,388,290)	(3,964,290)	173,188	4,137,478
<b>General Fund Net Expenditure</b>	<b>17,378,450</b>	<b>159,830</b>	<b>17,538,280</b>	<b>18,907,875</b>	<b>1,369,595</b>
Formula Grant	(5,856,570)		(5,856,570)	(5,856,570)	0
CIL Income	(793,040)	(159,830)	(952,870)	(869,493)	83,377
Business Rates Growth / Pooling Gain	(3,272,000)		(3,272,000)	(4,724,971)	(1,452,971)
New Homes Bonus	(671,850)		(671,850)	(671,850)	0
Council Tax	(6,784,990)		(6,784,990)	(6,784,990)	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Working Balance March 2023

£ 6,151,294

£ 5,882,563

March 2024

**2023/24 GENERAL FUND BUDGET MONITORING - DETAIL**  
**QUARTER 4**

YEAR END FORECAST				
	APPROVED BUDGET	OUTTURN	VARIANCE	QTR 3 FORECAST VARIANCE
	£	£	£	£
<b>TOTAL GENERAL FUND NET EXPENDITURE</b>	<b>26,920,500</b>	<b>20,982,964</b>	<b>(5,937,537)</b>	<b>(2,886,552)</b>
<b>Chief Executive</b>				
STRATEGIC MANAGEMENT	801,820	778,793	(23,027)	(29,910)
AFFORDABLE HOUSING DEVELOPMENT	0	334,995	334,995	363,860
CENTRAL SUPPORT	342,390	352,268	9,878	(1,260)
<b>NET EXPENDITURE</b>	<b>1,144,210</b>	<b>1,466,056</b>	<b>321,846</b>	<b>332,690</b>
<b>IT &amp; Transformation</b>				
IT SERVICES	2,191,990	2,055,484	(136,506)	(45,300)
ORGANISATIONAL CHANGE PROGRAMME	517,910	263,692	(254,218)	(200,000)
<b>NET EXPENDITURE</b>	<b>2,709,900</b>	<b>2,319,176</b>	<b>(390,724)</b>	<b>(245,300)</b>
<b>City Development</b>				
HOUSING NEEDS & HOMELESSNESS	1,739,530	1,521,825	(217,705)	0
SUNDRY LANDS MAINTENANCE	95,460	98,320	2,860	0
GF HOUSING - PROPERTY	173,440	163,629	(9,811)	2,500
BUILDING CONTROL & LAND CHARGES	56,060	111,844	55,784	1,350
PLANNING	1,387,380	972,640	(414,740)	(336,040)
LIVEABLE EXETER GARDEN CITY	1,276,000	604,046	(671,954)	(400,000)
<b>NET EXPENDITURE</b>	<b>4,727,870</b>	<b>3,472,304</b>	<b>(1,255,566)</b>	<b>(732,190)</b>
<b>Communications, Culture and Leisure Facilities</b>				
CULTURE	380,210	270,569	(109,641)	(111,930)
TOURISM	19,480	21,759	2,279	0
MARKETS & HALLS	(381,380)	(674,912)	(293,532)	(231,220)
MUSEUM SERVICE	2,620,640	2,324,954	(295,686)	(252,500)
LEISURE & SPORT	3,473,530	2,386,545	(1,086,985)	(687,650)
ST SIDWELLS POINT	59,850	0	(59,850)	(59,850)
VISITOR FACILITIES	77,500	57,373	(20,127)	3,800
COMMUNICATIONS	234,910	216,770	(18,140)	(70,800)
ACTIVE & HEALTHY PEOPLE	1,189,200	(359,828)	(1,549,028)	(327,660)
EXETER COMMUNITY GRANTS PROGRAMME	111,000	(712,067)	(823,067)	0
<b>NET EXPENDITURE</b>	<b>7,784,940</b>	<b>3,531,164</b>	<b>(4,253,776)</b>	<b>(1,737,810)</b>
<b>Net Zero Exeter &amp; City Management</b>				
ENVIRONMENTAL PROTECTION	631,710	358,889	(272,821)	(375,160)
LICENCING, FOOD, HEALTH & SAFETY	717,460	913,957	196,497	245,220
PARKING SERVICES	(6,845,480)	(6,062,887)	782,593	820,530
WATERWAYS	537,050	558,376	21,326	(39,660)
ENGINEERING SERVICES	934,720	541,755	(392,965)	(265,840)
PARKS & GREEN SPACES	2,059,700	1,929,876	(129,824)	22,870
BEREAVEMENT SERVICES	122,920	48,965	(73,955)	(29,390)
STREET CLEANING	1,758,550	1,627,883	(130,667)	(15,730)
PUBLIC CONVENIENCES	232,420	185,941	(46,479)	(28,790)
DOMESTIC REFUSE COLLECTION	3,594,560	3,097,299	(497,261)	(356,130)
WASTE CHARGEABLE SERVICES	(800,160)	(218,831)	581,329	692,730
WASTE AND FLEET OVERHEADS	168,030	303,168	135,138	160,520
RECYCLING	763,720	1,019,955	256,235	233,480
NET ZERO AND BUSINESS	1,012,440	837,236	(175,204)	(133,450)
<b>NET EXPENDITURE</b>	<b>4,887,640</b>	<b>5,141,582</b>	<b>253,941.51</b>	<b>951,200</b>
<b>Finance</b>				
MAJOR PROJECTS	1,984,810	383,154	(1,601,656)	(1,777,000)
CORPORATE PROPERTY - ESTATES	(6,020,390)	(5,304,465)	715,925	200,890
CORPORATE PROPERTY - ASSETS	998,620	864,308	(134,312)	(223,260)
REVENUES, BENEFITS & CUSTOMER ACCESS	3,402,580	3,401,087	(1,493)	255,860
CORPORATE	206,120	224,784	18,664	85,430
UNAPPORTIONABLE OVERHEADS	1,308,410	1,469,803	161,393	(68,680)
FINANCIAL SERVICES	673,900	722,521	48,621	27,500
INTERNAL AUDIT	107,120	104,393	(2,727)	(2,330)
PROCUREMENT	136,170	126,928	(9,242)	(17,100)
<b>NET EXPENDITURE</b>	<b>2,797,340</b>	<b>1,992,513</b>	<b>(804,827)</b>	<b>(1,518,690)</b>
<b>Corporate Services</b>				
HUMAN RESOURCES	677,730	680,486	2,756	(43,270)
LEGAL SERVICES	237,770	288,898	51,128	5,630
ELECTIONS & ELECTORAL REG	376,300	418,612	42,312	55,880
DEMOCRATIC REPRESENTATION	648,500	632,204	(16,296)	(11,830)
CIVIC CEREMONIALS	357,880	343,197	(14,683)	(11,332)
CORPORATE SUPPORT	570,420	749,901	179,481	123,470
TRANSPORTATION	0	(53,129)	(53,129)	(55,000)
<b>NET EXPENDITURE</b>	<b>2,868,600</b>	<b>3,060,169</b>	<b>191,569</b>	<b>63,548</b>

Account	Account description	Opening Balance £	Transfers In £	Transfers Out £	Closing Balance £
09413	CONSERVATION	(2,339)			(2,339)
09416	VEHICLE LICENSING	(28,964)	(6,208)		(35,172)
09417	S 57 GRANTS	(19,613)			(19,613)
09419	SURE START	(20,000)			(20,000)
09420	BUILDING CONTROL	(12,115)		30,936	18,821
09427	MALLINSON	(89,671)		25,000	(64,671)
09428	OLD MILL	(5,499)			(5,499)
09434	SHIP	(7,438)			(7,438)
09437	HOUSING ASSESSMENT	(1,245)			(1,245)
09444	Climate Change	(6,709)			(6,709)
09448	DEVON HOME CHOICE	(34,490)	(14,077)		(48,567)
09451	TRANSFORMATION	(590,928)	(1,000,000)	243,372	(1,347,556)
09455	Habitat Assessment	(30,533)			(30,533)
09456	Green Travel	(182,945)	(53,130)		(236,075)
09457	AFU Archiving	(4,352)			(4,352)
09458	Countryside Grants	(14,500)			(14,500)
09460	Redundancy reserve	(1,048,358)		420,358	(628,001)
09463	EBAC	(99,691)		7,591	(92,100)
09464	Museum of the Year	(31,682)			(31,682)
09465	RAMM Legal Costs	(93,387)		93,387	0
09467	Natura 2000	(202,074)			(202,074)
09473	NHB - Local Community Infra	(73,577)			(73,577)
09475	NHB - Active Exeter	(59,849)			(59,849)
09480	NNDR Deficit	(294,054)	(1,366,159)		(1,660,213)
09485	Capital Fund	(500,000)		500,000	0
09486	LOCAL WELFARE SUPPORT (T006)	(2,427)		2,427	0
09487	PINHOE COMMUNITY HUB	(53,756)			(53,756)
09491	IFRS 9	(500,000)		397,217	(102,783)
09492	NHB - LOCAL COMMUNITY GRANTS	0			0
09494	LAND CHARGES	(342,065)		23,088	(318,977)
09495	BUSINESS RATE PILOT	(167,107)		69,650	(97,457)
09496	PLANNING INCOME	(151,688)			(151,688)
09501	RAMM INFRASTRUCTURE RESERVE	(256,585)			(256,585)
09502	ECL BUSINESS CASE	(191,489)		191,489	0
09503	GOVERNANCE REVIEW	(55,000)			(55,000)
<b>Covid - Acting as principal:</b>					
09504	WELL-BEING SUPPORT FUND	(76,437)		39,310	(37,127)
09505	CEV RESPONSE	(51,030)			(51,030)
09521	Contain Outbreak Management Fund	(9,319)			(9,319)
09522	Protect & Vaccinate	(16,282)			(16,282)
09510	Garden Communities - Grant 2	(467,250)		177,568	(289,683)
09511	Development Corporation Comp	(808,751)		421,067	(387,684)
09513	Budget Volatility	(2,386,000)		2,386,000	0
09514	ECL - Corporate Property Support	(898,250)		698,250	(200,000)
09515	Net Zero Exeter	(865,722)		236,055	(629,666)
09516	Council Tax Deficit support	(61,679)		61,679	0
09518	Cathedral Yard Bollard	(9,695)		9,695	0
09519	Future events	(100,000)		200	(99,800)
09523	Strata	(135,500)	(74,000)	135,500	(74,000)
09524	Wellbeing Exeter	(187,600)		97,550	(90,050)
09525	Revs & Bens New Burdens	(342,850)		253,150	(89,700)
09526	Household Support Fund Admin Grant	(165,290)		32,320	(132,970)
09527	RSAP Revenue Grant	(57,313)	(27,856)		(85,169)
09528	Homelessness New Burdens	(258,904)			(258,904)
09529	Accommodation for Ex-Offenders	(23,270)		23,270	0
09530	Surplus Guildhall income	(1,300,912)	(874,344)		(2,175,256)
09531	CPO Funding	0	(800,000)		(800,000)
09532	AIM Reserve	0	(600,000)		(600,000)
09533	Sport England - Core	0	(138,598)		(138,598)
09534	Sport England - Pathfinder	0	(998,068)		(998,068)
09535	Homes 4 Ukraine Scheme	0	(796,877)		(796,877)
		<b>(13,396,181)</b>	<b>(6,749,316)</b>	<b>6,576,128</b>	<b>(13,569,370)</b>

## PROPOSED SUPPLEMENTARY BUDGETS &amp; BUDGET TRANSFERS

## Supplementary Budgets

Description	£ Funded by:	
<b>Chief Executive</b>		
Historic Brexit Grant	24,490	Self-financing
Historic Brexit Grant	(24,490)	Self-financing
New Burdens Transparency Grant	8,100	Self-financing
New Burdens Transparency Grant	(8,100)	Self-financing
<b>Transformation</b>		
Organisational Change Programme	200,000	Earmarked Reserve
Strata	74,000	Earmarked Reserve
<b>City Development</b>		
Local Plan	427,500	GF Balances
Liveable Garden City	289,680	Earmarked Reserve
Exeter Development Fund	387,680	Earmarked Reserve
Enhanced Housing Options	199,080	Earmarked Reserve
Homeless Prevention Grant - Expenditure	240,360	Self-financing
Homeless Prevention Grant - Income	(240,360)	Self-financing
Afghan Household Fund - Expenditure	15,800	Self-financing
Afghan Household Fund - Income	(15,800)	Self-financing
Domestic Abuse Funding - Expenditure	35,070	Self-financing
Domestic Abuse Funding - Income	(35,070)	Self-financing
<b>Communications, Culture and Leisure Facilities</b>		
CAB	75,000	Earmarked Reserve
Wonford Health & Wellbeing Hub	359,780	GF Balances
Active & Helathy Staff Costs	7,210	Earmarked Reserve
Sport England - Core	131,390	Earmarked Reserve
Sport England - Pathfinder	998,070	Earmarked Reserve
Wellbeing Exeter	125,940	Neighbourhood CIL
Wellbeing Exeter	90,050	Earmarked Reserve
Wellbeing Exeter	50,000	Self-financing
Wellbeing Exeter	(50,000)	Self-financing
Homes for Ukraine Scheme - Expenditure	796,880	Earmarked Reserve
Additional NPO Support (Northcott Theatre)	10,000	GF Balances
Special Event	99,840	Earmarked Reserve
SSP Tender	59,850	Earmarked Reserve
<b>Net Zero Exeter &amp; City Management</b>		
Homes 4 Ukraine surplus to create supp for 23/24. Works on condition surveys etc put on hold to perform H4U work	93,860	GF Balances
Net Zero project work part of Earmarked £1m funding for Net Zero	49,390	Earmarked Reserve
Exeter Net Zero project work - part of Earmarked £1m funding for Net Zero	32,550	Earmarked Reserve
Engineering staffing underspend on pay and agency 22/23 to create Engineer (Waterways) post for approx. 3 years	90,360	GF Balances
Engineering staffing underspend on pay and agency 23/24 to top up Engineer (Waterways) post to approx. 3 year funding	30,990	GF Balances
Engineering ECC led project deferred from Jan-Mar due to team shortages	5,000	GF Balances
Engineering DCC led project deferred beyond ECC control	4,500	GF Balances
Waterways Dredging work - budget smoothed, but work occurs biennially	25,000	GF Balances
Waterways - Gap Analysis	10,000	Earmarked Reserve
North Street overbridge demolition project - won't now be undertaken until 24-25 at earliest	134,180	GF Balances
Children's Play Area - one off allocation unspent in year - request to roll forward again under One Exeter proposals	98,050	GF Balances
Commercialisation - Advanced Accreditation	12,840	GF Balances
Shared Prosperity Fund 23/24 carry forward	48,310	Self-financing
Shared Prosperity Fund 23/24 carry forward	(48,310)	Self-financing
HRO one-off funding legal fees & disbursements - balance unspent	27,060	GF Balances
HRO one-off other expenses - contingency (Independent Enquiry)	80,000	GF Balances
Air Quality Project	178,290	Self-financing
Air Quality Project	(178,290)	Self-financing
Air Quality New Burdens	11,700	Self-financing
Air Quality New Burdens	(11,700)	Self-financing
Kerbside recycling roll out budget to be spent in future years	78,530	GF Balances
<b>Finance</b>		
Bus Station Demolition	191,000	Earmarked Reserve
Bus Station Wider Options	97,450	Earmarked Reserve
Demolition of Northbrook Golf Pavilion	23,860	GF Balances
Mary Arches CP Redevelopment	628,000	Earmarked Reserve
Well Being Support Fund	37,130	Earmarked Reserve
Household Support Fund - Staffing Costs	54,460	Earmarked Reserve
Staff to be funded from New Burdens	36,000	Earmarked Reserve
Other New Burdens Expenditure	53,700	Earmarked Reserve
<b>Corporate Services</b>		
Elections - New burdens grant	9,970	Self-financing
Elections - New burdens grant	(9,970)	Self-financing
Elections - New burdens grant	9,970	Self-financing
Elections - New burdens grant	(9,970)	Self-financing
Elections - PCC Grant	161,560	Self-financing
Elections - PCC Grant	(161,560)	Self-financing
Corporate Subscriptions - Key Cities membership	10,000	GF Balances
<b>Total</b>	<b>6,235,860</b>	

## Funded from:

4,598,410 Earmarked Reserves  
125,940 CIL  
1,511,510 GF Balances

**6,235,860**

## Budget Transfers

Recyclate Materials Sales - transfer of budget from Domestic Waste to Recycling 236,850  
Transfer monthly mobile telephone charge budgets to central pot 29,840

Monitoring Budget Reductions - 2023/24 Quarter 4 Update

Service	Description/Proposal	2023/24 Budget Reduction/ (increase)	Actual	Variance (shortfall)	Comment
PA Team	Remove 2 vacant posts / merge with LM su	£43,210	£43,210	£0	Post removed therefore saving achieved
Guildhall Chambers	Reduce Mace Sergeants (reduction 60%)	£17,730	£2,416	(£15,314)	Supplementary budget requested so saving not achieved
Green Accord	Green Accord - additional income	£3,000	£0	(£3,000)	Budget has been increased, scheme being relaunched in Quarter 4
Net Zero & Business Admin	Removal of small budgets	£1,400	£1,310	(£90)	No forecast spend
Business Projects	Removal of skills function and budgets - replaced by management of UKSPF project for 3 years. Building Greater Exeter - funded from UKSPF (2 years)	£83,740	£83,740	£0	Savings achieved
Commercialisation	Removal of temporary post	£54,700	£54,700	£0	Post removed therefore saving achieved
Highways	Removal of budget paying DCC for improved maintenance	£34,550	£49,440	£14,890	Renegotiated DCC contract
Arts & Events	Removal of part of budget to fund other NPO organisations	£100,000	£90,000	(£10,000)	£10k supplementary added in quarter 1
Exeter Corn Exchange	Design events programme to break even	£35,660	£35,660	£0	Saving to be achieved
Communications & Marketing Tourism	Marketing income budget	£369,670	£268,571	(£101,099)	No longer saving from post deletion and reduction in marketing activity for Exeter City Living Ltd
<b>SUB TOTAL DISCRETIONARY SERVICE REDUCTIONS</b>		<b>£743,660</b>	<b>£629,047</b>	<b>(£114,613)</b>	
Public and Green Spaces	Engineering pay capitalisation	£36,750	£36,750	£0	Capitalisation of Senior Capital Delivery Officer
Corporate Property	Assets restructure	£65,500	£83,300	£17,800	The Assets team restructure is still on-going and is unlikely to be in place by the end of the calendar year. As well as £65.5k saving there has been an additional saving in salaries due to vacant posts

Revenues, Benefits and Customer Access	Move HB Overpayment Collection back to Benefits. Restructure; Delete 3 vacant posts, regrade 1 post, create 2 x technical posts	£27,310	£27,310	£0	Budget removed and saving achieved
Corporate Property	Estates reduced admin support	£11,550	£11,550	£0	Balance removed; saving achieved
Executive Support	Terminate subscription for Exeter Data Mill and reduce public transport budget	£10,250	£10,250	£0	Subscription not renewed therefore saving achieved
Public & Green Spaces	Technical support reduction; reduce one vacant post. Facilities; 85% reduction travellers and camper costs, aboriculture sub-contractor cost reductions, 8% reduction in sub-contractor costs based on spend analysis	£55,760	£54,132	(£1,628)	Post removed from establishment structure
Democratic & Civic Support	Smooth Elections budget to reflect variable cost over 4 years	£48,750	£48,750	£0	Outturn budget variances to be managed via movements to/from reserves as budgets smoothed over MTFP
Democratic & Civic Support	Stop undertaking empty property canvass	£2,800	£2,800	£0	Currently forecast to stay within remaining budget
Democratic & Civic Support	Recharges to self-financing services to cover meetings; Taxi Forum and Council Housing Advisory Board	£3,750	£3,750	£0	Recharge made
Democratic & Civic Support	Remove vending machines in the Civic Centre	£2,600	£2,600	£0	Currently, savings forecast to be met. However, pending the outcome of contract payments/negotiations
Revenues, Benefits and Customer Access	1 x post accepted voluntary redundancy	£13,300	£13,300	£0	Budget removed and saving achieved
Exchequer and Accountancy	Minor budget reductions (stationery, public transport, seminar costs)	£2,250	£2,250	£0	Saving achieved in these budget headings
Exchequer and Accountancy	Financial support service costs to be met from Guildhall Shopping Centre surplus that would otherwise be for capital purposes	£27,550	£27,550	£0	Recharged to the Guildhall Shopping Centre, achieved



Exchequer and Accountancy	Reinstate 0.60 FTE Finance Technician (deleted in 2022/23 budget cycle)	(£19,596)	(£12,100)	<b>£7,496</b>	Post occupied from 16/08/2023 therefore £7.5k savings against budget (this includes pay award)
Corporate Property	Estates additional fees; EBC and ECQT	£8,000	£8,000	<b>£0</b>	Included in annual charge; saving achieved
Corporate Property	New rental income stream from acquisition of 83 Fore Street	£45,500	£45,500	<b>£0</b>	No adverse forecast to budget; saving achieved
Housing Needs and Homelessness	Reduction in Housing Options budgets, including Sanctuary scheme and storage and removals	£3,000	£3,000	<b>£0</b>	Budget removed and saving achieved
Housing Needs and Homelessness	Reduction in Housing Options budgets, including Sanctuary scheme and storage and removals	£2,500	£2,500	<b>£0</b>	Budget removed and saving achieved
Housing Needs and Homelessness	Reduction in Temporary Accommodation budgets, various budget headings relating to Glencoe, Haven, Queens Rd:	£23,500	£23,500	<b>£0</b>	Budget removed and saving achieved
City Development	Delete vacant post	£35,460	£35,460	<b>£0</b>	Budget removed and saving achieved
City Development	Delete part-time post	£15,290	£15,290	<b>£0</b>	Budget removed and saving achieved
City Development	Create Enforcement Officer post	(£54,290)	(£54,290)	<b>£0</b>	Budget created
City Development	Utilise Planning uplift income, through reduction in budget for miscellaneous expenditure to meet cost of Enforcement Officer post	£39,000	£39,000	<b>£0</b>	Budget removed and saving achieved
City Development	Reduction on other expenses budget	£21,130	£21,130	<b>£0</b>	Budget removed and saving achieved
City Development	Increase Service Lead salary allocation to Land Charges from 10% to 25%	£12,290	£12,290	<b>£0</b>	Salary allocations updated and saving achieved
City Development	Minor budget reductions	£8,490	£8,490	<b>£0</b>	Budgets removed and saving achieved
Legal	Remove 2 vacant posts	£32,800	£32,800	<b>£0</b>	Budgets removed and saving achieved
Legal	Change in Property Lawyer role (increase hour)	(£7,400)	(£7,400)	<b>£0</b>	Hours increased for new PL role; recruited into
Legal	Change in Litigation Lawyer role (increase hours)	(£7,400)	(£7,400)	<b>£0</b>	Hours increased for new LL; recruited into
Legal	Minor budget reductions (car mileage, mobile phones and Hays DX)	£3,094	£2,973	<b>(£121)</b>	Small level of spend

Recycling & Fleet	Not procuring 3 food waste vehicles following rationalisation of rounds - saving in fleet hire costs (C050 54006), leaving 5 vehicles	£90,000	£90,000	£0	Budget reduction effected, likely to underspend remaining budget
Recycling & Fleet	Revenue saving from capitalising of lease costs (maintenance and interest charges) from 3 existing food waste vehicle	£20,490	£20,490	£0	Capitalisation of costs expected to proceed
Environmental Health and Community Safety	Noise recharge to HRA for assistance with cases/contribution to equipment maintenance	£2,500	£2,500	£0	Recharges processed
Environmental Health and Community Safety	Deletion of vacant post	£26,690	£26,690	£0	Post removed from structure
Environmental Health and Community Safety	Re designation of Technician role	£7,010	£7,010	£0	Saving achieved
Environmental Health and Community Safety	Salary realignment following changes in duties of staff to licence related income work	£20,000	£20,000	£0	Significant churn of staff has occurred - some agency cover has been necessary which has dampened down savings, but this target has been achieved
Public and Green Spaces	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	£34,000	£0	Service lived within restricted means, underspending reduced budget and not touching one-off funding allocation rolled forward from 22/23. Better use of capital project / s106 money where available
Public and Green Spaces	Street cleansing redesign	£101,850	£101,850	£0	Saving achieved and good progress on achieving savings against second half of this savings programme, as profiled over more than one financial year
Public and Green Spaces	Reduce grass maintenance provision, reduction of 2 vacant posts	£48,900	£48,900	£0	Posts removed
Housing Needs and Homelessness	0.30 FTE Housing Casework officer vacancy to be funded by Homeless Prevention Grant (50% of 0.60 FTE).	£12,850	£12,850	£0	Budget removed and saving achieved

Markets & Halls and Visitor Facilities	Additional income at Matford Centre	£8,500	£8,500	£0	Saving to be achieved
Legal	Reduce agency from £66k to £61k budget used to perform work for recharging to third parties (ECL), whilst maintaining income at £87k	£5,000	£5,000	£0	No forecast overspend on agency staff. However, forecast income for recharges to third parties has been significantly reduced due to reduction in work from ECL
Environmental Health and Community Safety	Energy Company Obligation (ECO) income from declarations	£15,000	£1,900	(£13,100)	Income very slow to start coming in on this - only 5 referrals YTD, 3 of which were actually in March. Target is 150
Net Zero and Business	Reduce discount from 75% to 60% for standard price season tickets	£137,340	£68,444	(£68,896)	Lower demand for season tickets due to an increase in individuals working from home
Net Zero and Business	Cease discounted season parking business permit	£71,270	£0	(£71,270)	Delayed full implementation, but reducing discount on a phased basis
Net Zero and Business	Review the use of events being held in car parks, currently provided FOC and no policy	£5,000	£0	(£5,000)	Delayed implementation
Net Zero and Business	Charge for the electricity used by EV in public car parks at 30p pkwh	£28,180	£22,987	(£5,193)	Reflects commencement of billing in mid May
	<b>SUB TOTAL SERVICE REVIEW REDUCTIONS</b>	<b>£1,104,068</b>	<b>£964,156</b>	<b>(£139,912)</b>	
Car Park income	Rezoning car parks, evening and night time parking charge	£872,080	£480,836	(£391,244)	Car park income lower than budget. Contributing factors include a reduction in commuter parking and competition arising from reduced bus fares. Partially improved by extending hours.
Car Park income	Budget to improve car parks	(£72,080)	(£23,580)	£48,500	Budget not fully spent
Management Team Reductions	Initial reductions in the top levels of management within the Council	£268,997	£256,600	(£12,397)	One senior manager remained in post until May
Management Team Reductions	Maintain budget for support with elections	(£20,000)	£0	£20,000	Budget not used in 2023/24
Active & Healthy Staff Costs	Sport England to fund Programme Lead post (3 years)	£82,600	£82,600	£0	Budget removed and saving is achievable
RAMM	RAMM - Delete Vacant post	£13,480	£13,480	£0	Post deleted therefore savings achieved

Strata Data	Strata Data Centre Costs, charge EDDC & TDC for proportion of energy costs	£56,688	£38,241	(£18,447)	Utilities recharge lower than budget
	<b>OTHER PROPOSALS</b>	<b>£1,201,765</b>	<b>£848,177</b>	<b>(£353,588)</b>	
	<b>TOTAL</b>	<b>£3,049,493</b>	<b>£2,441,380</b>	<b>(£608,113)</b>	

## **REPORT TO EXECUTIVE**

Date of Meeting: 9 July 2024

## **REPORT TO COUNCIL**

Date of Meeting: 16th July 2024

Report of: Director Finance

Title: General Fund Capital Monitoring 2023/24 and Revised Capital Programme for 2024/25 and Future Years

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

### **1. What is the report about?**

To advise members of the overall financial performance of the Council for the 2023/24 financial year in respect of the annual capital programme.

To seek approval of the 2024/25 revised capital programme, including commitments carried forward from 2023/24.

### **2. Recommendations:**

It is recommended that Executive Committee supports and recommends to Council to approve:

(1) The overall financial position for the 2023/24 annual capital programme.

(2) The amendments and further funding requests to the Council's annual capital programme for 2024/25.

### **3. Reasons for the recommendation:**

3.1. Local authorities are required to estimate the total of capital expenditure that it plans to incur during the financial year when it sets the prudential indicators for capital expenditure. This shows that its asset management and capital investment strategies are affordable, prudent and sustainable.

Capital expenditure is a significant source of risk and uncertainty since cost variations, delays and changing specifications are often features of large and complex capital projects.

In order to manage the risks associated with capital programming the annual capital programme is updated every three months to reflect any cost variations, slippage or acceleration of projects.

#### 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:

Given the limited spend in 2023/24, Finance have worked with Project managers to devise a more realistic programme to be delivered over the next few years. This better profiling should assist Members in monitoring the programme more effectively going forward.

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

Monitoring of capital expenditure is required in order to comply with the provisions of the Local Government Act 2003.

The requirements imposed on the Council by the Act are set out in section 3 of the report.

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

The Monitoring Officer has no additional comments.

#### 8. Report details:

##### 8.1. REVISIONS TO THE CAPITAL PROGRAMME

The 2023/24 Capital Programme, including commitments brought forward from 2022/23, was last reported to Executive on 9 April 2024. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
<b>Capital Programme, as reported to Council 23 April 2024</b>	<b>45,576,230</b>	
Budget Deferred to 2023/24 & Beyond at Quarter 3	(33,636,980)	Approved by Council 23 April 2024
Overspends/(Underspends) reported at Quarter 3	(3,291,150)	
DEFRA Grant, via University of Exeter – Safer Streets 4	227,350	
Environment Agency - Bromham's Farm Playing Fields Remediation Work	63,270	
Shared Prosperity Fund	19,430	
Corn Exchange Lift	50,000	
AV Equipment for Hybrid Meetings	48,800	
<b>Revised Capital Programme</b>	<b>9,056,950</b>	

## 8.2. PERFORMANCE

Capital expenditure in the year amounted to £5,575 million. The actual expenditure during 2023/24 represents 61.56% of the revised Capital Programme, it is proposed to carry forward a total of £2.408 million budget into future years, as indicated in Appendix 1.

## 8.3. CAPITAL FINANCING

The 2023/24 capital expenditure was financed as follows:

	£
Capital Grants & Contributions	3,199,275
Capital Receipts	0
Community Infrastructure Levy	246,157
Revenue Contributions	137,314
Borrowing	1,992,479
<b>TOTAL</b>	<b>5,575,224</b>

## 8.4. AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2023/24 are £6.552 million. Total General Fund capital expenditure is £5.575 million of which £1.992 million will be funded from borrowing.

Appendix 3 sets out the forecast use of the resources available for the General Fund and the likely amounts of borrowing that will be necessary to fund the capital programme over the next three years.

The value of actual capital receipts received in the year in respect of the General Fund are:

	General Fund £
<b>Balance as at 1 April 2023</b>	<b>2,948,571</b>
New Receipts	20,280
Use of capital receipts to finance past debt	(2,968,851)
<b>Balance as at 31 March 2024</b>	<b>0</b>

## 8.5. EXPENDITURE VARIANCES

Scheme	Variance £
<b>Riverside &amp; RAMM Decarbonisation Projects</b>	<b>(859,030)</b>
<p><b>Officer Responsible: Service Manager – Net Zero &amp; Business</b></p> <p>This budget is grant funded. The underspend is a result of the Contractor's failure to reach Control Point 3, and to provide the level of project detail (cost &amp; design) needed to purchase equipment in advance without putting the Council at risk. The grant funding cannot now be claimed due to the grant terms and conditions.</p>	
<b>Leisure Equipment Replacement Programme</b>	<b>(38,359)</b>
<p><b>Officer Responsible: Director, Communications, Culture &amp; Leisure Facilities</b></p> <p>This programme was under-utilised this financial year, mainly due to delaying equipment purchases at Riverside whilst awaiting the outcome of the feasibility study for the decarbonisation works (&amp; associated roof works). The full budget will be required in 2024/25 and future years, to replace equipment on a rolling basis.</p>	

#### 8.6. SCHEMES TO BE DEFERRED TO 2024/25 AND BEYOND

Schemes which have been identified as being wholly or partly deferred to 2024/25 and beyond are:

Scheme	Budget to be Deferred £
<b>AV Equipment – Hybrid Meeting Room</b>	<b>48,800</b>
<b>Idox System for Planning</b>	<b>60,680</b>
<b>NCSC Zero Trust</b>	<b>53,910</b>
<b>Microsoft Power Apps</b>	<b>35,930</b>
<p><b>Officer Responsible: Director, Transformation</b></p> <p>These projects were not started during 2023/24; several such as the AV Equipment programme only had budgets agreed during the year. These budgets are to be rolled forward into 2024/25.</p> <p>A recent review of future Strata projects has been carried and a more realistic and achievable programme has been devised. This has led to a few existing programmes being carried forward beyond 2024/25.</p>	



Scheme	Budget to be Deferred £
Northbrook Wild Arboretum	128,134
<p><b>Officer Responsible: Service Manager - Parks &amp; Green Spaces</b>  Arboretum deferral reflects a timing delay in respect of commencement of the scheme.</p>	
District Street Lighting	50,000
Exeter Quay Cellars Cliff Face	(81,123)
Bromham Farm Playing Fields	90,311
<p><b>Officer Responsible: Engineering and Assets Manager</b>  The District Street Lighting scheme is dependent on Devon County Council's supplier's timescales for completing this work, over which we have no influence. Options to accelerate delivery through use of alternative suppliers have been considered, however this is not considered cost beneficial.</p> <p>Exeter Quay Cellars Cliff Face works commenced in February, when the specialist firm had time availability. The timing of this work meant an overspend on the scheme in year which will be funded from the future year's budget. Work is expected to complete in the first quarter of 2024/25.</p> <p>Bromhams Farm Playing Fields works were due to start in March 2024 but, due to an extended period of extremely wet weather, these weather-sensitive works were postponed into April 2024.</p>	
Fleet Lease Costs	910,290
<p><b>Officer Responsible: Service Lead – Recycling, Waste &amp; Fleet</b>  No further vehicle requirements were needed at present. The continuing roll out of food waste collection services will require additional vans in the coming years.</p>	
Disabled Facility Grants (DFG)	47,827
<p><b>Officer Responsible: Service Lead – Environmental Health &amp; Community Safety</b>  The agreement of these grants is not reflected exactly by current level of spend, in some case for many months, as suppliers cannot be agreed until confirmation has been given to the claimant and is dependent on their availability to carry out the work. There will always be some year-end crossover within this scheme requiring deferral. Schemes approved and in the pipeline at year end amount to around £297,000.</p>	
CCTV Improvements	97,111
<p><b>Officer Responsible: Service Lead – Environmental Health &amp; Community Safety</b>  This scheme has been expanded to absorb the Safer Streets 4 funding, work on which only started in the latter part of the year.</p>	

Scheme	Budget to be deferred £
Leisure Complex – Fit Out	87,422
Leisure Complex – Build Project	207,707
<p><b>Officer Responsible: Director, Communications, Culture &amp; Leisure Facilities</b></p> <p>Both these programmes (along with the leisure complex build project) are reaching the final stages of completion, with end of defects work and retention payments outstanding. Most of the remaining budgets have already been carried forward into 2024/25; the amounts above will now also be slipped into next financial year and beyond.</p>	

Scheme	Budget to be deferred £
Commercial Property Purchase	33,058
<p><b>Officer Responsible: City Surveyor</b></p> <p>The majority of this budget was carried forward into next financial year, leaving some to cover on-going works. This balance will now also be slipped into 2024/25 and beyond, to continue the regeneration programme at the Guildhall.</p>	
John Lewis MSCP	(66,639)
Civic Centre Phase 3 Roof Repair	(105,132)
Commercial Property Ancillary Accommodation	(38,063)
<p><b>Officer Responsible: City Surveyor</b></p> <p>The budgets for these projects were carried forward into 2024/25 as no costs were expected to be realised in 2023/24, the programmes will continue in 2024/25.</p>	
RAMM Roof Repair & Insulation	526,166
<p><b>Officer Responsible: City Surveyor</b></p> <p>This project – jointly funded by both the Council and MEND will continue into 2024/25 and is expected to be completed during the summer. This balance will be carried forward to facilitate the completion of the works.</p>	
Corn Exchange Lift	50,000
<p><b>Officer Responsible: City Surveyor</b></p> <p>This new programme was added at quarter three and work is expected to commence in the summer of 2024/25. This project is funded from additional revenue received from Government.</p>	

## 8.7 CAPITAL PROGRAMME 2024/25 (Appendix 3)

The revised Capital Programme for 2024/25, after taking into account the carried forward requirements from 2023/24 now totals £27,966,305:

Description	£	Approval/Funding
<b>2024/25 Capital Programme, as reported to Council February 2024</b>	<b>15,313,010</b>	
Budget Deferred to 2024/25 at Quarter 3	33,636,980	Approved by Council on 23 April 2024
Budget Deferred to 2024/25 at Quarter 4	2,408,334	
Less Budgets to be reprofiled to future years	(23,392,019)	
<b>Revised 2024/25 Capital Programme</b>	<b>27,966,305</b>	

## 8.8 FURTHER FUNDING REQUESTS

### **DEFRA Grant, new burdens funding for food waste collections (£857,138)**

ECC has been allocated funding for capital transitional costs for the roll out of weekly food waste collections. This is to support waste collection authorities meet the requirement to collect food waste weekly from households from 1<sup>st</sup> April 2026. The funding is intended for the purchase of food bins (including kitchen and kerbside caddies) and food waste collection vehicles.

