



CUSTOMER FOCUS SCRUTINY COMMITTEE

Date: Thursday 22 January 2026

Time: 5.30 pm

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

Members are invited to attend the above meeting.

If you have an enquiry regarding any items on this agenda, please contact Liz Smith, Democratic Services Officer (Committees) on 01392 265425.

Entry to the Civic Centre can be gained through the Customer Service Centre, Paris Street.

Membership -

Rees (Chair), Cookson (Deputy Chair), Begley, Fullam, Holland, Hussain, Payne, Pole, Read, Snow and Wardle

Agenda

1 Apologies

To receive apologies for absence.

2 Minutes

(Pages 5 - 48)

To approve and sign the minutes of the meeting held on 25 September 2025.

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 Act 1972 - Exclusion of Press and Public

It is considered that the Committee would be unlikely to exclude the press and public during the consideration of any of the items on this agenda but, if it should

wish to do so, then the following resolution should be passed:-

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

5 Questions from the Public under Standing Order No. 19

Details of questions should be notified to the Democratic Services Manager via the democratic.services@exeter.gov.uk email by 10.00am at least three working days prior to the meeting. For this meeting any questions must be submitted by 10.00am on Monday 19 January 2026.

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

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

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

Councillor Bialyk – Leader of the Council
Councillor Asvachin – Housing, Homelessness Prevention & Customer Services
Councillor Vizard – Climate, Ecological Change and Communities
Councillor Williams – Place and City Management
Councillor Wright – Corporate Services and City Centre

Advance questions from Members relating to the Portfolio Holders should be notified to Democratic Services via democratic.services@exeter.gov.uk

7 Portfolio Holder Report from the Leader of the Council, Councillor Bialyk. (Pages 49 - 52)

To receive the report of the Leader of the Council.

8 Quarter 2 Budget Scrutiny (Pages 53 - 110)

To receive the report of the Strategic Director for Corporate Resources.

9 Medium Term Financial Plan (Pages 111 - 136)

To receive the report of the Strategic Director for Corporate Resources.

10 Scrutiny Work Plan and Proposals Received (Pages 137 - 140)

Please see for noting a link to the schedule of future business proposed for the Council which can be viewed on the Council's web site. This on-line document is

a source for Members to raise issues at Scrutiny on forthcoming Executive agenda items:

[Browse plans - Executive, 2026 - Exeter City Council](#)

Also attached is a draft work plan of future scrutiny items. Should Members wish to raise issues in respect of future business please notify Liz Smith in advance of the meeting.

Date of Next Meeting

The next scheduled meeting of the Customer Focus Scrutiny Committee will be held on **Thursday 5 February 2026** at 5.30 pm in the Civic Centre.

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Agenda Item 2

CUSTOMER FOCUS SCRUTINY COMMITTEE

13 November 2025

Present:

Councillor Catherine Rees (Chair)
Councillors Cookson, Begley, Fullam, Holland, Hussain, Payne, Pole, Snow and Wardle

Apologies:

Councillor Read

Also present:

Strategic Director for People and Communities, Head of Service - HR, Workforce Planning and Organisational Development, Democratic Services Manager and Democratic Services Officer(JM)

In attendance as Portfolio Holder:

The Leader, Councillor Bialyk, Councillors Vizard and Wright

84 Apologies

Apologies had been received from Councillor Read, who had sent Councillor Palmer as her substitute.

85 Minutes

The minutes of the meeting of Customer Focus Scrutiny Committee held on 25 September 2025 were taken as read and approved as correct, subject minor amendments as requested by the Chair.

86 Declarations of Interest

There were no declarations of interest made by Members.

87 Questions from the Public under Standing Order No. 19

There were no questions from members of the public.

88 Questions from Members of the Council under Standing Order No. 20

There were no questions submitted in advance by Members.

89 Medium Term Financial Plan & Budget Timetable 2026/27

The Chair explained to Members that the Strategic Director for Corporate Resources was unable to attend this meeting and that this item would be deferred to the meeting in January.

90 Key People Activity Across the Council

The Chair advised Members that the report had not been published and allowed 10 minutes to read the report.

Councillor Palmer, under Standing Order 45, presented her Scrutiny Proforma and in doing so, made the following points:

- this was not a challenge and she hoped it would support the work being carried out;
- it would provide Members with a better understanding of the role of Human Resources(HR);
- she hoped that this would support Portfolio Holders and HR officers with their work; and
- she hoped this discussion would be supportive, and it could be agreed what might be useful to see in the future.

The Strategic Director for People and Community gave a presentation making the following points:

- there had been an independent HR review in 2024 to identify necessary structural, procedural and cultural changes;
- resources were focused on supporting the delivery of the Council's objectives;
- HR had previously been a reactive service;
- there had previously been little data on council employees and uncertainty around overall people function;
- HR had seen a transformational change of their service, and she was proud of the team and what had been delivered;
- a huge amount of work had been carried out on iTrent and it was still improving;
- there had been a culture shift for leadership and organisation;
- Power BI was an easy way to view staff insights and would be very useful for Freedom of Information (FOI) requests;
- an Employee Hub containing policies and information about staff benefits, as well as an interactive communication portal would be made available to staff soon;
- the Council's apprenticeship scheme had been reviewed, and apprenticeships in areas that would benefit the city were being prioritised;
- the Council were currently in a procurement process for a new occupational health provider,
- a new modernised approach to industrial relations had been agreed with unions and a reset JCNC was now in operation ;
- in areas where sickness absence was quite high HR was working with managers on specific areas;
- the vacancy rate was in line with comparators and the 'time to hire' was good and was likely to improve more following updates to iTrent; and
- the future priorities were to continue evolving work that had already started.

The Strategic Director for People and Community and the Head of Service – HR, Workforce Planning and Organisational Development responded to Members' questions in the following terms:

- there was a higher rate of long-term sickness in some service areas and the data allowed for a more in-depth view in these areas.;
- HR Business Partners were having discussions with managers regarding support for people off sick;
- the sickness and absence policy had been rewritten to be more proactive;
- HR had been meeting with managers to help manage sickness absence better and there had already been a decline in the level of sickness absence;
- the staff survey was 62 questions long, which may have contributed to the low level of participation for some worker groups;
- there was a framework for using agency staff that set out approved providers, standardised rates of pay, and terms and conditions;

- payment for agency staff outside of the framework needed to be agreed by Directors;
- the Council's biggest opportunity was its staff, and it was important to maintain morale through Local Government Reorganisation (LGR);
- AI was a complex issue: and was already making it more difficult to tackle employee relations cases;
- degree apprenticeships were changing at the end of the year; and
- job descriptions and equal pay for jobs would be covered as part of TUPE.

The Chair thanked the Strategic Director for People and Community for her work on this, and Councillor Palmer for bringing this proposal to the committee.

The Strategic Director for People and Community with permission of the Chair, left the meeting.

The Head of Service – HR, Workforce Planning & Organisational Development gave a presentation on the Staff Survey responses, making the following points:

- 51% of staff participated, which was an increase on 25% in 2023;
- it is possible that the staff that felt like nothing had been done as a result of previous surveys and therefore did not complete the survey this year;
- the strengths highlighted were:
 - health and safety;
 - managerial trust;
 - fair treatment; and
 - knowledge sharing
- areas for improvement were:
 - workplace progress;
 - follow up actions from the survey;
 - career development; and
 - cross-team collaboration
- these results had been shared with Heads of Service who would be meeting with HR Business Partners to develop action plans for their teams.

The Head of Service – HR, Workforce Planning & Organisational Development responded to a question from Councillor Holland, confirming that staff were able to complete the survey during work time.

Councillor Fullam felt it was positive that the survey enabled year on year changes to be seen, and that it was very refreshing and the council were making good progress.

In moving the recommendation to note the report, the Chair proposed, and Councillor Holland seconded that the committee appreciate the openness and transparency in order to meaningfully scrutinise now and in the future and note the transformation within the service. Following a vote, this was CARRIED.

91 Scrutiny Work Plan and Proposals Received

The Chair proposed, to the approval of the committee, that:

- the Medium Term Financial Plan would be moved to January;
- Councillor Moore's budget proforma would be moved to January; and
- the Leader's Portfolio Holder Update report would also be moved to January.

Following a vote, the draft Scrutiny Work Plan, as amended was AGREED.

(The meeting commenced at 5.30 pm and closed at 7.23 pm)

Chair

REPORT: Human Resources Operations at Exeter City Council

Pre and Post HR Review Assessment

Customer Focus Scrutiny Committee

Date: 13th November 2025

Report of: Jo Yelland, Strategic Director, People and Communities

Report prepared by: Lydia Wilson – Head of Service – Human Resources (HR), Workforce & Organisational Development (OD)

1. Executive Summary

1.1 This report presents a comparative overview of HR operations and delivery at Exeter City Council before and after the independent HR review conducted in March 2024. It evaluates the structural, procedural, and cultural changes implemented to improve HR effectiveness, workforce planning, employee relations and service delivery. The report also identifies ongoing challenges and opportunities for continued development.

2. Background and Context

2.1 The independent review focused on defining the requirements of an HR/OD function that would be fit for purpose as the Council continues its transformation programme, to meet its strategic aims and objectives. The review aimed to identify what would be needed to better align HR operations with the council's strategic goals, enhance workforce capabilities, and modernise people management functions.

2.2 The findings of the independent review highlighted that HR within ECC continued to be a reactive service, resources were focused on transactional activity, and it was not providing the necessary level of expertise required within a consistently changing and evolving environment.

3. HR Review – Issues

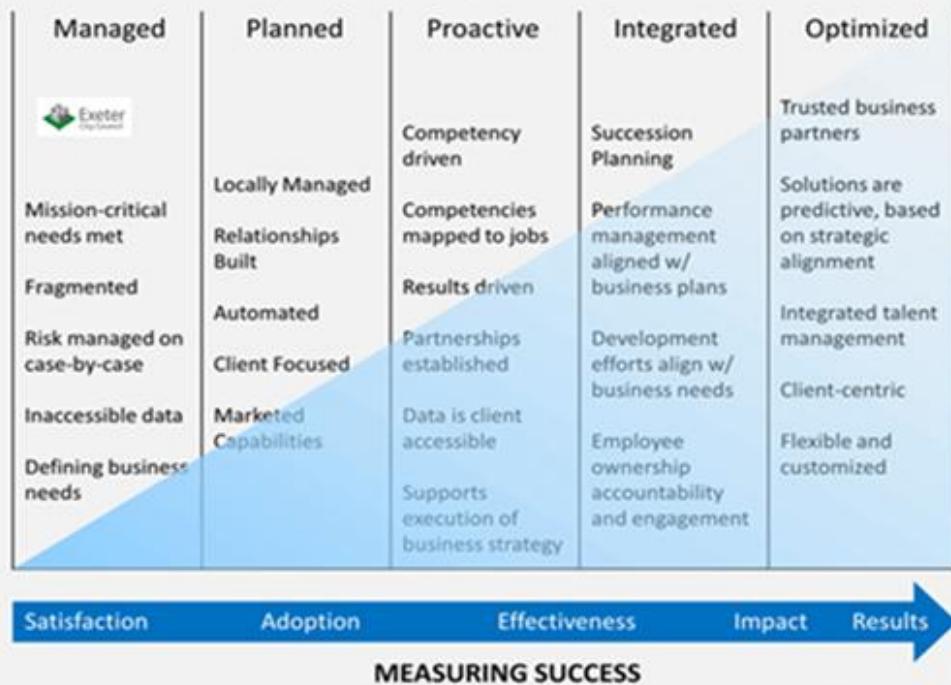
3.1 The reviewer used a HR maturity model matrix to assess current position of the service and the report concluded that it was in a 'managed state' (**Table1**).

3.2 Key issues identified:

- Focus was to meet the critical needs of operational demand
- Fragmented ownership, unclear accountability, joint working relationships not evident
- Risk managed on a case-by-case basis
- Inaccessible data for managers and employees to self-service
- HR not aligned to business needs and priorities

HUMAN RESOURCE DEVELOPMENT

Human Resource Development Maturity Model



HR Transactional support is an ongoing requirement, however volume reduces as technology becomes the enabler for self-service. HR resources refocused on strategic HR delivery which drives business impact, delivery and return on investment.

Table 1: HR Maturity Model

4. Independent HR Review – Recommendations

4.1 The report identified that ECC needs to focus on moving from a 'managed state' to a 'proactive state'. A managed state would encompass the following elements.

- Competency driven
- Results driven
- Partnerships established
- Data being client accessible
- Supporting the execution of business strategy

4.2 Recommendations

- **Automation:** Implementation of an HR Information System that is fit for purpose and drives self-service and management information (MI) insight and data.
- **Process Improvement:** Review HR administration processes, streamline and drive sustained improvements in terms of efficiency and automation.
- **Accessibility:** Introduce/update user friendly platform for Managers and Employees to access key information sources/guidance.
- **Policies & Practices:** Implementation plans for revised policies that ensure effective delivery to target audience, knowledge building and embedding ways of working.

- **Values & Leadership:** Values review to ensure they meet with the strategic direction of ECC, and development of values framework and identification of Leadership Development Programme.
- **Operating Model:** Transition to a new HR operating model with an emphasis and focus on People & Culture.

5. Independent HR Review – Progress Update

5.1 Following the independent HR review, a comprehensive HR Improvement Plan was set out with clear objectives, actions and timeframes established to address the issues and proceed with the recommendations identified within the report (section 4).

5.2 The plan was designed so that all actions are fully implemented by March 2026. Appendix A shows the detailed project plan and status of each activity. Below is a summary of the actions that have been completed or are in progress.

5.3 IT Systems

5.4 A full review of the **iTrent HR System** has been undertaken, leading to the formation of a dedicated project group and improvement plan. The aim is to optimise system usage by automating processes, enhancing self-service functionality, and reducing the transactional and administrative workload currently undertaken by the HR team.

This includes:

- Implementation of the onboarding module, significantly reducing administrative tasks and streamlining the new starter process
- Automated workflows and email notifications for new starters, leavers, and internal movers
- Employee self-service offboarding, enabling smoother transitions and clearer responsibilities
- Right to Work checks reporting and workflow alerts, including breach notifications to ensure compliance
- Digital checklists to support consistent and timely completion of onboarding, offboarding, and internal movement tasks

5.6 A new **Corporate HR Business Intelligence Dashboard** has been developed to track key metrics and drive strategic decision-making processes. Metrics currently tracked include:

- Absence rates and trends
- Turnover and retention figures
- Equality, Diversity & Inclusion (EDI) indicators
- Vacancies

5.7 A new **HR SharePoint site** is currently being developed, including a dedicated People Hub designed to streamline access to HR information, empower employees and managers, and enhance the overall employee experience at Exeter City Council.

This site will replace the existing staff intranet and will serve as a central, user-friendly platform for:

- HR policies and procedures
- Guidance documents and toolkits
- Templates for common HR processes
- FAQs and self-service resources
- Links to key systems such as iTrent and the HR BI Dashboard

The People Hub will support a more agile and informed workforce by making essential HR resources easily accessible and aligned with organisational priorities.

5.8 A new **door access system at the Civic Centre** has been implemented to enhance the safety, security and operational efficiency with controlled and auditable access.

5.9 Talent Acquisition

5.10 Proposal to maximise the utilisation of **ECC apprenticeship levy** has been agreed with the aim of implementing a council-wide apprenticeship scheme to address critical skills shortages, provide career pathways for frontline staff and support vulnerable community members such as young people leaving care and people with lived experience of homelessness.

5.11 **Recruitment and Onboarding Process Improvement.** A project group and improvement plan have been established to streamline and enhance the recruitment and onboarding experience. The focus is on ensuring processes are inclusive, efficient, candidate-focused, and aligned with the Council's strategic workforce goals: attracting, selecting, and integrating the best talent to deliver on corporate objectives.

5.12 **Key initiatives being developed include:**

- **Creation of a new web site landing page** for job applications, designed to improve accessibility, showcase the Council's employer brand, and provide a more engaging candidate experience
- **Analysis of hard-to-fill roles**, with adaptations to recruitment strategies and processes to better address these challenges
- **Implementation of the iTrent onboarding module**, reducing administrative burden and improving the consistency and efficiency of the new starter journey
- **Automation of emails and workflows** for new starters, leavers, and internal movers, ensuring timely communication and task completion
- **Introduction of digital checklists** to support managers and HR in delivering a smooth and compliant onboarding and offboarding experience

5.13 Learning & Development

5.14 **A strategic leadership development programme** has been commissioned and is currently being delivered, with the aim of creating a cohesive, high performance Extended Leadership Team that is aligned to the Council's strategic priorities and values.

5.15 A range of **people management skills** workshops have been designed and are currently being delivered across the council to upskill managers in areas of absence management, investigations and difficult conversations.

5.16 Employee Experience

5.17 A thorough **review of 24 HR policies** has been undertaken to ensure they are current, legally compliant and aligned with organisational values and best practice, to support effective people management and positive employee experience. Also 3 new policies have been introduced; Hybrid Working, Secondments and Neonatal Leave. A robust system for review has also been established.

5.18 A comprehensive review of the **Occupational Health Service** has been conducted and project plan and group established to improve the services effectiveness, accessibility, and alignment with organisational priorities, with the aim of enhancing employee wellbeing, reducing absence rates and supporting a healthy, productive workforce. As part of this improvement programme, a full tender exercise is being undertaken to procure a new Occupational Health provider. The aim is to secure a supplier that offers a modern, responsive, and evidence-based service aligned with the Council's strategic workforce priorities and commitment to employee wellbeing

5.19 **An enhanced staff survey** has been created and successfully rolled out to employees, designed to capture meaningful insights into employee engagement, satisfaction, and feedback. The results have been analysed through a newly developed Business Intelligence dashboard, enabling senior leadership and management to make data-informed decisions and shape targeted action plans that support workforce wellbeing and organisational improvement. (overview of results in Appendix D)

5.20 An improved **Industrial Relations (IR) framework has been** designed, in consultation with Trade Unions, and launched to provide an integrated and modernised approach to IR ensuring ECC offer a robust, transparent and inclusive approach to engaging staff and their Union representatives in policy and organisational changes.

5.21 Equality, Diversity and Inclusion (EDI)

5.22 **An invited EDI Local Government Association Mini Peer Review** has taken place which identified improvements to the councils EDI framework and provisions to ensure the council is effective, inclusive and aligned with current legislation, best practice and the council's strategic objective to tackle social exclusion in all its work. EDI task force established with EDI objectives and EDI policy agreed and published, development of an EDI training framework for employees and members and improved EDI data (Appendix B).

5.23 Structural Changes

- Appointment of a Strategic Director People and Communities in July 2024
- Appointment of a new Head of HR Workforce Planning and OD: commenced in post February 2025.
- A new HR model aligning HRBPs to service areas implemented providing strategic support to the Extended Leadership Team.

- Independent review of Corporate Health & Safety commissioned resulting in transfer of Health and Safety and work function to HR (September 2025). Recruitment of 2 new senior leadership health and safety roles is underway

6. Measurements and KPIs

6.1 Being able to produce meaningful data, to measure against KPIs are essential because they enable the transformation of the function from reactive and administrative to proactive and strategic. An overarching aim of the HR Improvement Plan is to be able to produce data to support HR decisions aligned to the organisational strategy. The following KPIs can now be measured and used as benchmarks by serving as a reference point overtime, across departments and against local government/public sector standards. These have been incorporated in the HR, Workforce and OD business plan.

Description	Baseline Information		Targets		
	2024/25	Comparator*	2025/6	2026/7	2027/8
Sickness absence rate (%)	5.40%*	2.9%	4%	3%	2.5%
Absence Cost	£892,260* (approx. £1140/per person)	£800-£1000 / employee/yr in local gov	>£800/ employee	>£800/ employee	>£800/ employee
% Turnover rate	13.70%*	25%	<10%	<10%	<10%
% Staff Survey Response rate	52%*	50-60%	60%	65%	70%
% Vacancy rate	9.56%	9.6%	7.5%	6.5%	5%
Time to hire (days)	30 days	42 days	<30 days	<30 days	<30 days
% apprenticeship levy spend	19%	44.5%	45%	60%	80%
% workforce over age 55	56.67% 41+ 34.74% 51+ (30% under the age of 30)*	66.9% 40-64 34.9% 55+	Increase under 30 workforce by 5%	+5%	+5%

*Comparator figures obtained from ONS, CIPD, Infinistats, LGA

**ECCs BI Dashboard Data can be found in Appendix C

7. Future Challenges and Next Steps

7.1 The workplace and workforce are constantly changing and for local government in particular, HR faces a unique and complex set of challenges including Local Government Review (LGR), budget constraints, evolving technology and workforce expectations. As such, ECC HR will continually evolve its approach and plans to meet the demands of a rapidly changing landscape. This includes:

- **Building leadership capacity to manage-reform** driven organisational change
- **Integrating AI tools into HR functions** such as, Chatbot on HR SharePoint for instant answers and resource guidance, Automated transcription of formal

hearing notes, AI-supported job evaluations for consistency and efficiency, Recruitment shortlisting automation for faster, objective screening,

- **Conducting skills audits and targeted training initiatives to create a future-ready workforce** through the development of a strategic learning and development programme.
- **Strengthening the PDR (in full) and Supervision process** that focuses on accountability and continuous development
- **Strengthening and Prioritising Corporate Health and Safety at work leadership**
- **Prioritise diversity, equity and inclusion** addressing systemic gaps and supporting underrepresented groups
- **Focus on employee reward and recognition, wellbeing, engagement and mental health support**
- **Continue to drive digital transformation** and improve HR systems, such as the Learning Management System (My Compliance and Nexus) and Electronic Staff files (EDRM) and Assessment (Corporate Health and Safety Reporting).
- **To further review, streamline and digitalise HR processes** including sickness absence, leavers and movers
- **Foster a proactive health and safety culture** by implementing robust risk management strategies and systems, ensuring compliance with relevant legislation and through digital innovation improve safety performance and data driven decision making.

8. Recommendations

The committee is asked to note the contents of this report and the considerable progress in delivering the HR Improvement Plan

9. Appendices

- **Appendix A:** HR Improvement Plan
- **Appendix B:** EDI Project Plan
- **Appendix C:** ECC BI Dashboard Data
- **Appendix D:** Staff Survey results

Appendix A – HR Improvement Plan

Work Area	Category	Overall Objective	Activity	RAG Status	Time Frame												
					Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Phase 1a	1.1 iTrent Organisation Structure Aligned	iTrent to be fully reflective of Council Structure to enable correct reporting at all levels, and data extract for People Dashboard	<ul style="list-style-type: none"> * New org structures created with Head of Srv * All new structures updated on iTrent * Reports run and checked with Head Of via BP * Test with BI Dashboard * Ownership of Org Charts BP process agreed 	Complete													
	1.2 Door Access	Implement new door access system for Civic Centre - ensure reporting functionality is in place	<ul style="list-style-type: none"> * Run reports following providers system update (Car Access) 	Complete													
	1.3 Emergency Contact /EDI Data	Ensure iTrent is up to date with Emergency Contacts, and that this is reviewed regularly and owned by Ensure employees have had the opportunity to update	<ul style="list-style-type: none"> * Run report following completion of Org Structure reporting on iTrent * EDI Report produced/linked with BI Dashboard - shared with EDI * Decision on whether further comms is required/annual reminder 	Complete													
	1.4 iTrent short term fixes and health	Optimisation of 'back end' iTrent to support user experience, reduce system failures, manual work	<ul style="list-style-type: none"> * Agree on iTrent fixes to support user experience and with no visible 'knock' on front end user * Decide on whether to commission MHR to complete Health Check 	Complete													
	1.5 Sharepoint Development & Launch	Create People HUB on Sharepoint for all to use - to replace Intranet in order to streamline access to HR information, empower employees and managers	<ul style="list-style-type: none"> * Kick off meeting scheduled 18/3 scheduled with DB * Assign Project Mgr/Business Analyst to support project * Create/shape 'tiles' categories required * Upskill, knowledge build and assign HR Owners * Develop detailed plan/ownership of 'tiles' * Develop/deliver/engage end user * Execute and review 	Complete													
	1.6 EDRM Review	Review Personnel Records storing/classification in line with regulation/working practices Employment information ICO	<ul style="list-style-type: none"> * Review Guidance/undertake review of EDRM * Identify areas of improvement/strengths/actions required * Implement changes and process improvements 	Not yet started													
	1.7 My Compliance/Nexus Review	Review both systems - ownership of My Compliance by H	<ul style="list-style-type: none"> * Full review of utilisation/reporting/link to iTrent * Any suggested changes reviewed, agreed and actioned 	In progress													

Work Area	Category	Overall Objective	Activity	RAG Status	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
2. Talent Acquisition	2.1 Apprenticeship Approach/Levy	Understand how levy is received, ownership, spend and Levy utilised for harder to fill roles, succession planning, supporting care leavers and homelessness back into work	*Develop Strategic Paper for JY review *Develop detailed plan for delivery, considering partnerships/grants	Complete													
				In progress													
	2.2 Recruitment End to End Process	Review full end to end process, and develop new Reduce 'touch points' define process and improve/promote ECC Brand/attraction strategy Review user experience for both Managers and Applicants Clear ownership of roles across full process, drafting placing adverts through to offer process	* <u>Assign Project Mgr/Business Analyst to support project</u> * Map out end to end process 'as is' then 'to be' * Build in automation functionalities/opportunities - See MHR Output Report * Develop and deliver detailed project plan and assign owners/time frame * Develop and deliver communication/engagement/trg plan for end users * Execute and review	Complete													
				Complete													
				Complete													
				Complete													
				In progress													
				Not yet started													
	2.3 Onboarding End to End Process	Review full end to end process from Offer Letter, Develop new streamlined approach replacing manual Reduce administration/manual tasks/touchpoints for Advisory Team	* <u>Assign Project Mgr/Business Analyst to support project</u> * Map out end to end process 'as is' then 'to be' (several * Build in automation functionalities/opportunities - See MHR Output Report * Develop and deliver detailed project plan and assign owners/time frame * Develop and deliver communication/engagement/trg plan for end users * Execute and review	Complete													
				Complete													

Page 12

Work Area	Category	Overall Objective	Activity	RAG Status	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
3. Learning & Development	3.1 Leadership Development	Ensure effective delivery of Leadership Development	* Point of contact/oversee effective delivery of with Red * Monitor Progress * Evaluation and further actions	Complete													
				Complete													
				In progress													
	3.2 Management Development	Upskill Managers in operational people practices Dev opportunities for those unsuccessful for DCN	* Range of short people-management courses rollout during 2025 * Bespoke prog leaders identified as potential 'talent pipeline' * Evaluation of interventions	Complete													
				On hold													
	3.3 PDR and supervision Process	Review effectiveness of current process and automation Reporting functionality via iTrent	* Evaluation of current PDR Process * Build in automation functionalities - See MHR Output Report * Communicate process changes to end users and timeframe for uploading	In progress													
				Not yet started													
				Not yet started													

Category	Overall Objective	Activity	RAG Status	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
4.1 Policies & Procedures	All People Policies introduced by 31/3/25	* Ensure all Policies are launched and rolled out via My Compl	Complete													
	Policy ownership handed over to Lead for annual review cycle and ownership	* Identify clear HR ownership of Policies in line with framework	Complete													
	Ownership of Whistleblowing Policy to incorporate into People Policies	* Determine review process and enact	Complete													
	4.2 Occupational Health - Contract Management	* Review OH Audit Report - <i>Final Report Feb 2025</i> * Engage OH Provider to address issues raised * Develop joint delivery plan to address issues linked with 4.3 * Introduce regular contract reviews	Complete													
	4.3 Occupational Health - Referral Process/Systems	* Review OH Audit Report - <i>Final Report Feb 2025</i> * Identify key processes and changes (including Mgt referral and * Communicate/upskill Managers as required	Complete													
4.4 Sickness Absence Process	Review full end to end process Develop new streamlined user friendly approach to reporting/tracking abs	* Assign Project Mgr/Business Analyst to support project	Complete													
	Include effective system functionality and processes to support effective management	* Map out end to end process 'as is' then 'to be' (several workshops) * Build in automation functionalities/opportunities - See <i>MHR Output Report</i> * Develop and deliver detailed project plan and assign owners/time frame * Develop and deliver communication/engagement/trg plan for end users * Execute and review	In progress													
			In progress													
			In progress													
			In progress													
			In progress													
4.5 Movers Process	Review end to end process and automate to reduce error and duplication of effort	* Assign Project Mgr/Business Analyst to support project	Complete													
		* Map out end to end process 'as is' then 'to be' (several workshops)	In progress													
		* Build in automation functionalities/opportunities - See <i>MHR Output Report</i>	In progress													

Work Area	Category	Overall Objective	Activity	RAG Status	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
4. Employee Experience	4.6 Leavers Process	Review end to end process and automate to reduce error and duplication of effort	* Assign Project Mgr/Business Analyst to support project	Complete													
			* Map out end to end process 'as is' then 'to be' (several workshops)	In progress													
			* Build in automation functionalities/opportunities - See MHR Output Report	In progress													
			* Upskill (as needed) and communicate changes	In progress													
	4.7 Employee Survey	Review and Implement ECC Employee Survey for 2025	* Review previous employee surveys at ECC and results	Complete		Complete											
			* Design survey questions and format for 2025 and get feedback from JY, LB and HR Team	Complete		Complete											
Page 19	5.1 EDI Task Force Plan	Implementaion of the EDI Action plan developed from the EDI review in 2024	* Paper for SMB inc draft survey for approval	Complete		Complete											
			* Develop Comms plan and launch	Complete		Complete											
			* Execute and Review	Complete		Complete											
			* Analysis of results and next steps	Complete		Complete											
			* Review the provision of EDI Training for staff and members	Complete		Complete		Complete		Complete		Complete		Complete		Complete	
			* Review the governance of EQIAs	Complete		Complete		Complete		Complete		Complete		Complete		Complete	

Appendix B – EDI Project Plan

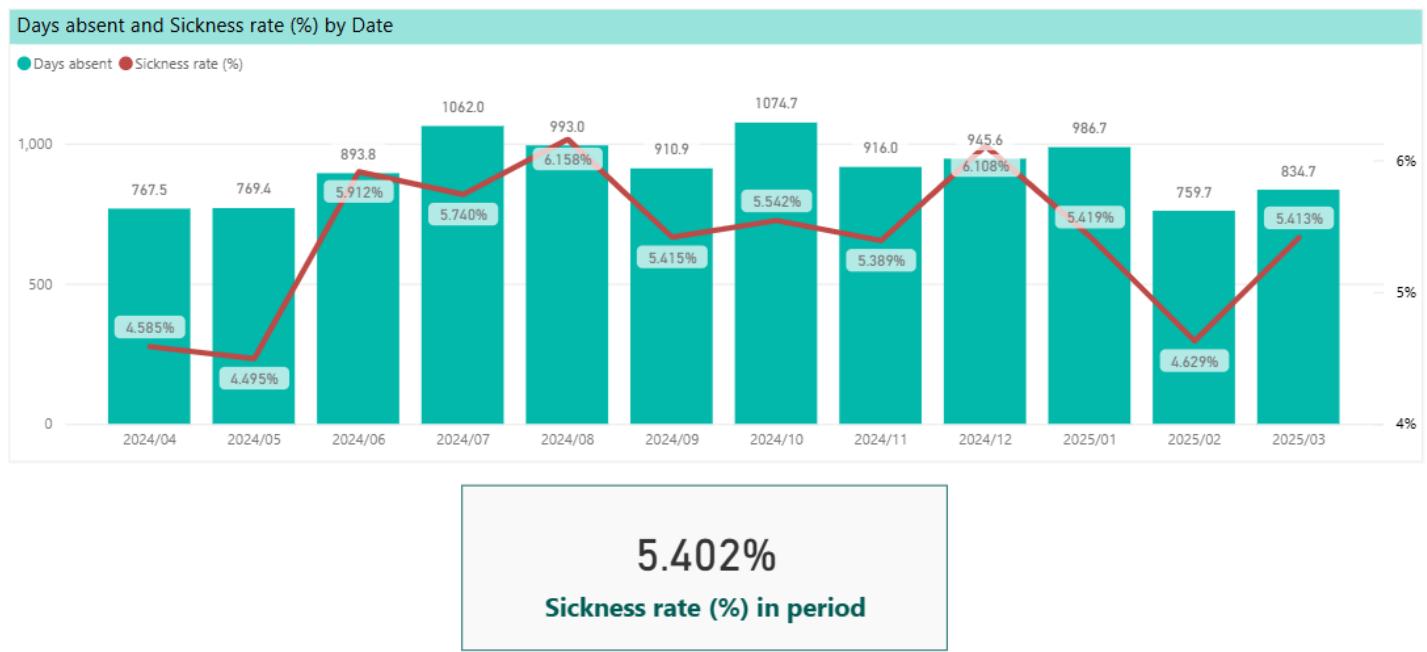
LGA Mini Peer Review Recommendation	Action Plan	Lead	By When	RAG
All staff in person marketplace event for chief executive to share EDI vision	EDI review findings and high-level action plan to be included in CEO all Staff briefings during Oct/Nov 2024	Executive Office Manager	May-25	
Develop a longer-term EDI Strategy supported by action plan	Consider developing a strategy which builds on the actions in this plan and proposes further activity for the medium and long term. A review of the Equality, Diversity and Inclusion Policy to be done at the same time to ensure it reflects the organisation restructure, learning from the LGA review and complements any strategy and action plan.	Policy Officer – Equality, Diversity & Inclusion and Safeguarding	Mar-25	
Review the provision of EDI training for officers	A revised suite of Equality, Diversity and Inclusion Training will be identified and piloted. The training will be a mixture of generic self-assessment sessions focussed on raising awareness of the legal context and minimum requirements of behaviour and values followed by in person behavioural change focussed workshops exploring themes such as unconscious bias, neurodiversity and gender identity.	Policy Officer – Equality, Diversity & Inclusion and Safeguarding	Mar-25	
Review the provision of EDI training for Members	A revised suite of Equality, Diversity and Inclusion Training specifically for members will be identified and piloted	Policy Officer – Equality, Diversity & Inclusion and Safeguarding	Mar-25	

<p>EDI dashboard:</p> <ul style="list-style-type: none"> - Use Power BI to create workforce representation dashboard - Consider communications to staff highlighting who will have access to their data and create a specific plan to engage staff in manual roles - Publish workforce data to be PSED compliant 	<p>As part of the HR Improvement Plan a campaign to encourage staff to provide EDI data either directly into iTrent or via a form completed in conversation with a line manager</p>	<p>Head of Service HR & OD</p>	<p>31/3/25</p>	
	<p>The new Corporate Performance Framework will include a suite of “People” dashboard</p>	<p>Head of Service Digital and Data</p>	<p>Jan-25</p>	
<p>The governance of EqIAs is limited and the quality and understanding of how to complete them effectively varies</p>	<p>Review the governance of EqIAs and make proposals which include addressing the quality of assessments, that actions are followed up and assessments are published in a way that means they are easily accessible to residents</p>	<p>Policy Officer – Equality, Diversity & Inclusion and Safeguarding</p>	<p>Mar-25</p>	
<p>Establish specific, achievable and measurable equality objectives in consultation with stakeholders and staff</p>	<p>In 2024 the Council undertook the LGA residents survey which highlighted some important differences by way of experiencing the city and of contact with the Council from our more diverse and priority communities. During 2025 the Council will engage residents in these communities through focus groups to get a better understanding of what residents feel the council could do better.</p>	<p>Consultation and Engagement Manager (under recruitment)</p>	<p>Mar-25</p>	
<p>Increase collaboration with established community groups to benefit service design and delivery</p>	<p>We will build on the links established by Wellbeing Exeter to a range of community groups representing people with protected characteristics and work with them to establish service redesign panels to input into service changes as we roll out the Digital</p>	<p>Head of Service Customers and Communities</p>	<p>Mar-25</p>	