### **Mallinson (£64,670)**

The new Mallison Bridge replaces the former ECC-owned timber bridge demolished in 2020 and will provide an improved pedestrian and cycle connection from the Quay to the Canal and Riverside areas, avoiding the narrow walkway to Commercial Road. The bridge will be designed and delivered by DCC, and then adopted by ECC. The requested budget will not be an additional financial liability on ECC, it is the remainder of the Mallison bequest which has previously been allocated towards the replacement of the former Mallison Bridge at Exeter Quay. The budget will be used as a contribution towards a DCC-led scheme, funded by a grant from Active Travel England, ECQT and this contribution from ECC. The budget is required for 2024/25, with payment to DCC expected in late 2024, and the bridge is likely to be constructed in 2025/26.

### **Parks Infrastructure (£20,000 & £50,020)**

Request for funds for construction of lean-to protection for essential equipment at Belle Isle site, in line with Health & Safety and Provision and Use of Work Equipment Regulations (PUWER). (£20,000)

S106 contributions allocated to this budget in respect of the Apsham Grange development at Topsham. (£50,020)

## **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 impact of each scheme is considered prior to approval. Any significant deviation from this will be noted within the body of this report.

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

We are working towards the Council's commitment to carbon neutral by 2030. The impact of each scheme is considered prior to approval.

## **13. Are there any other options?**

There are no other options.

**Director Finance, Dave Hodgson**

Author: Nicola Morley, Mark Neville-Smith and Bridget Kendrick

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

Background papers used in compiling this report:-

None

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## 2023/24 CAPITAL MONITORING TO MARCH 2024

Responsible Officer	Scheme	2023/24 Capital Programme	2023/24 Spend	2023/24 Budget to be Carried Forward to 2024/25 and Beyond	2023/24 Programme Variances (Under)/Over
		£		£	£
<b>Transformation</b>					
	Annual Contribution to Strata	53,900	53,904	0	4
	ECC Civic Centre HFX Door Access Replacement	14,940	14,937	0	(3)
	System Upgrade Cost 2012 Server replacement	15,720	12,239	3,481	0
	GIS Cloud Migration	2,510	2,276	234	0
	AV Equipment - Hybrid Meeting Rooms	48,800	0	48,800	0
Director	IT Replacement Programme	75,000	88,589	0	13,589
	Idox System for Planning	60,680	0	60,680	0
	Financial Management	96,760	116,637	(19,877)	0
	NCSC Zero Trust	53,910	0	53,910	0
	PSTN Replacement	30,000	407	29,593	0
	Microsoft Power Apps	35,930	0	35,930	0
	Sharegate	5,750	0	5,750	0
<b>TOTAL</b>		<b>493,900</b>	<b>288,989</b>	<b>218,501</b>	<b>13,590</b>
<b>Net Zero Exeter and City Management</b>					
	Parks Infrastructure	6,330	6,146	184	0
	Parks Anti-Intrusion Measures	18,060	10,403	7,657	0
Service Manager - Public & Green Space	Ash Die Back Tree Replacement	50,000	53,786	(3,786)	0
	Northbrook Wild Arboretum	144,230	16,096	128,134	0
	Play Areas	176,990	175,086	1,904	0
	St Thomas Splashpad	41,480	41,475	0	(5)

Responsible Officer	Scheme	2023/24 Capital Programme	2023/24 Spend	2023/24 Budget to be Carried Forward to 2024/25 and Beyond	2023/24 Programme Variances (Under)/Over
		£		£	£
Engineering & Assets Manager	Bowling Green Marshes Coastal Defence Scheme	3,500	2,131	1,369	0
	Cricklepit Bridge	10,000	0	10,000	0
	Trews Weir Refurb	30,000	20,490	9,510	0
	District Street Lighting	50,000	0	50,000	0
	Exeter Quay Cellars Cliff Face	181,640	262,763	(81,123)	0
	Mallison Bridge	25,000	25,000	0	0
	Bonhay Rd/Andlaw House Footpath	3,250	5,200	(1,950)	0
	Landfill Gas Extraction Systems	13,900	10,650	3,250	0
	Mincinglake Valley Park Reed Beds & Pipe Inlet	2,260	1,848	412	0
	Bromhams Farm Playing Fields	117,740	27,429	90,311	0
	ECC Bridge Repair Programme	26,190	26,193	0	3
Countess Wear Retaining Wall Rebuild	24,600	18,606	5,994	0	
Oxford Road Car Park Retaining Wall	1,500	1,502	0	2	
Service Manager - Recycling, Waste & Fleet	Waste Infrastructure	40,000	39,663	337	0
	Improved recycling containers	90,000	87,890	2,110	0
	Enhance the Materials Reclamations Facility	20,000	13,500	6,500	0
	Fleet Lease costs	927,200	16,910	910,290	0
Service Manager - Environmental Health & Community Safety	Disabled Facility Grants	1,502,120	1,454,293	47,827	0
	CCTV improvements	415,630	318,519	97,111	0
	DEFRA Air Quality Grant	49,000	36,000	13,000	0
	Noise Monitoring Equipment	45,000	16,243	28,757	0
Harbour Master	Exeter Canal Bank Repairs	25,000	0	25,000	0
	Harbour Team Workboat	23,080	28,462	0	5,382
Service Manager - Net Zero & Business	Energy Saving Projects	12,400	12,403	0	3
	Riverside & RAMM Decarbonisation Projects	1,250,000	361,783	29,187	(859,030)
	Shared Prosperity Fund	64,320	64,323	0	3
Miscellaneous	Capitalised Staff Costs	195,020	0	0	(195,020)
<b>TOTAL</b>		<b>5,585,440</b>	<b>3,154,793</b>	<b>1,381,984</b>	<b>(1,048,663)</b>
<b>City Development, Housing &amp; Supporting People</b>					
Director	Next Steps/Rough Sleepers Accommodation Programme Property	517,930	517,959	0	29
<b>TOTAL</b>		<b>517,930</b>	<b>517,959</b>	<b>0</b>	<b>29</b>



Responsible Officer	Scheme	2023/24 Capital Programme	2023/24 Spend	2023/24 Budget to be Carried Forward to 2024/25 and Beyond	2023/24 Programme Variances (Under)/Over
		£		£	£
<b>Communications, Culture and Leisure Facilities</b>					
	Council Signage Improvement	79,090	69,241	9,849	0
	Riverside Leisure Centre	50,480	21,485	28,995	0
	Riverside Sports Hall Roof	15,130	15,134	0	4
Director	Leisure Complex - Fit Out	100,000	12,578	87,422	0
	Leisure Complex - Build Project	100,000	73,395	26,605	0
	Bus Station Construction	282,370	74,663	207,707	0
	Leisure Property enhancements	100,000	79,356	20,644	0
	Leisure Equipment Replacement Programme	100,000	61,641	0	(38,359)
<b>TOTAL</b>		<b>827,070</b>	<b>407,493</b>	<b>381,222</b>	<b>(38,355)</b>
<b>Finance</b>					
Director	Commercial Property Purchase	100,000	66,942	33,058	0
	Fire Risk Assessment Works	100,000	73,885	26,115	0
	John Lewis MSCP	0	66,639	(66,639)	0
	Civic Centre Phase 3 Roof Rep	1,000	106,132	(105,132)	0
	City Wall	780	12,218	(11,438)	0
	Backlog Maintenance	43,570	43,570	0	0
	BLRF - Bonhay Meadows	2,700	2,701	0	1
	BLRF - Exeter Canal Basin	5,000	2,884	2,116	0
	BLRF - Mary Arches Car Park	10,000	6,277	3,723	0
City Surveyor	BLRF - Belle Isle	5,000	3,230	1,770	0
	BLRF - Cath & Quay Car Park	6,360	6,359	0	(1)
	Guildhall roof replacement	95,620	95,618	0	(2)
	Topsham Museum	10,000	7,319	2,681	0
	Commercial Property Ancillary Accommodation flat roof recovering	0	38,063	(38,063)	0
	Wat Tyler House - resolving ongoing water ingress with new rainwater system	7,270	5,000	2,270	0
	RAMM Roof Repair & Insulation	1,195,320	669,154	526,166	0
	Corn Exchange Lift	50,000	0	50,000	0
<b>TOTAL</b>		<b>1,632,620</b>	<b>1,205,991</b>	<b>426,627</b>	<b>(1)</b>
<b>GENERAL FUND SERVICES TOTAL</b>		<b>9,056,960</b>	<b>5,575,224</b>	<b>2,408,334</b>	<b>(1,073,401)</b>

BUDGETS CARRIED FORWARD TO 2024/25 AND BEYOND

Responsible Officer	Scheme	2024/25 Budget as per Budget Book/Council Approvals	Budget Carried Forward to 2024/25 and Beyond at Qtr 3	Proposed Budget to be Carried Forward to 2024/25 and Beyond at Qtr 4	Proposed Budget Reprofiled to Future Years	Total 2024/25 Capital Programme	2025/26 Budget as per Budget Book/Council Approvals
		£	£	£	£	£	£
<b>Transformation</b>							
	Customer Contact Platform	0	161,030	0		161,030	
	Annual Contribution to Strata	53,910	0	0		53,910	53,910
	ECC Civic Centre HFX Door Access Replacement	100,000	(14,940)	0		85,060	
	System Upgrade Cost 2012 Server replacement	0	0	3,481		3,481	
	GIS Cloud Migration	0	0	234		234	
	IT Replacement Programme	10,000	0	0		10,000	10,000
	Idox System for Planning	0	0	60,680		60,680	
	Financial Management	258,920	0	(19,877)		239,043	
	Datacentre Relocation	0	35,940	0	(35,940)	0	35,940
	NCSC Zero Trust	0	0	53,910	(53,910)	0	53,910
	AV Equipment - Hybrid Meeting Rooms	0	0	48,800		48,800	
	PSTN Replacement	0	0	29,593		29,593	
Director	Microsoft Purview	0	9,000	0		9,000	
	Microsoft Power Apps	0	0	35,930		35,930	
	Software Upgrade	0	28,750	0		28,750	
	Sharegate	0	0	5,750		5,750	
	Contact Centre Telephony	17,970	0	0		17,970	
	Core telephony	17,970	0	0		17,970	
	EUC model staff	14,370	0	0		14,370	
	EUC model equipment (replacement laptops)	242,310	0	0		242,310	150,000
	Booking	17,970	0	0		17,970	
	Sharepoint resource	21,560	0	0		21,560	
	Chatbot	17,970	0	0		17,970	
	PSTN	10,780	0	0		10,780	
	Print & post review	7,190	0	0		7,190	
<b>TOTAL</b>		<b>790,920</b>	<b>219,780</b>	<b>218,501</b>	<b>(89,850)</b>	<b>1,139,351</b>	<b>303,760</b>
<b>Net Zero Exeter and City Management</b>							
	Parks Infrastructure	105,210	44,000	184	(99,394)	50,000	99,394
	Cemeteries & Churchyards Infrastructure Improvements	134,790	0	0	(84,790)	50,000	84,790
	Improved Car Park Security Measures at King William Street & Arer	0	19,670	0		19,670	
	Parks Anti-Intrusion Measures	4,900	0	7,657		12,557	
	Ash Die Back Tree Replacement	201,700	50,000	(3,786)	(147,914)	100,000	147,914
	Northbrook Wild Arboretum	78,350	66,000	128,134		272,484	
	Play Areas	225,000	140,000	1,904	(166,904)	200,000	200,000
	Outdoor Leisure Facilities - Newcourt	121,270	0	0	(121,270)	0	121,270
	Pinhoe Playing Field Upgrades	14,550	27,500	0		42,050	
	Heavitree Paddling Pools	410,000	116,680	0		526,680	
Service Manager - Public & Green Space							

Responsible Officer	Scheme	2024/25 Budget as per Budget Book/Council Approvals	Budget Carried Forward to 2024/25 and Beyond at Qtr 3	Proposed Budget to be Carried Forward to 2024/25 and Beyond at Qtr 4	Proposed Budget Reprofiled to Future Years	Total 2024/25 Capital Programme	2025/26 Budget as per Budget Book/Council Approvals
		£	£	£	£	£	£
Engineering & Assets Manager	Bowling Green Marshes Coastal Defence Scheme	420,000	46,500	1,369	(367,869)	100,000	150,000
	Cricklepit Bridge	113,750	30,000	10,000	(53,750)	100,000	53,750
	Trews Weir refurb	500,000	45,000	9,510	(424,510)	130,000	300,000
	District Street Lighting	746,140	150,000	50,000	(796,140)	150,000	796,140
	Piazza Terracina	157,500	1,060	0	(158,560)	0	0
	Exeter Quay Cellars cliff face	385,000	(21,070)	(81,123)	0	282,807	0
	Farm Hill Retaining Walls (23 no.)	796,040	50,000	0	(646,040)	200,000	646,040
	Riverside Walls at Quay	0	0	0	0	0	50,000
	Bonhay Rd/Andlaw House Footpath	130,000	16,760	(1,950)	0	144,810	0
	St James' Weir & Ducks Marsh Meadow banks	75,000	0	0	0	75,000	0
	Landfill Gas Extraction Systems	230,000	26,100	3,250	(159,350)	100,000	159,350
	Mincinglake Valley Park Reed Beds & Pipe Inlet	150,000	31,100	412	(131,512)	50,000	131,512
	Bromhams Farm Playing Fields	223,530	0	90,311	0	313,841	0
	Longbrook Street wall behind 30-38	0	5,000	0	0	5,000	0
	ECC Bridge Repair Programme	600,000	150,000	0	(400,000)	350,000	200,000
	Countess Wear Retaining Wall Rebuild	100,000	29,130	5,994	0	135,124	0
	Oxford Road Car Park Retaining Wall	0	200,000	0	0	200,000	0
Canal Basin Bridge Refurbishment	50,000	0	0	0	50,000	0	
Bank Repairs & Stabilisation to Watercourses	0	20,000	0	0	20,000	0	
Service Manager - Recycling, Waste & Fleet	Waste Infrastructure	0	411,410	337	0	411,747	0
	Improved recycling containers	0	121,360	2,110	0	123,470	0
	Enhance the Materials Reclamations Facility	0	7,839,370	6,500	(1,675,000)	6,170,870	1,675,000
	Fleet Lease costs	0	0	910,290	0	910,290	0
Service Manager - Environmental Health & Community Safety	Disabled Facility Grants	800,000	150,000	47,827	0	997,827	800,000
	CCTV improvements	0	0	97,111	0	97,111	0
	DEFRA Air Quality Grant	0	0	13,000	0	13,000	0
	Noise Monitoring Equipment	0	0	28,757	0	28,757	0
Harbour Master	Exeter Canal Bank Repairs	0	51,890	25,000	0	76,890	0
Service Manager - Net Zero & Business	Riverside & RAMM Decarbonisation Projects	6,041,820	0	29,187	(900,154)	5,170,853	900,154
	Shared Prosperity Fund	178,550	0	0	0	178,550	0
Miscellaneous	Rent for Exmouth Buoy Store / St Thomas Arches	129,010	0	0	0	129,010	0
	Capitalised Staff Costs	150,000	0	0	0	150,000	150,000
<b>TOTAL</b>		<b>13,272,110</b>	<b>9,817,460</b>	<b>1,381,984</b>	<b>(6,333,157)</b>	<b>18,138,397</b>	<b>6,665,314</b>
<b>City Development</b>							
Director	GF Housing Rents	160,350	0	0	0	160,350	0
<b>TOTAL</b>		<b>160,350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>160,350</b>	<b>0</b>
<b>Communications, Culture and Leisure Facilities</b>							
Director	Council Signage Improvement	0	0	9,849	0	9,849	0
	Riverside Leisure Centre	0	0	28,995	0	28,995	0
	Riverside Sports Hall Roof	0	60,870	0	0	60,870	0
	Leisure Complex - Fit Out	0	355,250	87,422	0	442,672	0
	Leisure Complex - Build Project	0	639,140	26,605	(650,000)	15,745	650,000
	Bus Station Construction	0	0	207,707	0	207,707	0
	Leisure Property enhancements	0	2,026,800	20,644	(1,000,000)	1,047,444	1,000,000
	Rent - Haven Road Storage	36,040	0	0	0	36,040	0
	Leisure Equipment Replacement Programme	100,000	561,660	0	0	661,660	100,000
	Pinhoe Community Hub	0	1,276,470	0	(1,276,470)	0	1,276,470
<b>TOTAL</b>		<b>136,040</b>	<b>4,920,190</b>	<b>381,222</b>	<b>(2,926,470)</b>	<b>2,510,982</b>	<b>3,026,470</b>

Responsible Officer	Scheme	2024/25 Budget as per Budget Book/Council Approvals	Budget Carried Forward to 2024/25 and Beyond at Qtr 3	Proposed Budget to be Carried Forward to 2024/25 and Beyond at Qtr 4	Proposed Budget Reprofiled to Future Years	Total 2024/25 Capital Programme	2025/26 Budget as per Budget Book/Council Approvals
		£	£	£	£	£	£
<b>Finance</b>							
Director	Commercial Property Purchase	0	10,851,220	33,058	(5,884,278)	5,000,000	5,884,278
	Civic Centre Air Conditioning Replacement	0	25,000	0	(25,000)	0	25,000
	Fire Risk Assessment Works	0	1,600,690	26,115	(1,626,805)	0	1,626,805
	Exmouth Buoy Store	0	212,720	0	(212,720)	0	212,720
	Guildhall MSCP	0	0	0	0	0	883,400
	John Lewis MSCP	424,400	0	(66,639)	(357,761)	0	357,761
	Princesshay 2 MSCP	424,400	0	0	(424,400)	0	424,400
	Leighton Terra & KW St MSCP	0	618,000	0	(618,000)	0	618,000
	Civic Centre Phase 3 Roof Rep	0	368,510	(105,132)		263,378	
	City Wall	0	489,180	(11,438)	(477,742)	0	477,742
	Backlog Maintenance	64,790	465,240	0	(530,030)	0	530,030
	BLRF - Exeter Canal Basin	0	589,120	2,116	(591,236)	0	591,236
	BLRF - Mary Arches Car Park	0	1,285,740	3,723	(1,289,463)	0	1,289,463
City Surveyor	BLRF - Belle Isle	0	662,170	1,770	(663,940)	0	663,940
	BLRF - Clifton Hill	0	225,000	0	(225,000)	0	225,000
	Depot Relocation	0	375,970	0	(375,970)	0	375,970
	BLRF - Lower Wear Road	0	293,390	0	(293,390)	0	293,390
	Cathedral Green Display Cases	0	35,000	0		35,000	
	Topsham Museum	0	140,000	2,681		142,681	
	Commercial Property Ancillary Accommodation flat roof recovering	0	142,600	(38,063)	(104,537)	(0)	104,537
	Wat Tyler House - resolving ongoing water ingress with new rainwater system	0	270,000	2,270	(272,270)	0	272,270
	Commercial Properties - capital improvements to enable ongoing income (compliance with EPC legislation)	40,000	30,000	0	(70,000)	0	120,000
	RAMM Roof Repair & Insulation	0	0	526,166		526,166	
	Corn Exchange Lift	0	0	50,000		50,000	
<b>TOTAL</b>		<b>953,590</b>	<b>18,679,550</b>	<b>426,627</b>	<b>(14,042,542)</b>	<b>6,017,225</b>	<b>14,975,942</b>
<b>GENERAL FUND SERVICES TOTAL</b>		<b>15,313,010</b>	<b>33,636,980</b>	<b>2,408,334</b>	<b>(23,392,019)</b>	<b>27,966,305</b>	<b>24,971,486</b>

## GENERAL FUND AVAILABLE RESOURCES

GENERAL FUND	2023-24 £	2024-25 £	2025-26 £	2026-27 £	TOTAL £
<b>CAPITAL RESOURCES AVAILABLE</b>					
Capital Receipts Brought Forward	2,948,571				2,948,571
GF Capital Receipts	20,280	5,198,275	0	0	5,218,555
Revenue Contributions to Capital Outlay	137,314	133,800	53,756	0	324,870
Disabled Facility Grant	1,454,293	997,827	800,000	800,000	4,052,120
Community Infrastructure Levy	246,157	6,987,389	1,716,024	166,904	9,116,474
Other - Grants/External Funding/Reserves/S106	1,744,982	6,249,584	3,688,049	767,379	12,449,994
<b>Total Resources Available</b>	<b>6,551,597</b>	<b>19,566,875</b>	<b>6,257,829</b>	<b>1,734,283</b>	<b>34,110,584</b>
<b>GENERAL FUND CAPITAL PROGRAMME</b>					
Capital Programme	9,056,960	48,949,990	5,422,310	1,263,910	64,693,170
Overspends/(Savings)	(1,073,401)				(1,073,401)
Slippage	(2,408,334)	(20,983,685)	19,549,176	3,842,843	0
<b>Total General Fund</b>	<b>5,575,224</b>	<b>27,966,305</b>	<b>24,971,486</b>	<b>5,106,753</b>	<b>63,619,768</b>

<b>UNCOMMITTED CAPITAL RESOURCES:</b>					
Capital Receipts Brought Forward	2,948,571	(0)	1,613,346	413,446	2,948,571
Resources in Year	3,603,026	19,566,875	6,257,829	1,734,283	31,162,013
Less Capital Receipts used to finance past debt	(2,968,851)	(648,958)	0	0	(3,617,809)
Less Capital Receipts to carry forward	0	(1,613,346)	(413,446)	(99,536)	(99,536)
Less Spend in Year	(5,575,224)	(27,966,305)	(24,971,486)	(5,106,753)	(63,619,768)
<b>Borrowing Requirement</b>	<b>1,992,479</b>	<b>10,661,734</b>	<b>17,513,757</b>	<b>3,058,560</b>	<b>33,226,529</b>

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## REPORT TO EXECUTIVE

Date of Meeting: 9 July 2024

## REPORT TO COUNCIL

Date of Meeting: 16 July 2024

Report of: Director Finance

Title: 2023/24 HRA Budget Monitoring Report – Outturn

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

### 1. What is the report about?

To advise Members of any major differences, by management unit, between the approved budget and the outturn for the financial year up to 31 March 2024 in respect of the Housing Revenue Account and the Council's new build schemes.

An outturn update in respect of the HRA Capital Programme is also incorporated into this report in order to help provide a comprehensive financial update in respect of the Housing Revenue Account.

### 2. Recommendations:

2.1 It is recommended the Executive note the report and Council notes and approves (where applicable):

- 1) The supplementary budget of £50k as detailed in paragraph 8.5;
- 2) The HRA financial position for 2023/24 financial year;
- 3) The revision of the HRA Capital Programme to reflect the reported variations detailed in Appendix 3;
- 4) A request to vire £466k from the social housing acquisitions section 106 budget to the social housing acquisitions open market budget as detailed in paragraph 8.13;
- 5) A request for £74k additional funding to finalise the Hamlin Gardens project; and
- 6) A request that the new HRA development at Hamlin Gardens (Brooke House) will be designated as a scheme for applicants over the age of 60, as detailed in paragraph 8.14.

### 3. Reasons for the recommendation:

3.1 To formally note the HRA's projected financial position and to approve the reported variations to the HRA Capital Programme.

The Housing Revenue Account is a statutory account and local housing authorities have a duty to keep a HRA in accordance with proper accounting practices and to review the

account throughout the year. Members are presented with a quarterly financial update in respect of the HRA and this is the final update for 2023/24.

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

4.1 The financial resources required to deliver both housing services to Council tenants and to invest in new and existing housing stock during 2023/24 are set out in the body of this report.

4.2 The impact on the HRA's available financial resources are set out in Appendix 2.

#### **5. Section 151 Officer comments:**

5.1 The outturn figures represent a strong financial performance over the year in respect of the HRA. Overall plans were delivered under budget whilst there was significant progress on the capital programme. Overall the challenges of increasing investment in new stock remain as interest rates and construction costs challenge viability, but the progress seen in 2023/24 is welcome.

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

6.1 The statutory requirement for a Housing Revenue Account (HRA) is set out in Part VI of the Local Government and Housing Act 1989. Section 74 of the Act sets out the duty to keep a Housing Revenue Account as a ring-fenced fund and sets out the structure within which the HRA operates. Part VI of the Act sets out the detailed statutory provisions on the operation of the HRA, including credits to the account (income) and debits to the account (expenditure). Section 76 sets out the duty to prevent a debit balance on the HRA. The authority must implement proposals that will secure that the account for each financial year will not show a debit balance. Members will also note the provisions of Schedule 4 of the Act which sets out the requirements concerning 'The Keeping of the Housing Revenue Account'.

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

The Monitoring Officer has no additional comments.

#### **8. Report details:**

##### **HRA FINAL ACCOUNTS TO 31 MARCH 2024**

##### **8.1 Background to the HRA**

The Housing Revenue Account (HRA) records expenditure and income relating to council dwellings and the provision of services to tenants. Housing authorities have a statutory duty to maintain a HRA account, which is primarily a landlord account, in order to account to their tenants for income and expenditure on council housing separately from other functions and services of the Council. This includes tenancy management, repairs and maintenance, council house building and council house retrofits.

##### **8.2 Projected transfer from the working balance**

	£
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<b>Approved Budgeted transfer from the working balance</b>	<b>2,541,730</b>
Supplementary budgets – Council approved 18th July 2023	300,000
<b>Revised Budgeted transfer from the working balance</b>	<b>2,841,730</b>

2023/24 Approved Budget Represented By	£
85A1 MANAGEMENT	1,718,700
85A11 EDWARDS COURT	(110,210)
85A2 TENANCY SERVICES	1,764,880
85A3 SUNDRY LANDS MAINTENANCE	931,920
85A4 REPAIR & MAINTENANCE PROGRAMME	7,025,370
85A5 REVENUE CONTRIB TO CAPITAL	4,000,000
85A6 CAPITAL CHARGES	4,073,090
85A7 HOUSING ASSETS	2,551,980
85A8 RENTS	(21,012,110)
85B2 INTEREST	1,898,110
85B4 MOVEMENT TO/(FROM) WORKING BALANCE	<b>(2,841,730)</b>

The HRA has built up a working balance of £7.2 million as at 31 March 2023. This is higher than the £4 million contingency resolved to be retained. The HRA approved Medium Term Financial Plan (MTFP) plans to reduce the working balance, largely through significant revenue contributions to capital. This enables the built-up working balance to be used to fund the HRA capital programme towards planned works, retrofits and Council House building developments.

### 8.3 Revenue Monitoring

The 2023/24 financial year has ended with an overall net deficit of £1.6m. This represents a reduction of £1.2m compared to the budgeted deficit of £2.8m for 2023/24, and an increase compared with the projected under-spend of £135k previously reported at Quarter 3 as part of the quarterly budget monitoring updates.

The reasons for this and the main deviations from budget for the financial year are set out below. Please also refer to Appendix 1.

Budget Heading	Forecast Variance at Q3 (Under) / Overspend	Actual Budget Variance (Under) / Overspend

<b>Management</b>	<b>£122,000</b>	<b>£130,067</b>
<p><b>Officers Responsible: Service Leads - Housing Assets &amp; Tenancy Services</b></p> <ul style="list-style-type: none"> <li>• Tenant decant costs and empty property charges – £244k. The continuing decants from Rennes House requires tenants to be compensated with home loss payments and other general financial support relating to their relocation costs, and means the Council is liable for the empty property charges. Decants are dependent upon the properties requested by the tenants becoming available and we have managed to support additional tenants in readiness for the full vacation of Rennes House.</li> <li>• A net overspend of £7k across other budgets, including increases in subscriptions and memberships including the Housing Ombudsman.</li> <li>• The corporate recharge was £14k higher than budgeted.</li> <li>• Older persons accommodation underspent by (£75k) primarily due to utilities spend not being as high as anticipated.</li> <li>• Resident Involvement underspent by (£60k) due to savings on consultants, publications etc.</li> </ul>		
<b>Edwards Court</b>	<b>£28,000</b>	<b>(£77,530)</b>
<p><b>Officer Responsible: Service Lead Tenancy Services</b></p> <ul style="list-style-type: none"> <li>• Although utilities at Edwards Court have been significantly more expensive than budgeted, this has been offset by higher than expected occupancy levels during this first full year.</li> </ul>		
<b>Tenancy Services</b>	<b>£32,500</b>	<b>(£323,091)</b>
<p><b>Officer Responsible: Service Lead Tenancy Services</b></p> <ul style="list-style-type: none"> <li>• There was a (£184k) saving on premises costs, particularly gas and electricity for which had 23/24 budgets significantly increased as a result of high price increases.</li> <li>• Staffing and agency budgets were (£68k) lower than budgeted due to vacancies.</li> <li>• There were a net (£32k) savings across supplies and services including tenants removal and legal expenses, and court fees.</li> <li>• There is a general (39k) saving on recharges and other costs.</li> </ul>		
<b>Sundry Land Maintenance</b>	<b>(£352,000)</b>	<b>(£430,696)</b>
<p><b>Officers Responsible: Service Leads - Housing Assets &amp; Tenancy Services</b></p> <ul style="list-style-type: none"> <li>• The Estate Maintenance budget has underspent by (£387k). The budget included £300k carried forward from 2022/23 relating to replacement trees for those affected by Ash Die Back, but is now not expected to be needed until later in the decade. Officers will continue to monitor the situation to ensure that there is appropriate budget provision for works needed resulting from Ash Die Back. It is important to note that this is not a budget for a general tree planting programme.</li> <li>• There has been a (£41k) saving in the Garden Assistance as the demand over the busy months was lower than budgeted.</li> <li>• The sundry lands transfer was (£3k) higher than budgeted.</li> </ul>		
<b>Repair &amp; Maintenance Programme</b>	<b>£1,130,000</b>	<b>£865,161</b>

**Officer Responsible: Service Lead Housing Assets**

- Re-pointing – this budget underspent by (£216k), which is higher than projected at Quarter 3 when it was identified as an area which could offset the other Repairs and Maintenance pressures. This underspend relates to less pointing being required on properties included within the retrofit programme.
- Asbestos – overall the asbestos budget underspent by (£134k), however there is a request for a supplementary budget in paragraph 8.5 as £50k of this is required in 2024/25.
- The General Maintenance has been under huge pressures all year, although the actual overspend of £721k is slightly better than projected at Quarter 3. Within this there is an £87k additional costs on damp and mould £100k budget as demand escalated over the winter months. A higher than usual number of jobs excluded from the Price Per Property Contract have been received this year – including drains failures (pitch-fibre collapses, clay pipe fractures due to vegetation/tree growth), urgent path and ramp repairs and general price pressures from our contractor. All of these issues have contributed to the budget pressures for this area.
- Repairs to voids is difficult to predict and the overspend increased from the £620k projected at Quarter 3 to £665k. As at 31<sup>st</sup> December the team had let 189 voids, compared with 200 in the whole of 22/23. During the summer, the Voids Team were managing over 100 void properties and this required additional contractor resources above that normally utilised in order to tackle the issue. This has been achieved – we now have reduced the number of void properties to 57 – but required additional expenditure to achieve this. More positively, by committing more expenditure, the Council has housed applicants faster than would have been possible without committing to the additional expenditure and therefore gained the associated rental income earlier than would have been the case if extraordinary measures were not implemented.
- Electrical testing / reactive – has overspent by £56k on the general maintenance areas.
- Service contracts – the net impact of over / underspends in this area is a saving of (£138k). (£79k) of this relates to the gas and central heating budget which was 90% spent in year.
- Low maintenance and painting – was underspent by (£87k).

<b>Housing Assets</b>	<b>£0</b>	<b>£134,515</b>
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**Officer Responsible: Service Lead Housing Assets**

- Staff costs were overspent across this service by £119k mainly due to agency costs to cover for sickness and vacancies – a report has now been approved by the Strategic Management Board to add a number of new posts to the Housing (Assets and Tenancy Services) teams and, as part of this process, the posts currently filled by agency staff will be permanently recruited to.
- An additional £40k spend on consultancy costs including Echelon and Low Carbon Exchange - the former to complete an evaluation of the Integrated Assets Contract and the latter to support the grant funding process associated with the retrofit programme.
- An underspend of (£29k) on premises costs.
- A net £5k of other overspends on supplies and services and internal recharges.