Publish service user data to be PSED compliant	As we roll out customer accounts during 2024/25 we will be systematically collecting basic customer data which we will be able to analyse and share	Head of Service Customers and Communities	Ongoing	
Introduce a page of EDI information in the regular staff newsletter All staff briefing once a quarter to update on EDI related activity e.g. menopause policy, EDI champions	As part of the HR Improvement Plan launched in October 2024, we will be reviewing all our internal staff communications and creating a new Share Point site for all people issues. We will ensure that EDI information and themes are incorporated fully into this work	Head of HR& OD	Mar-25	
	Include an action within the Communications Plan that sets out how the council will engage with colleagues across the organisation about EDI priorities and initiatives	Executive Office Manager	Mar-25	
Develop terms of reference for the Equality Champions group with a clear scope, objectives, outcomes and training	Terms of reference to be reviewed and updated	Policy Officer - Equality, Diversity & Inclusion and Safeguarding	Feb-25	
Develop a strategy for increasing the representation of employees with protected characteristics Implement Positive Action by focussing on talent, progression and succession Explore graduate programme and apprenticeships to address workforce shortages and underrepresentation	As we implement the HR Improvement Programme we will be reviewing our approach to succession planning, workforce development and recruitment and will ensure EDI issues are embedded in all the actions we take and the changes we make	Head of Service HR &OD	Sep-25	
Consider introduction of staff networks	Through the staff survey we will ask staff which networks they would like to see developed and we will use the Menopause network as a model to develop others as requested.	Head of Service HR & OD	May-25	
Publish and implement offer for care experienced young people	Work with Leisure and Live and Move to develop a wellbeing offer	Policy Officer - Equality, Diversity & Inclusion and Safeguarding	Mar-25	

Appendix B – ECC BI Dashboard Data

Sickness Absence Rate



Sickness Absence Cost

Sickness cost by directorate and team

Directorate	Cost
Chief Executive	£5,534.80
Corporate Resources	£79,253.59
Operational Services	£463,184.24
People & Community	£167,090.30
Place	£177,198.01
Total	£892,260.93

Avg duration of sickness (days)	Avg days off per employee	Avg FTE over period
6.97	13.72	706

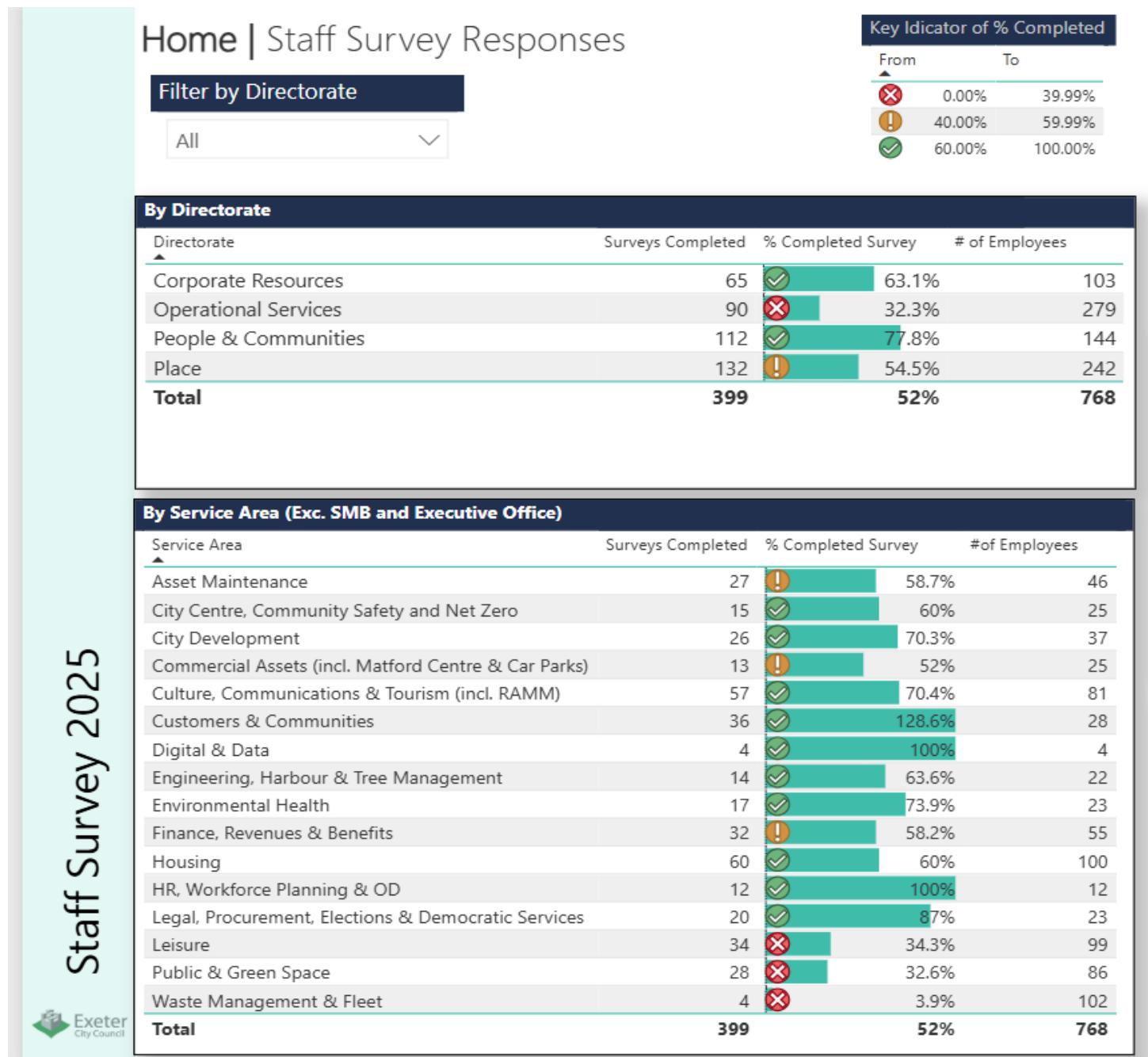
Age Profile

All staff age brackets		
Age Bracket	Headcount	As %
a) < 18	18	1.59%
b) 18 - 30	335	29.62%
c) 31 - 40	137	12.11%
d) 41 - 50	248	21.93%
e) 51 - 60	257	22.72%
f) > 60	136	12.02%
Total	1131	100.00%

Turnover Rate

Turnover for financial year and quarter			
xFY	Average headcount	Leavers	Turnover
⊕ 2022/2023	801.67	-118	14.71%
⊕ 2023/2024	779.08	-114	14.61%
⊕ 2024/2025	781.50	-107	13.70%
⊕ 2025/2026	775.17	-46	5.93%
Total	785.67	-385	48.95%

Staff Survey Completion Rate



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Transforming HR Operations at Exeter City Council

A comprehensive review and improvement journey from reactive operations to strategic partnership

Executive Summary

In March 2024, an independent HR review was conducted at Exeter City Council to identify the structural, procedural and cultural changes needed to enhance HR effectiveness, workforce planning and employee relations.

Page 28

The transformation program that followed, aimed to shift HR from a reactive, transactional service to a proactive, strategic partner supporting the Council's evolving objectives.



The Challenge: A Reactive Service

Reactive Operations

Resources focused on transactional activity rather than strategic support

Fragmented Ownership

Unclear accountability and limited joint working relationships

Inaccessible Data

Managers and employees unable to self-service information

Misalignment

HR not aligned to business needs and strategic priorities



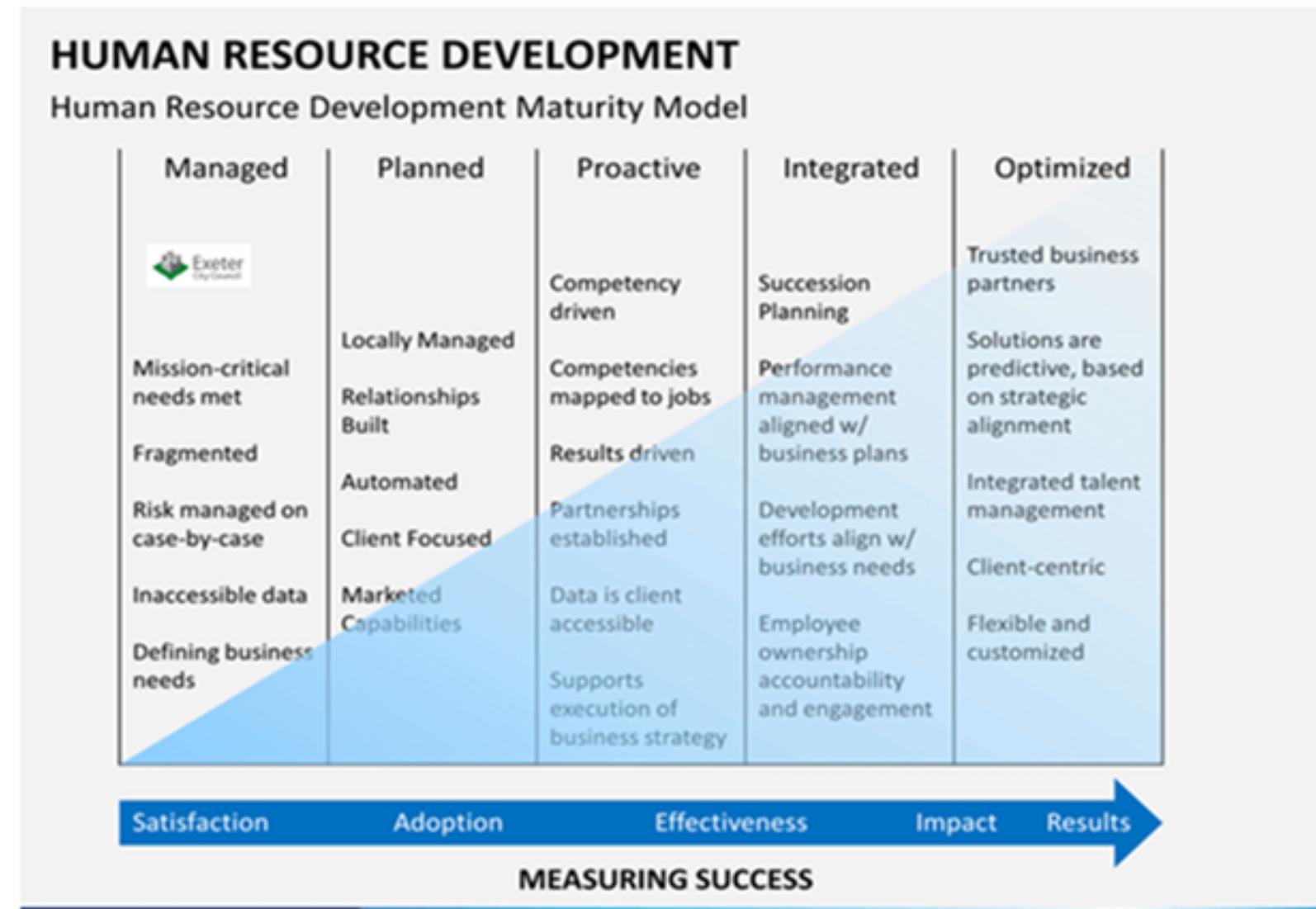
HR Maturity Assessment

Current State: Managed

- Meeting critical operational demands
- Case-by-case risk management
- Limited strategic contribution

Target State: Proactive

- Competency and results driven
- Strategic partnerships established
- Client-accessible data
- Supporting business strategy execution



Six Strategic Recommendations

- 1 Automation**
Implement fit-for-purpose HR Information System driving self-service and management insights
- 2 Process Improvement**
Review and streamline HR administration for sustained efficiency gains
- 3 Accessibility**
Create user-friendly platforms for managers and employees to access guidance
- 4 Policies & Practices**
Implement revised policies with effective delivery and knowledge building
- 5 Values & Leadership**
Review values and develop leadership framework aligned to strategic direction
- 6 Operating Model**
Transition to new HR model emphasising People & Culture

Digital Transformation in Action

iTrent System Optimisation

Dedicated project group formed to automate processes, enhance self-service and reduce administrative workload

Page 28

BI Dashboard

New Corporate HR Business Intelligence Dashboard tracking key metrics for strategic decision-making

HR SharePoint Site

People Hub developed to streamline access, empower employees and enhance experience

Access Control

New door access system at Civic Centre enhancing safety, security and operational efficiency





Building Capability and Culture



Apprenticeship Scheme

Maximising levy to address skills shortages and provide career pathways for frontline staff and vulnerable community members

Recruitment & Onboarding

Streamlined processes ensuring inclusive, efficient, candidate-focused experience aligned to strategic workforce goals

Leadership & Management Development

Strategic programme creating cohesive, high-performance Extended Leadership Team aligned to priorities and values and people management skills workshops upskilling managers

Employee Experience



Policy Modernisation

24 HR policies reviewed, 3 new policies introduced (Hybrid Working, Secondments, Neonatal Leave)



Occupational Health

Comprehensive service review and tender exercise for new provider aligned to wellbeing priorities



Staff Survey

Enhanced survey with [BI dashboard](#) enabling data-informed decisions and targeted action plans



Industrial Relations

Improved framework designed with Trade Unions providing robust, transparent engagement approach



Equality, Diversity and Inclusion Progress



LGA Mini Peer Review

Independent assessment identifying improvements to EDI framework and provisions



EDI Task Force

Established with clear objectives and published EDI policy aligned to tackling social exclusion



Training Framework

EDI training developed for employees and members ensuring inclusive practices



Improved Data

Enhanced EDI data collection supporting evidence-based decision-making

Strategic Objective: Ensure the Council is effective, inclusive and aligned with current legislation and best practice

Key Performance Indicators Overview

Producing meaningful data to support HR decisions aligned with organisational strategy.

Page 30

Description	2024/25 Baseline	Comparator	2025/6	2026/7	2027/8
Sickness absence rate (%)	5.40%	2.9%	4%	3%	2.5%
Absence Cost	£892,260	£800-£1000/employee	>£800/employee	>£800/employee	>£800/employee
Turnover rate (%)	13.70%	25%	<10%	<10%	<10%
Staff Survey Response rate (%)	52%	50-60%	60%	65%	70%
Vacancy rate (%)	9.56%	9.6%	7.5%	6.5%	5%
Time to hire (days)	30 days	42 days	<30 days	<30 days	<30 days
Apprenticeship levy spend (%)	19%	44.5%	45%	60%	80%
Workforce over age 55 (%)	56.67% (41+) 34.74% (51+)	66.9% (40-64) 34.9% (55+)	+5% under 30	+5% under 30	—

Comparator figures obtained from ONS, CIPD, Infinistats, LGA

Looking Ahead: Future Priorities

The transformation journey continues as HR evolves to meet the demands of Local Government Review, budget constraints and changing workforce expectations.



AI Integration

Chatbots, automated transcription, job evaluations and recruitment screening for efficiency



Health & Safety

Strengthening corporate health and safety through robust risk management and digital innovation



Wellbeing Focus

Employee reward, recognition, engagement and mental health support prioritised



Strategic Learning

Skills audits and targeted training creating future-ready workforce through development programme



EDI Priority

Addressing systemic gaps and supporting underrepresented groups across the organisation



Digital Evolution

Continued system improvements including Learning Management and Electronic Staff Files



Employee Survey Results

June 2025

Understanding our workforce: insights from across the council to drive meaningful change and improvement.



Survey Participation

51%

Overall Participation Rate

Employees across the council
shared their views

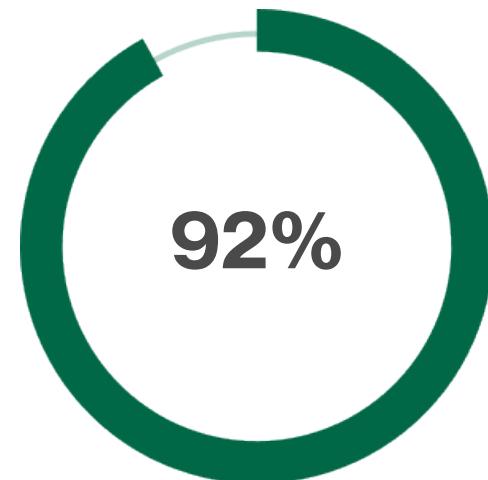
Corporate Resources
63%

Operational Services
32%

People & Communities
75%

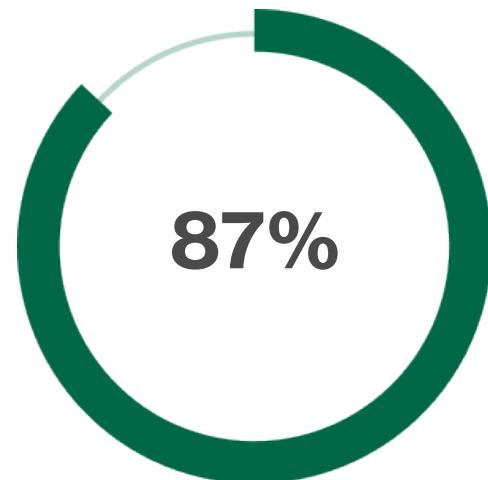
Place
54%

Strengths – What's Going Well?



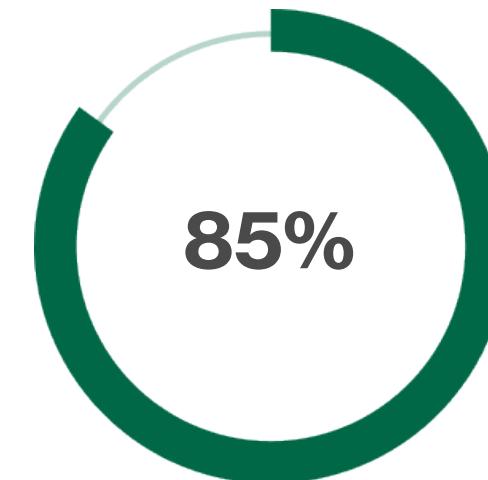
Health & Safety Awareness

Employees understand their responsibilities



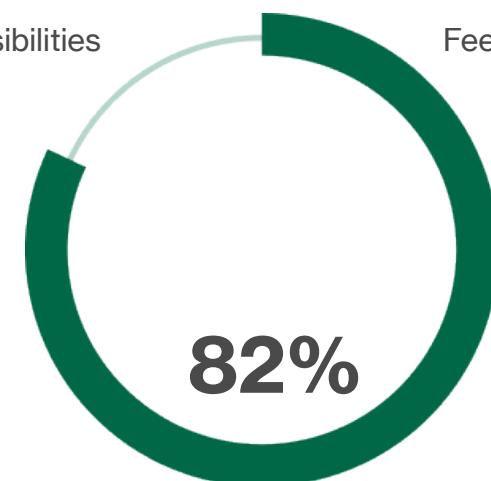
Managerial Trust

Feel trusted by their manager to do their job



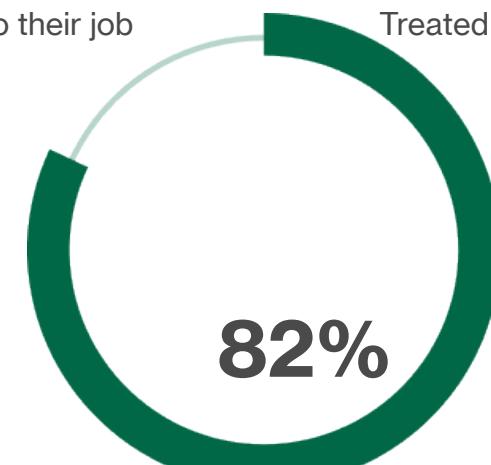
Fair Treatment

Treated with fairness, respect, and without discrimination



Knowledge Sharing

Team members actively share their knowledge and experience



Job Purpose

Understand their team contribution to achieving council priorities



Opportunities for Improvement

Workplace Progress

Only **21%** believe the council is a better place to work than 12 months ago.

Survey Follow-Up Actions

Just **27%** feel meaningful action will be taken following this survey.

Career Development

Only **32%** believe there are opportunities to progress their career at the council.

Cross-Team Collaboration

Only **34%** think communication between services/directorates is good.

Corporate Resources

63%

Participation

0.69

Satisfaction Score

Top 5 Areas for Improvement

1. Council is a better place to work than 12 months ago
2. PDR completed within last 12 months
3. Meaningful action will be taken following survey
4. Senior leadership provides clear vision
5. Opportunities to progress career at council

Operational Services

32%

Participation

0.61

Satisfaction Score

Top 5 Areas for Improvement

1. Opportunities to progress career at council
2. Meaningful action following survey
3. PDR completed within last 12 months
4. Communication between services/directorates
5. Council is a better place to work than 12 months ago

People & Communities

75%

Participation

0.94

Satisfaction Score

Highest across directorates

Top 5 Areas for Improvement

1. Council is a better place to work than 12 months ago
2. Communication between services/directorates
3. Opportunities to progress career at council
4. Meaningful action following survey
5. PDR completed within last 12 months

55%

Participation

0.92

Satisfaction Score

Place

Top 5 Areas for Improvement

1. Opportunities to progress career at council
2. Council is a better place to work than 12 months ago
3. Meaningful action following survey
4. Communication between services/directorates
5. PDR completed within last 12 months





Next Steps.....

Next Steps: HOS to work with HRBPs to develop -specific action plans for their Teams and submit to SMB by December 2025.

WORK PLAN FOR CUSTOMER FOCUS SCRUTINY ITEMS 2025/26

Working Draft for January 2026

Customer Focus Scrutiny Committee	Item	Director	Portfolio Holder	Origin of Business	Status
22 January 2026	Portfolio Holder Update – The Leader of the Council, Cllr Bialyk	Chief Executive	Leader, Cllr Bialyk		
22 January 2026	Medium Term Financial Plan	Strategic Director for Corporate Resources	Corporate Services & City Centre (Deputy Leader, Cllr Wright)		
22 January 2026	Quarter 2 Budget Scrutiny	Strategic Director for Corporate Resources (DH)	Leader (Cllr Bialyk)	Scrutiny proposal – Cllr Parkhouse	
5 February 2026	Portfolio Holder's Report (Cllr Asvachin)	Strategic Director for People and Communities	Portfolio Holder for Housing, Homelessness Prevention & Support Services		
5 February 2026	Tenants Energy Review of our Passivhaus Council Homes	Strategic Director – People and Communities (JY)	Housing, Homelessness Prevention and Support Services (Cllr Asvachin)	Scrutiny proposal Cllr Atkinson	

5 February 2026	Six-monthly update on Homelessness Strategy	Strategic Director – People and Communities (JY)	Housing, Homelessness Prevention and Support Services (Cllr Asvachin)	Proposed by Councillor Denning – half yearly report	
19 March 2026	Portfolio Holder's Report (Cllr R Williams)	Strategic Director for Operations (AP)	Portfolio Holder for City Management		
13 November 2025	Portfolio Holder's Report (Cllr Foale)	Strategic Director for Place (IC)	Portfolio Holder for Arts, Culture & Tourism		
19 March 2026	Update on Street Cleansing and Bin Collection – Recycling and Food Waste Collection	Head of Operations (CC)	City Management (Cllr R Williams)	Yearly report	
19 March 2026	Eton Walk Refuse bin – Petition	Strategic Director for Operations (AP)	City Management (Cllr R Williams)	Petition	Deferred from September 2025

To be scoped on 22 January 2026 subject to Scrutiny Programme Board allocation:

- **Budget proposal from Cllr Moore (Commercial Strategy)**
- **Empty Homes from Cllrs Moore & Read**

REPORT TO CUSTOMER FOCUS SCRUTINY COMMITTEE

Date of Meeting: 22 January 2026

PORTFOLIO HOLDER'S REPORT TO CUSTOMER FOCUS SCRUTINY COMMITTEE

Councillor Philip Bialyk, Leader

1. Issues relating to achieving the Council's published priorities

Provisional Finance Settlement - The Provisional finance settlement has confirmed the projections that the new funding formula has largely offset the impact of the business rates reset. This does not mean that the council has more money to spend, but that the reductions required are significantly lower than projected at the start of this financial year. Council will consider the budget proposals during February.

Value for Money Audit – The Value for Money Audit report has been issued with a significant reduction in recommendations compared to 2023-24. The number of key recommendations has reduced from 5 to 3 and general recommendations down from 17 to 5. It remains a priority to address these areas.

Statement of Accounts Audit - The Statement of Accounts audit is progressing and the council is on track to consider the accounts and audit opinion at a special Audit & Governance Committee in February 2026.

Strategic Partnerships – The council continues to facilitate and sit on the Exeter Partnership. Over the last year, five theme groups have been created that focus on Culture, Business, Economy and Growth, Being Healthy and Active, Climate and Nature and Housing. A number of successes have been achieved, including a campaign to signpost women and girls to free/low cost activities in the city and a project to encourage more people to travel by train to use the Green Circle. Over the coming year, the partnership aims to support the council with its work to submit a bid to become a City of Culture and to achieve the Nature Towns and Cities Accreditation. The council also continues to be a partner of the Exeter Civic University Agreement. Earlier this year, the CUA partners created a film to reflect on the success of the partnership: [Civic University Agreements | Regional Engagement | University of Exeter](#)

Corporate Plan - The Executive has worked with SMB to develop a new, more streamlined Corporate Plan setting out the council's priorities up to 2028. In addition to setting out the council's priorities, the plan also sets out a series of measures to determine whether the council is delivering against the priorities set. Work is underway to develop a performance dashboard so that regular reports can be provided to SMB and Members on progress against the delivery of the plan.

2. Update or commentary on any major ongoing programmes of work

Corporate Risk - the work to enhance the Council's approach to risk management has continued, with further sessions, supported by Zurich Municipal, to review the Corporate Risk Register in light of the new Corporate Plan. A session was also held with Audit & Governance members to improve the understanding of their role in risk management. This has been well received. The new Corporate Risk Register will be presented in March 2026.

Procurement - Work to improve the council's approach to procurement has continued with strengthened oversight by SMB and reporting to Audit &

Governance Committee. Procurement training has been rolled out to around 150 staff. The next stage of improvements includes the introduction of a Procurement and Contracts Board, which will be chaired by the Strategic Director Corporate Resources and the rolling out of contract management training for staff.

Materials Reclamation Facility (MRF) - A scheme is being developed for the replacement of the recycling plant at the Exton Road MRF. This will involve extensive works to remove the existing plant, design, manufacture and install new plant and undertake extensive works to the building and infrastructure to accommodate this. A design team has been procured, and extensive surveys and investigations have been undertaken to confirm the scope of work and remedial works that are required. Whilst the refurbishment option is being currently prioritised, consideration is also being given to alternative ways to improve the recycling infrastructure including the purchase of additional buildings should that provide a more cost-effective alternative. This would be reported to Council should a viable opportunity be available.

Commercial, Social Housing and Property Assets - Works to the first phase at Vaughan Road – named Cherry and Damson Houses – is now complete and lettings have been arranged. SMB has agreed the funding viability allowing Phase B to proceed so plans are being made to formalise the procurement approvals and instruct the contractor – this is currently proposed as 6 one-bed and 10 two-bed apartments.

The final phase of the redevelopment of the non-traditional housing (known as Laings) in the St Thomas area of the city is now progressing with the contractor selection being finalised and works to commence on site in early January 2026.

Work continues on the retrofit programme for all council housing – 1,250 properties have been completed to date.

The formal legal application to Court for the removal of the telecom's equipment from the roof of Rennes House continues – the council now needs the engagement and commitment of the private company to agree the terms and timescale for the relocation of the equipment. This will then allow the demolition process to commence.

Devon County Council has terminated the Mallison Bridge replacement project due to financial constraints. Discussions are underway to see how the Active Travel England funding can be used for other projects within the city.

The options review for the renewal of Trews Weir has commenced. It is expected that the final Options Appraisal will be completed during the first six months of 2026 after which there will be a process of stakeholder engagement.

Repairs to a section of the City Wall at Bartholomew Street East have been completed. This follows the recent completion of repairs to the Rougemont and Northernhay Gardens Archway allowing it to be reopened.

Pendragon Road - the sale of land at Pendragon Road has been completed and the capital receipt received contributing to the viability of the delivery of Vaughan Road Phase B. This land is part of our social housing estate and therefore the receipt can only be used for social housing.

Contracts have been exchanged in respect of the land at Clifton Hill. This is an important step in the process to deliver an affordable rent Extra Care development on the site.

3. Issues that may impact : services delivery/financial performance/future budget requirements

Local Government Reorganisation (LGR) - In December 2024, the Government published the English Devolution White Paper: *Power and Partnerships – Foundation for Growth*. This set out a long-term plan for simpler council structures and the end of two-tier local government in areas like Devon.

In response to this, the council and Plymouth City Council has submitted a single, shared proposal to Government for local government reorganisation (LGR) in Devon.

Following the submission of the final proposal, work will need to continue to prepare the groundwork for the final model that is agreed by the Government. Work is underway to understand the budget and resource implications of the work that will be required and the impact that this may have on business as usual. Guidance from the District Councils Network and learning from other unitary councils recommends that preparatory work starts in a timely way in relation to the following:

- **Democracy and governance:** Developing the constitutions, establishing the leadership to steward the new organisations and running the elections for new councillors who will govern the new unitary councils. This also includes setting up shadow council arrangements as part of the transition.
- **Service design:** Developing the detailed future operating models that lay out how each service within each new authority will work.
- **Budgets and finance:** Apportioning the existing budgets to each new unitary in a fair and transparent way, as well as dealing with other key financial policies such as council tax harmonisation.
- **Workforce and organisational change:** Supporting the existing officer workforce with the changes and staff transfer to the new organisations. This will also entail other workforce considerations such as union engagement, staff consultation, redeployment issues, and culture and practice changes.
- **Data and technology:** Ensuring that all data we hold is accurate and complete, before it is safely transferred to the correct unitary. Managing the systems which hold this data and support service delivery falls within this element.
- **Procurement and contracts:** Identifying which contracts are novated to each unitary. This may involve contract variations and negotiations with suppliers, as well as preparation for decommissioning and re-procurement.
- **Partnerships:** Ensuring that the strong working relationships with partner organisations are maintained, as well as setting up new arrangements that align with both unitary aspirations and regional goals.
- **External delivery bodies:** Councils have set up a variety of delivery vehicles (arm's length companies and joint ventures) to support strategic objectives. We will need to work through decisions around the future of these vehicles and ownership of them.

4. Potential changes to services/provisions being considered

Office relocation - The Civic Centre is no longer appropriate for the needs of the council. The building does not support modern ways of working and carries a high carbon footprint.

Senate Court in Southernhay has emerged as a viable alternative. The building is owned by the council, offers modern, open-plan space, and can accommodate around 500 workstations, alongside meeting rooms, committee rooms, the Customer Service Centre, and staff wellbeing facilities. It also aligns well with the council's sustainability goals, with the potential to achieve a high EPC B rating and support the council's net zero aspirations.

The Council is proposing to secure vacant possession of Senate Court by July 2026, following agreement with the current tenant. It is anticipated that the existing Civic Centre will be disposed of for much needed housing.

5. Other matters the Portfolio Holder wishes to raise with the Scrutiny Committee

County Combined Authority – The council continues to be part of the Devon and Torbay Combined County Authority as a non-constituent Member and representative on the Devon and Torbay Housing Advisory Group. The council also continues to participate in the Devon Districts Forum which has recommended now that LGR submissions have been made. Should DCC decide to reinstate Team Devon, this council will of course recommence our engagement with it. The council has continued to work positively with councils across Devon and farther afield on issues of common interest.

Strategic Communications – the council continues to deliver strategic communications to its stakeholders through a number of mechanisms including social media, newsletters and press releases. Over the next 12 months, work will be undertaken alongside the Sales and Marketing Team to understand how the council can further improve the way it communicates strategically and promotes the council's priorities and services.

Strata Joint Executive Committee – The council continues to play its role in ensuring appropriate governance and oversight of our joint ICT company via participation in the Strata JEC as well as Scrutiny Committee.

Portfolio Holder's Responsibilities:

- Corporate Plan
- Local Government Reorganisation and Devolution
- Corporate Risk Strategy
- MTFP and Budget Strategy
- Fees & Charges
- Devon and Torbay County Combined Authority
- Devon District Forum
- Team Devon
- Exeter Civic University Agreement
- Strategic Partnerships (incl Exeter Partnership) and the Sub Regional Growth agenda
- Commercial, Social Housing Assets & Property Assets
- Strategic Communications
- Business Rates Discretionary Grants
- Procurement Policy
- Strata Joint Executive Committee

Agenda Item 8

REPORT TO COUNCIL

Date of Meeting: 9 December 2025

Report of: Strategic Director of Corporate Resources & s151 Officer

Title: Overview of General Fund Revenue Budget 2025/26 – Quarter 2

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 To advise Members of the overall financial position of the General Fund Revenue Budgets for the 2025/26 financial year after six months.

2. Recommendations:

2.1 It is recommended that Council approves:

- 1) The General Fund forecast financial position for the 2025 financial year
- 2) The supplementary budgets as detailed in paragraph 8.10 and Appendix 3

2.2 It is recommended that Council notes:

- 3) The outstanding Sundry Debt position as at September 2025
- 4) The creditors payments performance.
- 5) The budget reduction monitoring update.

3. Reasons for the recommendation:

3.1 To formally note the Council's projected financial position and to approve additional expenditure required during the financial year.

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

4.1 The impact on the General Fund working balance is set out in section 8.9. The General Fund Working Balance is projected to stand at £2.901 million at year end.

5. Section 151 Officer comments:

5.1 Whilst General Funds reserves are projecting to go under the minimum level set, the section 151 Officer recommends taking no action at this stage. This is because the current estimates of the impact of the new formula funding are such that the position will be rectified in the new financial year. In addition, some of the financial challenges relate to timing of additional income or reductions made and the full year impact will address some of these issues.

6. What are the legal aspects?

6.1 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.

6.2 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:

7.1 The purpose of this report is to advise Members of the overall financial position of the General Fund Revenue Budgets for the 2024/25 financial year as at Quarter 2. Members will note the statutory duty imposed on the Council to monitor expenditure and income against the budget calculations as set out in the legal aspects above.

8. Report details:

Overview of General Fund Revenue Budget 2025/26 – Quarter 2

8.1 Financial Summary

FUND	Planned Transfer To / (From) Working Balance £	Budget Variance (More) / Less £	Outturn Transfer 2025/26 £
General Fund	(907,930)	(1,496,589)	(2,404,519)

8.2 General Fund (Appendix 1 & Appendix 2)

For the 2025/26 financial year, the current forecasts show an overall projected overspend of £610,300 against a revised budget of £21,479,070. This includes supplementary budgets of £5,308,830 already agreed by Council. Variances of more than +/- £30,000 are detailed below:

8.3 Chief Executive

Head of Service Area	Budget £	Current Outturn Forecast £	Current Forecast Variance £	Qtr 1 Forecast Variance £
Executive Office	1,611,270	1,589,010	(22,260)	0

- There are no significant variances to report for **Active & Healthy People** and **Strategic Management**.

8.4 Operations

Head of Service Area	Budget £	Current Outturn Forecast £	Current Forecast Variance £	Qtr 1 Forecast Variance £
Environment & Waste	5,755,960	5,273,680	(482,280)	(669,120)

- **Environmental Health & Licensing** is showing a forecast underspend of £202k predominantly due to savings within the service establishment and the difficulties with recruiting into vacant posts. These savings have been reduced by increased costs in agency staff and this will continue to be monitored throughout the year.
- The forecast underspend in **Domestic Refuse Collection** has increased. Overall staff spend is still showing a material saving due to the difficulties in recruiting and Fleet is also showing a saving. Non-contractual overtime is still high to cover Saturday shifts.
- After a more detailed analysis of income for Green Waste bin hire – and a successful second quarter - **Waste Chargeable Services** is now showing a positive variance. This will continue to be monitored throughout the year and a further adjustment made in quarter three, if necessary
- **Waste Strategy & Facilities** is showing an underspend of £154k. This is due to supplementary budgets that will not be utilised in-year due to lack of resources
- The overspend in the **Materials Reclamation Facility** has increased, partly due to an accounting error at 2024/25 year-end where expected income was over-accrued; this has now been adjusted in the forecast. Income will continue to be monitored but is still being offset by having to transport materials to secondary MRF's.

Head of Service Area	Budget £	Current Outturn Forecast £	Current Forecast Variance £	Qtr 1 Forecast Variance £
Operations	5,696,000	5,398,580	(317,420)	(225,620)

- The saving in **Parks & Green Spaces** has materially reduced from £122.2k to £44k. Agency costs are still high; however, with recent recruitment into vacant positions, this forecast spend is being monitored and may be reduced in the next

quarter. Premises costs as well as Supplies & Services are forecasting overspends which has also reduced the saving.

- There is no significant variance to report in respect of **Bereavement Services**.
- Similar to Parks, **Street Cleaning** is experiencing difficulties in recruitment, leading material forecast savings against permanent staffing being offset by increases in casual staff spend. This situation will be monitored as vacancies are filled.
- There are no significant variances to report for **Public Conveniences or Engineering Services**
- **Waterways** is now showing a forecast underspend of £208k, this is due to supplementary budgets not being fully utilised within this financial year.