<b>Capital charges</b>	<b>(£327,440)</b>	<b>(£327,444)</b>
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<b>Officer Responsible: not applicable (statutory accounting charge)</b>		
<p>Depreciation charges are lower than budgeted as the land value proportion of stock as at 2022/23 year end has increased on the recommendation of Corporate Property, so the buildings element which gets depreciated each year has reduced.</p> <p>Depreciation is a real cost to the HRA as it represents the amount of money which needs to be set aside in the Major Repairs Reserve to provide for future capital works or to repay debt. A lower depreciation charge results in a revenue saving in the year, but less funding available for future capital spend.</p>		
<b>Interest</b>	<b>(£768,500)</b>	<b>(£1,213,144)</b>
<b>Officers Responsible: Service Leads - Housing Assets &amp; Tenancy Services</b>		
<p>The 2023/24 budget included interest payable for an additional £3.9m approved borrowing. Due to current high interest rates external borrowing is being delayed as long as possible until rates become more affordable, and costs are being covered by temporary internal borrowing resulting in a saving in 23/24.</p> <p>Interest receivable on HRA balances was higher than budgeted throughout the year resulting in a surplus of almost £1m, however it should be noted that higher rates have been factored into the 24/25 budget.</p>		
<b>Rents</b>	<b>£0</b>	<b>(£25,528)</b>
<b>Officer Responsible: Service Lead Tenancy Services</b>		
<p>The rent collected for 2023/24 was largely in line with the budget.</p>		
<b>Total budget (underspend)/overspend</b>	<b>(£135,440)</b>	<b>(£1,267,690)</b>
<b>2023/24 HRA Deficit / (Surplus)</b>		<b>£1,574,040</b>

#### 8.4 Impact on HRA Working Balance

The HRA Working Balance represents amounts set aside to help facilitate service improvements, repay debt or to provide investment in the stock in future financial years.

The total budget variances for 2023/24 have resulted in a deficit of £1,574,040 which will be transferred from the HRA working balance and bring the balance closer to the £4m contingency.

<b>Movement</b>	<b>2023/24</b>
Opening HRA Working Balance, as at 1 April 2023	£7,243,104
Deficit for 2023/24	(£1,570,040)
Balance resolved to be retained (HRA contingency)	(£4,000,000)
<b>Balance Available, as at 31 March 2024</b>	<b>£1,669,064</b>

### 8.5 Supplementary Budgets

There is a requirement for a supplementary budget in 2024/25 as the HRA has identified an under-spend against the Planned Asbestos Surveys budget. In line with the control of asbestos regulations communal area inspections are being carried out yearly, the domestic reinspection programme has commenced and there is an increase in surveys arising from the kitchen and bathrooms upgrade programmes.

It is therefore proposed that a supplementary budget of £50k is submitted to Executive for approval and added to the 2024/25 budget.

### 8.6 Major Repairs Reserve

Councils are expected to set aside some of their income each year into the Major Repairs Reserve, in order to ensure appropriate provision is made towards financing future capital works or to repay debt. The balance held in the reserve at the end of the financial year is set out below:

<b>Movement</b>	<b>2023/24</b>
Opening Major Repairs Reserve, as at 1 April 2023	£18,063,137
Revenue monies set aside during 2023/24	£3,745,646
Amount used to finance capital expenditure during 2023/24	(£9,353,036)
<b>Balance as at 31 March 2024</b>	<b>£12,455,751</b>

### 8.7 HRA Available Resources over the Medium Term

The forecast HRA available resources for delivering both housing services and capital investment are set out in Appendix 2 for the period to 2027/28.

The total available resources are made up of several reserve balances; the HRA working balance, the Useable Capital Receipts reserve and the Major Repairs Reserve.

The HRA working balance is the movement on revenue budgets, contributions can be made from this reserve towards financing capital budgets in the form of 'Revenue Contributions to Capital'. The useable capital receipts reserve is made up of both the Right-to-Buy (RTB) receipts reserve and the Non-RTB receipts reserve; these reserves are available to finance capital spend; some restrictions apply. The Major Repairs Reserve is increased each year by the HRA depreciation charge to revenue, this reserve is then available to spend on the HRA capital programme.

The total forecast HRA available resources is impacted by variances in both revenue budgets detailed in section 8.3 above and variances in capital budgets detailed in section 8.9 below.

The forecast total available resources over the Medium-Term Financial Plan (MTFP) has increased by £3.9m since last reported at 2023/24 Quarter 3. This reflects a net £1.1m reduction in capital projects over the MTFP, an increase in the revenue underspend of £1.1m in 23/24, and a £1.7m reduction in the potential surrender of right to buy receipts to DLUHC as we are now able to use 50% of receipts retained since 2019/20, rather than 40%.

Total available reserves over the MTFP are now expected to be £4.2m, after deducting the £4m balance resolved to be retained (HRA contingency).

## **8.8 HRA Debt**

In October 2018 the Government formally removed the HRA debt cap, which restricted the amount of borrowing stock-holding local authorities could have for the purposes of the HRA. The lifting of the 'debt cap' means that local authorities are now able to borrow for housebuilding in accordance with the Prudential Code.

Executive on 8 October 2019 approved the first Council House Building Programme, which will deliver 100 new homes into the HRA at a cost of £18m. On 5 April 2020, the Council took out a loan of £15.36m from the PWLB to support this programme. The remaining £2.64m will be funded by capital receipts.

As at 31 March 2024, the HRA's borrowing stood at £73.242m. The total of the £15.360m new loan and the former 'debt cap' level of £57.882m.

The HRA currently has approval to borrow a further £3.9m for previous capital expenditure, which will likely be required in the next 12 to 24 months, and a further £2.7m currently planned in 26/27.

## **8.9 HRA Capital Programme**

The 2023/24 HRA Capital Programme was last reported to Council on 23 April 2024. Since that meeting the following changes have been made that have increased the 2023/24 programme.

Description	2023/24	Approval / Funding
<b>HRA Capital Programme</b>	<b>£32,044,391</b>	
Budgets deferred to future years	(£1,329,990)	Council - 23 April 2024
Programme variances	(£171,101)	Council - 23 April 2024
<b>Revised HRA Capital Programme</b>	<b>£30,543,300</b>	

### 8.10 Performance

HRA Capital expenditure in the year amounted to £23,804,926 which equates to 78% of the revised approved capital programme (as set out above). The nature of capital investment in the financial year comprised:

HRA Capital Expenditure	£
Capital investment in existing stock	10,291,714
Capital investment in the provision of new council homes	13,513,212
<b>Total HRA Capital Expenditure</b>	<b>23,804,926</b>

A detailed list of HRA capital budgets and actual expenditure is set out in Appendix 3.

It is proposed to carry forward a net total of £5.4m budget into future years, and £1.3m less has been spent in year than was projected at Quarter 3.

### 8.11 HRA Capital Financing

The total HRA capital expenditure for 2023/24 will be financed as follows:

HRA Capital Finance	£
Major Repairs Reserve	9,353,036
Revenue Contribution to Capital	4,000,000
Capital Receipts	5,587,396
Commuted sums (S106)	2,167,808
Borrowing	0

Grants	2,696,686
<b>Total HRA Capital Financing</b>	<b>23,804,926</b>

The impact on the capital resources available to the HRA over the next 4 years is set out in Appendix 2.

## 8.12 Capital Budget Variances

The details of key (greater than +/- £50k) variances from budget are set out below.

<b>Scheme</b>	<b>Overspend / (Underspend)</b>
<b>Local Authority Housing Fund</b>	<b>(£82,549)</b>
<b>Officer Responsible – Service Lead Tenancy Services</b>	
<ul style="list-style-type: none"> <li>The first round of the LAHF to deliver 8 homes using grant and s106 monies has been delivered slightly under budget.</li> </ul>	
<b>Bathroom replacements</b>	<b>(£51,960)</b>
<b>Energy conservation (retrofit)</b>	<b>£148,276</b>
<b>Fire Risk assessment works - Planned</b>	<b>(£171,984)</b>
<b>Fire Safety storage facilities</b>	<b>(£153,236)</b>
<b>Re-roofing Flats</b>	<b>(£344,806)</b>
<b>Window replacements</b>	<b>£86,899</b>
<b>Officer Responsible – Service Lead Housing Assets</b>	
<p>The overspends on the energy conservation project and window replacement programme above are as a result of unavoidable cost pressures in year. However, these are addressed in year by lower than expected costs relating to bathrooms replacements and re-roofing of flats. Expenditure relating to works following fire risk assessments has been lower than originally anticipated and some lower priority fire storage works have been delayed to 2024/25.</p>	
<b>Boiler replacement programme and central heating</b>	<b>(£179,855)</b>
<b>Fire Risk assessment works - Compliance</b>	<b>(£589,362)</b>
<b>Officer Responsible – Safety, Health, Environment &amp; Quality Lead</b>	



- The number of boiler installations has been slightly lower than budgeted for the year, £200k was re-profiled to 2024/25 earlier in the year.
- A programme of fire risk assessment works is in place from April 2024 and the 2024/25 budget should be sufficient to address this.

### 8.13 Schemes to be deferred to 2023/24 and beyond

Schemes identified as being wholly or partly deferred to 2024/25 and beyond are:

<b>Scheme</b>	<b>Budget deferred to future years</b>
<b>Council House Building Programme – Hamlin Gardens</b>	<b>£470,248</b>
<b>Council House Building Programme – Bovemoors Lane</b>	<b>£32,345</b>
<b>Council House Building Programme – Vaughan Road</b>	<b>£2,053,252</b>
<p><b>Officer Responsible – Service Lead Housing Assets</b></p> <ul style="list-style-type: none"> <li>• Completion of the Hamlin Gardens scheme is now anticipated at the beginning of August 2024.</li> <li>• The remaining Bovemoors Lane budget will be required in 2024/25 to address surface water drainage issues.</li> <li>• There has been some slippage in the Vaughan Road scheme so the in year underspend will be required in 2024/25.</li> </ul>	
<b>Social Housing acquisitions – section 106 &amp; open market</b>	<b>£466,323</b>
<p><b>Officers Responsible: Service Leads - Housing Assets &amp; Tenancy Services</b></p> <p>At the start of 2023/24 there were two social acquisitions budgets; £504k for open market purchases and £589k for properties offered to ECC by developers under section 106 agreements, however this latter budget is less likely to be used. £627k was spent in 2023/24 on purchasing four properties on the open market.</p> <p>It is requested that the net balance of £466k be carried forward and vired to the open market budget so that there is budget available to purchase properties using Delegated Powers.</p>	
<b>St Loyes Extracare scheme</b>	<b>£19,739</b>
<b>Laings refurbishments</b>	<b>£242,626</b>

<b>Rennes House – structural works</b>	<b>£58,045</b>
<p><b>Officer Responsible – Service Lead Housing Assets</b></p> <ul style="list-style-type: none"> <li>• The remaining underspend on St Loyes is required to provide balcony improvements in 2024/25 – cost estimates are currently being sought.</li> <li>• The 23/24 budget included provision for Laings development including the purchase of an additional property which is now likely to happen early in 2024/25. The completion of the remaining 6 Laings properties has been significantly delayed due to the increase in inflation making development currently unviable. This position is constantly under review.</li> <li>• The balance of the Rennes House budget will be required in 2024/25 when the remaining tenants will be decanted. There will some works required in order to secure the building following the decant process prior to the demolition.</li> </ul>	
<b>Estate Improvements</b>	<b>£95,312</b>
<b>Local Authority Housing Fund</b>	<b>£95,920</b>
<p><b>Officer Responsible – Service Lead Tenancy Services</b></p> <ul style="list-style-type: none"> <li>• There is no further budget available for smaller projects such as fencing and bin stores so the balance of the Estates Improvements approvals will be required in future years.</li> <li>• LAHF Round 2 has delivered a further 5 homes during 23/24, but not all costs have yet been paid out and will be incurred in 2024/25.</li> </ul>	
<b>Adaptations</b>	<b>£305,164</b>
<b>Balcony walkway improvements</b>	<b>£239,754</b>
<b>Kitchen replacements</b>	<b>£562,762</b>
<b>Re-roofing - Houses</b>	<b>£441,239</b>
<b>Porch canopies</b>	<b>£39,924</b>
<p><b>Officer Responsible – Service Lead Housing Assets</b></p> <p>The underspends on each of the five planned capital budgets above are earmarked for specific projects and will be needed to cover spend in 2024/25. Delays to the porch canopy expenditure relates to the time taken to complete the Section 20 consultation process with the leaseholders of the respective flats.</p>	
<b>Lift upgrades</b>	<b>£80,000</b>
<b>Electrical Rewires - Domestic</b>	<b>£189,496</b>

<b>Electrical Rewires - Communal</b>	<b>£23,040</b>
<p><b>Officer Responsible – Safety, Health, Environment &amp; Quality Lead</b></p> <ul style="list-style-type: none"> <li>• The Compliance team have not had sufficient capacity to procure a new lift upgrade contract during the year; this will happen in 2024/25 and the budget provision will be required in order to catch up with the programme of upgrades.</li> <li>• The underspends on domestic and communal electrical rewires will be needed to address increasing pressures in 2024/25 and maintain compliance levels.</li> </ul>	

#### 8.14 Further funding request and change in designation of Hamlin Gardens

A further amount of £74,000 is required over and above the contingency to complete the Hamlin Gardens project in 2024/25. Additional work at Brooke House is required as 16 of the 21 units are being used as decants for over 60s tenants from Rennes House. The costs for work required to accommodate these tenants, such as changes to the bathrooms and scooter stores, were not included in the original budget for a general purpose site.

#### Historic Council own build Final Accounts to 31 March 2024

8.15 The Council's own build properties at Rowan House and Knights Place form part of the overall Housing Revenue Account, but separate income and expenditure budgets are maintained in order to ensure that they are self-financing.

As the 21 units were built using HCA funding in conjunction with borrowing (£998k), they are accounted for separately in order to ensure that they self-financing. A separate COB working balance and Major Repairs Reserve are maintained until such time as a sufficient balance has been accumulated to repay the debt attributable to these properties, at which point the units can be accounted for with the wider HRA stock.

#### 8.16 Key Variances from Budget

The 2023/24 year has ended with an overall net surplus of £9,826, which will be transferred to the COB working balance. This represents a decrease of £41,896, compared to the budgeted transfer from the working balance of £32,070.

The variance is largely due to higher interest receivable on balances. Please refer to Appendix 1 for more details.

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

The Housing Revenue Account contributes to a key purposes, as set out in the Corporate Plan; Building great neighbourhoods.

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

For clarity, these are specific financial risks, alongside the risks captured in the corporate risk register.

It is not permissible for the HRA to go into an overall financial deficit position, it is therefore important to ensure that an adequate level of HRA balances is maintained as a contingency against risks. The HRA resolve to retain a working balance at no less than £4 million to mitigate against financial risks.

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 there are no significant equality and diversity impacts associated with this decision.

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

12.1 We are working towards the Council's commitment to carbon neutral by 2030. The impact of each scheme is considered prior to approval.

## **13. Are there any other options?**

13.1 None

**Director Finance, David Hodgson**

Author: Claire Hodgson

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

Background papers used in compiling this report:-

None

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HOUSING REVENUE ACCOUNT  
REVENUE OUTTURN

APRIL 2023 TO MARCH 2024

APPENDIX 1

Code	MANAGEMENT UNIT	APPROVED BUDGET	QUARTER 3 FORECAST OUTTURN	2023/24 OUTTURN	VARIANCE SINCE QUARTER 3	OVERALL VARIANCE TO BUDGET	VARIANCE TO BUDGET
		£	£	£	£	£	%
85A1	MANAGEMENT	1,718,700	1,840,700	1,848,767	8,067	130,067	8
85A11	EDWARDS COURT	(110,210)	(82,210)	(187,740)	(105,530)	(77,530)	70
85A2	TENANCY SERVICES	1,764,880	1,797,380	1,441,789	(355,591)	(323,091)	(18)
85A3	SUNDRY LAND MAINTENANCE	931,920	579,920	501,224	(78,696)	(430,696)	(46)
85A4	REPAIRS & MAINTENANCE PROGRAMME	7,025,370	8,155,370	7,890,531	(264,839)	865,161	12
•	RE-POINTING	337,500	237,500	121,852	(115,648)	(215,648)	(64)
•	ASBESTOS	644,330	644,330	510,139	(134,191)	(134,191)	(21)
•	GENERAL MAINTENANCE	2,348,480	3,168,480	3,069,622	(98,858)	721,142	31
•	REPAIRS TO VOID PROPERTIES	1,346,000	1,966,000	2,010,534	44,534	664,534	49
•	ELECTRICAL TESTING / REACTIVE	74,630	74,630	130,353	55,723	55,723	75
•	SERVICE CONTRACTS	1,245,390	1,245,390	1,107,003	(138,387)	(138,387)	(11)
•	LOW MAINTENANCE & PAINTING FLATS	964,040	764,040	876,724	112,684	(87,316)	(9)
•	INTERNAL DECORATION PROGRAMME	65,000	65,000	64,304	(696)	(696)	(1)
85A5	REVENUE CONTRIBUTION TO CAPITAL	4,000,000	4,000,000	4,000,000	0	0	0
85A6	CAPITAL CHARGES	4,073,090	3,745,650	3,745,646	(4)	(327,444)	(8)
85A7	HOUSING ASSETS	2,551,980	2,551,980	2,686,495	134,515	134,515	5
85A8	RENTS	(21,012,110)	(21,012,110)	(21,037,638)	(25,528)	(25,528)	0
85B2	INTEREST	1,898,110	1,129,610	684,966	(444,644)	(1,213,144)	(64)
85B4	MOVEMENT TO/(FROM) WORKING BALANCE	(2,841,730)	(2,706,290)	(1,574,040)	1,132,250	1,267,690	(45)
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>Working Balance 1 April 2023</b>	<b>7,243,104</b>	<b>31 March 2024</b>	<b>5,669,064</b>			

COUNCIL OWN BUILD SITES

Code		APPROVED BUDGET	QUARTER 3 FORECAST OUTTURN	2023/24 OUTTURN	VARIANCE SINCE QUARTER 3	OVERALL VARIANCE TO BUDGET	VARIANCE TO BUDGET
		£	£	£	£	£	%
H005	MANAGEMENT	92,200	92,200	82,788	(9,412)	(9,412)	(10)
H006	ROWAN HOUSE	(12,140)	(12,140)	(13,834)	(1,694)	(1,694)	14
H007	KNIGHTS PLACE	(72,230)	(72,230)	(82,705)	(10,475)	(10,475)	15
H008	INTEREST	5,490	5,490	(13,532)	(19,022)	(19,022)	(346)
H009	CAPITAL CHARGES	18,750	17,460	17,456	(4)	(1,294)	(7)
H010	MOVEMENT TO/(FROM) WORKING BALANCE	(32,070)	(30,780)	9,826	40,606	41,896	(131)
	<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>Working Balance 1 April 2023</b>	<b>312,318</b>	<b>31 March 2024</b>	<b>322,144</b>			

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## HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2023-24 £	2024-25 £	2025-26 £	2026-27 £	2027-28 £	TOTAL £
<b>CAPITAL RESOURCES AVAILABLE</b>						
Usable Receipts Brought Forward						9,782,583
Major Repairs Reserve Brought Forward						18,063,137
Other HRA Sales	2,063,000	210,000	500,000	500,000	250,000	3,523,000
RTB sales	1,487,560	875,000	875,000	875,000	875,000	4,987,560
Surrender back to DLUHC - pending investment in replacement affordable housing					(469,292)	(469,292)
Major Repairs Reserve	3,745,650	3,745,650	3,745,650	3,745,650	3,745,650	18,728,250
Revenue Contributions to Capital	4,000,000	2,500,000	3,325,000	2,925,000	3,200,000	15,950,000
External contributions	4,864,495	1,028,151				
Commuted sums	0					0
Borrowing	0	900,000	3,000,000	2,748,380		6,648,380
<b>Total Resources available</b>	<b>16,160,705</b>	<b>9,258,801</b>	<b>11,445,650</b>	<b>10,794,030</b>	<b>7,601,358</b>	<b>77,213,618</b>
<b>CAPITAL PROGRAMME</b>						
HRA Capital Programme	23,804,926	24,703,891	10,758,111	10,767,358	10,087,896	80,122,182
<b>Total Housing Revenue Account</b>	<b>23,804,926</b>	<b>24,703,891</b>	<b>10,758,111</b>	<b>10,767,358</b>	<b>10,087,896</b>	<b>80,122,182</b>
<b>UNCOMMITTED CAPITAL RESOURCES:</b>						
Usable Receipts Brought Forward	9,782,583	7,745,747	4,079,303	3,454,303	3,954,303	9,782,583
Major Repairs Reserve Brought Forward	18,063,137	12,455,751	677,106	1,989,645	1,516,317	18,063,137
Resources in Year	16,160,705	9,258,801	11,445,650	10,794,030	7,601,358	55,260,544
Less Estimated Spend	(23,804,926)	(24,703,891)	(10,758,111)	(10,767,358)	(10,087,896)	(80,122,182)
<b>Uncommitted Capital Resources</b>	<b>20,201,499</b>	<b>4,756,408</b>	<b>5,443,948</b>	<b>5,470,620</b>	<b>2,984,082</b>	<b>2,984,082</b>
<b>WORKING BALANCE RESOURCES:</b>						
Balance Brought Forward	7,243,104	5,669,064	5,617,517	5,109,776	5,118,653	7,243,104
HRA Balance Transfer - to/(from) Working Balance	(2,841,730)	(1,547)	(507,741)	8,877	60,451	(3,281,690)
Under/(over)spend 2023-24	1,267,690					1,267,690
Supplementary budget requests		(50,000)				(50,000)
Balance Carried Forward	5,669,064	5,617,517	5,109,776	5,118,653	5,179,104	5,179,104
Balance Resolved to be Retained	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
<b>Uncommitted HRA Working Balance (after balance resolved to be retained of £4m)</b>	<b>1,669,064</b>	<b>1,617,517</b>	<b>1,109,776</b>	<b>1,118,653</b>	<b>1,179,104</b>	<b>1,179,104</b>
<b>TOTAL AVAILABLE CAPITAL RESOURCES (after balance resolved to be retained of £4m)</b>	<b>21,870,563</b>	<b>6,373,925</b>	<b>6,553,724</b>	<b>6,589,273</b>	<b>4,163,186</b>	<b>4,163,186</b>

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**2023-24  
CAPITAL MONITORING - OUTTURN**

**APPENDIX 3**

	2023-24 Capital Programme	2023-24 Spend	2023-24 Budget to be Carried Forward to Future Years	TO 2024-25	TO 2025-26	TO 2026-27	2023-24 Programme Variances Under ()
	£	£	£	£	£	£	£
<b>HRA CAPITAL</b>							
<b>EVERYONE HAS A HOME</b>							
Adaptations	857,242	552,078	(305,164)	305,164	-	-	0
Balcony Walkway Improvements	372,233	132,479	(239,754)	239,754	-	-	0
Bathroom Replacements (inc. Communal)	1,091,808	1,039,848	-	-	-	-	51,960
Boiler Replacement Programme & Central Heating	664,823	484,968	-	-	-	-	179,855
Common Area Footpath & Wall Improvements	69,100	82,350	-	-	-	-	13,250
Communal Area Improvements - New Flooring	50,000	73,422	-	-	-	-	23,422
Communal gardn retaining walls	0	8,604	-	-	-	-	8,604
Communal Door and Screen Replacements	134,900	132,844	-	-	-	-	2,056
Door Replacements (inc. Outbuildings)	404,655	437,284	-	-	-	-	32,629
Electrical Central Heating	22,554	11,289	-	-	-	-	11,265
Electrical Rewires - Communal	155,733	132,693	(23,040)	23,040	-	-	0
Electrical Rewires - Domestic	836,814	647,318	(189,496)	189,496	-	-	0
Energy Conservation	2,307,778	2,456,054	-	-	-	-	148,276
Estate Improvements	100,000	4,688	(95,312)	95,312	-	-	0
Fire Risk Assessment Works - Compliance	947,916	358,554	-	-	-	-	589,362
Fire Risk Assessment Works - Planned	333,340	161,356	-	-	-	-	171,984
Fire Safety Storage Facilities	189,462	36,226	-	-	-	-	153,236
Kitchen Replacements (inc. Communal)	1,075,759	512,997	(562,762)	562,762	-	-	0
LAINGS Refurbishments	323,188	80,562	(242,626)	242,626	-	-	0
Lift Upgrades	80,000	-	(80,000)	80,000	-	-	-
Reroofing - Flats	550,000	205,194	-	-	-	-	344,806
Reroofing - Houses (outbuildings, chimney, gutters, downpipes, fascia)	1,192,386	751,147	(441,239)	441,239	-	-	0
Porch Canopies	52,558	12,634	(39,924)	39,924	-	-	0
Rennes House Structural Works	75,000	16,955	(58,045)	58,045	-	-	0
Soil Vent Pipe Replacement	24,000	0	-	-	-	-	24,000
Structural Repairs	573,412	525,223	-	-	-	-	48,189
Window Replacements	1,241,607	1,328,506	-	-	-	-	86,899
Zebcat Project	6,443	35,952	-	-	-	-	29,509
Plastering	75,000	70,487	-	-	-	-	4,513
<b>HOUSING REVENUE ACCOUNT TOTAL</b>	<b>13,807,711</b>	<b>10,291,714</b>	<b>(2,277,362)</b>	<b>2,277,362</b>	<b>0</b>	<b>0</b>	<b>(1,238,635)</b>
<b>COUNCIL OWN BUILD CAPITAL</b>							
Social Housing Acquisitions - Section 106	589,507	0	(466,323)	466,323	-	-	123,184
Social Housing Acquisitions - Open Market	503,649	626,833	-	-	-	-	123,184
St Loyes Extracare Scheme	20,443	704	(19,739)	19,739	-	-	0
Local Authority Housing Fund	4,367,524	4,189,055	(95,920)	95,920	-	-	82,549
Council House Building Programme - Bovemoors Lane	41,271	8,926	(32,345)	32,345	-	-	0
Council House Building Programme - Hamlin Gardens	2,798,909	2,328,661	(470,248)	470,248	-	-	0
Council House Building Programme - Vaughan Road	8,409,286	6,356,034	(2,053,252)	2,053,252	-	-	0
Council Own Build (Phase 3)	5,000	3,000	-	-	-	-	2,000
<b>COUNCIL OWN BUILD TOTAL</b>	<b>16,735,589</b>	<b>13,513,212</b>	<b>(3,137,827)</b>	<b>3,137,827</b>	<b>0</b>	<b>0</b>	<b>(84,550)</b>
<b>OVERALL HOUSING REVENUE ACCOUNT TOTAL</b>	<b>30,543,300</b>	<b>23,804,926</b>	<b>-5,415,189</b>	<b>5,415,189</b>	<b>0</b>	<b>0</b>	<b>(1,323,185)</b>

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## REPORT TO EXECUTIVE

Date of Meeting: 9 July 2024

## REPORT TO COUNCIL

Date of Meeting: 16 July 2024

Report of: Director Finance

Title: Treasury Management 2023/24

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

#### 1. What is the report about?

To report on the current Treasury Management performance for the 2023/24 financial year and the position regarding investments and borrowings at 31 March 2024. The report is a statutory requirement and is for information only with no key decisions required.

#### 2. Recommendations:

It is recommended that the Executive and Council note the content of this report.

#### 3. Reasons for the recommendation:

It is a statutory requirement for the Council to publish regular reports on Treasury Management to Council. This includes an annual Treasury Management Strategy and half yearly report and a year-end report as a minimum.

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

The report is an update on the overall performance in respect of treasury management for the 2022/23 financial year. Therefore, there are no financial or non-financial resource implications.

#### 5. Section 151 Officer comments:

The Council has benefitted from higher interest rates alongside a stronger than expected cashflow position. This is principally down to the challenges of delivering the capital programme and has meant that no further borrowing has been required. As Members will see the expectation is that interest rates will begin to reduce this year falling to a more affordable level over the next couple of years.

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

The CIPFA (Chartered Institute of Public Finance and Accountancy) Treasury Management Code of Practice recommends that members be updated on treasury

management activities regularly. This report, therefore, ensures this Council is implementing best practice in accordance with the Code. Adoption of the Code is required by regulations laid under the Local Government Act 2003.

Chapter 1 of the Act sets out capital finance and accounts requirements. Section 1 states that local authorities have the powers to borrow money for any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs. Sections 2 to 6 of the Act cover the duty to control borrowing and the duty to determine affordable borrowing limits. Section 12 covers the power to invest.

The Treasury Management Strategy is based on the requirements of DLUHC's Guidance on Local Government Investments and the CIPFA Treasury Management code.

This report confirms that the section 151 Officer is satisfied that Council borrowing is affordable and in accordance with the provisions of the Local Government Act 2003, the DLUHC's Guidance and CIPFA Code of Practice.

## 7. Monitoring Officer's comments:

This report is for Members' information. The Monitoring Officer has no additional comments.

## 8. Report details:

### 8.1 Economic Context and Interest Rate forecast

Forecasts from our Treasury Management advisers at the time of approval of the Treasury Management Strategy report for 2023/24 were as follows:

Link Group Interest Rate View	07.02.23												
	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
<b>BANK RATE</b>	4.25	4.50	4.50	4.25	4.00	3.75	3.25	3.00	2.75	2.75	2.50	2.50	2.50
3 month ave earnings	4.30	4.50	4.50	4.30	4.00	3.80	3.30	3.00	2.80	2.80	2.50	2.50	2.50
6 month ave earnings	4.40	4.50	4.40	4.20	3.90	3.70	3.20	2.90	2.80	2.80	2.60	2.60	2.60
12 month ave earnings	4.50	4.50	4.40	4.20	3.80	3.60	3.10	2.70	2.70	2.70	2.70	2.70	2.70
5 yr PWLB	4.00	4.00	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20	3.10	3.10	3.10
10 yr PWLB	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.50	3.40	3.30	3.30	3.20
25 yr PWLB	4.60	4.60	4.40	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.40	3.40
50 yr PWLB	4.30	4.30	4.20	4.10	3.90	3.80	3.60	3.60	3.40	3.30	3.20	3.20	3.10

The most recent projections from our advisers were:

Link Group Interest Rate View	08.01.24												
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
<b>BANK RATE</b>	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

Against a backdrop of stubborn inflationary pressures, the Russian invasion of Ukraine, and war in the Middle East, UK interest rates have continued to be volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2023/24.

Markets have sought an end to central banks' on-going phase of keeping restrictive monetary policy in place on at least one occasion during 2023/24, but to date only the Swiss National Bank has cut rates and that was at the end of March 2024.

UK, EZ and US 10-year yields have all stayed stubbornly high throughout 2023/24. Inflation is easing, albeit gradually, but labour markets remain very tight by historical comparisons, making it an issue of fine judgment as to when rates can be cut.

The Bank of England sprung no surprises in their March meeting, leaving interest rates at 5.25% for the fifth time in a row and, despite no MPC members no longer voting to raise interest rates, it retained its relatively hawkish guidance. The Bank's communications suggest the MPC is gaining confidence that inflation will fall sustainably back to the 2.0% target. However, although the MPC noted that "the restrictive stance of monetary policy is weighing on activity in the real economy, is leading to a looser labour market and is bearing down on inflationary pressures", conversely it noted that key indicators of inflation persistence remain elevated and policy will be "restrictive for sufficiently long" and "restrictive for an extended period".

Of course, the UK economy has started to perform a little better in Q1 2024 but is still recovering from a shallow recession through the second half of 2023. Unemployment is currently sub 4%, against a backdrop of still over 900k of job vacancies, and annual wage inflation is running at above 5%. With gas and electricity price caps falling in April 2024, the CPI measure of inflation - which peaked at 11.1% in October 2022 – is now due to slide below the 2% target rate in April and to remain below that Bank of England benchmark for the next couple of years, according to Capital Economics. CPI rose by 3.2% in the 12 months to March 2024, down from 3.4% in February.

## **8.2 Treasury Management Strategy Statement**

The Council approved the 2023/24 Treasury Management Strategy at its meeting on 21st February 2023. The Council's stated investment strategy was to continue to hold small surplus funds and to seek to utilise its Call Accounts, Money Market Funds, use the Government's Debt Management Office and use short-dated deposits which would be placed with Local Authorities, Banks or Building Societies which are on the Council's counterparty list.

The Council's stated borrowing strategy was to defer long-term borrowing and to reduce the size of the Council's investment balance instead, however some targeted long term borrowing can be undertaken where the costs will be offset against future income streams.

The Council is currently maintaining an under-borrowed position; so the actual borrowings of the Council are below the Council's borrowing requirement, as it has taken advantage of internal borrowings. This means that the Council's 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 instead of borrowing at elevated levels. This strategy is prudent and minimises counterparty risk on placing investments.

## **8.3 Investments**

A number of Money Market Funds have been set up by the Council, which also allow immediate access to our funds and spreads risk as it is pooled with investments by other organisations and invested across a wide range of financial institutions.

## Property Funds

The Council has made two investments, totalling £5m, in the CCLA – LAMIT property fund (April and November 2016). The investment in the property fund is a long term commitment which will mean that there will be fluctuations in the return over the period of the investment.

Amount	Investment	Dividend Yield
£5,000,000	CCLA – LAMIT Property Fund	5.21%

The value of the investment as at 31 March 2024 was £4,415,093. At the end of the financial year the value of the investment in the Property Fund is adjusted to equal the number of units held multiplied by the published bid price, with the gain or loss taken to the Available for Sale Reserve. Movements in the unit price therefore have no impact on the General Fund until the investment is sold or impaired.

The Council's investments as at 31st March 2024 were:

## Money Market Funds

Amount	Investment	Interest rate*
£10,000,000	Federated Investors	5.03%
£5,000,000	Aberdeen Standard Investments	5.00%
£2,000,000	CCLA - The Public Sector Deposit Fund	4.94%
£nil	Black Rock Asset Management	4.97%
<b>£17,000,000</b>		

\* Interest rate is variable, therefore rates quoted are an average of 2023/24 rates.

## Fixed Term Deposits – Current

Amount	Investment	Interest rate	Date Invested	Maturity Date	No. of Days
£5,000,000	London Borough of Barking and Dagenham	5.55%	03/01/2024	03/07/2024	182
£2,000,000	Barclays Green notice account	5.25%	19/07/2022	65 days from notice date	Min: 65
£1,000,000	Barclays Standard notice account	5.25%	19/07/2022	65 days from notice date	Min: 65
<b>£8,000,000</b>					

The Barclays Green account is linked to projects in pursuit of the transition to a lower carbon economy and as such counts towards the Council's Green agenda and can be included in a sustainability clause in the audited accounts.

## 8.4 Borrowings



The Council's long term borrowing is currently £164.768m (£92.524m General Fund and £72.244m HRA) and there is currently no short-term borrowing. Details of loans are set out below.

The Council made a one-off payment on 28 March 2012, to buy itself out of the HRA subsidy system. The final settlement figure of £56.884m was confirmed in February 2012. The amount was borrowed from the Public Works Loans Board over a 50 year period and is repayable on maturity at the end of the loan term. The interest rate was 3.48% fixed for the term of the loan.

#### Existing loans

Due to the costs of borrowing no further PWLB loans were taken out during the year. The section 151 Officer confirms that borrowing has only been undertaken for a capital purpose and that Council borrowing is affordable and in accordance with the provisions of the Local Government Act 2003 the DLUHC's Guidance and CIPFA Code of Practice.