Head of Service Area	Budget £	Current Outturn Forecast £	Current Forecast Variance £	Qtr 1 Forecast Variance £
General Fund Asset Maintenance	1,854,600	2,186,600	332,000	332,000

- **Corporate Support** is forecasting an adverse variance of £332k due to the ongoing issue of vacant office space in the Civic Centre and therefore lower rental income from tenants than budgeted.
- There are no significant variances to report for **Affordable Housing Development, Sundry Lands Maintenance or Corporate Property – Assets**

8.5 Corporate Resources

Head of Service Area	Budget £	Current Outturn Forecast £	Current Forecast Variance £	Qtr 1 Forecast Variance £
Commercial Assets	(11,960,700)	(10,977,240)	983,460	187,250

- **Corporate Property – Estates** is showing a net forecast adverse variance of £695k: The adverse outturn to budget is predominantly driven by:
 - Lower rental income than budget due to empty properties, including Senate Court as the Council makes preparations for a move to the building
 - Delays in leasing units where significant repairs are required
 - Business rates due to empty properties higher than budget
 - Property maintenance costs higher than budget

Guildhall Shopping Centre performance has been impacted by rent reviews on some units resulting in lower rents and the surplus is currently forecast to be slightly adverse to budget.

Excluding the Guildhall Shopping Centre adverse position (which is ring fenced from the General Fund) the true impact on the General Fund is an adverse variance of £647k.

- A net forecast adverse variance of £556k is anticipated for **Parking Services**. The net income generated by Car Parks is lower than anticipated for the following reasons:
 - The increase in debit and credit cards and use of the RingGo App has increased the costs to the Council for using these methods of payment;
 - Re-zoning some of the Car Parks from Zone 1 to Central has increased their Business Rates bills;
 - Rental income from Devon County Council renting offices at John Lewis car park has been lost after their Parking team moved out;
 - Seasonal parking permit income is lower than expected.
 - The proposed increase in car parking tariffs for 2025/26 has not been implemented to date (expected November 2025)
 - Car park fire risk assessments not included in budget

Additionally, a cost of £105k for the cash collection team is forecast, however there is no budget for this cost as it was envisaged the Council's parking operations would be cashless in 2025/26.

The adverse position is partially offset by:

- lower electricity costs, projected to be £196,000 lower than the budget;
- lower staff costs than budget due to understaffing.
- 7% increase in car parking charges, estimated implementation November 2025, contributing c£344k additional income.

- **Major Projects** is showing a net forecast favourable variance of £175k. The underspend is due to Civic Centre relocation where the 2nd tranche compensation payment to an in situ tenant is due in 2026/27, partially offset by higher spend on Bus Station site options review than budgeted.
- An underspend of £93k is expected for **Markets**; income from commercial contracts at the Matford Centre continues to outperform the budget. The excess income has been partially offset by income from the solar array being lower than budget as a result of lower prices for selling the electricity generated and maintenance being required for some of the panels. The maintenance of the panels has started in 2025/26.

Head of Service Area	Budget £	Current Outturn Forecast £	Current Forecast Variance £	Qtr 1 Forecast Variance £
Finance	4,385,420	4,552,920	467,500	0

- An overspend of £140k is forecast for **Revenues & Benefits**. Since reporting at Quarter 1, a restructure of Local Taxation Services (council tax and business rates) has started with one of the key objectives; to bring an end to heavy reliance on agency officers and permanently recruit a team that is resilient for the future. Advertising of posts has already started, and it is hoped that appointments will start to be made during December. The reported overspend is predominantly due to spend on agency staff, which the restructure is seeking to address.
- **Corporate:** The Rapid Impact Project has identified potential digitalisation savings and efficiencies in relation to Parks and Open Spaces and Waste service areas. A report is pending review by the Strategic Management Board and whilst savings are expected to be delivered, they may not be delivered in this financial year.
- There are no significant variances to report in respect of **Unapportionable Overheads, Financial Services, or Internal Audit** at Quarter 2.

Head of Service Area	Budget £	Current Outturn Forecast £	Current Forecast Variance £	Qtr 1 Forecast Variance £
Legal & Democratic Services	1,771,250	1,699,720	(71,530)	(128,170)

- The forecast underspend in **Elections & Electoral Registration** has reduced to £82.5k. A more accurate forecast for printing & postage costs has been added, including an estimate for the new postal vote refresh exercise, the details of which were not clear at quarter one. Part – but not all – of this cost will be reclaimable and quarter three should give us a better indication of the true cost. Any surplus in Elections will be transferred to reserves at year end.
- There are no significant variances to report for **Democratic Representation, Legal Services or Procurement**.

8.6 People & Communities

Head of Service Area	Budget £	Current Outturn Forecast £	Current Forecast Variance £	Qtr 1 Forecast Variance £
Customer & Communities	2,429,240	2,158,820	(270,420)	0

- A forecast underspend of £407,820 in the **Exeter Community Grants Programme** is made up of £118,010 ringfenced for Wellbeing Exeter and £135,290 ringfenced for Homes for Ukraine, which will fund Ukraine Wraparound services in 2026/27. These budgets are funded from ear-marked reserves and remaining funding will be re-requested as supplementary budgets, towards this planned spend, in 2026/27.
- There are no significant variances to report for the **Customer Service Centre**

Head of Service Area	Budget £	Current Outturn Forecast £	Current Forecast Variance £	Qtr 1 Forecast Variance £
Digital & Data	2,920,050	2,886,710	(33,340)	0

- There are no significant variances to report for **Digital & Data or IT Services**.

Head of Service Area	Budget £	Current Outturn Forecast £	Current Forecast Variance £	Qtr 1 Forecast Variance £
General Fund Housing	2,205,160	2,160,210	(44,950)	0

- A one-off net underspend of £45k is anticipated within **Private Housing** due to vacancies within the team, partly offset with agency costs early in the year.
- There are no significant variances to report for **Housing Needs & Homelessness** or **GF Housing – Property**.

Head of Service Area	Budget £	Current Outturn Forecast £	Current Forecast Variance £	Qtr 1 Forecast Variance £
HR Workforce Planning & OD	945,020	885,450	(59,570)	(50,000)

- The forecast £50k surplus for **Transportation** will be transferred to reserves at year-end to be used for future Green Travel initiatives.
- There are no significant variances to report for **Human Resources** or the **Organisational Change Programme**.

8.7 Place

Head of Service Area	Budget £	Current Outturn Forecast £	Current Forecast Variance £	Qtr 1 Forecast Variance £
City Centre & Net Zero	1,487,040	1,617,030	129,990	0

- **Net Zero & Business** is forecast to be overspent by £80.4k by year-end, predominantly due to the purchase of new radios in the Business Crime Reduction Unit. However, £82.4k will be transferred from an ear-marked reserve to cover these costs.
- There are no significant variances to report for **CCTV & Homecall** and **Community Safety**

Head of Service Area	Budget £	Current Outturn Forecast £	Current Forecast Variance £	Qtr 1 Forecast Variance £
City Development	1,726,690	1,445,930	(254,180)	0

- **Building Control & Land Charges** is reporting an underspend of £57k. However, due to movements in reserves, the actual impact on the general fund is only £3,160

- **Planning** is now forecasting a £197k underspend. This is predominantly due to a supplementary budget funded by an earmarked reserve not being utilised fully in year; remaining funding will be requested as a supplementary in 2026/27. Planning income is difficult to forecast as it depends on market conditions in the construction industry; however, at quarter two, it is forecast that income will not meet budget therefore a deficit has been included.
- There are no significant variances to report in respect of **Liveable Exeter Garden City**.

Head of Service Area	Budget £	Current Outturn Forecast £	Current Forecast Variance £	Qtr 1 Forecast Variance £
Culture & Leisure	6,028,790	6,282,090	253,300	258,110

- The forecast underspend in **Culture** derives from the Corn Exchange, which is forecasting a surplus of event income.
- A net underspend of £158.5k is forecast for the **Museum Service**:
 - There will be a £31.7k overspend in Museum Projects. However, this will be covered by reserves, reducing the pressure on the general fund
 - The majority of the variance is still due to savings in utilities, a good proportion of which is due to RAMMs Dynamic Energy Management and System Maintenance Improvement Project. However, in the future, the underspend will disappear as utility budgets are reduced, creating the potential for overspends.
- A forecast overspend of £386k is anticipated for **Leisure & Sport**, mostly due to the removal of budgets for Northbrook Pool and Exeter Arena as part of 2025/26 budget savings but partly due to the estate still bearing maintenance costs. The overspend has been mitigated by underspends against utilities. It is proposed to re-instate the Exeter Arena budget for 2026/27.
- There are no significant variances to report for **Tourism, Visitor Facilities, Civic Ceremonials and Marketing**.

8.8 Other Financial Variations

Net Interest

Interest payable remains on target at Quarter 2, however interest receivable is expected to be £173k lower than budgeted as interest rates are reducing.

8.9 General Fund Balance

In 2025/26 it is projected that there will be an overall net contribution from the General Fund Balance of £2.405 million, reducing the balance to £2.901 million at year end, this is £199k below the £3.100 million minimum requirement for the General Fund working balance which was approved by Council in February 2025.

Movement	2025/26
Opening Balance, as at 01/04/25	£5,305,182
Net	(£2,404,519)
Projected Balance at Year End	£2,900,663

8.10 Supplementary Budgets

It is proposed that the supplementary budgets identified in Appendix 3 are approved and added to the 2025/26 budget. The budgets are self-financing.

8.11 Outstanding Sundry Debt

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

Age of Debt	March 2024	March 2025	September 2025
Up to 29 days (current)	£1,411,457	£1,264,074	£2,203,021
30 days – 1 Year	£2,738,947	£1,689,790	£2,487,080
1 – 2 years	£299,265	£1,005,233	£686,583
2 – 3 years	£273,541	£224,732	£616,966
3 – 4 years	£78,227	£202,422	£222,226
4 – 5 years	£290,834	£58,784	£90,514
5 + years	£340,009	£580,916	£502,804
Total	£5,432,280	£5,025,951	£6,809,194

In April 2025 a new Income Collection Team was formed with responsibility for sundry debtor income collection and the recovery of overpaid housing benefits. Resources have been dedicated to investigating older debts and establish what debts are realistically recoverable, so that decisions can be made and write-offs approved in line with the Council's financial regulations.

Monthly sundry debt reports are being issued to Directors and Heads of Service so they can monitor and challenge collection rates.

At the end of September, sundry debt levels for each directorate and service area, were as follows:

Head of Service	Description	Qrt 1 £	Qrt 2 £
Executive Office		0	0
Commercials Assets *	Predominantly commercial property rents	3,133,337	2,326,890
Finance	Recovery of HB overpayments	7,444	53,040
Legal & Democratic	Election and electoral registration related	6,931	43
Corporate Resources Total		3,147,713	2,379,973
Environment & Waste	Predominantly trade refuse, recycling and licensing	422,745	182,258
GF Asset Maintenance	Civic centre recharges	17,041	(100)
HRA Asset Maintenance	HRA rechargeable repairs	31,235	31,159
Operations	Predominantly canal, waterway and allotment fees	355,675	454,375
Operations Total		826,695	667,692
Customer & Communities	Wellbeing Exeter related	45,000	45,000
GF Housing	Predominantly leasehold flat insurance, service charges & DFG	441,075	1,467,452
HR Workforce Planning & OD	Green travel recharges	1,454	901
HRA Housing	Predominantly leasehold flat ground rents	19,044	42,954
People & Communities Total		506,573	1,556,307
City Centre & Net Zero	Predominantly Home Call alarm service	92,193	87,366
City Development *	Predominantly CIL and Section 106 related	676,212	1,925,497
Culture & Leisure	Predominantly group bookings for leisure services & marketing	270,884	193,123
Place Total		1,039,289	2,205,986
Total		5,520,269	6,809,958

*Restated since Qtr 1 to move CIL invoices from the Head of Service, Commercial Assets to the Head of Service, City Development.

In terms of key changes to draw to attention, an invoice of £926k was issued in respect of Disabled Facility Grant funding, £475k in respect of CIL and £703k in respect of Section 106 contributions during September, totalling £2.1m. Hence, the rise in debts up to 29 days old and the overall level of debts.

8.12 Debt Write-Offs

The following amounts have been written-off during 2025/26:

	2024/25 Total	2025/26 (Qtr 2)
• Council Tax	£280,588	£109,109
• Business Rates *	£5,829	£0
• Sundry Debt	£0	£142,717
• Housing Rents	£51,381	£9,227
• Non-HRA Rents	£33,087	£2,893
• HB Overpayments	£76,146	£73,930

* Business Rate write offs dealt with annually

8.13 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 95.12% for

the first six months of 2025/26 compared with 96.11% after the first six months of 2024/25.

9. Budget Reduction Monitoring (Appendix 4)

Budget savings of £2.143m were incorporated into the 2025/26 budgets, as at Quarter 2 it is forecast that £1.053m of these savings will not be made in year, mainly due to proposals in the Leisure service and digitalisation efficiencies taking longer to implement.

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

10.1 This is a statement of the projected financial position to the end of 2025/26.

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

11.1 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.

Areas of budgetary risk are highlighted in this report. The key areas of budgetary risks are attached as Appendix 5, for reference.

12. Equality Act 2010 (The Act)

12.1 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.

12.2 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 impact on all members of the community.

12.3 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.

12.4 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:

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

14. Are there any other options?

Not applicable.

Strategic Director of Corporate Resources & 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

Contact for enquires:

Democratic Services (Committees)

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2025/26 GENERAL FUND BUDGET MONITORING - SUMMARY

QUARTER 2

	Original Budget £	Budgets & Transfers £	Revised Budget £	Year End Forecast £	Variance to Budget £
Chief Executive	1,139,480	471,790	1,611,270	1,589,010	(22,260)
Operations	12,591,810	714,750	13,306,560	12,838,860	(467,700)
Corporate Resources	(6,753,370)	949,340	(5,804,030)	(4,424,600)	1,379,430
People and Communities	6,401,250	2,098,220	8,499,470	8,091,190	(408,280)
Place	8,167,790	1,074,730	9,242,520	9,371,630	129,110
less Notional capital charges	(5,376,720)	0	(5,376,720)	(5,376,720)	0
Service Committee Net Expenditure	16,170,240	5,308,830	21,479,070	22,089,370	610,300
Net Interest	1,475,000		1,475,000	1,648,350	173,350
Revenue Contribution to Capital	88,760		88,760	406,406	317,646
Minimum Revenue Provision	2,702,000		2,702,000	2,702,000	0
General Fund Expenditure	20,436,000	5,308,830	25,744,830	26,846,126	1,101,296
Transfer To/(From) Working Balance	16,370	(924,300)	(907,930)	(2,404,519)	(1,496,589)
Transfer To/(From) Earmarked Reserves	1,447,780	(4,384,530)	(2,936,750)	(2,541,457)	395,293
General Fund Net Expenditure	21,900,150	0	21,900,150	21,900,150	0
Formula Grant	(5,931,000)		(5,931,000)	(5,931,000)	0
CIL Income	(798,360)		(798,360)	(798,360)	0
Business Rates Growth / Pooling Gain	(5,382,000)		(5,382,000)	(5,382,000)	0
Extended Producer Responsibility	(1,410,000)		(1,410,000)	(1,410,000)	0
New Homes Bonus	(872,000)		(872,000)	(872,000)	0
Council Tax	(7,506,790)		(7,506,790)	(7,506,790)	0
	0	0	0	0	0
Working Balance March 2025	£ 5,305,182			£ 2,900,663	March 2026

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2025/26 GENERAL FUND BUDGET MONITORING - DETAIL
QUARTER 2

YEAR END FORECAST				
	APPROVED BUDGET £	CURRENT OUTTURN FORECAST £	CURRENT FORECAST VARIANCE £	QTR 1 FORECAST VARIANCE £
Chief Executive				
Executive Office				
Active & Healthy People	351,800	329,540	(22,260)	0
Strategic Management	1,259,470	1,259,470	0	0
Executive Office Total	1,611,270	1,589,010	(22,260)	0
Chief Executive Total	1,611,270	1,589,010	(22,260)	0
Operations				
Environment & Waste				
Environmental Health & Licensing	1,031,430	829,200	(202,230)	(188,550)
Domestic Refuse Collection	3,580,250	3,004,720	(575,530)	(310,390)
Waste Chargeable Services	(412,460)	(506,000)	(93,540)	62,940
Waste Strategy & Facilities	569,270	415,040	(154,230)	23,940
Materials Reclamation Facility	987,470	1,530,720	543,250	(257,060)
Environment & Waste Total	5,755,960	5,273,680	(482,280)	(669,120)
Operations				
Parks & Green Spaces	2,032,030	1,988,090	(43,940)	(122,170)
Bereavement Services	120,120	106,130	(13,990)	(10,130)
Street Cleaning	1,872,490	1,832,690	(39,800)	(103,980)
Public Conveniences	234,710	231,390	(3,320)	11,710
Engineering Services	752,960	744,680	(8,280)	(1,050)
Waterways	683,690	475,600	(208,090)	0
Operations Total	5,696,000	5,378,580	(317,420)	(225,620)
General Fund Asset Maintenance				
Affordable Housing Development	410	410	0	0
Sundry Lands Maintenance	115,670	115,670	0	0
Corporate Property - Assets	1,137,820	1,137,820	0	0
Corporate Support	600,700	932,700	332,000	332,000
General Fund Asset Maintenance Total	1,854,600	2,186,600	332,000	332,000
Operations Total	13,306,560	12,838,860	(467,700)	(562,740)
Corporate Resources				
Commercial Assets				
Corporate Property - Estates	(4,815,730)	(4,120,340)	695,390	(11,740)
Parking Services	(7,158,280)	(6,602,010)	556,270	132,670
Major Projects	535,250	360,520	(174,730)	6,370
Markets	(521,940)	(615,410)	(93,470)	59,950
Commercial Assets Total	(11,960,700)	(10,977,240)	983,460	187,250
Finance				
Revenues & Benefits	2,057,740	2,198,130	140,390	0
Corporate	(55,160)	271,950	327,110	0
Unapportionable Overheads	1,323,690	1,323,690	0	0
Financial Services	937,860	937,860	0	0
Internal Audit	121,290	121,290	0	0
Finance Total	4,385,420	4,852,920	467,500	0
Legal & Democratic Services				
Elections & Electoral Registration	664,870	582,400	(82,470)	(133,290)
Democratic Representation	713,540	688,540	(25,000)	(28,230)
Legal Services	257,620	279,570	21,950	21,300
Procurement	135,220	149,210	13,990	12,050
Legal & Democratic Services Total	1,771,250	1,699,720	(71,530)	(128,170)
Corporate Resources Total	(5,804,030)	(4,424,600)	1,379,430	59,080

YEAR END FORECAST				
	APPROVED BUDGET £	CURRENT OUTTURN FORECAST £	CURRENT FORECAST VARIANCE £	QTR 1 FORECAST VARIANCE £
People and Communities				
Customer & Communities				
Exeter Community Grants Programme	1,402,780	1,145,050	(257,730)	0
Customer Service Centre	1,026,460	1,013,770	(12,690)	0
Customer & Communities Total	2,429,240	2,158,820	(270,420)	0
Digital & Data				
Digital & Data	284,260	255,920	(28,340)	0
IT Services	2,635,790	2,630,790	(5,000)	0
Digital & Data Total	2,920,050	2,886,710	(33,340)	0
General Fund Housing				
Housing Needs & Homelessness	2,020,880	2,020,880	0	0
GF Housing - Property	121,640	121,640	0	0
Private Housing	62,640	17,690	(44,950)	0
General Fund Housing Total	2,205,160	2,160,210	(44,950)	0
HR Workforce Planning & Organisational Development				
Transportation	0	(50,000)	(50,000)	(50,000)
Human Resources	870,650	861,080	(9,570)	0
Organisational Change Programme	74,370	74,370	0	0
HR Workforce Planning & OD Total	945,020	885,450	(59,570)	(50,000)
People & Communities Total	8,499,470	8,091,190	(408,280)	(50,000)
Place				
City Centre & Net Zero				
Net Zero & Business	860,540	940,900	80,360	0
CCTV & Homecall	572,760	593,390	20,630	0
Community Safety	53,740	82,740	29,000	0
City Centre & Net Zero Total	1,487,040	1,617,030	129,990	0
City Development				
Building Control & Land Charges	72,530	15,310	(57,220)	0
Planning	1,302,760	1,105,800	(196,960)	0
Liveable Exeter Garden City	351,400	351,400	0	0
City Development Total	1,726,690	1,472,510	(254,180)	0
Culture & Leisure				
Culture	471,450	419,400	(52,050)	(10,370)
Tourism	0	26,180	26,180	0
Museum Service	2,670,550	2,512,070	(158,480)	(161,350)
Leisure & Sport	2,375,160	2,761,130	385,970	443,670
Visitor Facilities	91,830	86,670	(5,160)	(9,190)
Civic Ceremonials	260,020	288,300	28,280	24,790
Communications	159,780	188,340	28,560	(29,440)
Culture & Leisure Total	6,028,790	6,282,090	253,300	258,110
Place Total	9,242,520	9,371,630	129,110	258,110
TOTAL GENERAL FUND NET EXPENDITURE	26,855,790	27,466,090	610,300	(295,550)

SUPPLEMENTARY BUDGET REQUESTS - QUARTER 2

Supplementary Budgets

Description	£	Funded by:
Additional RSPARG (Rough Sleeping Prevention and Recovery Grant) funding	(407,050)	External grant income
Additional RSPARG expenditure	407,050	Expenditure funded by external grant
Total	0	

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Monitoring Budget Reductions - 2025/26 Quarter 2 Update

Service	Description/Proposal	2025/26 Budget Reduction/ (increase)	Quarter 2 Forecast	Variance (shortfall)	Comment
Leisure					
Culture & Leisure	Close Northbrook Pool	286,000	145,840	(140,160)	Close down bought forward to end of September
Culture & Leisure	Exeter Arena - seek an asset transfer opportunity	300,000	0	(300,000)	Arena continues to operate as normal; budget to be returned in 2026/27
Culture & Leisure	Increase Marketing income	20,000	20,000	0	Income target forecast to be achieved; however, bad debt may decrease the overall amount received if it cannot be reversed
Culture & Leisure	Decrease Tourism costs	29,000	7,250	(21,750)	Completion not expected until end of Dec 2025 therefore only one quarter saving forecast
Car Parks					
Commercial Assets	RingGo transaction charge passed to customer	80,000	40,000	(40,000)	Estimated savings calculated based on changes being implemented in November 2025
Commercial Assets	Explore commercial activity in car parks using managing agents	50,000	0	(50,000)	Saving not being achieved however development of the initiative is well under way.
Commercial Assets	Above inflation increase - 3% built in - extra 4% (so 7%) - takes into account no increase in 2024/25	88,000	77,000	(11,000)	Estimated savings calculated based on changes being implemented in November 2025
Commercial Assets	Howell Road & Triangle car parks - move to central zone	370,000	323,000	(47,000)	Estimated savings calculated based on changes being implemented in November 2025
Commercial Assets	Cashless (Service Review Option)	40,000	40,000	0	Saving not being achieved however cost offset by underspend on staffing in other Car Parks areas.
Commercial Assets	Increase income budget - Matford Centre	28,000	110,000	82,000	Expected to exceed reduction due to continued overperformance of auctioneer income against budget
Operations					
Operations	No longer clean private landowner areas without contribution	33,080	33,080	0	No overspend forecast so savings achieved
Operations	Dedicate some Engineers to capital projects only	70,700	70,700	0	No overspend forecast against budget lines so savings achieved
General Fund Housing					
General Fund Housing	Additional HMO income	20,000	20,000	0	At quarter 2 the additional licence income for HMOs has been achieved
General Fund Housing	Reduce the number of Extralet properties and replace with more cost effective properties	21,500	21,500	0	Savings on Extralet costs are on track to be delivered as at quarter 2
Other					
City Centre & Net Zero	Carbon Literacy Training - sell training sessions to local organisations	20,000	0	(20,000)	Staffing issues have led this training programme to be delayed until 26/27
Commercial Assets	Cease accepting cash and cheques at ECC sites	88,070	48,070	(40,000)	Saving not being achieved due to delay in delivery however partially offset by underspend on staffing in other Car Parks areas.
SUBTOTAL SERVICE REVIEW REDUCTIONS		1,544,350	956,440	(587,910)	
Culture & Leisure	Remove duplication in Culture Service	200,000	50,000	(150,000)	Completion not expected until end of Dec 2025 therefore only one quarter saving forecast
Miscellaneous	Stop budgeting for Pension Contributions where individual is not in Pension Scheme	98,310	83,590	(14,720)	Small variance expected at quarter 2
Miscellaneous	Implement digitalisation to improve efficiency - up to £1.2m over 3 years (£0.3m in year 1)	300,000	0	(300,000)	The Rapid Impact Project has identified potential digitalisation savings and efficiencies in relation to Parks and Open Spaces and Waste service areas. A report is pending review by the Strategic Management Board and whilst savings are expected to be delivered, they may not be delivered in this financial year.
SUBTOTAL OTHER PROPOSALS		598,310	133,590	(464,720)	
TOTAL		2,142,660	1,090,030	(1,052,630)	

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2025/26 BUDGET MONITORING AREAS OF BUDGETARY RISK

The table below notes service-areas that, based on either experience last year or market factors this year, have been identified as having significant budgetary risk within the 2025/26 revenue budgets.

The revenue budget areas of risk are:

Service	2025/26 Approved Budget	Risk Rating	Risk and mitigation
Operations			
Environment & Waste (Revenue)	£5,755,960		<p>There have been significant challenges in recruiting permanent members of staff, resulting in large underspends across both Environmental Health & Licensing and the Waste services. Agency staff are being employed to fill these gaps and more overtime is being approved to cover weekend shifts but there is no indication at this time that these costs will exceed staff savings. Once the new kerbside collection rounds are introduced to meet the deadline of 31st March 2026, additional recruitment may result in vacancies being filled.</p> <p>Income generated at the MRF is forecast to remain strong, although the sale of materials is market dependant and the materials are often held until prices are more favourable. This means there is a risk that income forecasts may fluctuate throughout the year so this will be monitored as the financial year progresses.</p>
General Fund Asset Maintenance	£1,954,600		<p>This budget includes rental income and service charges from tenants at the Civic Centre. However as there continue to be a number of vacancies there is likely to be significantly less income received than budgeted, and current projections are in line with the actual rents received in 2024/25.</p>

Service	2025/26 Approved Budget	Risk Rating	Risk and mitigation
Corporate Resources			
Corporate Property – Estates	(£4,815,730)		There are a number of vacant properties within the Corporate Property - Estates commercial portfolio, leading to a forecast deficit of rental income against budget. However, new tenants may be found, so this situation will continue to be monitored throughout the year. The Guildhall Shopping Centre has been impacted by rent reviews and a net income slightly adverse to Budget is expected however any surplus that may be generated cannot be used for General Fund expenditure.
Parking Services	(£7,158,280)		Achieving the Budgeted income is at risk due to higher Business Rates from rezoning, lower season ticket income and higher payment charges from increased use of debit and credit cards and RingGo. Initiatives are being undertaken to reduce payment charges. An increase in car parking charges is to be implemented later in the year ahead of the busy Christmas period which could contribute to a more favourable uplift than currently factored into the forecast.
Revenues and Benefits Housing Benefit Subsidy	£28,654,800		The Council currently administers over £29 million of Housing Benefit payments for rent allowances and rent rebates. Not all expenditure can be claimed back as subsidy. Certain supported and temporary accommodation costs are not eligible for full subsidy; these claim types will remain in Housing Benefit and not move to Universal Credit. As more Housing Benefit claims move onto Universal Credit the amount of unsubsidised expenditure will be an increased proportion of total expenditure. Errors made by ECC officers are not subsidised in full if they go over a set percentage of total expenditure. As total expenditure reduces due to Universal Credit rollout, the margins within which error payments are subsidised will reduce, increasing the risk of a subsidy loss in this area.

Service	2025/26 Approved Budget	Risk Rating	Risk and mitigation
Place			
Leisure & Sport (Revenue)	£2,375,160		<p>At quarter two, the forecast overspend in Leisure has reduced to £385,970. This is mainly due to two centres (Northbrook Swimming Pool and Exeter Arena) having their annual budgets removed as part of the 25/26 budget setting process.</p> <p>Northbrook was closed by the end of September and handed back to the Northbrook Trust on the first October. Therefore, all costs associated with the closure that ECC are liable for should all be recognised now.</p> <p>As Arena remains within ECC's estate, it has been forecast to achieve the same out-turn as last year, meaning that budgeted savings won't be achieved. Plans to increase income through facilities hire are currently being worked on and will be included in future forecasts if they are material. However, these may not be significant enough to improve the year-end position by the time they are implemented.</p>

Risk Rating Key:

	Current forecasts indicate either a favourable variance compared to the budget or no variance at all
	Current forecasts indicate an adverse budgetary variance of between 0% and 5% that will be kept under review
	Current forecasts indicate an adverse budgetary variance of more than 5% and will be monitored closely

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REPORT TO COUNCIL

Date of Meeting: 9 December 2025

Report of: Strategic Director of Corporate Resources & s151 Officer

Title: 2025/26 General Fund Capital Monitoring Statement – Quarter 2

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

- 1.1. To report the current position in respect of the Council's revised annual capital programme and to advise Members of the anticipated level of deferred expenditure into future years.

The report seeks Member approval to amend the annual capital programme to reflect the reported variations.

2. Recommendations:

- 2.1. It is recommended that Council approve:

- (1) The overall financial position for the 2025/26 annual capital programme.
- (2) The further funding requests to the Council's annual capital programme for 2025/26.

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.

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

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

5. Section 151 Officer comments:

- 5.1 Progress with delivering the General Fund capital programme remains weak. In order to address this SMB have set up a Capital and Projects Board, chaired by the Chief Executive to drive forward progress.
- 5.2 There are a number of requests for additional funding, which will address some long standing issues. They will be funded through a mix of external Grant and borrowing.

6. What are the legal aspects?

- 6.1. Monitoring of capital expenditure is required to comply with the provisions of the Local Government Act 2003.
- 6.2 The requirements imposed on the Council by the Act are set out in section 3 of the report.

7. Monitoring Officer's comments:

- 7.1 The Monitoring Officer has no additional comments.

8. Equality Act 2010 (The Act)

- 8.1. 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.

9. Carbon Footprint (Environmental) Implications:

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

10. REPORT DETAILS:

10.1. REVISIONS TO THE CAPITAL PROGRAMME

The 2025/26 Capital Programme, including commitments brought forward from 2024/25, was last reported to Council on 10 June 2025. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding
Revised Capital Programme, as reported to Council 10 June 2025	50,402,170	
Replacing Payment Equipment (John Lewis and Guildhall car parks)	£210,000	Approved by Council 2 September 2025

Revised Capital Programme	50,612,170	
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10.2. PERFORMANCE

The revised capital programme for the current financial year is £50.612 million. There are some schemes where the timing of the spend is uncertain, these schemes have a budget of £13.831 million, of the remaining £36.781 million budget the spend during the first six months of the year was £1.759 million, which equates to 4.78% of the revised programme. This compares with £2.899 (11.72%) that was spent in the first six months of 2024/25.

The current programme is detailed in Appendix 1. For the schemes where the timing of the spend is within the control of the Council the Appendix shows a total forecast spend for 2025/26 of £20.988 million with £13.379 million of the programme potentially being deferred to 2026/27 and beyond and £2.414 million potential saving.

Appendix 2 shows the approved budgets for 2026/27 with the proposed 2025/26 budget to be carried forward to 2026/27 and beyond for Council to consider for approval.

10.3. AVAILABLE CAPITAL RESOURCES

The available capital resources for the General Fund for 2025/26 are £16.765 million. An estimated spend of £25.864 million is required of which £16.036 million will be funded from borrowing with £6.937 million capital receipts carried forward to 2026/27.

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 quarter in respect of the General Fund are:

	General Fund £
Balance as at 30 June 2025	155,000
New Receipts	826,606
Balance as at 30 September 2025	981,606

10.4. EXPENDITURE VARIANCES

The main variances and issues concerning expenditure are as follows:

Scheme	Variance £

Parks Anti-Intrusion Measures	£40,000
Bonhay Road/Andlaw House Footpath	(£40,000)
Officer Responsible: Head of Service – Operations	
The Bonhay Road/Andlaw House Footpath scheme will underspend this year to compensate for an overspend on the Parks Anti-Intrusion Measures project.	
Farm Hill Retaining Walls (23 no.)	(515,456)
Officer Responsible: Head of Service – Operations	
Budget estimates were derived from initial surveys of all retaining walls at Farm Hill which might require the Council's intervention, however a detailed review of land ownership in the area led to a significant reduction in scope.	
District Street Lighting	(£346,140)
Officer Responsible: Head of Service – Operations	
The District Street Lighting scheme is dependent on Devon County Council's supplier's timescales for completing this work, and budget has been held for some time in anticipation. A reassessment of the cost to complete this project has determined that budget held by the Council was in excess of the now anticipated costs, so a saving of £346k is expected.	
Scheme	Variance £
BLRF - Exeter Canal Basin	(£589,400)
BLRF - Belle Isle	(£661,870)
BLRF – Lower Wear Road	(£293,390)
Officer Responsible: Head of Service – Commercial Assets	
Despite feasibility work undertaken by the Council the developments at Belle Isle, Exeter Canal Basin and Lower Wear Road weren't feasible for residential development in the short term, as required by the grant conditions set out within the Brownfield Land Release Fund (BLRF). Therefore, these budgets which amount to £1.545 million will not be spent and grant money returned.	

10.5. SCHEMES TO BE DEFERRED TO 2026/27 AND BEYOND

Schemes which have been identified as being wholly or partly deferred to 2026/27 and beyond are:

Scheme	Budget to be Deferred £
Depot Improvement Works	7,516,560
Officer Responsible: Head of Environment and Waste	

The waste depot improvement works including the MRF budget has been re-profiled in-line with estimated project spend. Key contractors have not yet been procured, so it is anticipated that works will not start until the next financial year.

Scheme	Budget to be Deferred £
Bowling Green Marshes Coastal Defence Scheme	168,390
Cricklepit Bridge	84,000
District Street Lightning	200,000
Bromhams Farm Playing Fields	29,669
Mallison Bridge	35,630
Bonhay Rd/Andlaw House Footpath	104,815
Landfill Gas Extraction Systems	76,101
ECC Bridge Repair Programme	263,745
Riverside Walls at Quay	50,000

Officer Responsible: Engineering & Assets Manager

Following an unsuccessful procurement exercise for the Bowling Green Marshes Coastal Defence Scheme an alternative approach has been selected which has required re-scoping and redesigning the project before procurement can commence. The new project approach will have lower cost but will also have a longer duration, taking it into the next financial year.

The next inspection of Cricklepit bridge is due in 2026/27, no works are expected before the inspection takes place.

Delivery of works for the District Street Lighting project remain in Devon County Council's control with the project not expected to be completed this year.

Main phase of Bromhams Farm Playing Fields works are complete, the deferral reflecting the longer contract duration agreed at tender stage to cover an extended period of ongoing establishment maintenance.

Due to overall project budget increases, Devon County Council are still exploring options for delivery of Mallison Bridge. Works will not be carried out in 2025/26, so budget for Exeter City Council's contribution to this project is being deferred to next financial year.

Works are not expected to be carried out on Bonhay Rd/Andlaw House Footpath this financial year.

The landfill gas extraction project is expected to progress during the year but previous delays due to the need for additional wintertime monitoring of boreholes is likely to defer some of the works into the next financial year.

Devon Highways have dictated that some bridge works cannot start until after April 2026 due to other highways works on-going in the city, therefore budget has been reprofiled to next year in accordance with expected project dates.

It is not expected that Devon County Council will start works on the Riverside walls at the Quay in 2025/26, so budget for Exeter City Council's contribution to this project is being deferred to next financial year.

Scheme	Budget to be Deferred £
Parks Infrastructure	135,083
Cemeteries & Churchyards Infrastructure Improvements	90,608
Pinhoe Playing Field Upgrades	19,934
Heavitree Paddling Pools	100,010
Play Areas	136,730
Outdoor Leisure Facilities - Newcourt	121,270

Officer Responsible: Parks & Green Spaces Parks

Parks Infrastructure and Cemeteries and Churchyard infrastructure, timings of spend against the scheme are dependent on either deterioration of existing assets or the availability of suppliers to provide facilities required.