<b>Amount as at 31/3/2024</b>	<b>Lender</b>	<b>Interest rate</b>	<b>End date</b>
£56,884,000	PWLB maturity (HRA)	3.48%	28/03/2062
£1,856,000	PWLB 25 year annuity	2.34%	11/01/2044
£1,840,313	PWLB 25 year annuity	2.08%	04/04/2044
£4,086,796	PWLB 30 year annuity	1.61%	26/09/2049
£7,939,891	PWLB 35 year annuity	1.71%	26/09/2054
£33,914,626	PWLB 50 year annuity	1.80%	26/09/2069
£15,360,000	PWLB maturity (HRA)	1.31%	14/04/2070
£42,886,448	PWLB 50 year annuity	1.78%	24/12/2071

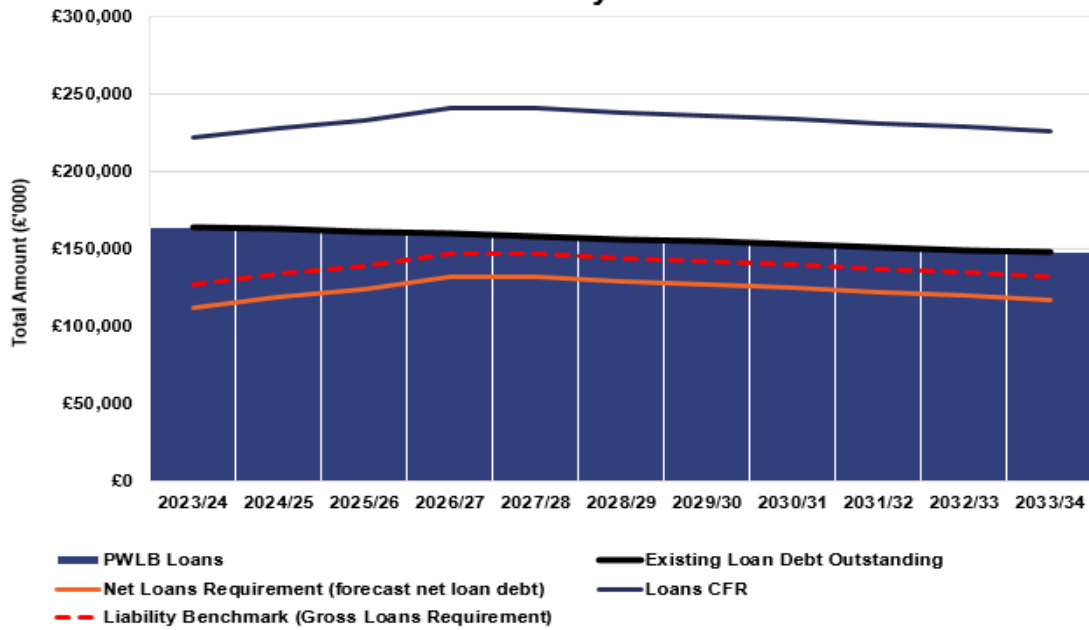
#### **8.5 Compliance with Treasury and Prudential Limits**

During 2023/24 the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and no difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices. The approved limits within the Annual Investment Strategy set out in the TMSS were not breached during the year ended 31st March 2024.

To support the risk management of the capital financing requirement a graphical indication of the Council's borrowing liability and actual loans for the General Fund and HRA combined is shown overleaf.

## Liability Benchmark



### 8.6 Net Interest Position

The General Fund shows an improvement against the estimate for net interest payable, the position is:

	2023/24 Budget £	Outturn £	Variation £
<b>Interest paid</b>	2,592,000	1,847,795	(744,205)
<b>Interest earned</b>			
Temporary investment interest	(902,000)	(2,571,190)	(1,669,190)
ECL Loan	(732,000)	-	732,000
Other interest earned	(9,300)	(9,485)	(185)
Science Park Loan	-	(25,850)	(25,850)
CVS Loan	(3,000)	(4,651)	(1,651)
Guildhall	(10,000)	(£22,244)	(£12,244)
<b>Less</b>			
Interest to HRA	524,000	1,542,598	1,018,598
Interest to S106 agreements	80,000	-	(80,000)
Interest to deposits held	1,800	11,632	9,832
Interest to Trust Funds	3,500	28,874	25,374
Lord Mayors Charity	-	219	219
GF interest (received) / paid out	(1,047,000)	(1,050,095)	(3,095)
<b>Net Interest</b>	<b>1,545,000</b>	<b>797,700</b>	<b>(747,300)</b>

CCLA – LAPF Dividend	(225,000)	(260,514)	(35,514)
<b>Net Interest after dividends</b>	<b>1,320,000</b>	<b>537,186</b>	<b>(782,814)</b>

Net interest payable for 2023/24 was £783k lower than budget. An expected underspend of £550k was reported in the Treasury Management half year update to Council at its meeting on 12th December 2023.

The key reasons for the variance to budget are as follows:

The budgeted interest payable on PWLB loans for 2023/24 anticipated that the Council would take out additional borrowings in the year to finance capital projects and a loan to Exeter City Living. However, the loan to ECL is no longer planned and no external borrowing was taken out due to prohibitively high interest rates. This resulted in a saving in interest paid of £744k.

ECL loans were written off during the year resulting in a reduction of £732k of anticipated interest. Continued high interest rates on temporary investments offset this and lead to a net £3k additional interest after paying over interest relating to the HRA and other funds held, and £36k higher than budgeted dividends on the CCLA Property Fund.

The Housing Revenue Account (HRA) earned £1,543k interest on its balances compared with the budget of £524k. This is calculated on the following:

- HRA working balance;
- The balance of funds in the Major Repairs Reserve and Useable Capital Receipts

The Council borrowed £56,884k to buy itself out of the HRA subsidy scheme since the borrowing cap was lifted in October 2018, and the HRA has since borrowed a further £15,360k towards new Council housing development projects.

The HRA had approval to borrow a further £3.9m however due to currently high interest rates no external borrowing has been undertaken during 23/24 and the borrowing has been delayed to future years, so interest payable was £214k lower than the £2,394k originally budgeted for 23/24. Additionally £9k has been charged on the borrowing used to fund the Council's Own Build properties which was included in the budget.

### 8.7 Repayment of debt

<b>Repayment of Debt</b>	<b>Estimate 2023/24</b>	<b>Outturn</b>	<b>Variation</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Minimum Revenue Provision	2,494,670	2,456,030	38,640
Voluntary Revenue Provision	(800,000)	97,217*	(892,217)
<b>TOTAL</b>	<b>1,694,670</b>	<b>2,553,247</b>	<b>(£858,577)</b>

\*A VRP of £897k has been set aside as a transfer from earmarked reserves to fund the ECL loans.

## **8.8 Future Position**

The approved capital programme for 2024/25 includes a borrowing requirement of £10.095m (£6.195m General Fund and £3.9m 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.

The short term investments that are made through the call accounts and money market funds ensure cash can be accessed immediately. This has an ongoing impact on returns but increases the security of our cash.

The Council's four Money Market Funds, which are AAA, rated, currently offer rates which vary from 5.20% to 5.26%, but these rates are likely to be impacted with the projected reductions in base rate during 2024/25.

We will also lend, when possible, to institutions on the Council's counterparty list which includes other Local Authorities, UK and Foreign owned banks and the Debt Management Office. The rates received for Local Authority deposits are currently circa 5.3%.

Officers will continue to liaise to treasury advisors in respect of new investment opportunities. Any decisions taken will comply with the code of practice that requires 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. If an amendment to the current treasury management strategy is required, a report will be presented to committee requesting the necessary amendments.

## **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 Council uses treasury management advisors who continually provide updates on the economic situation, interest rates and credit ratings of financial institutions. They also provide a counterparty list which details the financial institutions which meet the council's treasury management strategy.

## **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 there are no significant equality and diversity impacts associated with this decision.

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

12.1 We are working towards the Council's commitment to carbon neutral by 2030. The impact of each new investment is considered prior to approval.

## **13. Are there any other options?**

None

**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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## REPORT TO EXECUTIVE

Date of Meeting: 9 July 2024

Report of: Director for Net Zero Exeter & City Management

Title: Parking Tariffs 2024

### 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 for City Council car parks, to support the Medium-Term Financial Plan.

## 2. Recommendations:

2.1 To amend the Car Park Places Order 2014 as follows:

- a) Change car parking charges in accordance with the table in section 8;
- b) Reduce car parking charges on a Sunday by 25%;
- c) £75,000 of the income achieved from Car Parks to be set aside for maintenance and improvements to city centre car parks;
- d) Re-introduce 1hr parking for city centre car parks located in Zone 2;
- e) Amend the opening and closing hours at the John Lewis car park to 8.00am - midnight;
- f) Add the following new car parks to the Parking Places Order in accordance with the plans at Appendix 2:
  - a. Central Zone
    - i. Paris Street Car Park (Old Bus Station site)
  - b. Zone 3
    - i. Pinhoe Railway Station Car Park;
    - ii. Bridge Road Car Park;
    - iii. Riverside Leisure Centre;
    - iv. Wonford Sports Centre.
- g) To consult with nearby residents on a proposal to introduce residential car parking after 6.00pm at Belmont Road Car Park; and,
- h) Change the cost of seasonal, residential, and business parking permits as set out in this report.

## 3. Reasons for the recommendation:

3.1 To support the delivery of the City Council's Corporate Plan, in supporting a Balanced Budget. Car park income supports the delivery of a wide range of City Council services

that attract people to live, work and visit Exeter, as well as keeping Council Tax low for residents of the city.

3.2 A number of the recommendations are in a direct response to address difficult trading conditions for businesses and the wider economic challenges businesses are facing within the city centre.

3.3 Recommending additional maintenance budget addresses some significant ASB car parks are encountering on a daily basis, to improve car parks cosmetically. There will be a programme of works to address some immediate issues in Cathedral & Quay car park.

3.4 Introducing car parking charges to a number of leisure sites, is to ensure these particular car parks are used by their intended customers and not by those that work elsewhere in the city. Exeter Leisure members will be provided with a permit to use in the above leisure car parks.

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

4.1 There will be a small cost for software upgrades to pay and display machines, as well as updates to car park welcome and notice boards, 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.

4.2 There will be a cost to convert the free car parks referred to in the recommendations at 2.1 to chargeable car parks, some will be significant, some will be minor. Any minor costs will be met from existing budgets, with any significant costs reported separately to Executive once they have been determined.

4.3 The implication of reducing all car park charges on a Sunday would be approximately a reduction of £275,000 in annual income.

#### **5. Section 151 Officer comments:**

5.1 It is important to note that the tickets sales in the report are based on 2022-23 usage not 2023-24. As Members are aware, there was a reduction in income during 2023-24 and this will be the base on which these changes are made. The Council received £9.4m in 2023-24 and have set a budget of £9.5m for 2024-25. The proposals will contribute to delivering the budget.

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

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 legal implications set out above. The Monitoring Officer has no additional comments.

Simon Copper –Monitoring Officer.



## 8. Report details:

8.1 The City Council declared a climate emergency and are committed to working towards net zero for the city and the City Council by 2030. In 2021 on-road transportation contributed 100,456 tco2 to city wide carbon emissions (see table in 12.2), an area that the City Council does not directly control but can encourage people to visit the city by using alternative forms of transport. The carbon emissions equate to a 13.49% increase on the previous year of 2020, which is attributed to Covid restrictions being lifted and people returning to work and shopping in the city.

8.2 Over time, the City Council has made changes to our car park estate to support a reduction in our own corporate and city wide carbon emissions, which include changing lighting to LED, installing EV charge points and installing solar on suitable roofs. April 2023 to March 2024, there were 13,315 general public uses of City Council owned EV charge points. The car park team are working closely with the Net Zero team on developing plans to install EV charge points in all suitable car parks, installing additional solar and how spare capacity is utilised for secure bike storage and car clubs.

8.3 Discussions are ongoing with Devon County Council on changes that can be made to highway infrastructure across Exeter to reduce on-road transportation emissions. The Terms of Reference of the City Council's Transport Working Group are being amended to directly relate to what is within the remit of the City Council in relation to transport.

8.4 The number of car park tickets sold decreased by 1.44% from 1,984,058 in 2022 to 1,955,441 in 2023 (section 12.1). This decrease aligns with a slight reduction in footfall across the city centre. The draft City Centre Strategy is currently being reviewed, to address changes and challenges effecting the city centre and businesses located here.

8.4 There are some future changes proposed within the car parking estate. These changes were the subject of a report to Executive on 29 November 2022 - 'Mary Arches Street Car Park Re-development'.

8.5 The management of car parks is within the remit of the Service Lead for Net Zero & Business. The Service Lead is able to review car parking provision and suggest changes to address the issue of climate change and to use spare capacity to support the medium-term financial plan.

8.6 A number of the proposals in this report are proposed to support the City Centre economy and its business community. InExeter and Exeter Chamber have provided feedback that city centre businesses are finding trading conditions incredibly challenging, with some customers opting not to visit the city centre.

8.7 As part of the Parking Places Order, the City Council will undertake a consultation with members of the public and business community, with posters placed in car parks, an advertisement placed in the local newspaper and an online consultation on the City Council website. The consultation provides an opportunity for all to provide comment on the changes proposed within this report, a further report will be brought Council once the consultation has been completed.

8.8 The following proposals are recommended within this report:

- Change car parking charging prices as set out in the table below:

CENTRAL	2023	5%	Round up	Number of tickets sold 2022/23	
	Mon - Sun, 8am - 10pm				Income Projection
	-				
2hrs	£4.50	£4.73	£4.80	577,940	£2,774,112.00
3hrs	£5.60	£5.88	£5.90	265,585	£1,566,951.50
4hrs	£6.70	£7.04	£7.00	135,521	£948,647.00
5hrs	£7.80	£8.19	£8.20	63,117	£517,559.40
6hrs	£8.90	£9.35	£9.40	28,930	£271,942.00
7hrs	£10.00	£10.50	£10.50	36,532	£383,586.00
all day	£18.00	£18.90	£19.00	29,782	£565,858.00
				<b>1,137,407</b>	<b>£7,028,655.90</b>

ZONE 1	2023	5%	Round Up	Number of tickets sold 2022/23	Income Projection
	Mon - Sun, 8am - 10pm (Matthews Hall 8am - 6pm)				
	-				
2hrs	£3.40	£3.57	£3.60	213,259	£767,732.40
3hrs	£4.50	£4.73	£4.80	97,558	£468,278.40
4hrs	£5.60	£5.88	£5.90	49,639	£292,870.10
5hrs	£6.70	£7.04	£7.00	22,219	£155,533.00
6hrs	£7.80	£8.19	£8.20	11,629	£95,357.80
7hrs	£8.90	£9.35	£9.40	15,214	£143,011.60
all day	£13.00	£13.65	£14.00	19,946	£279,244.00
				<b>429,464</b>	<b>£2,202,027.30</b>

ZONE 2	2023	5%	Round up	Number of tickets sold 2022/23	Income Projection
	Mon - Sun, 8am - 6pm				
1hr			£1.80	55,328.0	£99,590.40
2hrs	£3.40	£3.57	£3.60	140,676	£506,433.60
3hrs	£4.50	£4.73	£4.80	53,507	£256,833.60
4hrs	£5.60	£5.88	£5.90	25,720	£151,748.00
5hrs	£6.70	£7.04	£7.00	16,823	£117,761.00
all day	£11.00	£11.55	£12.00	16,410	£196,920.00
				<b>253,136</b>	<b>£1,229,696.20</b>

ZONE 3	2023	5%	Round up	Number of tickets sold 2022/23	Income Projection
	Mon - Sun, 8am - 6pm				
1hr			£1.05	31,534	£62,624.10
2hrs	£2.00	£2.10	£2.10	59,642	£125,248.20
3hrs	£3.00	£3.15	£3.20	21,803	£69,769.60
4hrs	£4.00	£4.20	£4.20	12,642	£53,096.40
all day	£5.00	£5.25	£5.50	41,347	£227,408.50

				<b>135,434</b>	<b>£475,522.70</b>
		20%			
Coaches	£10.00	£12.00	£12.00	<b>1,085</b>	<b>£13,020</b>

### **Reduce Sunday city centre car park charging by 25% for Central, Zone 1 and Zone 2 car parks**

Sunday remains the quietest day within the City Centre from a car parking and footfall point of view, with Saturday being the busiest. It is proposed to amend Sunday charging to encourage and incentivise visitors and shoppers to visit the city on a Sunday, to reduce congestion and peak usage on a Saturday.

#### **Central Car Parks**

Bampfylde Street Car Park / Guildhall Car Park / John Lewis Car Park / King William Street Car Park / Magdalen Road Car Park / Magdalen Street Car Park / Mary Arches Street Car Park (ground level) / Mary Arches Street Car Park (Multi-Storey) / Princesshay 2 / Princesshay 3 / Smythen Street

	<b>Current</b>	<b>New Charge</b>	<b>Proposed fee (25% reduction)</b>
2 hrs	£4.50	£4.80	£3.60
3 hrs	£5.60	£5.90	£4.40
4 hrs	£6.70	£7.00	£5.20
5 hrs	£7.80	£8.20	£6.10
6 hrs	£8.90	£9.40	£7.00
7 hrs	£10.00	£10.50	£7.90
All day	£18.00	£19.00	£14.20

#### **Zone 1 Car Parks**

Bartholomew Terrace Car Park / Harlequins Car Park / Howell Road Car Park / Triangle Car Park

	<b>Current</b>	<b>New Charge</b>	<b>Proposed fee (25% reduction)</b>
2hrs	£3.40	£3.60	£2.70
3 hrs	£4.50	£4.80	£3.60
4hrs	£5.60	£5.90	£4.40
5hrs	£6.70	£7.00	£5.20
6hrs	£7.80	£8.20	£6.10
7hrs	£8.90	£9.40	£7.00
All day	£13.00	£14.00	£10.50

#### **Zone 2**

Belmont Road Car park / Bystock Terrace Car Park / Cathedral & Quay Car park / Parr Street Car Park / Richmond Road Car Park

	<b>Current</b>	<b>New Charge</b>	<b>Proposed fee (25% reduction)</b>
1hr	-	£2.00	£2.00
2hrs	£3.40	£3.60	£2.70
3hrs	£4.50	£4.80	£3.60
4hrs	£5.60	£5.90	£4.40
5hrs	£6.70	£7.00	£5.20
All day	£13.00	£12.00	£9.00

- **Re-introduce 1hr parking for city centre car parks located in Zone 2**

Re-introduce the 1hr charging fee of £2.00 in Zone 2 car parks that are located within the City Centre: Belmond Road Car Park, Bystock Terrace Car Park, Cathedral & Quay Car Park, Parr Street Car Park, and Richmond Road Car Park

The re-introduction is to support the business community, to enable their customers to attend appointments and for those that shop online and opt for Click & Collect.

- **Amend the time John Lewis car park is open:**

Amendment to the opening of John Lewis Car Park

<b>Car Park</b>	<b>Current</b>	<b>Proposed</b>
John Lewis Car Park	8.00am – 9.45pm Monday – Sunday	8.00am – midnight Monday – Sunday

- **Include new car parks in the Parking Places Order:**

- **Central Zone**

- Old Bus Station site: to be called Paris Street Car Park

- **Zone 3**

- Bridge Road Car Park: to be called Bridge Road Car Park;
- Pinhoe Train Station Car Park: to be called Pinhoe Railway Station;
- Riverside Leisure Centre: to be called Riverside Leisure Centre Car Park;
- Wonford Sports Centre: to be called Wonford Sports Centre Car Park

The reason for introducing parking fees and to enable enforcement within the above car parks, is to make use of a temporary building site in the city centre until a permanent use is sought and ensure the other car park sites listed are used by their intended customer base.

A new car park permit will be introduced for Exeter Leisure Members for Riverside Leisure Centre and Wonford Sports Centre.

- **To consult with nearby residents on a proposal to introduce residential car parking after 6.00pm at Belmont Road Car Park**

There have been ongoing issues and complaints with students and Air B&B guests using Belmont Road Car Park. Consult with nearby residents to make Belmont Road car park residential only after 6pm, the same as Richmond Road Car Park. If residents agree they would like this car park as a dedicated car park to park for their use on an evening, this would result in residents having to buy a residential parking permit for £360 per annum. Which residents that would be eligible for the parking permit would form part of the consultation. Once the consultation has taken place (which will follow the City Council's Consultation Charter), the outcome will be the subject of a further report to Executive.

- **Change the cost to purchase a seasonal, residential, and business parking permit**

Seasonal Parking Permit	2023	2024
1 month	£202.00	£212.00
2 months	£403.00	£423.00
3 months	£606.00	£635.00
6 months	£1,210.00	£1,270.00
12 months	£2,149.00	£2,256.00

**As agreed in the Parking Tariffs 2023 committee report to Executive 7 February 2023 - for EXISTING permit holders, change the fee to purchase a discounted business and residential parking permit for the next 4 years.**

	Current	Proposed 2024/25	Proposed 2025/26	Proposed 2026/27
Business Annual Season Ticket Bartholomew Terrace	£350	£450	£550	£650
Business Annual Season Ticket Cathedral & Quay	£850	£950	£1,050	£1,150
Residential Annual Season Ticket Richmond Road Bartholomew Terrace Cathedral & Quay Okehampton Street Gordons Place Belmont Road (if agreed as part of the consultation)	£200	£250	£300	£350

**For NEW permit holders, change the cost to purchase a permit by the amounts below**

	Current	Proposed
Business Annual Season Ticket Bartholomew Terrace	£650	£680
Business Annual Season Ticket Cathedral & Quay	£1,150	£1,200
Residential Annual Season Ticket Richmond Road Bartholomew Terrace Cathedral & Quay Okehampton Street Gordons Place	£350	£360

- **£75,000 of the income achieved from Car Parks to be set aside for maintenance and improvements to city centre car parks**

Many of our car parks suffer from severe anti-social behaviour. It is proposed to earmark £75,000 from the income raised to address the look and feel of city centre car parks to reduce anti-social behaviour, especially Cathedral & Quay car park, so the City Council can provide a quality service to its customers.

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

9.1 The recommendations within this report support a number of Corporate Priorities:

- **Healthy & Active City:** nudging those that are able to, commute into Exeter via active and or 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 active and or sustainable travel means; and
- **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 over time resulting in a reduction in income.

10.2 Medium to long term consideration needs to be given as to how to replace a potential reduction in car park income, by using underutilised car park to generate other revenue streams.

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.

## **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 Members' attention.

11.2 Changes to car park charges and parking permits 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.

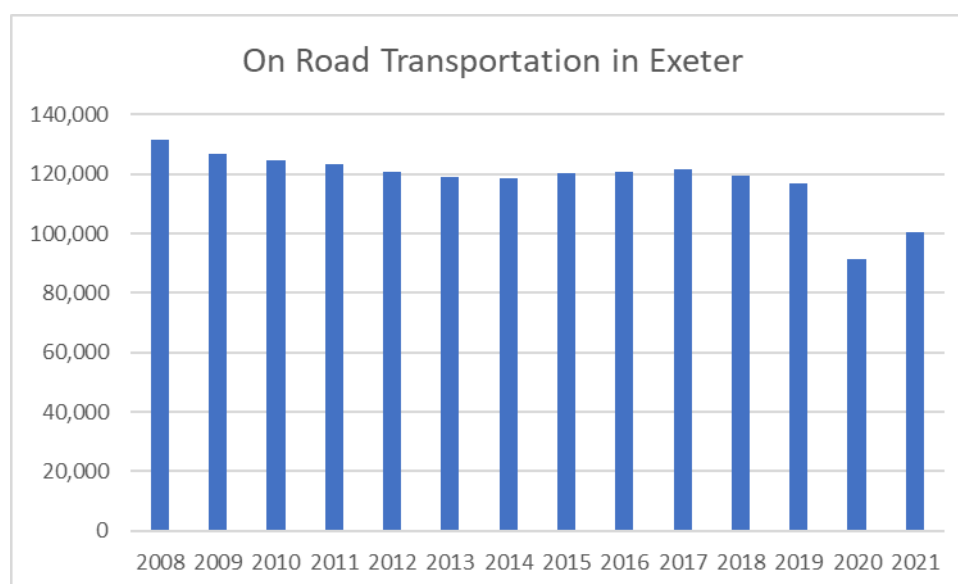
## 12. Carbon Footprint (Environmental) Implications:

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.

### Number of car park tickets sold

2023	2022	2021	2020	2019	2018	2017
1,955,441	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 CO<sub>2</sub>e) for the City of Exeter for on-road transportation, as a whole. The dramatic drop in 2020 aligns with national covid restrictions and tallies with the data above. There is an expectation that there will be an additional bounce back for 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.



2021 Devon Greenhouse Gas Inventory for SWEEG – Centre for Energy & the Environment, University of Exeter

12.3 From the additional £75,000 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, especially Cathedral & Quay, to reduce anti-social behaviour, as well as improved LED lighting.

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.

### **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 to reduce service delivery.

13.2 From 2022 to 2023, there was a 1.44% reduction in the number of car park tickets sold. There is some uncertainty as to the reason why. The £2 bus fare cap will be having an impact in how many people are travelling into the city centre by car, as well as those that are opting to work from home part of the week.

13.3 There are many complexities outside of the City Council’s remit in setting car park charges to support the medium term financial plan, to make sure parking is at a level that continues to encourage people to work, shop, visit and study in the city centre.

**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

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



**APPENDIX 1**

**Saturday & Sunday car parking**

<b>Saturday ticket sales</b>	<b>Central</b>	<b>Zone 1</b>	<b>Zone 2</b>	<b>Zone 3</b>	<b>Total</b>
Apr-22	19,183	5,771	3,468	3,495	31,917
May-22	17,411	4,595	3,590	2,155	27,751
Jun-22	15,564	4,486	5,268	2,843	28,161
Jul-22	28,755	3,307	6,548	3,996	42,606
Aug-22	17,543	4,417	2,747	2,196	26,903
Sep-22	17,594	5,409	4,140	2,809	29,952
Oct-22	21,913	6,047	4,318	3,452	35,730
Nov-22	19,475	6,385	3,705	2,510	32,075
Dec-22	26,398	7,665	3,925	2,031	40,019
Jan-23	12,746	5,802	3,000	1,833	23,381
Feb-23	13,307	5,901	3,298	2,047	24,553
Mar-23	19,110	6,822	3,317	1,932	31,181
Apr-23	18,547	6,744	4,329	2,513	32,133
May-23	15,150	4,833	3,346	1,597	24,926
Jun-23	14,516	4,220	4,152	4,244	27,132
Jul-23	21,510	7,797	5,172	2,552	37,031
Aug-23	17,927	5,900	4,027	2,151	30,005
Sep-23	17,533	5,996	4,784	2,707	31,020
Oct-23	18,378	6,486	3,502	2,286	30,652
Nov-23	20,161	8,016	3,762	2,347	34,286
Dec-23	23,708	8,930	4,036	2,568	39,242
Jan-24	15,174	5,650	3,168	2,410	26,402
Feb-24	15,442	5,870	3,299	2,408	27,019
Mar-24	16,900	6,079	4,258	2,979	30,216
Apr-24					0
May-24					0

<b>Sunday ticket sales</b>	<b>Central</b>	<b>Zone 1</b>	<b>Zone 2</b>	<b>Zone 3</b>	<b>Total</b>
Apr-22	12,378	2,860	2,645	1,486	19,369
May-22	22,888	4,519	3,426	1,865	32,698
Jun-22	13,978	3,117	3,839	2,184	23,118
Jul-22	32,519	3,206	3,978	2,378	42,081
Aug-22	14,460	3,611	3,069	1,797	22,937
Sep-22	14,311	4,346	3,110	1,646	23,413
Oct-22	17,470	4,391	2,998	1,912	26,771
Nov-22	17,029	4,644	2,579	1,742	25,994
Dec-22	22,852	5,518	2,135	881	31,386
Jan-23	15,039	3,538	2,541	1,508	22,626
Feb-23	13,081	3,068	2,580	1,607	20,336
Mar-23	26,856	4,178	2,661	1,388	35,083

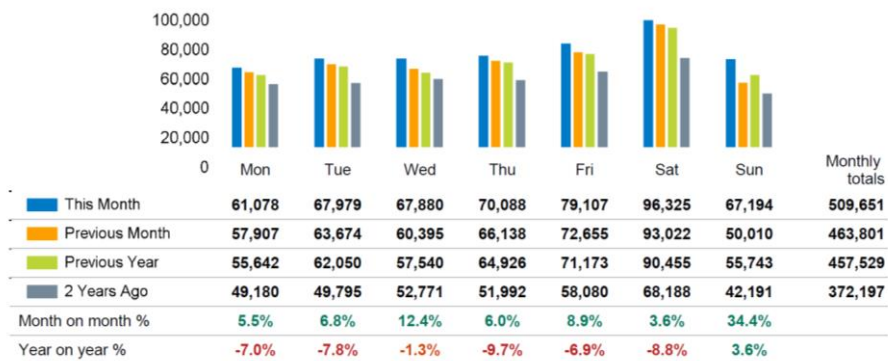
Apr-23	15,740	4,349	3,125	1,686	24,900
May-23	14,186	3,501	2,831	1,363	21,881
Jun-23	14,525	3,185	3,597	2,163	23,470
Jul-23	17,093	4,768	3,899	1,897	27,657
Aug-23	15,775	2,952	2,818	1,683	23,228
Sep-23	14,269	3,361	2,852	1,394	21,876
Oct-23	18,807	3,561	3,237	2,243	27,848
Nov-23	18,100	4,926	2,589	1,537	27,152
Dec-23	21,305	5,633	3,076	1,700	31,714
Jan-24	13,164	2,998	2,556	1,795	20,513
Feb-24	14,751	3,243	2,507	1,724	22,225
Mar-24	14,581	3,864	3,130	2,348	23,923
Apr-24					0
May-24					0

## City Centre Footfall

### May 2023

#### Footfall by day

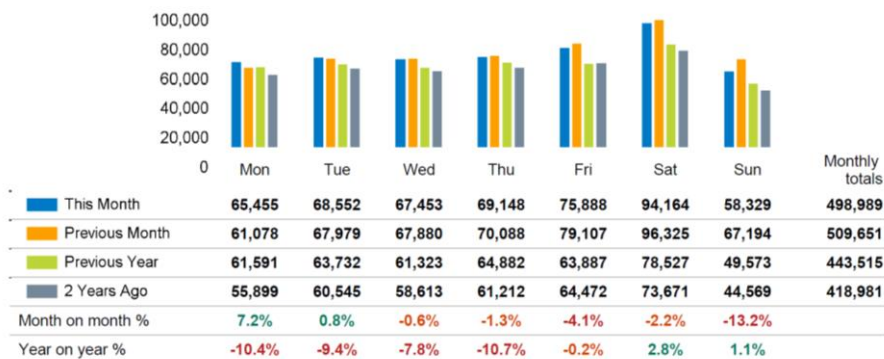
The figures shown below are calculated using weekly averages.



### June 2023

#### Footfall Counts by day

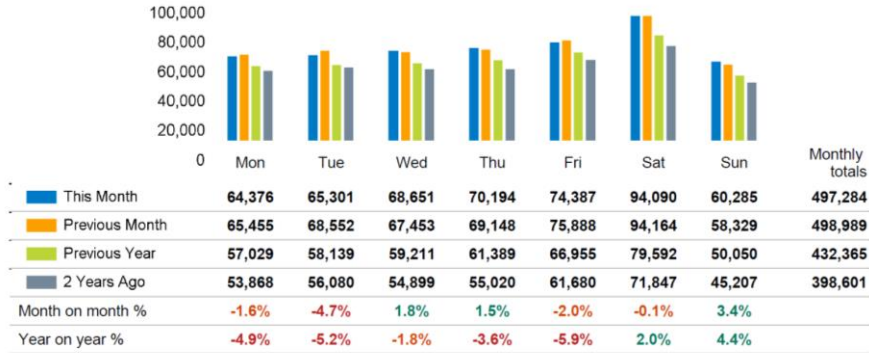
The figures shown below are calculated using weekly averages.



### July 2023

### Footfall Counts by day

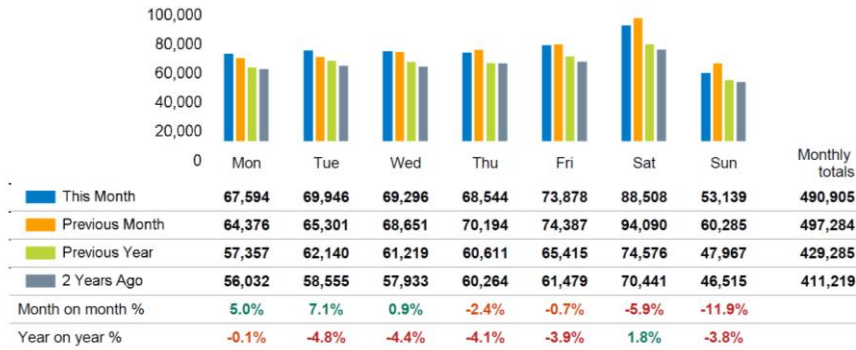
The figures shown below are calculated using weekly averages.



## August 2023

### Footfall Counts by day

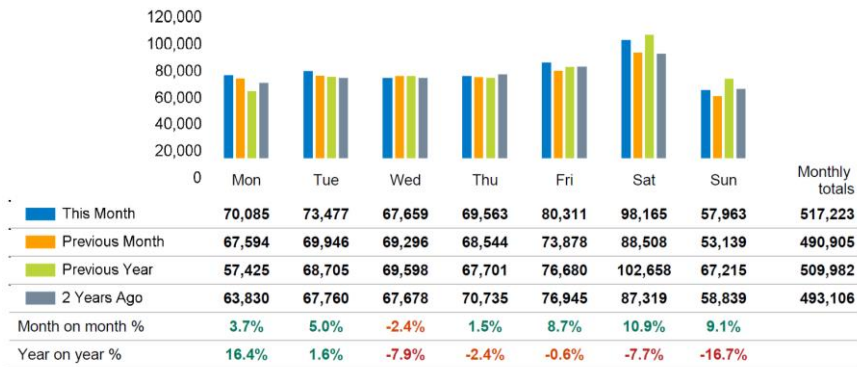
The figures shown below are calculated using weekly averages.



## September 2023

### Footfall Counts by day

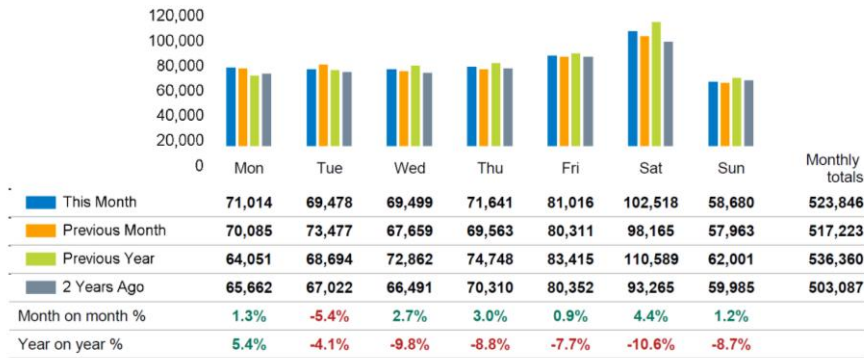
The figures shown below are calculated using weekly averages.