Pinhoe Playing fields were subject to substantive surface and drainage works. The deferment of current capital is a result of the remaining works being seasonal.

Works on Heavitree Paddling Pools are expected to progress when the new contract starts in the next financial year.

Play areas improvements and outdoor leisure facilities works had to be paused temporarily to allow for contract procurement. Anticipated contract start date is now March 2026 and budgets have been deferred to reflect this delay.

Scheme	Budget to be Deferred £
BLRF - Clifton Hill	201,930
St Nicholas Priory Roof	88,120
Guildhall Shopping Centre Enhancements	£8,866,630

Officer Responsible: Head of Commercial Assets

Clifton Hill is dependent on the planning process, but it is now expected that the grant will be spent in Autumn 2026.

The Council is awaiting a further progress update from the tenant at St Nicholas Priory to determine the scope and timeline of the project and what level of grant funding is being secured. This is not expected to be until the next financial year.

The Guildhall shopping centre enhancements budget is recognised as a scheme with external factors that impact on delivery time. Whilst the exact timeline of spend is uncertain due to external factors such as changing tenants and ad-hoc works required to maintain the building, it is recognised at the half-year stage that not all the budget will be required in 2025-26 and the budget has been reprofiled to reflect this.

Scheme	Budget to be Deferred £
Riverside Decarbonisation Project	4,045,290
Officer Responsible: City Centre and Net Zero	
The profile of the grant award for the Riverside & RAMM decarbonisation project has been confirmed and the budget allocated accordingly with a required completion date by 31 March 2028.	

10.6. FURTHER FUNDING REQUESTS

Replacing CCTV Equipment (John Lewis Car Park) (£23,700)

Funding is required for the replacement of 10 broken CCTV cameras at John Lewis car park.

Replace broken and analogue City Centre CCTV cameras (£42,556)

The Council has received an allocation of UK Shared Prosperity Funding (UKSPF) for the city. This funding is being used to replace broken and analogue City Centre CCTV cameras.

Trews Weir remedial works (£2,778,272)

Grant funding has been allocated by the Environment Agency, subject to business case assurance processes, to carry out the required remedial works on Trews Weir. Works are expected to take place Spring to Winter 2026.

The additional funding above has been allocated by the Environment Agency. Budget estimates are based on current assumptions of working methods which are still being refined, so provide a current best estimate but may be liable to change as the scheme design is finalised.

Matford Centre Solar PV (£175,000)

Additional funding is required to complete phase 2 and 3 of the Matford Centre solar array PV maintenance and roof access safety works. These works involve updating the PV installation and associated equipment. In addition, a 'man safe' system is being installed to ensure safety of future maintenance works. Phase 1 has been successfully completed. It is envisaged that works will be completed by end of March 2026.

Ramm conference room equipment (£70,000)

To prepare the RAMM conference room to hold full Council meetings. To procure appropriate furniture and undertake necessary AV work.

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

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

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

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

13. Are there any other options?

There are no other options.

Strategic Director of Corporate Resources & s151 Officer, Dave Hodgson

Author: Kayleigh Searle

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

Background papers used in compiling this report:

None

List of appendices:

Appendix 1: 2025/26 CAPITAL MONITORING - QUARTER 2

Appendix 2: BUDGETS CARRIED FORWARD TO 2026/27 AND BEYOND

Appendix 3: GENERAL FUND AVAILABLE RESOURCES

2025/26 CAPITAL MONITORING - QUARTER 2

Service	Scheme	Total 2025/26 Capital Programme	2025/26 Spend to Quarter 2	2025/26 Forecast Spend	2025/26 Budget to be Carried Forward to 2026/27 and Beyond	2025/26 Programme Variances (Under)/Over
		£	£	£	£	£
Operations						
Environment & Waste	Waste Infrastructure	376,340	17,695	376,340	0	0
	Improved recycling containers	11,670	11,670	11,670	0	0
	Depot Improvement Works	7,816,560	52,755	300,000	7,516,560	0
	Food Waste Collections	857,140	34,173	857,140	0	0
	Noise Monitoring Equipment	4,290		4,290	0	0
Operations Service	Capitalised Staff Costs	211,193		211,193	0	0
	Bowling Green Marshes Coastal Defence Scheme	218,390	0	50,000	168,390	0
	Parks Infrastructure	180,110	9,950	45,028	135,083	0
	Cemeteries & Churchyards Infrastructure Improvements	120,810		30,203	90,608	0
	Bank Repairs & Stabilisation to Watercourses	19,230		19,230	0	0
	Pinhoe Playing Field Upgrades	38,900	1,942	19,450	19,450	0
	Parks Anti-Intrusion Measures	10,706	15,822	50,706	0	40,000
	Cricklepit Bridge	91,970		0	84,000	(7,970)
	Trews Weir refurb	337,580	61,956	337,580	0	0
	District Street Lighting	746,140		200,000	200,000	(346,140)
	Exeter Quay Cellars cliff face	34,377		34,377	0	0
	Ash Die Back Tree Replacement	82,520	24,754	82,520	0	0
	Fleet Lease costs	1,251,280		1,251,280	0	0
	Bromhams Farm Playing Fields	59,669	17,923	30,000	29,669	(0)
	Longbrook Street wall behind 30-38	5,000		5,000	0	0
	Northbrook Wild Arboretum	221,560	19,910	221,560	0	0
	Farm Hill Retaining Walls (23 no.)	515,456		0	0	(515,456)
	Mallison Bridge	35,630		0	35,630	0
	Bonhay Rd/Andlaw House Footpath	144,815		0	104,815	(40,000)
	St James' Weir & Ducks Marsh Meadow banks	75,000		75,000	0	0
	Heavitree Paddling Pools	100,010		0	100,010	0
	Play Areas	273,460		136,730	136,730	0
	Landfill Gas Extraction Systems	176,101		100,000	76,101	0
	Mincinglake Valley Park Reed Beds & Pipe Inlet	70,525		70,525	0	0
	Exeter Canal Bank Repairs	43,300		43,300	0	0
	ECC Bridge Repair Programme	463,745	82,973	200,000	263,745	(0)
	Countess Wear Retaining Wall Rebuild	29,323	17,038	29,323	0	0
	Canal Basin Bridge Refurbishment	50,000		50,000	0	0
	Outdoor Leisure Facilities - Newcourt	121,270		0	121,270	0
	Riverside Walls at Quay	50,000		0	50,000	0

Service	Scheme	Total 2025/26 Capital Programme	2025/26 Spend to Quarter 2	2025/26 Forecast Spend	2025/26 Budget to be Carried Forward to 2026/27 and Beyond	2025/26 Programme Variances (Under)/Over
		£	£	£	£	£
Asset Maintenance	Leisure Complex - Build Project	650,000	7,425	650,000	0	0
	Civic Centre Air Conditioning Replacement	25,000		25,000	0	0
	Riverside Leisure Centre	29,000		29,000	0	0
	Fire Risk Assessment Works	1,624,510	27,690	1,624,510	0	0
	Leisure Complex - Fit Out	346,640	0	346,640	0	0
	Exmouth Buoy Store	212,720		212,720	0	0
	Riverside Sports Hall Roof	60,870		60,870	0	0
	Guildhall MSCP	883,400		883,400	0	0
	John Lewis MSCP	357,760		357,760	0	0
	Princesshay 2 MSCP	424,400		424,400	0	0
	Leighton Terra & KW St MSCP	306,100		306,100	0	0
	Civic Centre Phase 3 Roof Rep	15,700	9,069	15,700	0	0
	City Wall	554,190	236,734	554,190	0	0
	Backlog Maintenance	396,850	56,342	396,850	0	0
	Cathedral Green Display Cases	35,000		35,000	0	0
	Topsham Museum	257,070	140,418	257,070	0	0
	Leisure Property enhancements	2,027,010	59,386	2,027,010	0	0
	Commercial Property Ancillary Accommodation flat roof recovering	46,720		46,720	0	0
	RAMM Roof Repair & Insulation	72,530	5,429	72,530	0	0
	Corn Exchange Lift	50,000		50,000	0	0
TOTAL		23,219,540	911,055	13,217,914	9,132,059	(869,567)
Corporate Resources						
Commercial Assets	Bus Station Construction	100,370	3,843	100,370	0	0
	Improved Car Park Security Measures at King William Street & Arena Park	19,670		19,670	0	0
	Wat Tyler House - resolving ongoing water ingress with new rainwater system	269,170		269,170	0	0
	Commercial Properties - capital improvements to enable ongoing income (compliance with EPC legislation)	120,000		120,000	0	0
	BLRF - Exeter Canal Basin	589,400	0	0	(589,400)	0
	BLRF - Mary Arches Car Park	1,285,420		1,285,420	0	0
	BLRF - Belle Isle	661,870	0	0	(661,870)	0
	BLRF - Clifton Hill	201,930	0	0	201,930	0
	BLRF - Lower Wear Road	293,390	0	0	(293,390)	0
	Paris Street Car Park	75,000		75,000	0	0
	Matford Centre Solar PV	58,000	47,830	58,000	0	0
	Car Park pay equipment	210,000		210,000	0	0
TOTAL		3,884,220	51,673	2,137,630	201,930	(1,544,660)

Service	Scheme	Total 2025/26 Capital Programme	2025/26 Spend to Quarter 2	2025/26 Forecast Spend	2025/26 Budget to be Carried Forward to 2026/27 and Beyond	2025/26 Programme Variances (Under)/Over
		£	£	£	£	£
People & Communities						
Digital & Data	Customer Contact Platform	155,540	57,814	155,540	0	0
	Annual Contribution to Strata	53,910	53,904	53,910	0	0
	Financial Management	160,140	25,499	160,140	0	0
	Datacentre Relocation	35,940		35,940	0	0
	NCSC Zero Trust	53,910		53,910	0	0
	IT Replacement Programme	10,000	7,324	10,000	0	0
	Core telephony	16,850	2,336	16,850	0	0
	EUC model equipment (replacement laptops)	309,550	137,926	309,550	0	0
	Booking	17,970		17,970	0	0
	Chatbot	17,970		17,970	0	0
	Print & post review	7,190		7,190	0	0
	PSTN Replacement	27,770	3,142	27,770	0	0
	ECC Civic Centre HFX Door Access Replacement	35,100	13,102	35,100	0	0
	System Upgrade Cost 2012 Server replacement	3,380	1,129	3,380	0	0
	Microsoft Purview	9,000		9,000	0	0
	Microsoft Power Apps	30,000		30,000	0	0
	Software Upgrade	101,050	14,931	101,050	0	0
	Sharegate	3,400		3,400	0	0
	SharePoint- wider rollout	89,840	8,135	89,840	0	0
	Health and Safety	26,950		26,950	0	0
	GIS Cloud migration	5,620		5,620	0	0
	EzyTreev	10,000		10,000	0	0
	Mobile Working Replacement	17,970		17,970	0	0
	iTrent on Prem to iTrent Hosted	35,940		35,940	0	0
	Azure Migration Prof Services	53,900		53,900	0	0
	Transformational Staffing Costs	79,060		79,060	0	0
	Telephony	29,770		29,770	0	0
	Dark Fibre Migration	15,000		15,000	0	0
	Civic Centre ICT fit-out	30,000	11,370	30,000	0	0
Housing	Disabled Facility Grants	1,216,990	453,231	1,216,990	0	0
TOTAL		2,659,710	789,843	2,659,710	0	0
Place						
City Centre & Net Zero	CCTV improvements	7,980		7,980	0	0
	Riverside & RAMM Decarbonisation Phase 4	4,395,290	5,200	350,000	4,045,290	0
	Riverside & RAMM Decarbonisation Projects	900,150		900,150	0	0
Culture & Leisure	Leisure Equipment Replacement Programme	438,090	762	438,090	0	0
	Pinhoe Community Hub	1,276,470		1,276,470	0	0
TOTAL		7,017,980	5,962	2,972,690	4,045,290	0
SUB TOTAL PLANNED CAPITAL PROGRAMME		36,781,450	1,758,534	20,987,944	13,379,279	(2,414,227)

Service	Scheme	Total 2025/26 Capital Programme	2025/26 Spend to Quarter 2	2025/26 Forecast Spend	2025/26 Budget to be Carried Forward to 2026/27 and Beyond	2025/26 Programme Variances (Under)/Over
		£	£	£	£	£
APPROVED COMMITTED SCHEMES WITH EXTERNAL FACTORS THAT IMPACT ON DELIVERY TIMESCALES						
Asset Maintenance	Green Space Depot Site (Belle Isle)	2,875,970		2,875,970	0	0
Commercial Assets	Guildhall Shopping Centre Enhancements	10,866,630		2,000,000	8,866,630	0
	St Nicholas Priory Roof	88,120		0	88,120	0
TOTAL		13,830,720	0	4,875,970	8,954,750	0
GENERAL FUND SERVICES TOTAL						
		50,612,170	1,758,534	25,863,914	22,334,029	(2,414,227)

BUDGETS CARRIED FORWARD TO 2026/27 AND BEYOND

Service	Scheme	2026/27 Budget as per Budget Book/Council Approvals	Proposed Budget to be Carried Forward to 2026/27 and Beyond		Proposed Budget Reprofiled to Future Years	Total 2026/27 Capital Programme	2027/28 Budget as per Budget Book/Council Approvals
			£	£			
Operations							
Environment & Waste	Depot Improvement Works		7,516,560			7,516,560	
	Capitalised Staff Costs	150,000	0			150,000	150,000
	Bowling Green Marshes Coastal Defence Scheme	217,870	168,390			386,260	
	Parks Infrastructure	75,000	135,083			210,083	
	Cemeteries & Churchyards Infrastructure Improvements		90,608			90,608	
	Pinhoe Playing Field Upgrades		19,450			19,450	
	Cricklepit Bridge		84,000			84,000	
	Trews Weir refurb	3,099,510	0			3,099,510	
	District Street Lighting	200,000	200,000	(200,000)		200,000	200,000
	Piazza Terracina	158,560	0			158,560	
	Ash Die Back Tree Replacement	75,000	0			75,000	
	Fleet Lease costs	2,329,910	0			2,329,910	2,066,520
Operations Service	Bromhams Farm Playing Fields		29,669	(15,000)		14,669	15,000
	Farm Hill Retaining Walls (23 no.)	265,000	0			265,000	
	Mallison Bridge		35,630			35,630	
	Bonhay Rd/Andlaw House Footpath		104,815			104,815	
	Heavitree Paddling Pools	426,680	100,010			526,690	
	Play Areas	166,900	136,730			303,630	
	Landfill Gas Extraction Systems	80,000	76,101			156,101	
	Mincinglake Valley Park Reed Beds & Pipe Inlet	100,000	0			100,000	
	ECC Bridge Repair Programme	200,000	263,745			463,745	
	Oxford Road Car Park Retaining Wall	200,000	0			200,000	
	Outdoor Leisure Facilities - Newcourt		121,270			121,270	
	Riverside Walls at Quay		50,000			50,000	
TOTAL		7,744,430	9,132,059	(215,000)		16,661,489	2,431,520
Corporate Resources							
Commercial Assets	BLRF - Clifton Hill		201,930			201,930	0
TOTAL		0	201,930	0		201,930	0
People & Communities							
Digital & Data	Annual Contribution to Strata	53,910	0			53,910	53,910
	IT Replacement Programme	10,000	0			10,000	10,000
	EUC model equipment (replacement laptops)	150,000	0			150,000	150,000
Housing	Disabled Facility Grants	800,000	0			800,000	800,000
TOTAL		1,013,910	0	0		1,013,910	1,013,910

Service	Scheme	2026/27 Budget as per Budget Book/Council Approvals	Proposed Budget to be Carried Forward to 2026/27 and Beyond	Proposed Budget Reprofiled to Future Years	Total 2026/27 Capital Programme	2027/28 Budget as per Budget Book/Council Approvals
			£			£
Place						
City Centre & Net Zero	Riverside & RAMM Decarbonisation Phase 4		4,045,290	(1,454,000)	2,591,290	1,454,000
Culture & Leisure	Leisure Equipment Replacement Programme	100,000	0		100,000	100,000
TOTAL		100,000	4,045,290	(1,454,000)	2,691,290	1,554,000
SUB TOTAL PLANNED CAPITAL PROGRAMME		8,858,340	13,379,279	(1,669,000)	20,568,619	4,999,430
APPROVED COMMITTED SCHEMES WITH EXTERNAL FACTORS THAT IMPACT ON DELIVERY TIMESCALES						
Commercial Assets	Guildhall Shopping Centre Enhancements		8,866,630	(6,866,630)	2,000,000	6,866,630
	St Nicholas Priory Roof		88,120		88,120	
TOTAL		0	8,954,750	(6,866,630)	2,088,120	6,866,630
GENERAL FUND SERVICES TOTAL		8,858,340	22,334,029	(8,535,630)	22,656,739	11,866,060

GENERAL FUND AVAILABLE RESOURCES

GENERAL FUND	2025-26 £	2026-27 £	2027-28 £	FUTURE YEARS £	TOTAL £
CAPITAL RESOURCES AVAILABLE					
Capital Receipts Brought Forward	0				0
GF Capital Receipts	10,269,506	3,375,000	0	0	13,644,506
Revenue Contributions to Capital Outlay	406,406	35,630	0	0	442,036
Disabled Facility Grant	1,216,990	800,000	800,000	800,000	3,616,990
Community Infrastructure Levy	1,815,042	6,848,504	0	0	8,663,546
Other - Grants/External Funding/Reserves/S106	3,057,461	4,067,433	1,454,000	0	8,578,894
Total Resources Available	16,765,405	15,126,567	2,254,000	800,000	34,945,972

GENERAL FUND CAPITAL PROGRAMME					
Capital Programme	50,612,170	8,858,340	3,330,430	1,263,910	64,064,850
Overspends/(Savings)	(2,414,227)				(2,414,227)
Slippage	(22,334,029)	13,798,399	8,535,630		0
Total General Fund	25,863,914	22,656,739	11,866,060	1,263,910	61,650,623

UNCOMMITTED CAPITAL RESOURCES:					
Capital Receipts Brought Forward	0	6,937,416	7,468,596	5,263,146	0
Resources in Year	16,765,405	15,126,567	2,254,000	800,000	34,945,972
Less Capital Receipts to carry forward	(6,937,416)	(7,468,596)	(5,263,146)	(5,263,146)	(5,263,146)
Less Spend in Year	(25,863,914)	(22,656,739)	(11,866,060)	(1,263,910)	(61,650,623)
Borrowing Requirement	16,035,925	8,061,352	7,406,610	463,910	31,967,797

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REPORT TO COUNCIL

Date of Meeting: 9 December 2025

Report of: Strategic Director - Corporate Resources

Title: 2025/26 Housing Revenue Account Budget Monitoring Report – Quarter 2

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 To advise Members of the financial position of the Housing Revenue Account (HRA) Revenue and Capital Budgets for the 2025/26 financial year after six months.