## October 2023

### Footfall Counts by day

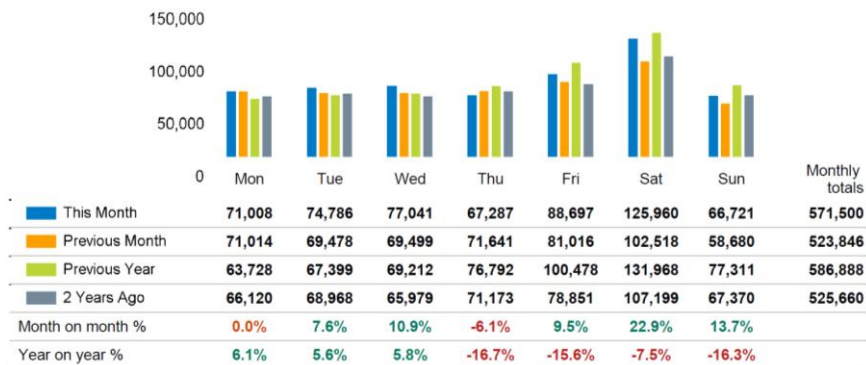
The figures shown below are calculated using weekly averages.



### November 2023

#### Footfall Counts by day

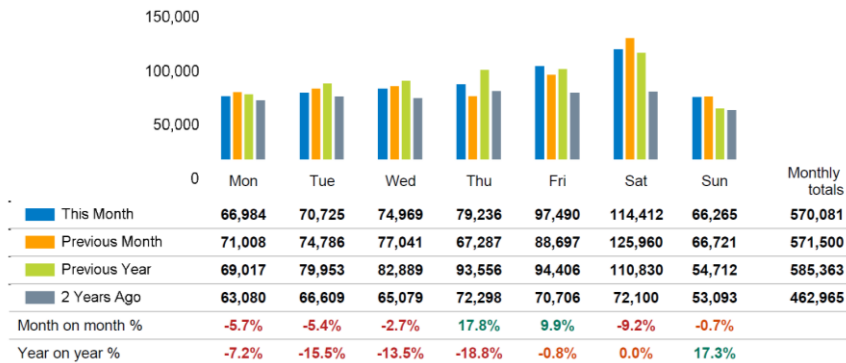
The figures shown below are calculated using weekly averages.



### December 2023

#### Footfall Counts by day

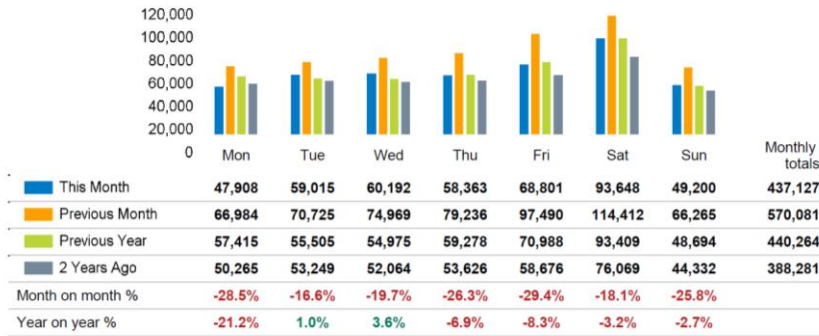
The figures shown below are calculated using weekly averages.



### January 2024

### Footfall Counts by day

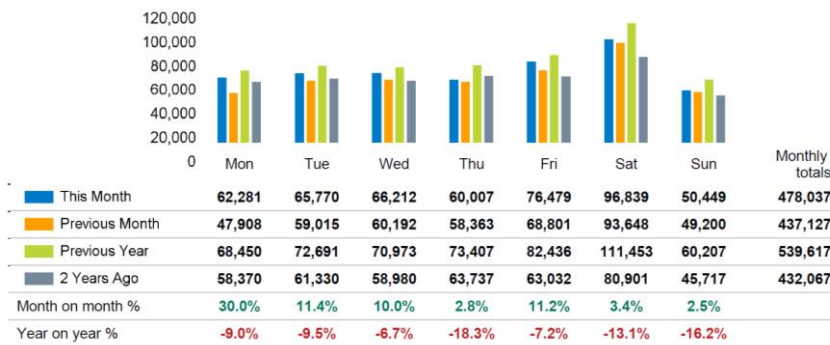
The figures shown below are calculated using weekly averages.



### February 2024

#### Footfall Counts by day

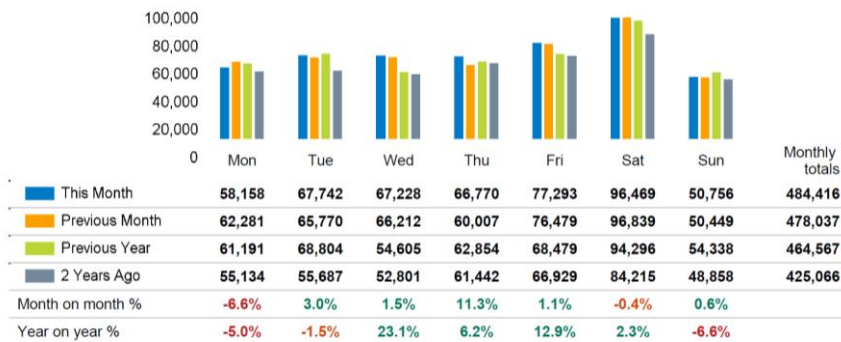
The figures shown below are calculated using weekly averages.



### March 2024

#### Footfall Counts by day

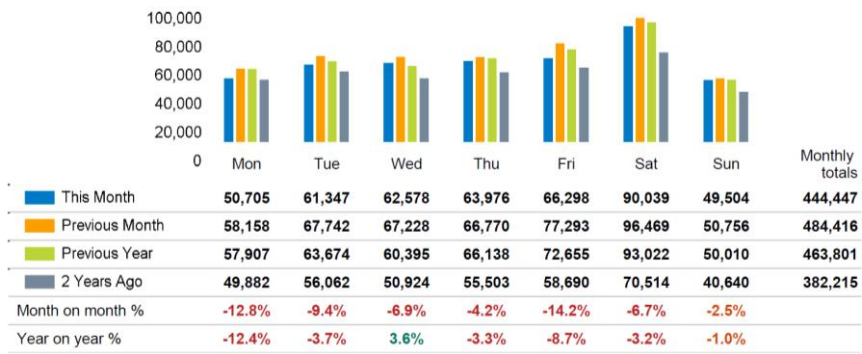
The figures shown below are calculated using weekly averages.



# April 2024

## Footfall Counts by day

The figures shown below are calculated using weekly averages.

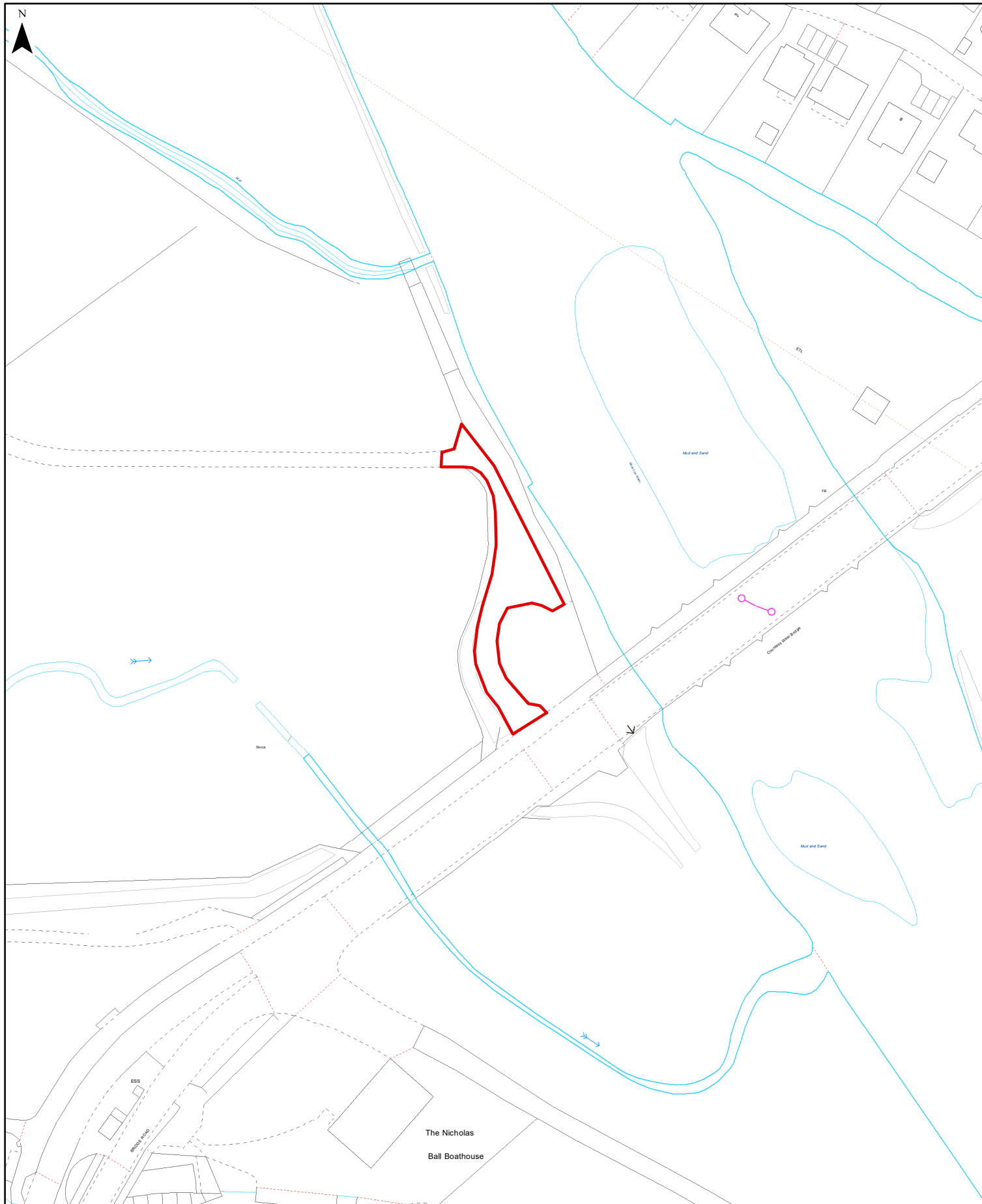


## **APPENDIX 2**

Car park maps

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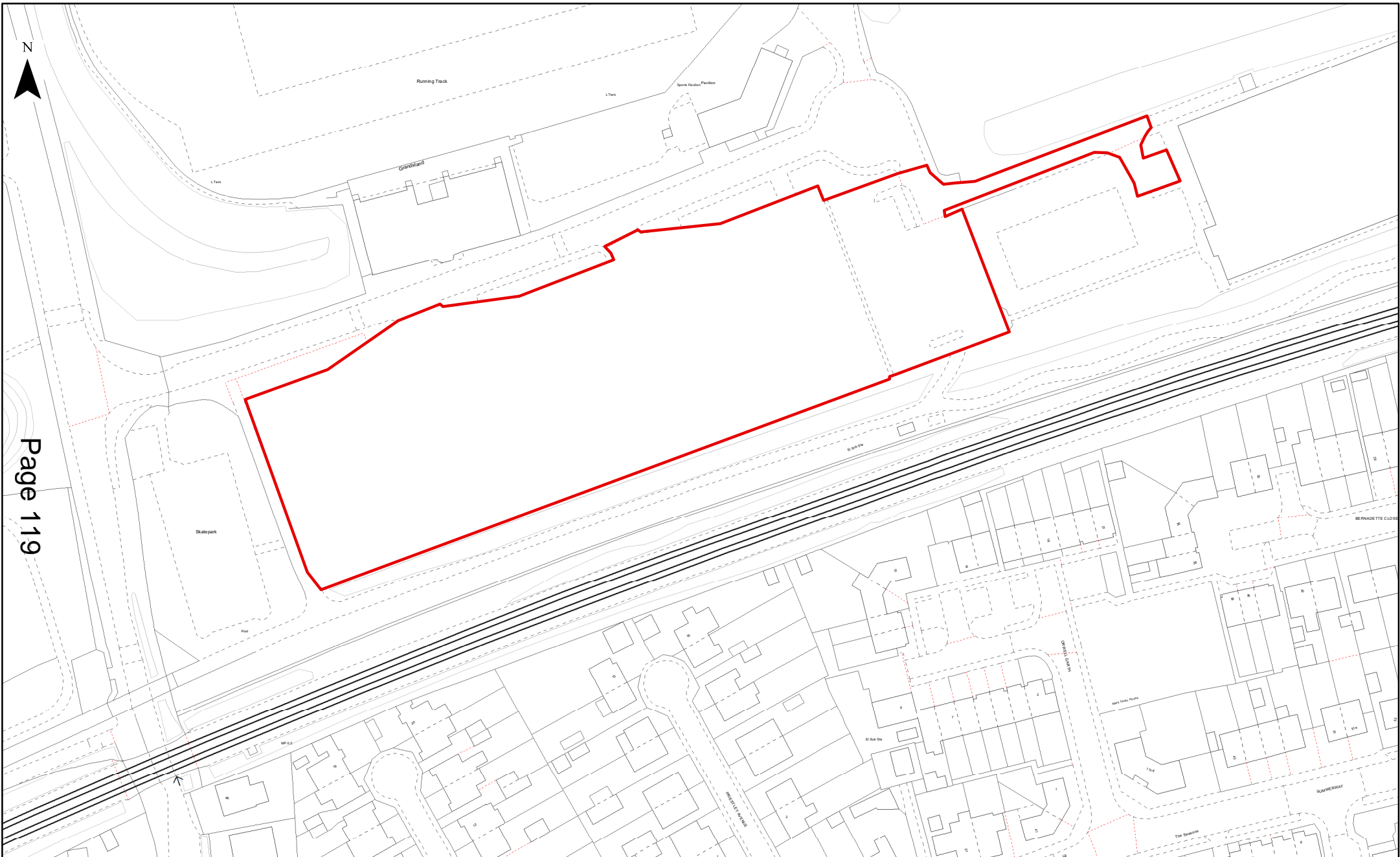


Bridge Road Car Park

Date: May 2024  
Scale 1:1,250



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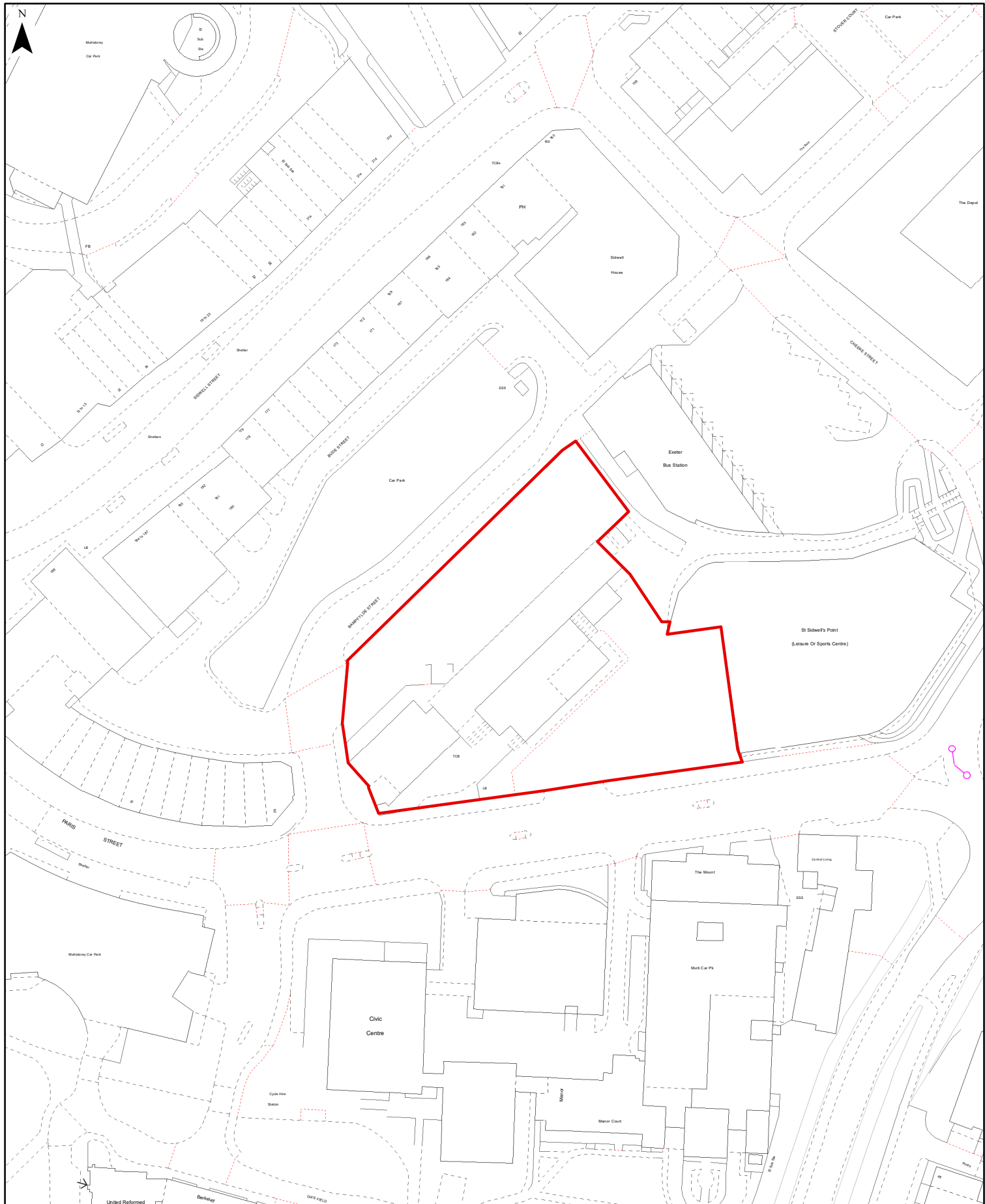
# ISCA Arena Car park

Date: May 2024

Scale 1:1,250



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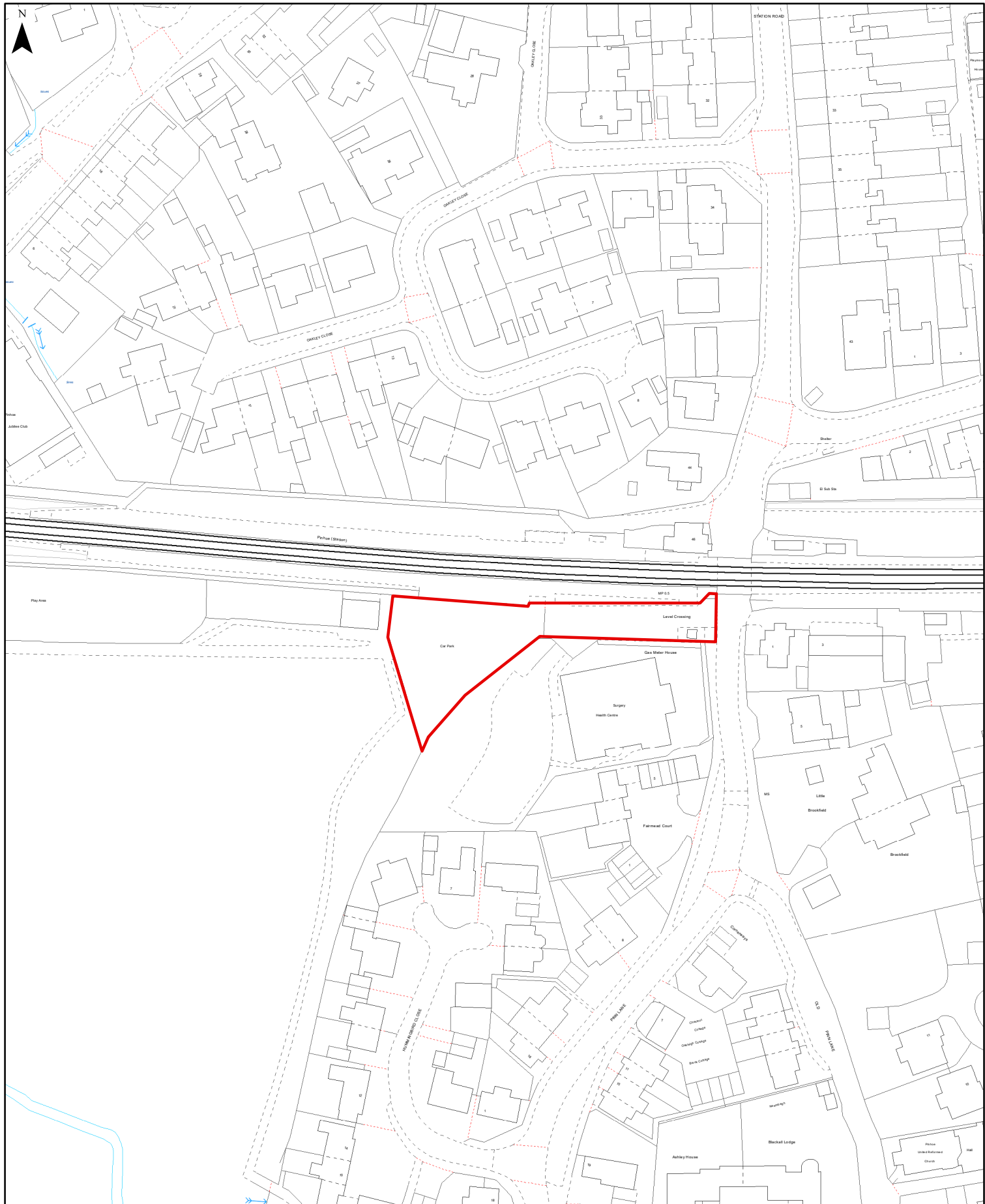


Old Bus Station Site

Date: May 2024

Scale 1:1,250

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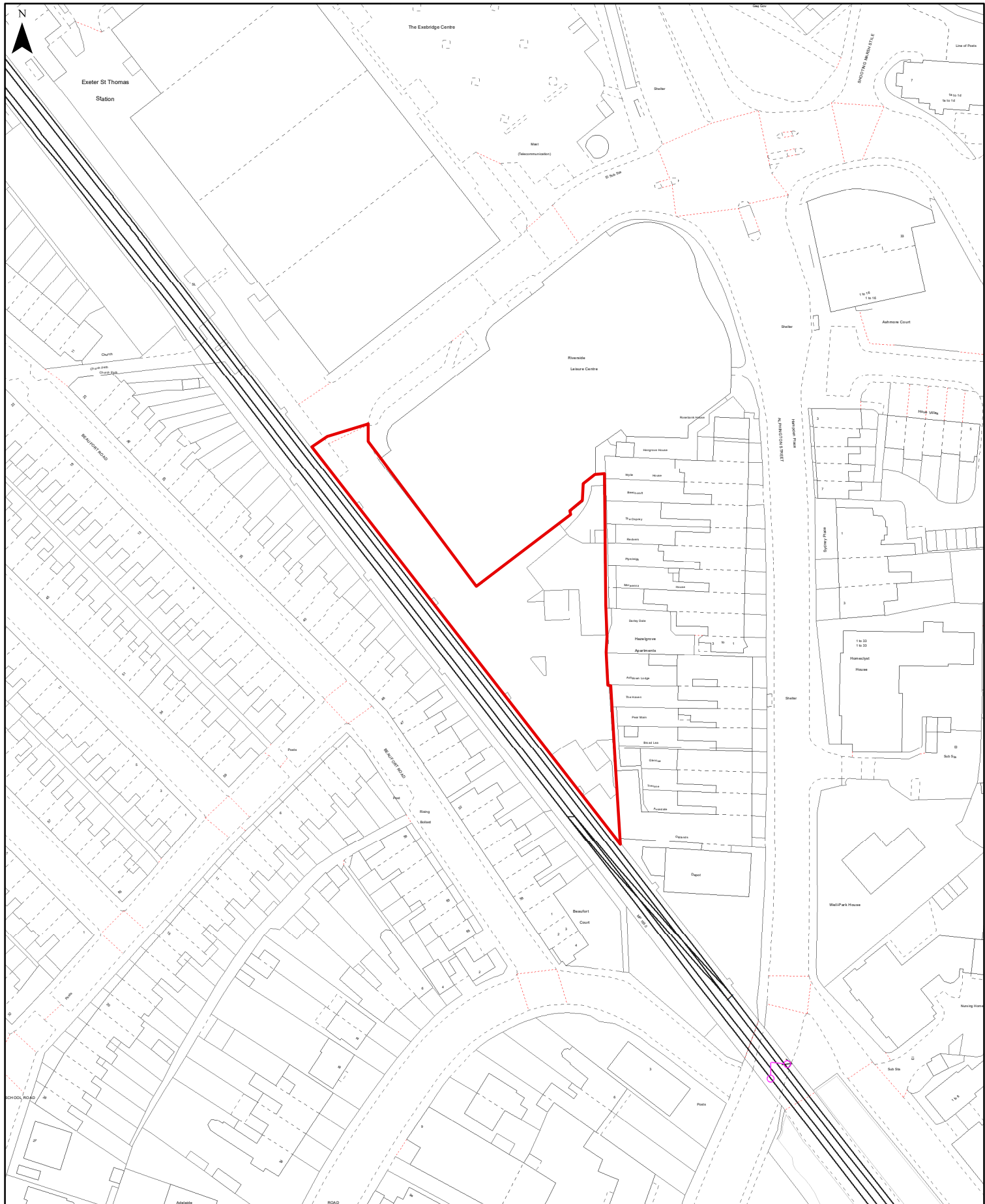


Pinhoe Station Car Park

Date: May 2024  
 Scale 1:1,250

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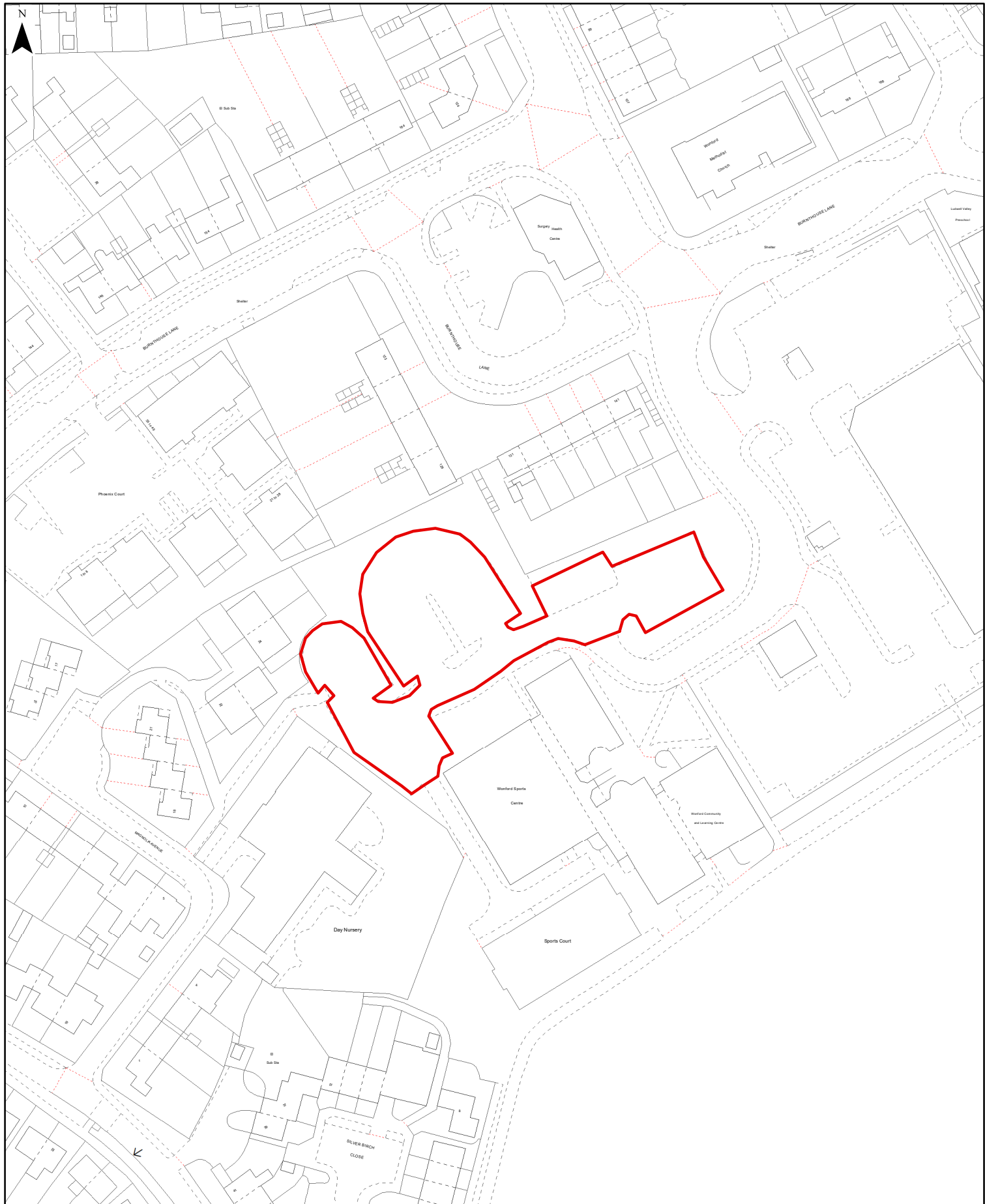


Riverside Leisure Centre Car Park

Date: May 2024  
 Scale 1:1,250



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Wonford Sports Center Car Park

Date: May 2024  
Scale 1:1,250



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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 9 July 2024	Parking Tariffs 2024	Increase car parking charges at all car parks by 5%;  Reduce car parking charges on a Sunday by 25%;  Re-introduce 1hr parking for city	Race & Ethnicity: Changes proposed may have an impact on this particular protected characteristic, some car parks would be chargeable and enforceable.

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
		<p>centre car parks located in Zone 2;</p> <p>Amend the opening and closing hours at the John Lewis car park to 8.00am - midnight;</p> <p>Add the following new car parks to the Parking Places Order in accordance with the plans at Appendix 2:  A: Central Zone  Paris Street Car Park (Old Bus Station site)  B: Zone 3  Pinhoe Railway Station Car Park;  Bridge Road Car Park;  Riverside Leisure Centre;  Wonford Sports Centre.</p> <p>To consult with nearby residents on a proposal to introduce residential car parking after 6.00pm at Belmont Road Car Park ;</p> <p>Increase the cost of seasonal, residential and business parking permits as set out in this report:</p>	<p>Region &amp; Belief:  Changes proposed may impact those who attend religious services across the city, they may have to pay to park in a nearby car park.</p> <p>Age:  Changes proposed may impact on this particular protected characteristic. The cost to buy a parking permit may have a negative impact on those working in the city centre, including those working in entry-level positions or are retired may not be able to afford to park in the city.</p> <p>Pregnancy:  Changes proposed may impact this protected characteristic if a pregnancy, maternity or baby club is located close to a car park that is proposed to become chargeable.</p>

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
		£75,000 of the income achieved from Car Parks to be set aside for maintenance, improvements and carbon reduction measures to city centre car parks.	

**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
<b>Race and ethnicity</b> (including Gypsies and Travellers; migrant workers; asylum seekers).	N/A	Low	Changes proposed may have an impact on this particular protected characteristic, some car parks would be chargeable and enforceable.
<b>Disability:</b> 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 proposed does not have an impact on this particular protected characteristic.

<b>Protected characteristic/ area of interest</b>	<b>Positive or Negative Impact</b>	<b>High, Medium or Low Impact</b>	<b>Reason</b>
<b>Sex/Gender</b>	N/A	Low	Changes proposed does not have an impact on this particular protected characteristic.
<b>Gender reassignment</b>	N/A	Low	Changes proposed does not have an impact on this particular protected characteristic.
<b>Religion and belief</b> (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	N/A	Low	Changes proposed may impact those who attend religious services across the city, they may have to pay to park in a nearby car park.
<b>Sexual orientation</b> (including heterosexual, lesbian, gay, bisexual).	N/A	Low	Changes proposed does not have an impact on this particular protected characteristic.
<b>Age</b> (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 proposed may impact on this particular protected characteristic. The cost to buy a parking permit may have a negative impact on those working in the city centre, including those working in entry-level positions or are retired may not be able to afford to park in the city.
<b>Pregnancy and maternity</b> including new and breast feeding mothers	N/A	Low	Changes proposed may impact this protected characteristic if a pregnancy, maternity or baby club is located close to a car park that is proposed to become chargeable.
<b>Marriage and civil partnership status</b>	N/A	Low	Changes proposed does not have an impact on this particular protected characteristic.

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

Clearly indicate with signage which car parks are now chargeable and enforceable.

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.



When updating notice boards within car parks, highlight what parking fees pay for across the City Council.

**Officer: Victoria Hatfield**

**Date: 8 May 2024**

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## REPORT TO EXECUTIVE

Date of Meeting: 9 July 2024

## REPORT TO COUNCIL

Date of Meeting: 16 July 2024

Report of: Director for Net Zero Exeter & City Management

Title: InExeter Business Improvement District Business Plan 2025 - 2030

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Council

### 1. What is the report about?

1.1 The report sets out the process and proposals for a third term of the InExeter Business Improvement District (BID), as well as the 5-year Business Plan which businesses within the BID area vote upon in November 2024.

### 2. Recommendations:

2.1 Executive comments on the BID Business Plan covering the period 2025 – 2030, and approve the City Council casting its votes in favour of continuing the BID in the forthcoming ballot in November 2024.

2.2 That the City Council approve a budget of £7,000 to undertake the ballot to be funded from General Fund reserves.

2.3 The Portfolio Holder for Corporate Services and City Centre continues to sit on the InExeter Board, with support from the Service Lead for Net Zero & Business, to oversee the interests of the City Council and wider city centre through activity undertaken by InExeter.

2.4 To support an amendment of the BID boundary to exclude West Street, Bartholomew Street West and New North Road.

2.5 That Exeter City Council charge InExeter in collecting the BID levy, calculated at £12,000 + VAT per annum per year.

2.6 The Service Lead for Net Zero & Business draws up contingency plans, to be implemented if there is a no vote in November 2024.

### 3. Reasons for the recommendation:

3.1 It is important to maintain the competitive position and economic strength of the city centre in the face of changing consumer behaviour in the retail sector, investments being made in other locations and the realities of a continuing reduction to public sector finance

and services. The continuation of the BID is important to provide the focus for a concerted effort to face up to these challenges and to secure sufficient resource to be able to take appropriate action.

3.2 There is a focus going forward on supporting businesses and in addressing Anti-Social Behaviour within the city centre to ensure a strong and vibrant economy.

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

4.1 The cost of holding the ballot (£7,000) is a local authority cost and will be met from General Fund reserves.

4.2 At the time of writing this report, and if the vote is successful, the City Council's annual liability for the levy payment for the City Council hereditaments will be £33,000, this has increased from £27,500. The development costs to reach ballot in November are being met through existing BID funds. This amount could fluctuate through the years, if we have vacancies within property we own. The reason for an increase in City Council costs is due to the levy increasing from 1.25% to 1.5%.

4.3 The Portfolio Holder for Corporate Services and City Centre, as well as the Service Lead for Net Zero & Business attend board meetings every two months, to support the delivery of the Business Plan.

4.4 The BID levy rules have been amended for the next BID term and are included in Appendix A InExeter Business Plan. The final list of all businesses to be included in the ballot will be closed September 2024.

#### **5. Section 151 Officer comments:**

5.1 The costs associated with the ballot can be funded from General Fund reserves and are a requirement of the scheme. If successful, the budgets for 2024-25 will be adjusted to add in the additional costs to the Council arising from the scheme.

5.2 If the ballot is unsuccessful, any City Council support will either have to be managed within existing budgets or will require a further report to City Council seeking additional funds. Given the Council's current financial position, any such report will have to identify ongoing savings to offset the additional expenditure.

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

6.1 Part 4 of the Local Government Act 2003 provides the legal framework for establishing Business Improvement Districts. The Act is supplemented by secondary legislation including the Business Improvement Districts (England) Regulations 2004 and the Business Improvement Districts (England) (Amendment) Regulations 2014 which provides further detail on the establishment and regulation of BIDs.

6.2 Business Improvement Districts (BIDs) business-led and managed partnerships which are created voluntarily by the business community. The BID is led by Inexeter Limited.

6.3 A BID is a defined area in which a levy is charged on all eligible business rate taxpayers in addition to the business rates bill. The levy is used to fund and develop

projects which are intended to benefit businesses in the local area. There is no limit on the types of projects or services which can be provided through the BID.

6.4 A BID can only be established where those that are entitled to vote (business rate payers) approve the BID proposals in a ballot. The local authority manages the bidding process.

6.5 The billing authority collects the levy which is then used by the BID organisation to deliver projects.

6.6 BIDs can operate for a maximum of five years. Once the term is completed and the BID company wants to continue its activities then a new ballot must be held.

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

7.1 Members will note the legal comments set out in paragraph 6 above. This report raises no issues for the Monitoring Officer.

## **8. Background**

8.1 Members previously supported the development of a BID for Exeter City Centre in 2015 and in 2020. There are currently around 330 formal BIDs across the UK and the Republic of Ireland, supporting their local business community investing in excess of £1billion since their inception, in England in 2004.

8.2 The 20th anniversary of BIDs is being celebrated in 2024 and despite the economic challenges, the sector has gone from strength to strength with BIDs now at the front line of place management.

8.3 BIDs have been delivering a wide range of improvements to local areas from town/city centres and business parks to complete market towns. InExeter have delivered a range of projects, services and initiatives to support business and enhance the city centre. Projects completed over the previous 5 years include:

- Annual Christmas lights display - 1km of LED cluster lights and curtains, iconic ground installations and wall hung Christmas trees;
- 9,000 cleaning visits a year removing graffiti, needles, body spills and rubbish
- £100,000 in Giftcard sales to our independents;
- 'Colour in Exeter' and Jubilee celebration city dressing;
- Distinctive branding and visual identity for areas of the city;
- city maps;
- Well-established and locally loved quarterly Fore Street Flea market;
- 10 street art projects;
- 2 new parklets;
- 50+ business receive free business photography;
- 636 from members of staff from 74 businesses received accredited training;
- 110 tonnes food waste collected and recycled;
- tonnes WEEE collected and recycled;
- 160 business using radio communication and crime reporting system (EBAC) 36 subsidised by InExeter;
- 60 businesses with free Membership to Visit Exeter funded through InExeter;

- 100 days of city activation through markets and events;
- Monthly digital newsletters to over 800 recipients with a 38% open rate;
- Christmas Guides each with a circulation to 30,000 residents;
- Strong social media presence - Instagram 13000 followers - Facebook 10000 followers;
- £36k invested in supporting local community groups events and activities;
- £700k external funding secured to support BID projects and services;
- Awards: Britain in Bloom, Gold 2022, Silver GILT 2021 & 2023, Winner of the BID category 2023.

8.4 The proposed BID Business Plan (not in design format) is included in Appendix A, which sets out the intended approach and range of projects to be delivered during the next BID period, 2025-2030. These projects have been developed in consultation with businesses located within the BID boundary through surveys and networking events.

8.5 Levy funds collected, will be held by the InExeter BID Company run by a Board made up of elected business representatives, as well as representatives from the City Council and Devon County Council. Levy funds are only for the projects agreed and voted for by the participating businesses in line with the agreed Business Plan 2025-2030. Each year all businesses / organisations paying the levy will receive a 'Billing Leaflet' and set of accounts that will set out clearly how the BID fund has been spent in the previous year and plans for the next financial year.

8.6 Following a successful vote, all business premises within the BID area will be sent an invoice annually equivalent to 1.5% of the rateable value. Exeter City Council are responsible for invoicing and collecting the BID levy, as a collection agent, from every BID levy payer within the InExeter BID area. That money will be ring-fenced and passed to the InExeter Company for the exclusive use of delivering the business plan 2025-2030.

8.7 The InExeter BID area will contain over 700 business addresses. The BID levy at 1.5% will generate in excess of £570,000 per annum totalling £2.8 million over five years. The third term of the BID proposes a rise in the BID multiplier from 1.25% in term 2 to 1.5% in term 3, and levies from the 2023 rateable value list.

8.8 The full levy rules are detailed in the business plan.

8.9 On a successful BID vote in November 2024, InExeter and the City Council will sign an Operations Agreement which will set out in detail the obligations on each party for the collection and management of BID levy funds. Exeter City Council is obliged to use the same powers of enforcement to recover the BID levy as for payment of Business Rates. Non-payment could result in court action being taken. The BID levy will be payable by the liable party.

8.10 InExeter will continue to be a company limited by guarantee. The InExeter Board of Directors will be responsible for the delivery of projects ensuring that they are delivered on time and on budget to the highest standards possible. The Board are responsible for managing the BID CEO. This role will be crucial to the coordination of the BID and the delivery of the BID Business Plan. The Portfolio Holder for Corporate Services & City Centre is the nominated City Council representative on the BID Board, with support from the Service Lead for Net Zero & Business as a non-voting attendee.

8.11 If a successful BID vote in November, the City Council and InExeter will continue to maintain a good working relationship and regular communication through quarterly meetings between the BID CEO and with relevant Service Leads, Directors and Councillors at the City Council.

8.12 InExeter will be the first point of contact for day-to-day queries relating to the management of the city centre. It will act as the conduit to all the organisations operating in the city centre and ensure that there is a 'joined-up' and business focused approach to all operational and strategic issues affecting the city centre.

8.13 Development of the Business Plan has included the preparation of baseline statements covering services provided by the City Council, Devon County Council and other organisations responsible for services and activities in the city centre. The BID Business Plan includes proposals to enhance these services funded by the BID levy and will not fund existing services provided by the public sector. Considering austerity and future budget savings, baseline statements will be reviewed on an annual basis.

8.14 The performance of the BID and its impact on the city centre will be monitored through measures listed in the business plan.

8.15 The management of the BID will be held to account through:

- business surveys
- ongoing business engagement and dialogue
- the BID Annual Review, Report and accounts (available to all BID levy payers)
- an AGM - open to all BID levy payers

## **9. Contingency**

9.1 Over the previous 12 months, there has been significant changes in how the City Council supports businesses. The Net Zero & Business team has significantly reduced in numbers and with a change in emphasis of focus. The role of the Service Lead Net Zero & Business has changed to be focused in managing car parks and in delivering net zero.

During this summer, the City Council will be working on contingencies, just in case of a no vote in November 2024. This will take into account what InExeter has previously delivered and what the City Council will be able to deliver, in light of a reduced team and significantly smaller budget to InExeter and reducing budgets going forward.

## **10. How does the decision contribute to the Council's Corporate Plan?**

10.1 The BID will be a vital and key partner with the City Council in aiming to improve the economic health of the city centre and Exeter's attraction of investment and visitors supporting employment and the quality of the city centre for the benefit of residents. BID activity and projects supports the following strategic priorities:

- Prosperous local economy
- Net zero carbon city
- Thriving culture & heritage

## **11. What risks are there and how can they be reduced?**

11.1 The key risk at this point is a negative vote at ballot. A successful renewal is imperative to the health of the city centre. The BID CEO is effectively managing this risk and updating the BID Board at regular Director meetings. A new Assistant has recently been appointed who will deliver 'business as usual' services. The BID team's priority is engaging with businesses to support a yes vote in November 2024. Both a Communications and Engagement Plan are in place for 2024-2025 and a new Customer Relationship Management System has been implemented to effectively manage data, allow improved reporting and to manage a ballot forecast.

## **12. Equality Act 2010 (The Act)**

12.1 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.

12.2 A successful BID will support the economic vibrancy of the city centre helping to secure inward investment and consequently employment opportunities for young people and others. Partnerships have been established with Exeter College, The University of Exeter and local schools to provide work placements for students in the city centre.

12.3 Improvement to the safety of those using the city centre and to the public realm are important priorities for a successful city centre and feature highly in proposed projects within the Business Plan.

12.4 InExeter's actively uses it's social media channels as a platform from which to celebrate the city, it's cultural heritage and diversity in terms of events, businesses and people.

12.5 An EQIA has been completed on InExeter activity.

## **13. Carbon Footprint (Environmental) Implications:**

13.1 Within the Business Plan 2025-2030 there is a strategic Objective of 'Enhanced Environment'. There is a commitment to supporting a reduction in carbon emissions across the city centre and in supporting businesses to reduce their carbon emissions:

- Greening our city through continued investment in sustainable planting and its maintenance. We will build on the success of our award-winning seasonal planting scheme ensuring the city centre is welcoming and attractive all year round;
- Work with the City Council and County Council to address the impacts of climate change through investing in urban greening, tree coverage and sustainable drainage to help with flood mitigation, increase biodiversity and create an enjoyable environment for people;
- Invest in initiatives that support sustainable business and collective efforts to reach net-zero including waste and recycling projects, sustainable travel initiatives, free bicycle checks and repairs.



## **14. Are there any other options?**

14.1 At this point and in terms of the nature of the opportunity presented by the BID, there are no comparable options.

14.2 If the BID vote is unsuccessful, the Service Lead for Net Zero & Business will work with relevant Directors and Portfolio Holders to address the decision and draw up plans to support the city centre and businesses located within in.

**Director 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

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

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## APPENDIX A

### Welcome to the 2025-2030 Business Plan for InExeter.

Our vision for Exeter is of a thriving, economically prosperous city where businesses flourish, residents enjoy a high quality of life, and visitors experience the very best of the Southwest.

Here we set out how, by working with you, our members we will celebrate our city, support the business community, and deliver positive change.

Since our inception 10 years ago, InExeter, your Business Improvement District (BID) has strived to create a strong and connected business community through providing networking and training opportunities and sharing insight and data to support our business members.

We've led the way in enhancing the city's appeal with our annual investment in the Christmas Lights, city dressing campaigns, and street art projects. Through our programme of events and markets we have activated the city increasing footfall and encouraging people to dwell here. Our cleaning and greening services have been the bedrock of the city's ongoing attractiveness.

Looking ahead, we have an important role to play in ensuring Exeter is fit for the future. We are in strong position with established partnerships and recognised as a powerful and well-respected voice in the city. Through our renewed focus on **Safety & Security**, an **Enhanced Environment**, **Celebrating our City** and **Business Support** through 2025-30, we will work tirelessly to implement initiatives that help businesses thrive, foster belonging and enhance Exeter for all.

We believe in the value of businesses working together to address shared issues and respond to opportunities. We believe our collective voice can be powerful in effecting change across the city. If Exeter is good for business, then that brings benefit to everyone who lives, studies, works in, or visits Exeter.

We are passionate about Exeter and look forward to working with you to deliver our shared aspirations for our city.

Let's vote YES in the November ballot.

Nicola Wheeler

InExeter, CEO

General Manager, BOOM Battle Bar

Mat Jarratt

Chair, InExeter Board of Directors

## **NO vote means NO**

- Christmas Lights
- Dedicated, responsive street cleansing for businesses
- Community Safety Street Team
- Exeter Business Against Crime (EBAC) subsidy
- Free accredited training and business photography
- Footfall data and shared city insight
- Independent Giftcard
- City greening (planters and hanging baskets) or street art
- City activation programme
- Collective business voice and representation
- Advocacy and influence on behalf of businesses
- Dedicated communication channels e.g. monthly newsletter, InExeter website or social media platforms

If InExeter is not successful in the upcoming ballot, all the projects and services currently delivered will cease at the end of March 2025 and the BID will close. There is no other organisation to deliver these projects, services and benefits on behalf of Exeter businesses and the investment in your city will not happen.

<CALL OUT> VOTE YES

### **Ballot timeline**

10 October - Notification of ballot and proposals issued to all businesses eligible to vote.

15 October – Ballot Campaign Launch event 5:30-7:30pm Becketts Rooftop Bar

24 October - Voting opens, ballot papers received by post.

16 November - Replacement ballot papers issued. If you have requested a replacement paper, it will be issued on 16 November.

21 November - Voting closes 5pm. Last day to courier ballot papers

22 November - Results announced

1 April 2025 – 31 March 2030 - Third BID term

<CALL OUT> Projects and serviced delivered by InExeter only continue if there is a positive ballot result.

## **Celebrating our shared achievements 2020-2025**

Annual Christmas lights display - 1km of LED cluster lights and curtains, iconic ground installations and wall hung Christmas trees.

9,000 cleaning visits a year removing graffiti, needles, body spills and rubbish

£100,000 in Giftcard sales to our independents

‘Colour in Exeter’ and Jubilee celebration city dressing

Distinctive branding and visual identity for areas of the city

2 city maps

Well-established and locally loved quarterly Fore Street Flea market

10 street art projects

2 new parklets

50+ business receive free business photography

636 from members of staff from 74 businesses received accredited training

109 tonnes food waste collected and recycled

5 tonnes WEEE collected and recycled

160 business using radio communication and crime reporting system (EBAC) 36 subsidised by InExeter

60 businesses with free Membership to Visit Exeter

100 days of city activation through markets and events

Monthly digital newsletters to over 800 recipients with a 38% open rate

Christmas Guides each with a circulation to 30,000 residents

Strong social media presence - Instagram 13000 followers - Facebook 10000 followers

£36k invested in supporting local community groups events and activities

£700k external funding secured to support BID projects and services.

Awards: Britain in Bloom, Gold 2022, Silver GILT 2021 & 2023, Winner of the BID category 2023

Members of The BID Foundation, Association of Town Centre Management (ATCM) and British BIDs

## **Our shared vision for Exeter by 2030:**

**Thriving businesses:** Exeter supports a diverse community of businesses including independents and larger enterprises that all contribute to a vibrant commercial hub. With low vacancy rates and inward investment, Exeter enjoys a reputation as a distinctive shopping destination with rich character and cultural identity.

**City of choice:** Leveraging its strategic location in the heart of the southwest, Exeter is positioned as the premier destination for business to establish and expand. Offering quality of

life and work-life balance, Exeter is a preferred destination for graduates and entrepreneurs, with ample opportunities for post-graduate employment, innovation and business growth.

**Great place:** Exeter's daytime and evening economy thrives with a diverse culinary scene, entertainment options and cultural events. Our clean, safe, and inclusive urban environment prioritises accessible streets, and vibrant civic spaces promoting social cohesion for residents and visitors alike.

## **Our Pledges**

**Increased Safety:** Business crime and anti-social behaviour is a priority. InExeter is committed to ensuring everyone can feel safe and enjoy our city day and night. We will continue to invest in our Community Safety Street Team and make the case for increased policing patrols.

**Cleaner environment:** We'll continue to make sure Exeter's streets are cleaner with our 7-day additional cleaning services including graffiti and gum removal, seasonal jet washing and regular street cleaning in hot spot areas.

**Business Voice:** InExeter will actively listen, lobby and campaign to make Exeter's business voice heard locally, regionally and nationally and make the case for investment.

**Destination:** We will continue to celebrate and promote Exeter as a cultural destination through our social media channels and newsletter. With an activation programme, continued investment in Christmas lights and city dressing and new street art commissions, we will contribute to enhancing Exeter's cultural identity as a visitor destination.

**Communicating:** We will provide the data and insight you need to inform your business decisions through our monthly newsletter and face-to-face meetings. This includes footfall trends, crime statistics, vacancy rate, legislative changes, local and national business initiatives.

**Sustainable District:** We will continue to deliver our award-winning green space improvement programme focussing on initiatives that create sustainable places and a people-friendly environment.

## **Your Views – consultation feedback**

Here at InExeter, we listen to and gather feedback from our business members. Everything we do is with an aim to deliver benefit to you, your business, and the city of Exeter.

It was therefore important that we took the time to listen to your views and ensure we understand the needs of businesses in the city in the context of the changes we are all experiencing.

We have run an extensive consultation process. From the digital and printed Your Views Count survey, the consultation in Spring as well as in-person business visits, focus groups, networking events and neighbourhood action days.

## **Your priorities**

1. Tackling anti-social behaviour and criminal activity.

2. Dealing with vacant properties and ensuring the economic vibrancy of our city.
3. Addressing high car parking charges
4. Using Christmas lights and city dressing to activate all parts of the BID area.

### **You want to see Exeter (word cloud)**

Thriving

Vibrant

Welcoming

### **What will the BID deliver 2025-30?**

#### **Our Strategic Objectives**

Safe and Secure – a safer Exeter at all times, we are committed to ensuring everyone can enjoy Exeter day and night.

Enhanced Environment – we will continue to make Exeter’s streets cleaner and greener, supporting businesses to reach net zero emissions and contributing to making Exeter a sustainable city.

Celebrating our City – we will effectively market our city, celebrating arts and culture and delivering city dressing and campaigns, wayfinding, city activation

Better for Business – stronger business voice, influencing and advocacy, connecting and supporting businesses through training and business photography, leveraging value through procurement and partnerships.

## Safe and Secure

Improving the safety of our city is our priority – both day and night. Whether coming to Exeter to shop, for an evening meal or to enjoy a night out, everyone should feel confident that Exeter is a safe place. We are committed to ensuring the safety of staff, visitors, and customers.

A YES vote in November will mean:

**Active involvement in Exeter Business Against Crime (EBAC)** increasing radio communications between business members and sharing intelligence through reporting. We will offer a £100 EBAC subsidy to all InExeter BID members (as opposed to 50% subsidy for independent businesses and charities as we currently do).

**Effective partnerships with city stakeholders** through representing businesses on the city-wide Community Safety Partnership (CSP), and Anti-Social Behaviour (ASB) working group, we will lobby on behalf of businesses for increased investment in policing.

**Build on the Community Safety Street Team patrols** piloted 2024-25. Working in partnership with the Police and Exeter City Council we will take a multi-agency approach to improve community safety in Exeter city centre through visible foot patrols, business engagement and tackling anti-social behaviour.

Future work:

Lead the **implementation of the Evening and Nighttime Economy action plan** for our city with a dedicated stakeholder forum, annually reviewed action plan and aspiration to achieve Purple Flag status for our city.

**Administer the Best Bar None (BBN)** accreditation for businesses who aim to provide a safe and inclusive environment for all which includes adhering to the Safety of Women at Night (SWAN) charter.

Raise the profile of crime reduction initiatives through **targeted marketing and campaigns**.

## Enhanced Environment

An enhanced public environment forms the foundation for a sustainable future for Exeter. Every action counts and collectively we will build a cleaner, greener and healthier city.

A YES vote in November will mean:

**Dedicated and responsive additional street cleansing**, 7 days a week 5am-1pm. The City Council provide street cleaning and empty the bins as standard. Our service provides targeted support to businesses in identified hotspots in the BID area. We significantly raise the standard of cleanliness through clearing litter, dealing with overflowing commercial bins, removing gum and graffiti and jet washing. Members can request a call-out service free of charge.

**Greening our city** through continued investment in sustainable planting and its maintenance. We will build on the success of our award-winning seasonal planting scheme ensuring the city centre is welcoming and attractive all year round.

Future work:



Work with City and County Councils to **address the impacts of climate change** through investing in urban greening, tree coverage and sustainable drainage to help with flood mitigation, increase biodiversity and create an enjoyable environment for people.

Advocate for public realm improvements building on the parklets initiative in Fore St and Musgrave Row to **create accessible places where people can socialise, relax and play** in the heart of the city.

Invest in initiatives that **support sustainable business and collective efforts to reach net-zero** including waste and recycling projects, sustainable travel initiatives, free bicycle checks and repairs.

Work with our community and voluntary sector partners to **campaign for drinking water fountains**.

### **Celebrating our City**

As a regional hub, Exeter offers the very best of the southwest with a historic and culturally vibrant city centre and a rich mix of independent businesses and national brands. Promoting your business helps us to market Exeter as a distinctive destination. Using our established social media channels, we reach new audiences and encourage more people to experience Exeter.

A YES vote in November will mean:

**Dedicated city dressing** campaigns in the summer and festive period ensuring the city is welcoming and attractive driving footfall at key periods of the year incorporating wayfinding and colour ways that reflect the distinctive areas of the city,

**Exeter's Independent Giftcard** which raises the profile of our independent businesses and increases local spend.

**Building on the strength of our social media** following across all channels and developing new content e.g. for Tik Tok by learning from what works well and featuring high quality content and stories about member businesses that customers engage with.

Future work:

A new **city activation programme** offering small pots of grant funding to community-based organisations and business-led partnerships delivering events and activities that increase footfall and celebrate the city centre.

Invest in a **consumer facing digital city hub** for businesses to engage with customers, share what's on and promote offers through new technologies.

Contribute to Exeter's unique cultural identity by **commissioning a further 10 street art projects** in the new BID term building on the 10 completed projects delivered 2020-2025.

### **Better for Business**

Working with you, we will make Exeter a great place to do business. We will deliver direct benefits to you, champion your interests and use data and insight to make the case for investment in the city.

A YES vote in November will mean:

**Access to free accredited training.** We will build on the success of our current offer by introducing new core modules and securing discounted rates for you for further training delivered by a preferred supplier.

**Focus groups and networking events.** We will offer regular opportunities for our businesses to connect, share insight and shape the work of the BID, for example through regular Forums, Focus Groups and Networking events.

**Access to free 1-hour business photography sessions** providing members with high-quality images to help effectively market your business.

**Effective communication** with businesses sharing relevant information in a timely way through our e-newsletter, digital channels and area WhatsApp groups.

Future work:

Create **opportunities for work placements through strengthened partnerships** with Exeter College and the University to create valuable experiences for young people in the city centre, deliver value to businesses and retain the knowledge and skills of our graduates.

Make **better use of data and insight** to inform future strategies and feedback on our activities. As well as investing in 7 footfall cameras, we will invest in transactional retail spend data and collate vacancy data to engage property owners and investors.

## Budget

Voting yes in the ballot will secure ring-fenced investment for Exeter of approximately £550,000 per annum totaling £2.8m over the 5-year term.

Whilst the BID's primary income is through levy investment from local businesses, we also have a track record in securing external funding from a variety of sources. In the last BID term, we raised £700k in additional income that we invested in Exeter.

<b>INCOME</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>TOTAL</b>	<b>%</b>
Levy Income	£574,000	£574,000	£574,000	£574,000	£574,000	£2,870,000	88%
Associate Membership	£1,000	£1,500	£2,000	£2,500	£2,500	£9,500	0%
Project Partner Funding	£40,000	£45,000	£50,000	£55,000	£55,000	£245,000	9%
Reserves carried forward	£5,000	£10,000	£10,000	£15,000	£15,000	£55,000	3%
<b>TOTAL INCOME</b>	<b>£620,000</b>	<b>£630,500</b>	<b>£636,000</b>	<b>£646,500</b>	<b>£646,500</b>	<b>£3,179,500</b>	<b>100%</b>

<b>EXPENDITURE</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>TOTAL</b>	
Safe & Secure	£148,800	£151,320	£152,640	£155,160	£155,160	£763,080	24%

Enhanced Environment	£124,000	£126,100	£127,200	£129,300	£129,300	£635,900	20%
Celebrating our City	£124,000	£126,100	£127,200	£129,300	£129,300	£635,900	20%
Better for Business	£111,600	£113,490	£114,480	£116,370	£116,370	£572,310	18%
<hr/>							
Operating costs	£86,800	£88,270	£89,040	£90,510	£90,510	£445,130	14%
Collection	£12,400	£12,610	£12,720	£12,930	£12,930	£63,590	2%
Contingency	£12,400	£12,610	£12,720	£12,930	£12,930	£63,590	2%
<b>TOTAL EXPENDITURE</b>	<b>£620,000</b>	<b>£630,500</b>	<b>£636,000</b>	<b>£646,500</b>	<b>£646,500</b>	<b>£3,179,500</b>	<b>100%</b>

#### Finance Notes:

- Based on past performance an assumed levy collection rate of 95% has been adopted.
- The figures included for Associate Membership and Project Partner Funding are estimated based on past performance but cannot be guaranteed.
- A contingency provision of 2% of levy income is included, which if it remains unspent, will be allocated to BID renewal costs for 2030.
- Operating costs include management costs, office accommodation and running costs, and legal, accounting and audit fees.

#### Delivering Value:

**Shared Services:** By implementing shared services for things like security, cleaning, or maintenance, the BID reduces costs by spreading them across multiple businesses and ensures a consistent standard of service throughout the area.

**Business support and training:** Our free workshops, focus groups and training programme could otherwise be costly for individual businesses to organise or attend. We aim to help businesses improve their operations and potentially reduce costs associated with outsourcing or mistakes due to lack of knowledge.

**Marketing and promotion:** We organise area-wide marketing campaigns that attract more people to the city than individual businesses might manage alone. Increased footfall can lead to higher sales and reduced individual marketing expenditure.

**Advocacy and negotiation:** Acting as a collective voice for the businesses when dealing with local authorities, the police and transport providers, we can effectively lobby to achieve improved business conditions which can have financial benefits.

**Enhanced public realm:** Investment in making Exeter more attractive, e.g. through lighting, street furniture or greening improves visitor experience, increasing footfall and dwell times. Although this is an indirect saving, the improved environment can lead to a more robust local economy through increasing sales for businesses.

**Technology implementations:** We facilitate the adoption of new technologies for things like footfall counting, sales insights and loyalty programs. Using this data and insight can help businesses streamline operations and improve efficiencies.

**Waste, recycling and energy saving:** Coordinate area-wide waste management and recycling programs which can reduce costs associated with waste disposal.

### Examples of levy and return for a city centre cafe:

Current RV:	28,500
Levy at 1.5%:	£427.50

Social media post for your business	£35.00
1 hour business photography session generating min 50 images	£150.00
2 members of staff attend first aid training	£300.00
Hanging basket, install and maintenance	£85.00
Visit membership	£360.00
TOTAL	£930.00

Non costed projects which all businesses also receive benefit from:

Christmas lights in the street  
City dressing  
Networking & Business sessions  
Street cleansing  
Access to footfall data

### Management & Governance

InExeter operates as a not-for-profit company, limited by guarantee and led by a voluntary Board of Directors. The composition of our Board reflects the sector breakdown of the BID levy-paying businesses across the city, including both national and independent businesses.

#### KEY STATS

- InExeter is one of 350 BIDs in the UK and Ireland
- There are 670 unique business in the Exeter BID area
- 40% of our members are independent businesses
- 44 streets are included in the BID area

BIDS are proven to be effective vehicles to deliver considerable area and business benefits. The management and governance of InExeter is open and transparent with our business plan, ballot results, annual billing leaflets and audited accounts available on the [inexeter.com](http://inexeter.com) website.

The Board takes responsibility for the strategic and financial management of the BID and is responsible for ensuring good management of the BID. The Board meets quarterly as a minimum to review strategy and consider recommendations from the Chief Executive and agree any decisions on behalf of the BID company.

<CALL OUT> InExeter is always looking for enthusiastic business champions who want to make Exeter a great place. To participate in the Board, our steering groups or our networking events and forums, please get in touch.

InExeter will maintain its accreditation under The BID Foundation Industry Standards for quality and governance.

Our actions are based on our values of:

- Accountability and transparency
- Working collaboratively through partnerships
- Being impactful in our delivery by responding to business needs

### **The Agreements**

**Baseline Agreement:** This agreement sets out the minimum service standards to be delivered by Exeter City Council, Devon County Council and Devon & Cornwall Constabulary.

**Operating Agreement:** This agreement is between the BID and Exeter City Council; it defines the contractual arrangements for the collection and enforcement of the BID levy collection. This will be carried out by Exeter Council on behalf of the BID. This contractual relationship is in line with the requirements of BID legislation.

Find copies of these agreements at: [www.inexeter.com](http://www.inexeter.com)

### **Your InExeter Team**

- Nicola Wheeler, CEO
- Alice Evans, Marketing & Communications Manager
- Mattie Richardson, Projects Manager
- Suchaya Sethapanichsakul, Communications & Projects Assistant
- Kevin Hutchings and Simon xxx, Street Cleansing

### **Your Board of Directors**

- Cllr Carol Whitton – Devon County Council
- Cllr Laura Wright – Exeter City Council
- Dan Hayward – Magdalen Health & Wellbeing (health & wellbeing)
- Jack Nex – John Lewis (large retail)
- Mark Sherman – The Monkey Suit (hospitality wet-led)
- Mat Jarratt – Boom Battle Bar, Chair
- Matt Phillips – IT Champion, (office/services)
- Michelle Menezes – Princesshay (landlord)
- Mithat Ishakoglu – Ari's Healthy Life (independent retail)
- Nikki Fairclough – Guildhall Shopping & Dining (marketing & comms)
- Patrick Cunningham – Exeter Phoenix (leisure)
- Victoria Hatfield – Exeter City Council (observer)

### **Levy Rules**

1. The BID term will be for 5 years from 1 April 2025 to 31 March 2030.
2. The BID levy rate will be charged at 1.5% of the rateable value as at 1 April 2025 based on the 2023 rating list.

3. The BID levy will be applied to all businesses in the defined BID area with a rateable value of £7,500 or above, provided they are listed on the non-domestic rates list as provided by Exeter City Council. <CALL OUT>**Businesses who meet the criteria are legally required to pay the BID levy.**
4. All new hereditaments entering the rating list after 1 April 2025 will be levied at 1.5% on the prevailing values at the start of each chargeable year.
5. The levy will be charged annually in advance starting on 1 April 2025. In the event of a change of occupation, refunds will be given based on the residual for that chargeable year and the new occupier will be charged from the point of occupation for the remainder of the chargeable year. No other refunds will be provided.
6. For each subsequent chargeable year, the levy will be charged as at 1 April based on the 2023 rating list values for the entire term of the BID.
7. The BID levy may increase by an annual inflationary factor of up to 0.05 (i.e. the levy may increase to 1.55% from year 2, 1.6% from year 3 and so on). It will be at the Board's discretion whether to apply for the inflation factor for each year.
8. Non-retail charities with no trading arm or facilities, not for profit subscription or volunteer-based organizations have an 80% discount on their BID levy. No other exemptions or discounts apply.
9. Vacant properties will be liable to pay the BID levy by the registered business rate payer who may be the property owner. In this case, the registered business rate payer can vote in the BID ballot.
10. Associate BID Members will not be entitled to vote in the BID ballot.
11. Exeter City Council is the authorised body able to collect the BID levy on behalf of the BID Company.
12. Collection and enforcement regulations will be in line with those applied to non-domestic business rates. The Board of Directors will be responsible for approving and debt write-offs.
13. VAT will not be charged on the BID levy.

### **Keeping you updated**

We will keep you updated through a number of channels:

- Monthly e-newsletters
- InExeter website and social media
- Press and PR
- Annual reporting
- Sector forums and networking meetings
- 121 business meetings

## **InExeter BID Area**

This map shows the InExeter BID area. Businesses that meet the criteria outlined in the Levy Rules and are located on the streets listed below, will be included in the BID and therefore will be required to pay the BID levy.

We are proposing minor adjustments to the BID area for term 3 which include:

- Removal of Bartholomew Street West (part), New North Road (part) and West Street (part)

### **List of streets:**

- Bailey Street
- Bampfylde Lane
- Bampfylde Street
- Bedford Street
- Castle Street
- Cathedral Close
- Cathedral Yard
- Catherine Street
- Cheeke Street
- Coombe Street
- Deanery Place
- Dixs Field (part)
- Eastgate
- Fore Street
- Fairpark Road (part)
- Gandy Street
- Gater Lane
- George Street
- Goldsmith Street
- Guildhall Shopping & Dining
- Guinea Street
- High Street
- John Street
- Little Castle Street
- Little Queen Street
- Longbrook Street (part)
- Magdalen Road (part)
- Magdalen Street (part)
- Market Street
- Martins Lane
- Musgrave Row
- New Bridge Street
- North Street
- Northernhay Plance
- Palace Gate
- Paris Street
- Paul Street
- Princesshay

- Queen Street (part)
- Roman Gate
- Roman Passage
- Roman Walk
- Sidwell Street
- South Street
- Upper Paul Street
- Waterbeer Street

**Associate Membership:** Associate Membership is open to any business located within the geographical area of InExeter, with a rateable value lower than the £7,500 threshold or within close vicinity of the InExeter area at a rate. Membership is charged at 1.5% of the RV of the hereditament or if below the £7,500 threshold then a £112.50 fixed fee.

#### How to vote

1. Put a cross in your voting box of choice
2. Write your name and position on the ballot paper as instructed
3. Sign your ballot paper
4. Place the ballot paper in the pre-paid envelope provided and return it.

If you receive more than one ballot paper because you have more than one business premise, each ballot should be completed separately and returned in its own reply envelope.

Notification of the intention to hold a ballot was sent to the Secretary of State on 3 May 2024.



## Equality Impact Assessment: InExeter Business Improvement District Business Plan 2025 - 2030

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 9 July 2024  Council 16 July 2024	InExeter Business Improvement District Business Plan 2025 - 2030	Executive comments on the BID Business Plan covering the period 2025 – 2030, and approve the City Council casting its votes in favour of continuing the BID in the forthcoming ballot in November 2024.  That the City Council approve a budget of £7,000 to undertake the ballot to be funded from	

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
		<p>General Fund reserves.</p> <p>The Portfolio Holder for Corporate Services and City Centre continues to sit on the InExeter Board, with support from the Service Lead for Net Zero &amp; Business, to oversee the interests of the City Council and wider city centre through activity undertaken by InExeter.</p> <p>To support an amendment of the BID boundary to exclude West Street, Bartholomew Street West and New North Road.</p> <p>That Exeter City Council charge InExeter in collecting the BID levy, calculated at £12,000 + VAT per annum per year.</p> <p>The Service Lead for Net Zero &amp; Business draws up contingency plans, to be implemented if there is a no vote in November 2024.</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
<b>Race and ethnicity</b> (including Gypsies and Travellers; migrant workers; asylum seekers).	Positive	Low	Some events and activities organised and supported are focused on celebrating different cultures and characteristics.
<b>Disability:</b> 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.			
<b>Sex/Gender</b>			InExeter supports and promotes Exeter Pride event.
<b>Gender reassignment</b>			
<b>Religion and belief</b> (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).			
<b>Sexual orientation</b> (including heterosexual, lesbian, gay, bisexual).	Positive	Medium	InExeter supports and promotes Exeter Pride event.
<b>Age</b> (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	Low	Some events and activities are geared towards attracting families and young people into the city centre.
<b>Pregnancy and maternity</b> including new and breast feeding mothers			InExeter supports 'Little Exeter' in the Guildhall Shopping Centre, which is geared towards families with young children and pregnant women.
<b>Marriage and civil partnership status</b>			

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

None Identified.

**Officer: Victoria Hatfield**

**Date: 4 June 2024**

## REPORT TO EXECUTIVE

Date of Meeting: 9 July 2024

## REPORT TO COUNCIL

Date of Meeting: 16 July 2024

Report of: Director for City Development

Title: Liveable Water Lane: Development Framework and Design Code Supplementary Planning Document

### 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 approval from Council to adopt a Supplementary Planning Document to guide future development proposals at Water Lane, Exeter.

### 2. Recommendations:

2.1 That the Executive notes the Consultation Statement (included at Appendix B) which documents responses to the consultation on the Liveable Water Lane: Development Framework and Design Code Supplementary Planning Document (the "**Water Lane SPD**"), the Water Lane SPD Strategic Environmental Appraisal Screening Statement (included at Appendix C), the Water Lane Primary School Options Appraisal (included at Appendix D), the Haven Road Position Statement (included at Appendix E), the Liveable Water Lane SPD Transport and Mobility Technical Note (included at Appendix F) and the Water Lane Views Analysis (included at Appendix G). Appendices B to G are available here: [Liveable Water Lane: Development Framework and Design Code - Exeter City Council](#)

2.2. That the Executive recommends that Council approves the adoption of the Water Lane SPD (included at Appendix A here: [Liveable Water Lane: Development Framework and Design Code - Exeter City Council](#)).

2.3 That the Executive gives delegated authority to the Director of City Development, in consultation with the Council Leader and Portfolio Holder for City Development, to agree minor changes to the Water Lane SPD before it is taken to Council with a recommendation to adopt.

### 3. Reasons for the recommendation:

3.1 The Water Lane SPD will provide a development framework and design code for a key strategic brownfield site in Exeter. The Water Lane SPD is required to support the delivery of high-quality, co-ordinated redevelopment and placemaking in the Water Lane

area of the city. Adoption of the Water Lane SPD at this time is particularly important given that a planning application to redevelop part of the area has already been submitted and further planning applications are anticipated.

3.2 Adoption of the Water Lane SPD delivers on a commitment in the Exeter Core Strategy (2006-2026) to produce a masterplan for Water Lane, following the allocation for redevelopment of the majority of the site in the Exeter Local Plan First Review (1995-2011). The Water Lane SPD will also assist the Council in delivering the Liveable Exeter Principles which were consulted upon in both the Outline and Full Draft versions of Exeter Plan in 2022 and 2023. Finally, the SPD will also support the preparation of the Exeter Plan.

3.3 Following approval by the Executive on 3 October 2023, statutory consultation on the draft Water Lane SPD was carried out between 23 October and 4 December 2023 in accordance with the Council's Statement of Community Involvement and Consultation Charter. The Consultation Statement summarises the responses made and how these have informed preparation of a revised version of the Water Lane SPD. It is recommended that the revised version is adopted.

3.4 A Strategic Environmental Appraisal ("**SEA**") is a systematic process that is carried out during the preparation of planning policy. SPDs do not require an SEA other than in exceptional circumstances where they are likely to have significant environmental effects that have not already been assessed during the preparation of the relevant strategic policies. This is determined through a screening process undertaken by the local planning authorities in consultation with three statutory bodies: the Environment Agency, Natural England and Historic England. The Water Lane SPD Strategic Environmental Appraisal Screening Statement concludes that the impacts of the Water Lane SPD will not have significant environmental effects and, therefore, that the Water Lane SPD does not need to be subject to a Strategic Environmental Appraisal.

3.5 The Water Lane Primary School Options Appraisal, Haven Road Position Statement, Liveable Water Lane SPD Transport and Mobility Technical Note and Water Lane Views Analysis have been prepared by consultants on behalf of the Council, and in consultation with Devon County Council and Historic England, as technical studies to support preparation of the Water Lane SPD. They do not form part of the Water Lane SPD and are appended to this report for information purposes.

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

4.1 There are no direct costs or other resource implications associated with the recommendation.

#### **5. Section 151 Officer comments:**

5.1 There are no direct financial implications contained in the report, however there is a need to understand the financial implications of using ECC land for alternative uses and the impact that this may have on the Council.

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

6.1 The Planning and Compulsory Purchase Act 2004 established a system of local development planning in England. The Town and County Planning (Local Planning) (England) Regulations 2012 (SI2012/767) (the “**Regulations**”) make provision for the operation of that system. The legal process for adopting Supplementary Planning Documents is set out in Part 5 of the Regulations.

6.2 The Water Lane SPD has undergone consultation and a Consultation Statement and Adoption Statement (included at Appendix C) have been prepared. These processes adhere to the Regulations.

## **7. Monitoring Officer’s comments:**

7.1 Members will note the legal aspects above. The Monitoring Officer has no additional comments.

## **8. Report details:**

### Background

8.1 Water Lane is a key strategic brownfield redevelopment area in Exeter and one of the largest sites of the Council’s Liveable Exeter initiative (around 36 hectares). The site runs alongside the Riverside Valley Park and the Great West Mainline railway and is shown outlined in red on page 9 of the Water Lane SPD. It currently contains a variety of land uses including business premises and workshops, utilities infrastructure, public car, coach and boat parking, leisure and community facilities including for water-based activities and Grace Road Fields. It is a brownfield site known to have significant environmental constraints including flood risk, contamination, gas and electric utilities, movement and access, air quality and noise.

8.2 Most of Water Lane has been allocated for mixed-use residential-led redevelopment in the adopted development plan for many years. In the Exeter Local Plan First Review (adopted 2005) it forms part of a larger allocation called the “Quay and Canal Basin Area”, with appropriate uses highlighted as housing, leisure and “more environmentally acceptable” employment uses supported by financial contributions towards highways improvements, bus priority measures and facilities for pedestrians and cyclists. The Exeter Core Strategy (adopted 2012) identifies Water Lane as a location for comprehensive mixed-use redevelopment and commits to the preparation of a masterplan for the site.

8.3 The Exeter Local Plan First Review and Core Strategy are to be replaced by the emerging Exeter Plan. The 2023 Full Draft Exeter Plan consulted upon last autumn included a proposal to reallocate Water Lane for residential-led mixed use redevelopment.

8.4 Water Lane provides an opportunity to deliver a high-quality, low-car new neighbourhood that is well served by a primary school, community, cultural and sustainable travel facilities (including the new Marsh Barton railway station), has good access to employment opportunities and links effectively to the Riverside Valley Park. Development will need to respond to challenges such as flood risk, restricted access,

contamination and protecting the amenity of nearby residents. It will also need to reflect the site's rich industrial and water-related heritage.

8.5 Water Lane is in multiple ownerships, with only some land parcels owned by the Council. To secure high quality development that meets the Liveable Exeter Principles and responds to the challenges set out above, it is vital that Water Lane is redeveloped in a comprehensive and co-ordinated way. Adoption of the Water Lane SPD will help to achieve this, by providing a development framework and design code for the area.

#### Status of the Water Lane SPD

8.6 Planning Practice Guidance stipulates that SPDs should build upon and provide more detailed advice or guidance on policies in an adopted plan. As they do not form part of the development plan, they cannot introduce new policies. However, they are a material consideration in decision-making. They should not add unnecessarily to the financial burdens on development. The Water Lane SPD amplifies the existing Water Lane site allocations made in the Exeter Local Plan First Review, whilst also taking into account (as far as possible) the proposed policies and site requirements contained in the Full Draft Exeter Plan. Once the Exeter Plan is adopted, it may be necessary to review the Water Lane SPD to ensure that it fully aligns with the new Plan (see also paragraph 10.1 of this report).

#### Content of the Water Lane SPD

8.7 The Water Lane SPD has been prepared to align with the Government's National Model Design Code. To help ensure a joined-up approach to design, infrastructure and service provision, it includes:

- A vision for Water Lane (page 24 of the document), which sets out the type of place that Water Lane should be in the future;
- An illustrative development framework setting out the different land use requirements within the site (e.g. a primary school, a neighbourhood centre incorporating community green space, active travel infrastructure and areas for wildlife and nature (see page 29 of the document); and
- A comprehensive design code structured around the Liveable Exeter Principles (see page 30 onwards of the document).

#### Preparation of the Water Lane SPD

8.8 The Water Lane SPD has been prepared by LDA Design on behalf of the Council, with a significant level of input from key stakeholders including:

- Statutory and public bodies (e.g. officers from Exeter City and Devon County Councils, the Environment Agency, Historic England and the Exeter Port Authority);
- Exeter City Council and Devon County Council Members (reports about the SPD were taken to Planning Working Group in July 2023 and June 2024, and a workshop was also held in July 2023 to which relevant Ward Members and County Council Members were invited);
- Landowners and prospective developers; and



- Special interest groups such as the Devon Wildlife Trust and Quay and Canal Trust.

8.9 The Water Lane SPD has also been informed by early community engagement undertaken in the summer of 2023, together with statutory public consultation on the draft Water Lane SPD which took place from 23 October until 4 December 2023. Details of the early community engagement are given in the report to Executive of 3 October 2023 and so are not repeated here. They are also provided in section X of the Water Lane SPD. Details of the statutory public consultation are provided in the Consultation Statement at Appendix C. This includes information about who was consulted, a summary of the main issues raised and how these have been addressed in the Water Lane SPD, in accordance with the Regulations.

8.10 The proposed final version of the Water Lane SPD is included Appendix A.

#### Supporting technical documents

8.11 The Water Lane Primary School Options Appraisal has been prepared by Atkins Realis on behalf of the Council. Devon County Council, as the local education authority, have been consulted during its preparation. The Exeter Core Strategy's Infrastructure Delivery Plan states that contributions are required for a new primary school at Water Lane and Devon County Council continues to advise that there is a need for a primary school to serve redevelopment of the site and the wider community. A new primary school at Water Lane will also provide an important placemaking function. However, options to locate a primary school at Water Lane are limited by environmental constraints and land availability. The Options Appraisal reviews the potential to use Haven Banks Car Parks 2 and 3 as the main focus for the school. It should be noted that no decision has been made to use these car parks for the primary school. This would require Council approval. Following further investigation, and should this option prove favourable, a further report to Executive and Council will be presented at a later date.

8.12 The Haven Road Position Statement and Transport and Mobility Technical Note have been prepared by SLR Consulting on behalf of the Council. Devon County Council has been consulted on the documents in their capacity as highways authority. The Haven Road Position Statement examines options to provide highways access to the northern part of the Water Lane site. The document's key conclusion is that providing access via Haven Road is not appropriate as this conflicts with Devon County Council's aspiration to make Haven Road a 'quiet route' with reduced traffic levels and an enhanced environment for pedestrians and cyclists, as per their recently adopted Local Cycling and Walking Infrastructure Plan. The Transport and Mobility Technical Note provides conclusions on a range of matters relating to access, movement and parking at Water Lane.

8.13 The Water Lane Views Analysis has been prepared by Allies and Morrison on behalf of the council. It assesses the impacts of the baseline and maximum building heights coded for in the Water Lane SPD upon key views across Water Lane, including of and from Colleton Crescent and Haldon Belvedere. On the basis of the Analysis, officers are confident that the heights coded for will not have significant impacts upon key viewpoints. Historic England is also content the Water Lane SPD is unlikely to result in significant effects on the historic environment that would trigger the need for Strategic Environmental Assessment.

8.14 The conclusions of these technical documents are reflected in the Water Lane SPD.

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

9.1 Adoption of the Water Lane SPD by the Council will support the creation of a new high quality, low car neighbourhood. This will help to deliver three corporate objectives in the Corporate Plan:

- Delivering Net Zero Exeter 2030;
- Promoting active and healthy lifestyles; and
- Building great neighbourhoods.

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

10.1 The Government has been consulting on reforms to national planning policy. The consultation includes a proposals that would repurpose SPDs and change the process for their preparation. If this proposal is implemented, it could affect the lifespan of the Water Lane SPD. To minimise the risk of losing the planning policy controls afforded by the Water Lane SPD, the document reflects (as far as possible) the policies proposed in the Full Draft Exeter Plan and vice versa.

## **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 an Equalities Impact Assessment has been included in the background papers for Member's attention.

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

12.1 The Water Lane SPD includes specific content that will play a role in helping to achieve net zero, by supporting proposals that will reduce carbon emissions and impacts on the environment.

### **13. Are there any other options?**

13.1 The document could not be adopted. However, this is not considered to be an appropriate option given the requirement in the Exeter Core Strategy to prepare a masterplan for Water Lane; the clear need for additional policy guidance to manage development at Water Lane; and the need for this to be in place as quickly as possible in order to appropriately steer and manage current and emerging planning applications.

**Director of City Development, Ian Collinson**

Author: Katharine Smith, Principal Project Manager – Local Plan

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

Background papers used in compiling this report:-

Equalities Impact Assessment

Exeter Local Plan First Review (1995-2011)

Exeter Core Strategy (2006-2026)

Outline Draft Exeter Plan (2022)

Full Draft Exeter Plan (2023)

Contact for enquires:

Democratic Services (Committees)

Room 4.36

01392 265275

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## Equality Impact Assessment: Exeter Plan: Outline draft consultation

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 9 July 2024  Council 16 July 2024	Liveable Water Lane: Development Framework and Design Code Supplementary Planning Document (Water Lane SPD)	1. That the Executive notes the Consultation Statement (included at Appendix B) which documents responses to the consultation on the Liveable Water Lane: Development Framework and	Race and Ethnicity; Disability; Religion and Belief; Age; and Pregnancy and Breastfeeding.

Committee name and date:	Report title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
		<p>Design Code Supplementary Planning Document (the "Water Lane SPD"), the Water Lane SPD Strategic Environmental Appraisal Screening Statement (included at Appendix C), the Water Lane Primary School Options Appraisal (included at Appendix D), the Haven Road Position Statement (included at Appendix E), the Liveable Water Lane SPD Transport and Mobility Technical Note (included at Appendix F) and the Water Lane Views Analysis (included at Appendix G).</p> <p>2. That the Executive recommends that Council approves the adoption of the Water Lane SPD (included at Appendix A).</p>	

Committee name and date:	Report title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
		3. That the Executive gives delegated authority to the Director of City Development, in consultation with the Council Leader and Portfolio Holder for City Development, to agree minor changes to the Water Lane SPD before it is taken to Council with a recommendation to adopt.	

### 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**. 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, neutral or negative impact	High, medium or low impact	Reason
<p><b>Race and ethnicity</b> (including Gypsies and Travellers; migrant workers; asylum seekers).</p>	<p>Positive</p>	<p>Medium</p>	<p>The SPD does not include specific guidance on this characteristic. However, it does make specific reference to cultural placemaking, and the need to ensure that all people living in Water Lane feel invested in their community and have a strong sense of belonging. This is coded for under M02, Local Engagement.</p>
<p><b>Disability:</b> 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.</p>	<p>Positive</p>	<p>Medium</p>	<p>The SPD requires development at Water Lane to provide for the needs of people with disabilities. For example, it specifically refers to the need to provide car parking for blue badge holders (in an otherwise low-car development area), ensure that mobility hubs are easy to find and access, and to ensure that at least one of the active travel connections on Water Lane are accessible for all users. It also makes specific reference to the need to ensure that all people living in Water Lane feel invested in their community and have a strong sense of belonging. This is coded for under M02, Local Engagement.</p>



Protected characteristic/ area of interest	Positive, neutral or negative impact	High, medium or low impact	Reason
<b>Sex/Gender</b>	Neutral	N/A	The SPD does not include specific guidance relating to this protected characteristic and no impact is anticipated.
<b>Gender reassignment</b>	Neutral	N/A	The SPD does not include specific policies relating to this protected characteristic and no impact is anticipated.
<b>Religion and belief</b> (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	Positive	Medium	The SPD does not include specific guidance on this characteristic. However, it does make specific reference to cultural placemaking, and the need to ensure that all people living in Water Lane feel invested in their community and have a strong sense of belonging. This is coded for under M02, Local Engagement. It also makes specific reference to the need to ensure that all people living in Water Lane feel invested in their community and have a strong sense of belonging. This is coded for under M02, Local Engagement.
<b>Sexual orientation</b> (including heterosexual, lesbian, gay, bisexual).	Neutral	N/A	The SPD does not include specific guidance on this characteristic and no impact is anticipated.
<b>Age</b> (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-	Positive	Medium	The SPD should have positive impacts for a broad range of age groups covered by this

Protected characteristic/ area of interest	Positive, neutral or negative impact	High, medium or low impact	Reason
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).			characteristic. For example, the SPD includes guidance on the need for development to include a mix of uses that cater for a broad demographic, including, residential (including a mix to cater for a broad demographic), workplaces, education, healthcare and community facilities. It also refers to the importance of accessibility for all in terms of public space and transport. Furthermore, it makes specific reference to the need to ensure that all people living in Water Lane feel invested in their community and have a strong sense of belonging. This is coded for under M02, Local Engagement.
<b>Pregnancy and maternity</b> including new and breast feeding mothers	Positive	Medium	The SPD does not include specific guidance on this protected characteristic. However it does refer to the importance of accessibility for all in terms of public space and transport, identify healthcare and community facilities as suitable land uses at Water Lane, and support the provision of a range of employment opportunities including live-

Protected characteristic/ area of interest	Positive, neutral or negative impact	High, medium or low impact	Reason
			work units. It also makes specific reference to the need to ensure that all people living in Water Lane feel invested in their community and have a strong sense of belonging. This is coded for under M02, Local Engagement.
<b>Marriage and civil partnership status</b>	Neutral	N/A	The SPD does not include specific guidance on this characteristic and no impact is anticipated.

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

Not applicable.

Officer: Katharine Smith, Principal Project Manager - Local Plan

Date: 21/05/2024

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## REPORT TO EXECUTIVE

Date of Meeting: 25 June 2024

Report of: Director, Jo Yelland

Title: Productivity Plan

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Executive

### 1. What is the report about?

1.1 All councils have been asked by the Government to produce productivity plans, ensuring that there is member oversight and endorsement of their plan before it is submitted by the deadline of 19 July 2024. This report sets out the background to the Government's requirements for productivity plans and presents a draft plan for member approval.

### 2. Recommendations:

2.1 It is recommended that Executive:-

- 1) notes and approves the 2024 productivity plan; and
- 2) grant delegated authority to the Chief Executive, in consultation with the Leader of the Council to make any necessary drafting amendments before publication.

### 3. Reasons for the recommendation:

3.1 To endorse publication of the plan and enable submission to Government by the required deadline.

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

4.1 There are no resource implications.

### 5. Section 151 Officer comments:

5.1 There are no financial implications arising from the report. The figures quoted in the Productivity Plan reflect the quarterly reporting in the Council's Budget Monitoring report in respect of the delivery of cost reductions annually.

### 6. What are the legal aspects?

6.1 The provision of a Productivity Plan to be submitted to the Department for Levelling Up, Homes and Communities (DLUHC) is not a statutory requirement. The Minister for Local Government, Homes and Communities announced on 5 February 2024 in the context of the Local Government Finance Settlement that local authorities would have to draft productivity plans. Subsequently the Minister for Local Government wrote to the Chief Executive (and other local authority Chief Executives throughout the country) on 16

April 2024 concerning the issue of productivity in local government and the requirement to produce productivity plans. The letter states that the government will consider the productivity plans submitted by local authorities by setting up a panel ‘...to consider the themes and evidence that comes from the plans...[t]hey will consider the issues emerging from the plans, the implications for future national policy, design, the role of government in supporting further change and the role of the sector in going further.’

## 7. Monitoring Officer’s comments:

As stated in the legal aspects above, the requirement for a Productivity Plan is not a statutory requirement but rather a requirement made by a government minister. The extent to which the plans are scrutinised and proposals made will not doubt be reviewed following the general election.

## 8. Report details:

8.1 In 2024 all local authorities are required for the first time, as a condition of the 2024/25 Finance Settlement, to submit a high level “Productivity Plan”. The Department for Levelling Up, Homes and Communities (DLUHC) requires these plans to be formally adopted by each individual Council, submitted to DLUHC by 19th July 2024 and subsequently published on the Council’s website.

8.2 DLUHC have stated the purpose of these plans is to enable them to “... **understand what is already working well across the whole country. What common themes are, whether there are any gaps and what more we need to do to unlock future opportunities**”.

8.3 In his letter to local authorities dated 16 April 2024, the Minister states that the lessons learnt will be shared with the sector, but the plans will not be rated, scored or compiled into league tables and, whilst he does provide a list of themes, he expects a local Productivity Plan to include, there is no clear definition of productivity.

8.4 The Minister states that: “**Productivity is not one-dimensional, and I would encourage you to consider the various facets that encompass the drive for greater productivity. When developing your plans, please think broadly and include reference not only to how you run your organisation, but also how you run the public services you provide and how you provide place leadership. It is with this wide view that we can ensure we are providing value for money for residents**”.

8.5 The Minister’s letter goes onto say Productivity Plans should be 3 or 4 pages long and set out what local authorities have done in recent years, alongside current plans to transform our organisation and services in future and an overview of our local governance arrangements for monitoring our plans and providing assurance to ourselves and residents that we are providing value for money. The Minister sets out a number of themes to consider including:

- How we have transformed the way we design and deliver services and what more we intend to do to make better use of resources.

- How we plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources.
- Our plans to reduce wasteful spend within our organisation and systems (use of agency, consultants, Equality Diversity and Inclusion (EDI) roles, shared services).
- Barriers to productivity and what government, or the market, could do to help.

8.6 Based on this limited guidance, a copy of the council's draft productivity plan is attached at Annex A. Members will note that improved productivity is a the core of the Council's ongoing transformation programme.

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

9.1 The Corporate plan is cross-referenced in the productivity plan.

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

10.1 No risks have been identified.

## **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 documents existing activity. does not set policy and there is no negative impact.

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

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

### **13. Are there any other options?**

No other options available.

**Director: Jo Yelland**

Author: Jo Yelland

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

Background papers used in compiling this report:-

Letter from Minister for Local Government, Department of Levelling Up Housing and Communities (DLUHC) dated 16 April 2024

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



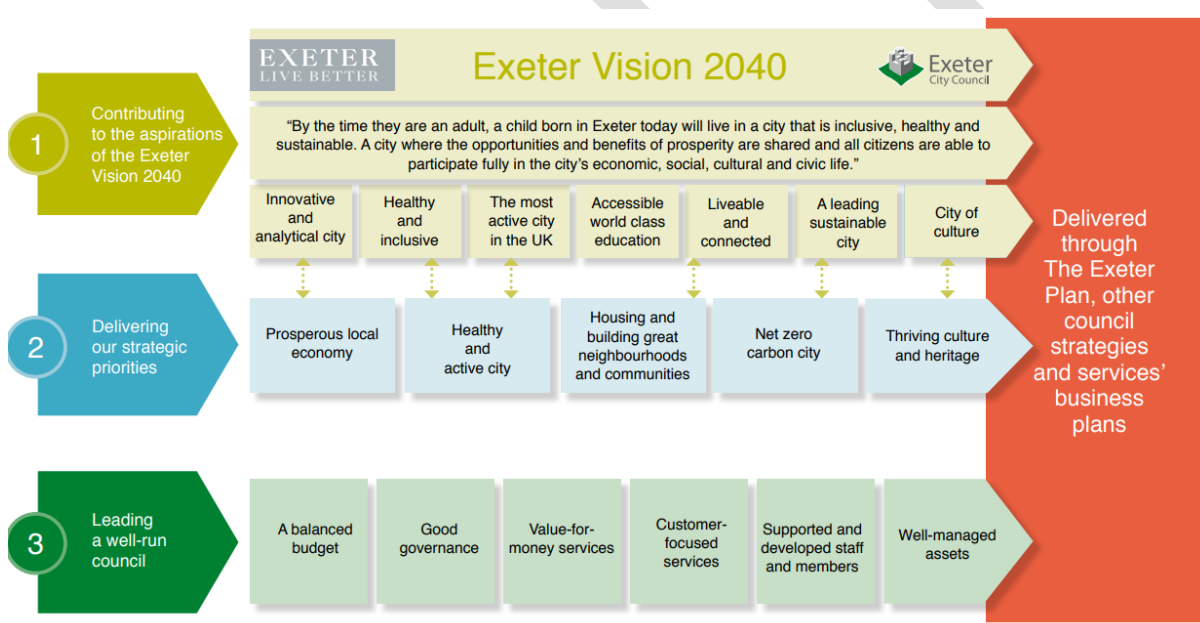
## Exeter City Council Productivity Plan July 2024

### About the Exeter City Council Productivity Plan

This report, produced to comply with Government, provides an overview of the work we have already done, and what more we intend to do to deliver quality services for resident and business, whilst operating with ever tightening budgetary constraints, all against a backdrop of rising demand and increasing resident expectations. This report is not a detailed description of every project we have undertaken or plan to undertake, or details of the performance, target, outcome and impact metrics of our varied projects, nor does it list all our success and learning. As required, it provides an overview of our learning from past experiences (our own and others) and how this is shaping our plans.

Our Corporate Plan was updated in 2022 to reflect the changes that occurred since we produced our strategy for 2018-2021, as we respond to complex and unprecedented challenges. Some of these followed directly in the wake of the Covid-19 pandemic and our exit from the European Union. Others include the climate emergency, the housing emergency, rise in energy prices, the decline of the High Street and entrenched health inequalities.

### Exeter City Council Corporate Plan 2022-2026



The five strategic priorities in our Corporate Plan (2022-2026) align with the aspirations of the Exeter Vision 2040. These enable us to focus on, and invest in, issues that are of national concern, are important to the city and its communities and which reflect political priorities. We remain aspirational for our city so innovative and creative working with the private sector and our partners is critical.

Delivery of the plan is dependent on the rapidly changing economic climate, the availability and prioritisation of our resources. 2023/24 presented significant financial challenges for the Council along with many others around the Country. Whilst there was a reduction in energy price pressures, ongoing and stubbornly high inflation fuelled a higher than anticipated national pay settlement and income streams struggled to attain budgeted expectations.

Despite our success in achieving year on year cost reductions from our General Fund, continued financial challenges mean we must make further budget reductions by 2028. The Council has a

significant gap in its resources over the life of the Medium-Term Financial Plan (MTFP), with a requirement to identify a further £5.4m of savings over the next four fiscal years. This is a significant challenge given it is over 20% of our net General Fund budget. Of this, untested proposals totalling £1.5m have already been identified with a further £3.9m required from the range of cross cutting themes and other projects under our One Exeter change programme. This work will require a shift in the way the Council generates resources as well as streamlining the way the Council is run.

## **Governance and Assurance**

We have a corporate organisational change programme: One Exeter, which aims to deliver a fit for purpose organisation and meet the requirements of the MTFP. The CEO is the sponsor for One Exeter with the Directors on the Senior Management Board (SMB) responsible for the leadership of each of the programmes identified. The Operational Management Board (OMB) work collaboratively to identify and deliver projects. One Exeter is co-ordinated by a dedicated Programme Manager and is supported by a ring-fenced Transformation Budget. Directors work with Portfolio Holders on policy and strategy related aspects of the programme and Leader of the Council takes overall political responsibility for One Exeter. An annual report is considered by the Executive and presented to Council setting out achievements, learning, risks, and opportunities alongside priorities for the forthcoming financial year.

Assurance on delivery and its impact is gathered using a range of data including quantitative financial and activity data and increasingly qualitative data from staff and residents' surveys and feedback. SMB and OMB meet quarterly as a combined Extended Leadership Team (ELT) to review progress and resolve risks and issues.

## **How we have transformed the way we design and deliver services**

Over the last 10 years we have had a focus on increasing income and reducing operating costs for Council to be able to set a balanced budget. Over the last 5 years as income streams decline (mainly due to societal changes resulting from the Covid 19 pandemic), a more relentless focus on service delivery models and the balance between discretionary and statutory services has had to be pursued.

In 2019 we completed a significant culture change programme called Agile and Flexible, which focussed on how we could use technology to reduce the need for large and expensive to run offices. Our strategy was to provide the technology and culture for remote working with a goal of reducing costs of office accommodation and achieve a capital receipt through the sale of existing offices for development in the city centre. The Covid 19 pandemic arrived as this project was completing with the issuing of new IT hardware for home working. Overnight we were able to switch to a home working model and unlike many councils, we adapted seamlessly to this new model with no discernible impact on productivity or service delivery.

Today we have a fully hybrid operating model, a much smaller office footprint and are the process of testing a new office environment prototype to inform the design of the new premises we will move to in a city centre building recently acquired by the Council.

The One Exeter Work Programme was approved by Executive in February 2021 and aims to meet the requirements of the MTFP and deliver a fit for purpose organisation. The programme was underpinned by a set of core design principles:

1. One council, one team culture.
2. One council experience for customers.

3. Single corporate functions working to common set of digitally enabled policies, procedures and standards.
4. Services built around the needs of the customer (not the organisation).
5. Creation of generic roles where it makes sense to do so.
6. Improved productivity and efficiency: remove duplication, hand offs and delays.
7. Reducing contact through the most expensive channels (channel shift).
8. Services that are simple to use and accessible.

There were initially seven programmes and overall, in 2022/23 One Exeter delivered £1.126m in cost reduction which was 87% of the target set in the MTFP. In 2023/4 One Exeter delivered £2.441m in cost reduction which was 80% of the target set against the General Fund. This was achieved by a combination of reductions in some discretionary services; changes to delivery models in other service areas; increases in fees for services and removal of discounts; technical accounting; capitalisation of some revenue costs; changes to the senior management structure and the removal of unfilled vacancies. Overall headcount of Council employees reduced from 824 people in March 2023, to 799 people in March 2024.

Since the appointment of the new Chief Executive in April 2023 there has been a renewed focus on the strategic priority of 'Leading a Well-Run Council'. This concentrates on the core functions of the council as well as the transformational work identified through the One Exeter programme. The programme is now structured around five work streams cross-referenced to the Council's Corporate Plan. These are: People; Assets and Income; Customers; Services and Governance. During 23/24 the One Exeter programme has delivered a range of outcomes including:

- A Green Travel Action Plan has been developed which aims to support all staff to travel sustainably to commute in and for all associated work journeys by 2030. A staff survey was conducted to understand how staff currently travel to and for work and the barriers that stop staff from using sustainable transport.
- Following our annual staff survey a new Employee Assistance Programme has been launched to offer employees and their immediate family members emotional and practical support. Performance data shows this service is being increasingly utilised by staff and members.
- A Values and Behaviours framework was co-designed with staff during 2023 through a staff group created reflect on what's important to both the Council and staff. The Values and Behaviours have been incorporated into the Performance and Development Review process so that all staff can demonstrate how they model the behaviours.
- All departments completed Service Reviews to identify opportunities to improve the customer experience and to find a 15% cost reduction over the life of the MTFP. 80% of the cost reduction proposals identified for 23/24 have been successfully delivered and 87% in 2022/23 without having an adverse impact on service delivery
- Within the Service Review process, we investigated the hypothesis set by Service Leads that there were several functions delivered in a fragmented way across the organisation, that if joined up, we could improve the quality and reduce costs. This project completed in early 2024 and its findings have underpinned the organisational re-structure agreed by Council in April 2024.
- An accelerated programme to fully migrate staff and members to Microsoft 365 to prepare the ground for digitisation and more productive collaboration, has been completed.
- A Digital Customer Strategy was approved by Council in November 2023. The strategy is an important milestone for the Council, as it re-establishes residents and customers at the heart to the organisation and its implementation will require transformational activity in all parts of the organisation. The goals in the strategy have informed the organisational re-structure agreed by Council in April 2024.

- The Local Government Association (LGA) were commissioned to undertake a Decision-Making Accountability review to help understand how decisions are made within the council and whether they are being made at the right level. The findings from this research have also informed the organisational re-structure agreed by Council in April 2024.

### How we plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources.

Through One Exeter, we have embarked on an ambitious organisational wide programme of transformation including development of a Digital Customer Strategy. This work was created from independent research undertaken to aid our understanding of the experience customers currently have when dealing with the Council. The findings and recommendations of this work were set out in the publication of an independent report "Customer Experience in Exeter City Council" (Red Quadrant 2023). This report included:

- A map of existing data on customer demand and experience across all access routes and channels.
- Analysis of our existing data to uncover insights about customer demand, experience, and outcomes. Data Gap Identification: highlighted gaps in data gathering and insight across the organisation.
- Digital Exclusion Assessment: providing an understanding the digital accessibility challenges our customers face and the demographic specifics of the digitally excluded in Exeter.
- A Customer Experience Maturity Assessment designed to gauge the council's current capabilities, systems, and strategies in delivering customer-centric services.

The Digital Customer Strategy, (DCS) approved by Council in November 2023, aims to address the findings and recommendations in the independent research. The strategy sets out the council's vision to put the customer first which means constantly looking to improve the user experience and ensuring that customer's needs guide how services are developed and delivered. The DCS sets out ten goals for digital customer transformation which will demand a step change to the structures, systems, processes and technology that we use and requires a strategic approach. This is needed as customer behaviour and technology are becoming increasingly complex and changing faster than ever. It is critical that our whole organisation understands what we mean by excellent customer and digital service, where we want to be and the outcomes we want to achieve.

Alongside the specific research undertaken to develop the DCS we have undertaken a range of internal, strategic activities to inform and prepare for total transformation. This included a 2-year programme to transform our shared IT company, Strata Services Solutions Ltd, to ensure they have the capacity and capability to enable the digital transformation of the 3 shareholder councils. All partners have now approved a 3-year Investment Business Plan for Strata aimed at delivering the infrastructure to enable digital and technology transformation within the council business.

Further independent research into our use of data has led to the development of a new data strategy to underpin digitisation (also adopted by Strata and our partner Councils), alongside a route map to achieving excellence in the use of data for running, evaluating and optimising services. To deliver on the outcomes in the Data Strategy intensive work, facilitated by Strata, across the 3 councils to design a new data architecture system has been completed. The aim is to ensure secure and appropriate use of data and the delivery of key elements of our data strategy. Implementation of the new architecture using the Microsoft SharePoint platform will be completed during 2025.

We completed further research into our Business Intelligence capacity, capability and future needs linked to our goals within the DCS and we have completed a root and branch analysis of performance management systems and process across the whole council. Workshops are planned with Members and Directors to review and refine the Corporate Plan and introduce a new Corporate Performance Framework which will build a comprehensive, real-time set of Power Bi Dashboards within a dedicated SharePoint site. The new Corporate Performance Framework will be fully operational by the end of the financial year and will provide a golden thread from the Corporate Plan and MTFP, through to Directorate, Service Business Plans and individual level objectives.

The DCS recognises that we will need to develop new skills and capabilities within or staff to exploit new technologies. We commissioned a Review of our Human Resources and Organisational Development function. This review highlighted a few critical gaps and opportunities for the transformation of our People function utilising digital and automation technologies as a key tool for making better use of resources and to act as an exemplar to others.

All the above learning has been used by the CEO who has led an engagement and consultation process on a fundamental restructure of the organisation which was approved by Council in April 2024 and is now being implemented. This reduces the number of Directors from 6 to 4 and brings together functions into 4 strategic Directorates: Corporate Resources; People; Place and Community Services. The number of Service Leads reporting to Strategic Directors will also decrease, further changes to job roles will be considered by the new Directors who will be in post by the end of June 2024. The purpose of the restructure is to improve decision making, make better use of resources and create the foundations to enable the delivery of transformational strategies such as the DCS.

### **Our plans to reduce spend within our organisation and systems (use of agency, consultants, EDI roles, shared services).**

#### **Use of agency staff**

Given the level of cost reduction we have achieved from the General Fund over the last 10 years we feel that obvious “low hanging fruit” has already been cut from budgets. However, we recognise there is significant opportunity for business transformation particularly in relation to digital and other technologies as set out in our DCS. We keep a tight rein on use of agency staff and consultants. In July 2023 we adopted a one stop shop approach to securing agency staff which has improved overall productivity. We have achieved a 15% reduction in average unit cost and a 50% reduction in average time to fill a vacancy and 50% reduction in use of back-office resources.

The SMB receive regular data on the use of agency staff and the majority of spend on agencies are within our front-line services such as refuse collection, waste management and leisure operations. As one of the fastest growing cities in the UK, Exeter has seen an 8% growth in new businesses with 5,147 registered for business rates; a 3% growth in jobs. Currently there are over 4,000 vacancies in the immediate area which means there are more vacancies than there are people looking for jobs in the city and the wider region. The increase in on-line shopping and delivery driving jobs created following the pandemic has directly impacted on our ability to recruit to a range of front-line roles. We continue to promote the wider benefits of working for the council and support job fairs and other recruitment initiatives on an on-going basis.

Other areas subject to agency spend tend to be in professional roles such as environmental health and planning where there are national shortages of applicants for these types of roles within the public sector. We have recently been successful in recruiting some long-standing vacancies and use both exit and new entrant interviews to learn and improve recruitment.

## **Use of Consultants**

In 2022 we undertook a review of our use of external consultants and identified improvement we have now implemented to ensure Director sign off for all consultant appointments. However, the bulk of our consultants spend over the last 10 years have been linked to large construction projects such as the Exeter Bus Station, St Sidwell's Point Swimming Pool and Leisure Centre and Edwards Court Extra Care Housing. We have an extensive range of capital assets and we do employ consultant surveyors for essential condition and other surveys. This is an area One Exeter programme is looking at and discussions are taking place about a root and branch review of our approach to asset management with a view to identifying alternative management models.

## **Equality Diversity and Inclusion (EDI)**

As a service provider, community leader and employer we are committed to being an exemplar in promoting equality and tackling social exclusion. We demonstrate this commitment through our corporate equality group, corporate equality plan, our equality objectives and our values and behaviours. We also undertake equality impact assessments of our policies, programmes and plans to ensure we are considering their impact on equality groups.

Our focus on EDI is in meeting our duties under the Equality Act 2010. We have 23 Equality Champions who represent each of our services, who meet quarterly to share updates and best practice; all champions volunteer for this role. We have one part time Policy Officer whose role includes Community Safety, Safeguarding and Equality & Diversity. Our EDI training is limited to an internal workshop on the Public Sector Equality Duty led by 2 members of staff. The workshop lasts 1.5 hours and is usually run every couple of months. The training is currently focused on the Public Sector Equality Duty and equality impact assessment and there has been a marked improvement in the quality of impact assessments since the programme of workshops was started.

We have engaged the LGA to carry out a mini peer review into EDI to ensure that we are approaching our response to the Equality Act appropriately. The review is currently underway and expected to present its findings to SMB at the end of June. Specifically, we have asked them to consider:

1. Does the organisation understand its duties under the Equality Act?
2. What is the understanding and support from elected members?
3. How does this understanding translate through service delivery?
4. What does it feel like to apply for a job with and then work for the council for people from minority groups?
5. What are we doing and what could we do in future to strengthen our links into communities?
6. What do we need to do to address the gaps in our response to the Equality Act?
7. What resource do we need to take this forward both in terms of designated EDI role and across the wider organisation within services?

## **Shared Services**

With Teignbridge and East Devon District Councils we created Strata Service Solutions Ltd 10 years ago during which time it has successfully delivered all our operational ICT requirements and annual savings. Following a review led by the Board of Directors we have restructured the company and changed its skill mix to enable it to operate as a strategic change agent to enable the digital and technology transformation ambitions of the 3 councils.

Whilst there has been discussion on the creation of other shared services, these have only resulted in some shared posts operating across two councils to varying degrees of success. There are barriers, including conflicting priorities, which have prevented the success of Strata being applied to other areas. However, the issue is still live within the Devon District Forum which brings Leaders and CEO's together on a regular basis around common purpose.



## What more we intend to do to make better use of resources.

Recognising that further reductions in General Fund budgets are unlikely to be achievable without significant reductions in services, we undertook an intensive data gathering exercise to identify which parts of the organisation could most benefit from business re-engineering, automation and digitisation. We have developed a simple but effective “Activity Analysis Tool” that was first introduced to managers as part of the Agile and Flexible working project in 2019. It has been subsequently used in 2023 to inform other change initiatives within One Exeter. It is a simple and effective way of quantifying the value of different types of work to help assess the scope that exists within a team/organisation for reducing paperwork and back-office processes. It can be used to measure whether a change has reduced paperwork and back-office process and consequently improved ‘value add’ for the customer. It can also be used as a diagnostic tool to assess the opportunity for change across a set of services, within a team or for a whole organisation.

By including staff salaries in the database, we are also able to use the tool as a model for identifying the potential for transformation in services, departments or across the whole organisation. Detailed data on 7 cross cutting functions provided by staff in 2023 indicates that we have a significant number of staff across the organisation spending time on administrative tasks that could be significantly reduced or eradicated. The chart below is an example of how we are using this methodology to identify potential productivity gains, setting theoretical targets and baselines for Cash Releasing Efficiency Savings (CRES).

£4,491,472

343 FTE

Assuming we could reduce:

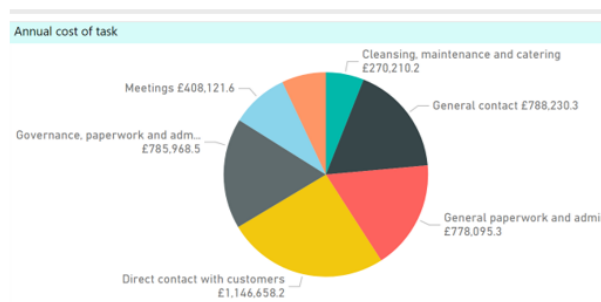
1. General paperwork/admin by 80%
2. Governance paperwork/admin by 40%
3. Meetings by 40%

We could improve productivity to the value of £1,100,000 : Rember this is only looking at :

Some of our areas of work

The work of 343 staff (mainly office based)

As is models of delivery



How this translates to cash releasing efficiency savings (CRES) is dependent on:

- Where we target for transformation
- The pace at which we can implement change
- Appetite for change
- The degree to which we can skill up staff to take on new roles

However, as a model we could use this to run alongside the transformation programme, gather activity data from each service enabling us to set realistic CRES targets as we go.

Over the next twelve months, the One Exeter work programme will focus on:

- Embedding the senior management restructure including the implementation of the recommendations from the HR/OD and EDI reviews.
- Implementing the priority actions within the Digital Customer Strategy including creating one, omnichannel front door and single view of the customer through the creation of Customer Accounts.
- Designing and implementing the new Data Architecture: SharePoint.
- Undertaking 3 high volume service reviews to streamline processes, digitise and automate back-office activity, improve customer experience, join up channels, promote self-service and identify cost savings.
- Complete digital and technology skills audits to inform workforce development plan.

- Introducing the new Corporate Performance Management Framework.
- Completing the use of accommodation review and design of the new office prototype.
- Enhancing our customer insight and consultation activity to enhance our knowledge and ensure feedback from customers is used to design and improve services.

### **Barriers to productivity and what government, or the market, could do to help.**

The Council has a range of statutory obligations, which do not form part of a standard district council and for which it therefore receives no funding from Government. These include responsibility for the River Exe and Canal, the Roman Wall a host of historic listed buildings and several bridges. These require significant maintenance and upkeep and add considerable pressure to budgets. Wider market issues in relation to the increasing costs and availability of construction skills and capacity further exacerbate our efforts to mitigate risks to manage these assets.

The incoming government could also assist local government by awarding single place-based funding and multi-year financial settlements. As local place leader we know what the priorities are and how best to address with single year funding and competitive bidding processes we are hampered in delivering long term plans.



## Context and Background to Exeter City Council Productivity Plan July 2024

### Context

In 2024 Local Authorities are required for the first time, as a condition of the 24/25 finance settlement, to submit a high level “Productivity Plan”. The Department for Levelling Up, Homes and Communities (DLUHC) requires these plans to be formally adopted by each individual Council, submitted to DLUHC by 19<sup>th</sup> July 2024 and subsequently published on the Council’s website.

DLUHC have stated the purpose of these plans is to enable them to “... ***understand what is already working well across the whole country. What common themes are, whether there are any gaps and what more we need to do to unlock future opportunities***”. In his letter to Local Authorities,<sup>1</sup> The Minister states that the lessons learnt will be shared with the sector, but the plans will not be rated, scored or compiled into league tables and, whilst he does provide a list of themes, he expects a local Productivity Plan to include, there is no clear definition of productivity.

The Minister states that: “***Productivity is not one-dimensional, and I would encourage you to consider the various facets that encompass the drive for greater productivity. When developing your plans, please think broadly and include reference not only to how you run your organisation, but also how you run the public services you provide and how you provide place leadership. It is with this wide view that we can ensure we are providing value for money for residents***”.

The Minister’s letter goes onto say Productivity Plans should be 3 or 4 pages long and set out what Local Authorities have done in recent years, alongside current plans to transform our organisation and services in future and an overview of our local governance arrangements for monitoring our plans and providing assurance to ourselves and residents that we are providing value for money. The Minister sets out a number of themes to consider including such as:

- How we have transformed the way we design and deliver services and what more we intend to do to make better use of resources.
- How we plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources.
- Our plans to reduce wasteful spend within our organisation and systems (use of agency, consultants, EDI roles, shared services).
- Barriers to productivity and what government, or the market, could do to help.

### Background

As one of the fastest growing cities in the UK, we have seen an 8% growth in new businesses with 5,147 registered for business rates; a 3% growth in jobs: 10% growth in population. In terms of economic productivity, despite its challenges, the Exeter Gross Value Add (GVA) is £5.2bn<sup>2</sup>.

Exeter has an estimated population of 130,800 and is at the heart of a travel to work area of over 499,800 residents with around 35,000 people commuting into Exeter on a daily basis. The city’s wider area includes much of the district council areas of East Devon, Teignbridge and Mid Devon. 297,000 of these residents are of working age and 249,400 are employed. Well over half the workforce is well qualified, substantially higher than the national average.

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<sup>1</sup> 16<sup>th</sup> April 2024 Simon Hoare MP, Minister for Local Government letter to Local Authority Chief Executives: *productivity in Local Government*”

<sup>2</sup>

Exeter has an international airport, two railway routes into London (Paddington and Waterloo), major routes by road (M5 to Bristol), three park and ride schemes and joined up cycle routes within the city.

The largest number of meteorologists and climate change specialists in the UK are based in Exeter. Award-winning specialists in diabetes and breast cancer work at the Royal Devon and Exeter University Hospital. The University of Exeter is both a member of the Russell Group and has a Gold award from the Teaching Excellence Framework (TEF), for its international reputation for excellence in both teaching and research, with many award-winning research fellows and a world class reputation in climate and environmental science. The University of Exeter is ranked 177th in the latest (2024) Times Higher Education World University Rankings, the most influential global league table.

Exeter College is a thriving and growing tertiary college. An Ofsted Inspection in 2022 resulted in the college retaining the accolade of Outstanding. The College also scored the top assessment of 'strong' for its approach to meeting the skills needs of the area. This makes Exeter College the first college in the country to achieve the highest judgement in both elements of Ofsted's new enhanced inspections.

The Art Council England's Designation Scheme has identified the George Montagu's 19th century collection of molluscs and World Cultures collection as pre-eminent collections of national and international importance at the Council's Royal Albert Memorial Museum (RAMM). The city also has a beautiful Cathedral, four theatres and a popular quayside.

Exeter has many well-known national stores including John Lewis, Next, Zara and Apple. There are also award-winning restaurants and independent stores. The Ivy is among the newest restaurants in Exeter, famous for attracting celebrities to its London eateries. Ikea's 29,000 square metre store is located on the outskirts of the city. The City Centre has an average footfall of 1,500,000 people per month.

Exeter is home to the Exeter Chiefs who play in Premiership Rugby, England's top division of rugby. Founded in 1871, the club play their home games at Sandy Park, which is located on the outskirts of the city. The Chiefs have become one of the leading clubs in the Premiership, winning the championship title twice in 2016-17 and 2019-20. In October 2020, the Chiefs won the Champions Cup, the top prize in European club rugby union. They have won the Anglo-Welsh Cup/Premiership Rugby Cup three times, most recently in 2022/23.

Exeter City Football Club is a professional association football club, which was founded in 1901. Exeter City consolidated their status in League One during the 2023/24 season.

Exeter and Cranbrook are one of only 12 places in England to be awarded Pilot status by Sport England to tackle inactivity in communities and to trail-blaze new ways of getting people active for life. Following the original Sport England award of an award of £4.721m in June 2019 further £1.883m has been awarded to continue delivery of the programme in line with the Sport England strategy 'Uniting the Movement' to March 2025.

Despite the many challenges in recent years, mainly due to the Covid 19 pandemic, there is evidence that the city is bouncing back. Around 30,000 (30%) of Exeter's workforce were furloughed. Universal Credit claimants peaked at 4.2% in May and August 2020, the first time this had been more than 4% since May 1997. The numbers dropped to 2.2% in April 2022 and down again to 2.1% in April 2024.<sup>3</sup>

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<sup>3</sup> *CBP-8748.pdf (parliament.uk) Claimant data by constituency: people claiming unemployment related benefits.*

Footfall within the city centre has continued to increase since its dramatic drop during lock down periods and is now recovering, with 2023 figures now above the 2019 pre-pandemic levels.

A key economic transformational opportunity for Exeter and the region is to realise the economic impact of having some of the world's leading experts on climate sciences based in Exeter. Our support for the University of Exeter Innovation Hub, located in the city centre, will help regional businesses and organisations with their climate and environment action plans. It will attract start-ups and entrepreneurs to the region, providing skills development for green and digital transformation and building the Southwest into an international leader in climate action, biodiversity and natural capital. Continuing work on the Civic University Agreement will align ambitions for Exeter to be a globally significant location for addressing the challenges of climate change.

Key challenges for the city are:

- Traffic congestion
- Inward investment in the city centre
- Building Homes in the city
- Maintaining existing infrastructure
- Delivering new infrastructure
- Entrenched health inequalities
- Housing needs and homelessness

## About Exeter City Council

There are 39 councillors on Exeter City Council, representing the 13 wards of the city. The political make-up of the Council for 24/25, following May 2024 elections is Labour 24; Green Party 7; Liberal Democrat 4; Conservative 3 and Independent 1. Each elected Councillor is appointed for a four-year term, with a third of the 39 seats contested each year (one seat per ward). The Council has 798 permanent and fixed term employees.

The Council embraces its role as a community leader – as a shaper and leader of place that works successfully with stakeholders in the city, across the region and nationally. We are proud of our record in articulating the needs of the city and its communities, galvanising the support of public and private sectors, securing investment and finding innovative solutions to problems and ambitions.

This often involves expanding our remit beyond that of a typical district council and venturing into areas that many district councils would see as the business of others. But we see this as essential for achieving the social, economic and environmental outcomes that the city, its stakeholders and communities aspire to, and which are spelt out in 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.”***

In December 2019 the Liveable Exeter Place Board adopted the Exeter Vision 2040. Working together to bring about transformational change and sustainable growth, the Liveable Exeter Place Board is made up of representatives from leading public and private sector organisations from within the City of Exeter and Greater Exeter region.

The Liveable Exeter prospectus highlights how a transformational housing delivery programme can be the means to bring major investment into the city and renew its infrastructure for the 21<sup>st</sup> Century with the aim of improving peoples' lives and wellbeing. The underpinning principles are being used as a tool for planning officers, members, developers and others discussing and bringing forward proposals for brownfield development within the city. The principles apply to all stages of planning

and design from locating development and identifying projects for infrastructure renewal down to the detailed design of individual buildings.

Although 2023/24 has continued to be challenging for Exeter City Council and the Local Government sector as a whole, below are some of the positive outcomes during the last financial year:

- At the National Unlock Net Zero Awards as part of the Chartered Institute of Housing Conference in Manchester, the Council won the Green Homes Upgrade of the Year.
- The Council's Extra Care scheme, Edwards Court, won the award for Project of the Year (over £5m), awarded at the Michelmores Property Awards 2023. The 53-flat scheme built by Exeter City Council, Edwards Court, was described by the judges as "one of the most interesting and well-designed buildings of its type".
- Exeter's new solar farm and battery storage facility at Marsh Barton was shortlisted in the 2023 RTPi Southwest Awards for Planning Excellence and was a runner up in the EDIE Renewable Energy Project of the year. The Scheme was also a runner up in the APSE Best Climate Action or Decarbonisation initiative.
- The Council has been awarded the Bronze award by the Carbon Literacy Organisation.
- A large grant of close to half a million pounds from the Arts Council has been matched by the Council to replace part of the roof at the Grade II listed Royal Albert Memorial Museum. The scheme when complete will increase the space available for exhibitions or meetings in this unique setting.
- The Council has bought a further four properties (former one-bed council homes) as part of an initiative to end rough sleeping in the city. The homes will go to people who have a current or recent history of rough sleeping and in the future will form part of the Council's wider temporary accommodation offer.
- Through the Local Authority Housing Fund, the Council has purchased 13 homes under the above scheme, costing a total of £4.1 million, mainly funded by grant. The homes have been purchased under the agreement to provide accommodation to Afghan and Ukrainian families along with temporary accommodation. All thirteen have now been purchased and the first seven families have been accommodated. A matching programme is underway to allocate the remaining six homes.
- Ste Sidwell's Point, the first Passivhaus Swimming Pool and Leisure Centre in the UK saw its 2 millionth visitor.
- Two new developments will be completed in 2024 part of the Council's housing development programme. At Hamlin Gardens 21 flats will be completed as will work at Vaughan Road with Phase 1 consisting of 35 affordable homes. All new homes are being built to the Passivhaus environmental standard and form part of the Council's wider plans to create 500 new Passivhaus Council homes in Exeter by 2030.

## REPORT TO EXECUTIVE

Date of Meeting: 9 July 2024

Report of: Director Finance

Title: King George V Playing Fields

### Is this a Key Decision?

No

### Is this an Executive or Council Function?

Executive

#### 1. What is the report about?

1.1 The report proposes the transfer by lease of the whole of the King George V Playing Fields, including the changing rooms, to the Exeter City Community Trust but with continued use by the community.

#### 2. Recommendation:

2.1 That the Council enter into an agreement for lease dictating terms for the eventual grant a lease of the King George V Playing Fields to the Exeter City Community Trust (ECCT) in accordance with the broad proposals set out in this report but with negotiation and agreement of detailed terms to be delegated to the City Surveyor in consultation with the Leader of the Council.

#### 3. Reasons for the recommendation:

3.1 ECCT have been developing a scheme of sport, recreational and community facilities to develop an improved proposition for the Playing Fields in consultation with the Council. They have identified sources of funding to start to deliver these facilities on the basis that they have been able to secure a property position satisfactory to the funding bodies. It has been determined that a leasehold interest along the lines set out in this report would satisfy this requirement. It is felt that, in the current financial circumstances of the Council, that this would be the best way to bring forward much-needed investment in these facilities in line with the aspirations of the Corporate Plan.

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

4.1 The proposal has the potential to reduce operational costs over time, although at the outset there will be some ongoing costs incurred by the Council that we would look to recover from ECCT through the lease agreement. There are likely to be significant ongoing savings from ECCT becoming responsible for building and site maintenance that will outweigh lost booking fee income.

The City will benefit from the provision of the new sport, leisure and community facilities at no capital cost which substantively outweighs concerns regarding best consideration in the property transaction.

There is an income stream generated from the garage premises on Bridge Road that is currently dedicated to the upkeep of the playing fields. This can either be transferred to ECCT (with an appropriate clawback mechanism in the lease) or allocated to another site (subject to Fields In Trust consent).

## **5. Section 151 Officer comments:**

5.1 Whilst there is a small loss of income from booking fees (around £5,000) there is an opportunity to attract significant external funding to develop the playing fields. This is investment that it is unlikely the Council could afford to make. Whilst there are unlikely to be savings, the loss of income is small.

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

6.1 The proposal will require the Council to comply with section 123 of the Local Government Act 1972 ('the Act').

Section 123 (1) and (2) state that a principal council may dispose of land held by them in any manner they wish subject to obtaining the best consideration that can reasonably be achieved unless the consent of the Secretary of State is obtained.

Section 123 (2A) of the Act states that a principal council may not dispose of any land consisting or forming part of an open space unless they cause notice of their intention to do so, specifying the land in question, to be advertised in two consecutive weeks in a newspaper circulating in the area in which the land is situated, and consider any objections to the proposed disposal which may be made to them.

Public Notices have been published in this regard and officers will provide details of the public comments received for further consideration at the meeting.

It is noted that in addition to compliance with the obligations specified above any disposal of the playing fields at this site will require the consent of Fields in Trust as the land is subject to a trust.

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

7.1 Members attention is drawn to the detailed legal provisions that apply and must be observed as set out in paragraph 6 above.

## **8. Report details:**

8.1 The proposed Heads of Terms for the agreement for lease and lease are as follows:

ECCT will be obliged to provide the Council with a substantive business plan setting out funding for the construction of the first phase and subsequent operational management proposals. They would also be obliged to secure planning consent for the initial scheme of development. The Council is required to seek the consent of Fields In Trust for the proposal and the lease grant. Officers are in discussion with the Trust on this. On satisfaction of the conditions in the agreement for lease a lease would be granted for the whole playing fields site for a term of 50 years. ECCT would be responsible for the maintenance of the whole site. The land could only be used for sports, recreational and community activities (together with ancillary use). ECCT will fund and deliver the initial phase of improvements to be agreed with the Council and would look to secure further

funding to bring forward further phases of investment during the lease term. A local forum would be established to oversee the ongoing public use of the playing fields and to ensure fair access to pitches and other facilities. The makeup of the forum would include representatives from the Council and local sports clubs.

The proposed concept scheme is as set out in the attached brochure.

### Background of the Playing Fields

Protected by Fields In Trust in 1948, a site of c. 40 acres of recreational green and open space. It is identified as a priority within the Exeter City Council Playing Pitch Strategy (adopted January 2022). Central FC took residence in 2010/11, and pitch provision has changed over the years with no formal stipulation in place. However, when it first started there were only 12 pitches total. The current facility mix is:

- Wide range of formally marked football pitches (7x adult pitches, 4x Intermediates, 2x Mini's, 2x mini mini's)
- Changing Room Building (14 changing rooms, storage, and showers)
- 2 x Play Areas (One fully inclusive) \*
- 2 x Tennis Courts
- 1 x Artificial Grass Cricket Wicket
- Car Park

The site is very popular for informal recreation and dog walking

\*The Council has recently had to close the KGV play area due to the collapse of the Countess Wear Road retaining wall and decline in equipment condition. The extension to the inclusive play area to the north of the field will increase the onsite provision so that the site, alongside Southbrook Road, better meets Fields in Trust play area standards west of Bridge Road. First opened in 2008 the inclusive play area was named as the 6th most impressive accessible and inclusive playground in the world. ECC, and Mencap put funding into redeveloping the site in 2020. However, whilst this went some way to managing the equipment life, it did not extend to developing the site in respect of losing the southern play area. Development will both meet play standards and provide more accessible provision as per ECC standard play protocols.

### Summary of proposed improvement programme

ECCT are undertaking feasibility, business case and pre-planning work to deliver a transformational community sports hub development at King George V Playing Fields. This will include:

- Improvements to 13 grass pitches catering for all adult, junior and mini football
- Refurbishment to existing two-storey pavilion to provide community engagement and space to facilitate the four pillars of delivery for ECCT (Participation, Education, Wellbeing, and Inclusion).
- Single-storey ground floor extension (with option to develop second storey extension with lift and staircase).
- 3G full size floodlit pitch (100 x 64m).
- 4 x 36 seat covered stands with foundations and lighting.
- Building services infrastructure upgrades.

- 2 x fenced Play Zones (20 x 30m).
- Improve grass condition to four full size pitches.
- Approx. 375m of bi-direction cycle paths (4mw).
- Sports Hall - Covered tensile structure with supporting facilities (2,960 sq. m).
- 25 new car park spaces (upper and lower).

Whilst retaining the existing playing fields, inclusive play park and recreational / dog walking culture on site.

This would deliver the first community based 3G in the city as a priority within the Playing Pitch Strategy, which identified a shortfall of 3 community 3G pitches in the city.

ECCT are working alongside Exeter City Council, The Football Foundation, Devon FA, and other partners to deliver:

- Ongoing community engagement and consultation
- Technical Support to achieve planning and cost certainty
- Programming of Use
- Business Planning
- External funding opportunities
- Funding application to The Football Foundation

#### Outcomes – benefits city-wide and to the Council

- Improved engagement and sense of ownership with community
- Deliver a new community space to provide greater connectivity and social outcomes for local residents
- Reduction in inequalities to access and participation with a focus on:
  - Lower socio-economic groups
  - Women and Girls
  - Culturally Diverse Communities
  - People with disabilities
- Improved physical and mental wellbeing in priority area of the city
- Delivers on priority of ECC Playing Fields Strategy
- Strengthening partnership with existing locally trusted anchor organisations delivering health and wellbeing benefits across the city
- Utilising the skills and experience of ECCT charity to bring in investment and resource to meet the city 'Healthy and Active' corporate priority
- Leverage external investment from Football Foundation, Devon FA
- Bring in additional non-football partners, investment, and improvements (e.g., play areas, tennis)

A model of delivery to save ECC revenue costs (maintenance, grounds repair, facilities repair) within Parks and Open Spaces and Corporate Property Services

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

9.1 The proposal contributes significantly to the objectives for a Healthy and Active City and to Build Great Neighbourhoods and Communities. It also delivers the objectives of the Playing Fields Strategy in enhancing recreational facilities in this area.



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

10.1 The main risks are the ECCT do not secure sufficient funding to deliver the investment. However, in this case, it would be unlikely to satisfy the pre-conditions in the agreement for lease and the land would then remain in Council management.

It is possible that ECCT do not maintain the area to the standard anticipated or that community use is not available as conveniently or as affordably as anticipated. This risk can be mitigated by having the joint local forum to advise on public use/ hiring of facilities

## **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, save for the potential for improved sporting facilities for the city as a whole.

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

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

## **13. Are there any other options?**

13.1 The alternative would be to retain direct management of the playing fields but this would forego the possibility of delivering enhanced facilities.

**Director Finance, Dave Hodgson**

Author: Michael Carson – City Surveyor

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

Background papers used in compiling this report:-

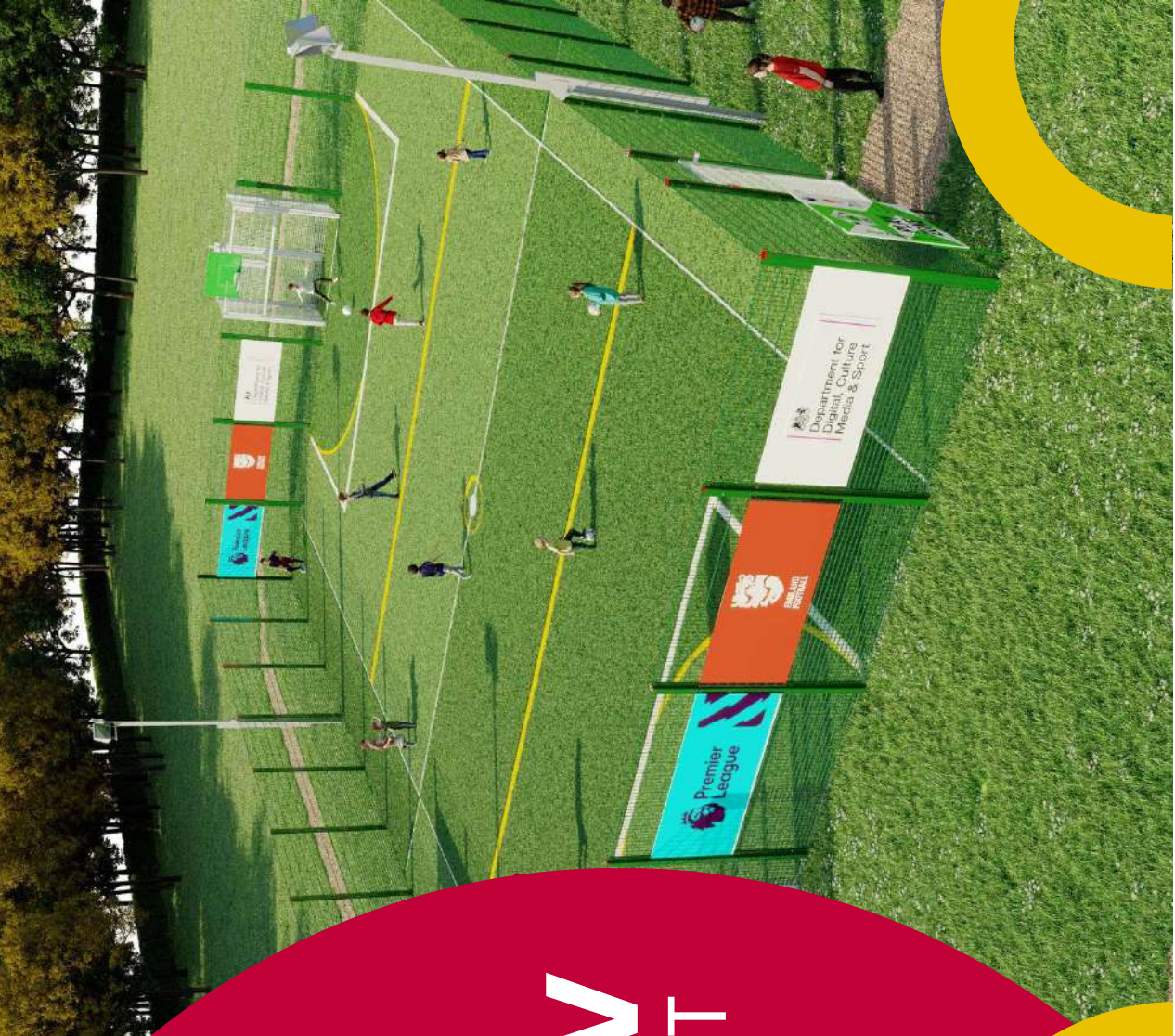
None

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



# KING GEORGE V PLAYING FIELDS PROJECT

Presented to Exeter City Council  
**January, 2024**



# BACKGROUND

- Site of great potential
- 40 Acres of recreational space
- Dilapidated Infrastructure
- Primarily in use by Central Football Club
- Situated between mixed-economic urban areas
- Arterial Route to the River Exe and Exe Valley River Park
- Identified as key location for Exeter's Playing Pitch Strategy
- 1.5m investment agreed in principle from the Football Foundation
- Working with ECC, residents and local stakeholders to identify the core needs and demands of the community











Project:	King George V Playing Fields - Exeter
Drawing Title:	Aerial View
Scale:	Not to scale
Date:	January 2024
Drawing No.:	NPS-DR-A-200 Rev P1





# PROJECT COSTS

## PHASE ONE

**£3,700,000**

- Refurbish and extend existing pavilion
- 3G full size floodlit pitch with spectator viewing area
- Building infrastructure
- 35 additional parking spaces

## PHASE TWO

**£1,500,000**

- Second storey extension with lift and stairs
- 2 x floodlit play zones
- Improvements to existing pitches
- Upgraded Tennis Courts

## PHASE THREE

**£2,900,000**

- 375 metres of bi-directional cycle paths
- Indoor sports community dome

**All costs exclude:**

**\*VAT \* Feasibility \*Surveys \*Design Fees**

# FUNDING SOURCES

## FOOTBALL FOUNDATION

**£1,500,000**

## COMMUNITY OWNERSHIP FUND\*

**£500K -£2M**

## EGCT INVESTMENT

**C. £200,000**

## PREMIER LEAGUE

**C. £125,000**

## DEVON FA

**C.£100,000**

## OTHER SOURCES

**TBC**

**Other sources e.g.,**

**\*ECC \* Royal Foundation \*National Lottery Community**

**Fund \*Exeter City Football Club**



# TARGET TIMELINE- PHASE ONE

- **Completion of feasibility studies** - February 16, 2024
- **Sign-off on legal agreement and lease with ECC** - February 19, 2024
- **Instruct second phase of design work** - February 26, 2024
- **Second informal consultation** - May to June 2023
- **Full Planning submitted** – July 2024
- **Both tenders (3G and other works) are returned so that overall project cost certainty is known** – December 2024
- **The Football Foundation application needs to be submitted on the basis that planning is granted and overall project cost certainty is known** – March 2025
- **Both contracts are awarded at the same time, albeit 2 orders** – April 2025
- **Construction starts** - June 2025
- **3G available to use** – December 2025



# OUTCOMES

- Community-Led Engagement
- Data-Driven Provision
- Reduced Barriers to Participation
  - Women & Girls
  - Para Sports
  - Lower Socio-economic
- Increased physical activity for all
- Broader Health Partnerships
- Outstanding Youth Development
- Embedded Social Inclusion
- First Class Alternative Provision
- Meaningful Life-long Learning
- Greater Cultural Exchange
- Increased Community Pride
- Enhanced Safety and Security
- Tangible Connections to Nature
- Sustainable Infrastructure





## Equality Impact Assessment: KING GEORGE V PLAYING FIELDS

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 9 July 2024	King George V Playing Fields	Grant of agreement for lease and lease	None identified

**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
<b>Race and ethnicity</b> (including Gypsies and Travellers; migrant workers; asylum seekers).			
<b>Disability:</b> 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.			
<b>Sex/Gender</b>			
<b>Gender reassignment</b>			
<b>Religion and belief</b> (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).			
<b>Sexual orientation</b> (including heterosexual, lesbian, gay, bisexual).			
<b>Age</b> (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).			

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

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

Officer: City Surveyor

Date: 09.05.24

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of the Local Government Act 1972.

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