In addition to the budgetary over/under-spends reported to this committee, Appendix 1 also highlights areas of risk, so that Members are aware that certain budgets have been identified as being vulnerable to factors beyond the control of the Council, which may result in potential deviations from budget, and are therefore subject to close monitoring by officers.

2. Recommendations:

2.1 It is recommended that Council notes and approves (where applicable):

- The HRA forecast financial position for 2025/26 financial year as detailed in Appendix 2; and
- The revision of the HRA Capital Programme to reflect the reported variations detailed in Appendix 4.

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 second update for 2025/26.

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 2025/26 are set out in the body of this report.

The impact on the HRA's available financial resources are set out in Appendix 3.

For enquiries please contact: democratic.services@exeter.gov.uk

5. Section 151 Officer comments:

5.1 There is nothing significant to highlight to Members in the HRA report at this stage.

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 HRA 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:

7.1 As set out in the introduction to this report, Members will note the budgetary over/under-spends and will particularly note the areas of risk set out at Appendix 1 to this report. Members will be alert to the fact that certain budgets have been identified as potentially resulting in deviations from budget. This report makes it clear that these budgets will be subject to close monitoring by officers. The key issue is that the authority must ensure that the HRA for the financial year does not show a debit balance.

8. Equality Act 2010 (The Act)

8.1 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.

9. Carbon Footprint (Environmental) Implications:

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

10. Report details:

HRA BUDGET MONITORING – QUARTER 2

10.1 Background to the HRA

The 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.

10.2 Projected transfer from the working balance

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2025/26 Budget	£
MANAGEMENT	1,727,260
EDWARDS COURT	(158,960)
TENANCY SERVICES	1,921,450
RESIDENT INVOLVEMENT	323,640
SUNDRY LANDS MAINTENANCE	472,020
REPAIR & MAINTENANCE PROGRAMME	8,917,790
REVENUE CONTRIBUTION TO CAPITAL	1,000,000
CAPITAL CHARGES	3,724,680
HOUSING ASSETS	3,004,690
RENTS	(22,110,850)
INTEREST	1,739,350
Approved Budgeted transfer from the working balance	(561,070)
Supplementary budgets – Council approved 10th June 2025	(19,000)
Reduction in internal decorations revenue to fund increase in capital programme – Council approved 2 nd September	157,000
Revised Budgeted transfer from the working balance	(423,070)

The HRA has working balances of £4,905,388 as at 31 March 2025. This is higher than the £3.525 million contingency resolved to be retained.

8.3 Revenue Monitoring

The budget variances anticipated at Quarter 2 indicate that £212,400 will be taken from the working balance in 2025/26 – See appendix 2. This represents a movement of £210,670 compared to the revised budget £423,070. Variances are detailed below:

Budget Heading	Forecast Outturn Budget Variance at Quarter 1 (Under) / Overspend	
	Qtr 1	Qtr 2
Management	£0	(£45,000)
Officer Responsible: Interim Head of Housing & Head of Asset Maintenance		
<ul style="list-style-type: none"> Grant is being received in year to compensate for additional employer's National Insurance contributions. 		
Tenancy Services	£0	(£140,670)
Officer Responsible: Interim Head of Housing		
<ul style="list-style-type: none"> There are anticipated one off salary savings across the Tenancy services, Lettings and Income Recovery teams due to unfilled vacancies during the year. 		

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Repairs and Maintenance Programme	£0	(£60,000)
Officer Responsible: Head of Asset Maintenance		
<ul style="list-style-type: none"> • Due to delays in the procurement of the Planned Works contract which commenced in October there will be in-year underspends of £45k on re-pointing works and £15k on asbestos surveys. 		
Housing Assets	£0	£35,000
Officer Responsible: Head of Asset Maintenance		
<ul style="list-style-type: none"> • An additional £35k is required for consultancy support with the audit of Social Housing Decarbonisation Fund claims. 		
Total budget (underspend)/overspend	£157,000	(£210,670)
2025/26 HRA Deficit / (Surplus)	£423,070	£212,400

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 forecast balance, as at 31 March 2026, is set out below:

Movement	2025/26
Opening HRA Working Balance, as at 1 April 2025	£4,905,388
Forecast transfer (from) / to the working balance for 2025/26	(£212,400)
Balance resolved to be retained (HRA contingency)	(£3,525,000)
Forecast Balance Available, as at 31 March 2026	£1,167,988

The transfer from the working balance anticipated for 2025/26 brings the working balance as at 31 March 2026 closer to the HRA balance resolved to be retained of £3.525 million.

8.5. 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 3 for the period to 2028/29.

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

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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 8.7 below.

The forecast total available resources over the Medium-Term Financial Plan (MTFP) has increased by £1,134,690. This is due to additional Right to Buy receipts received and a projected revenue underspend.

Total available reserves over the MTFP are now expected to be £4,306,716 after deducting the £3.525 million balance resolved to be retained (HRA contingency).

8.6. 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 to deliver 100 new homes into the HRA at a cost of £18 million. On 5 April 2020, the Council took out a loan of £15.36 million from the Public Works Loan Board to support this programme, with the balance to be funded by capital receipts.

As at 31 March 2024, the HRA's borrowing stood at £73.242 million. The total of the £15.360 million new loan and the former 'debt cap' level of £57.882 million. The HRA currently has approval to borrow a further £7.7 million, this has been deferred whilst borrowing rates remain elevated but will likely be required in the next 12 to 24 months.

In addition, it is planned to enter into long-term lease arrangements for a number of properties which will sit within HRA stock to help alleviate pressures on the Temporary Accommodation budget, and the £2.6 million capitalised value of these lease payments will be treated as borrowing.

8.7. HRA Capital Programme

The 2025/26 HRA Capital Programme was approved by Council on 20th February 2025. Since that meeting the following changes have been made that have increased the 2025/26 programme.

Description	2025/26	Approval / Funding
HRA Capital Programme	£16,344,475	

For enquiries please contact: democratic.services@exeter.gov.uk

Budgets carried forward from 2024/25 HRA Capital Programme	£1,802,599	Council – 10 th June 2025
Additional approvals 2024/25 outturn	£3,520,792	Council – 10 th June 2025
Additional approvals Q1	£687,000	Council – 2 nd September 2025
Revised HRA Capital Programme	£22,354,866	

The current approved HRA Capital Programme is detailed in Appendix 4.

The appendix shows a total forecast spend in 25/26 of £19,417,866. The details of key (greater than +/- £30k) variances from budget are set out below.

Scheme	Overspend / (Underspend)
Communal Area Improvements – New Flooring	(£35,000)
Officer Responsible: Head of Asset Maintenance	
<ul style="list-style-type: none"> The amount spent on communal flooring works can be reduced in order to offset the additional consultancy revenue costs required in 8.3 above. 	

Schemes identified as being wholly or partly deferred to 2026/27 and beyond are:

Scheme	Budget deferred to/(brought forward from) future years
Energy Conservation	£550,000
Porch canopies	£35,000
Central heating – Abbeville & Hamlin	£520,000
Officer Responsible: Head of Asset Maintenance	
<ul style="list-style-type: none"> The contract for Planned Works has commenced in October. There has been little spend in the first half of the year retrofit works or porch canopies so the balances have been re-profiled over the next two financial years. 	

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<ul style="list-style-type: none"> The replacement of central heating at Abbeville and Hamlin is likely to be conducted in 2026/27 once other works on site are complete. 	
Laings	£1,800,000
Officer Responsible: Head of Asset Maintenance	
<ul style="list-style-type: none"> There is unlikely to be more than £350k spent on these refurbishments by the end of April, however the scheme will complete in 2026/27. 	

Historic Council Own Build Final Accounts to 31 March 2026

The Council's Own Build (COB) 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 Homes and Communities Agency funding in conjunction with borrowing (£998k), they are accounted for separately in order to ensure that they are 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.

Key Variances from Budget

There are no projected variances to report at the end of Quarter 2. The budgeted transfer from working balance is £7,000 during 2025/26.

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

11.1 The Housing Revenue Account contributes to the strategic priorities of Homes and People as set out in the Corporate Plan 2025-2028.

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

12.1 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 £3.525 million to mitigate against financial risks.

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

13. Are there any other options?

13.1 None

Strategic Director of Corporate Resources, David Hodgson

For enquiries please contact: democratic.services@exeter.gov.uk

Author: Claire Hodgson, Lead Accountant - Housing

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

Background papers used in compiling this report:-

None

List of Appendices:

- Appendix 1 – HRA Areas of Budgetary Risk Q2;
- Appendix 2 – HRA Revenue Monitoring Q2;
- Appendix 3 – HRA Available Resources Q2;
- Appendix 4 – HRA Capital Monitoring Q2.

Three areas of budgetary risk have been identified within the HRA, as follows:

Budget Title	2025/26 Approved Budget	Risk Rating	Risk and mitigation
General Maintenance	£3,580,230 (revenue)		<p>There have been overspends on this budget in recent year due to volatility in the demand of the level and cost of requested repairs. This includes increased focus on monitoring and remedial works where damp and mould issues are identified. In recognition of this the budget was significantly increased for 25/26 based on previous spend.</p> <p>Spend to month six is within the profile and will be closely monitored for the rest of the year.</p> <p>Mitigation measures include contract meetings with the Contractor which include budget review and work in progress updates. Other supporting measures include weekly Surveyors meetings to highlight repair demand pressures.</p>
Repairs to Void Properties	£1,822,180 (revenue)		<p>Property turnover and the varying condition of properties when returned to the Council represent a budgetary risk, and this budget has also overspent in recent years and has been increased for 25/26.</p> <p>As at Quarter 2 spend is within budget.</p> <p>Mitigation includes increasing the number and timeliness of property inspections by Housing Officers to identify sub-standard property conditions wherever possible and provide earlier alerts to issues.</p>
Rental Income from Dwellings	(£22,110,850) (revenue)		<p>Right to Buy sales, new properties, the number of new tenancies set at convergent rent levels, the number of days lost through major works and rent lost in respect of void properties all impact on the annual rental income.</p> <p>Rental income after the first six months is largely in line with profile.</p>

Risk Rating:

	Potential for a favourable variance compared to the budget or no variance at all
	Potential for adverse budgetary variance of between 0% and 5% that will be kept under review
	Potential for an adverse budgetary variance of more than 5% and will be monitored closely

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HOUSING REVENUE ACCOUNTS BUDGET MONITORING 2025-26

APPENDIX 2

QUARTER 2

ACTUAL TO DATE			YEAR END FORECAST		
PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	APPROVED BUDGET	Q2 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£	£	£	£
115,610	90,494	(25,116)	271,790	0	271,790
704,525	583,666	(120,859)	1,854,900	(45,000)	1,809,900
(90,230)	(227,432)	(137,202)	(158,960)	0	(158,960)
934,935	801,906	(133,029)	1,921,450	(140,670)	1,780,780
(11,976,710)	(11,954,357)	22,353	(22,110,850)	0	(22,110,850)
PEOPLE & COMMUNITIES - HRA HOUSING					
RESIDENT INVOLVEMENT					
MANAGEMENT					
EDWARDS COURT					
TENANCY SERVICES					
RENTS					
HRA ASSET MAINTENANCE					
SUNDRY LAND MAINTENANCE					
REPAIRS & MAINTENANCE PROGRAMME					
GENERAL MAINTENANCE					
REPAIRS TO VOID PROPERTIES					
SERVICE CONTRACTS					
OTHER					
REVENUE CONTRIBUTION TO CAPITAL					
CAPITAL CHARGES					
HOUSING ASSETS					
INTEREST					
MOVEMENT TO/(FROM) WORKING BALANCE					
Net Expenditure					
Working Balance					
1 April 2025					
4,905,388					
31 March 2026					
4,692,988					

COUNCIL OWN BUILD SITES

PROFILED BUDGET	ACTUAL TO DATE	VARIANCE TO DATE	APPROVED BUDGET	Q2 FORECAST VARIANCE	CURRENT OUTTURN FORECAST
£	£	£	£	£	£
35,445	33,107	(2,338)	MANAGEMENT	86,920	86,920
(6,495)	(8,088)	(1,593)	ROWAN HOUSE	(13,570)	(13,570)
(38,657)	(47,926)	(9,269)	KNIGHTS PLACE	(80,970)	(80,970)
0	0	0	INTEREST	(2,510)	(2,510)
0	0	0	CAPITAL CHARGES	17,130	17,130
			MOVEMENT TO/(FROM) WORKING BALANCE	(7,000)	(7,000)
			Net Expenditure	0	0
			Working Balance	339,044	332,044
			1 April 2025		

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APPENDIX 3
HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2025-26 £	2026-27 £	2027-28 £	2028-29 £	TOTAL £
CAPITAL RESOURCES AVAILABLE					
Usable Receipts Brought Forward					5,221,900
Major Repairs Reserve Brought Forward					4,999,469
Other HRA Sales	936,000				936,000
RTB sales	3,316,067				3,316,067
Major Repairs Reserve	3,724,680	3,724,680	3,724,680	3,724,680	14,898,720
Revenue Contributions to Capital	1,000,000	1,000,000	2,100,000	1,900,000	6,000,000
Local Authority Housing Fund grant and s106	580,790	-	-		580,790
Grants and contributions	1,260,500				1,260,500
Commuted sums	0				0
Borrowing	4,948,380	2,800,000			7,748,380
Borrowing - long leases	2,645,792				2,645,792
Total Resources available	18,412,209	7,524,680	5,824,680	5,624,680	47,607,618
CAPITAL PROGRAMME					
HRA Capital Programme	21,667,866	9,973,253	6,966,569	5,525,867	44,133,555
Q1 - changes	687,000	0	0	0	687,000
Q2 - changes	-	2,937,000	2,612,500	292,500	-32,000
Total Housing Revenue Account	19,417,866	12,585,753	7,259,069	5,525,867	44,788,555

UNCOMMITTED CAPITAL RESOURCES:					
Usable Receipts Brought Forward	5,221,900	2,757,295	1,821,295	1,821,295	5,221,900
Major Repairs Reserve Brought Forward	4,999,469	6,458,417	2,333,344	898,955	4,999,469
Resources in Year	18,412,209	7,524,680	5,824,680	5,624,680	37,386,249
Less Estimated Spend	(19,417,866)	(12,585,753)	(7,259,069)	(5,525,867)	(44,788,555)
Uncommitted Capital Resources	9,215,712	4,154,639	2,720,250	2,819,063	2,819,063

WORKING BALANCE RESOURCES:					
Balance Brought Forward	4,905,388	4,692,988	4,907,489	4,600,009	4,905,388
HRA Balance Transfer - to/(from) Working Balance	(580,070)	214,501	(307,480)	412,644	(260,405)
Q1 forecast under/(over)spend 2025-26	157,000				157,000
Q2 forecast under/(over)spend 2025-26	210,670				210,670
Balance Carried Forward	4,692,988	4,907,489	4,600,009	5,012,653	5,012,653
Balance Resolved to be Retained	(3,525,000)	(3,525,000)	(3,525,000)	(3,525,000)	(3,525,000)
Uncommitted HRA Working Balance (after balance resolved to be retained of £3.525m)	1,167,988	1,382,489	1,075,009	1,487,653	1,487,653

TOTAL AVAILABLE CAPITAL RESOURCES (after balance resolved to be retained of £3.525m)	10,383,700	5,537,128	3,795,259	4,306,716	4,306,716
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2025-26

APPENDIX 4

CAPITAL MONITORING - QUARTER 2

	2025-26 Capital Programme	2025-26 Spend	2025-26 Forecast Spend	2025-26 Budget to be Carried Forward to Future Years	TO 2026-27	TO 2027-28	TO 2028-29	2025-26 Programme Variances Under ()
	£	£	£	£	£	£	£	£
HRA CAPITAL								
Adaptations	360,000	54,766	360,000					-
Communal Door Entry Systems	500,000		500,000					
FRA Door Entry Instals	150,000		150,000					
Balcony Walkway Improvements	108,000		108,000					-
Bathroom Replacements (inc. Communal)	600,000	485,992	600,000					-
Boiler Replacement Programme & Central Heating	455,875	268,828	455,875					-
Common Area Footpath & Wall Improvements	97,000		97,000					-
Communal Area Improvements - New Flooring	197,614	0	162,614					35,000
Electrical Central Heating	10,000		10,000					-
Replacement of Fire alarms	172,500	5,000	172,500					-
Electrical Rewires - Communal & domestic	626,126	394,412	626,126					-
Energy Conservation		58,461	0					-
SHF Wave 3	1,496,478	141,637	946,478	(550,000)	275,000	275,000		-
Fire Risk Assessment Works	1,510,000	203,712	1,510,000					-
Fire Safety Storage Facilities	109,462	32,061	109,462					-
Kitchen Replacements (inc. Communal)	827,000	484,659	827,000					-
LAINGs Refurbishments	2,150,000	74,164	350,000	(1,800,000)	1,800,000			-
Lift Upgrades	400,000	31,008	400,000					-
Reroofing - Flats and Houses	1,600,250	100,112	1,600,250					-
Porch Canopies	94,200	12,445	59,200	(35,000)	17,500	17,500		-
Rennes House	1,007,498	86,103	1,007,498					-
Structural Repairs	609,160	8,100	609,160					-
Window & Door Replacements	1,400,000	311,721	1,400,000					-
Plastering	125,000	91,953	125,000					-
Central Heating - Abbeville & Hamlin	520,000		0	(520,000)	520,000			-
Right of Use - HRA long leases	2,645,792		2,645,792					-
HOUSING REVENUE ACCOUNT TOTAL	17,771,955	2,845,133	14,831,955	(2,905,000)	2,612,500	292,500	0	(35,000)
COUNCIL OWN BUILD CAPITAL								
Social Housing Acquisitions - Open Market	800,000	402,601	800,000					-
Local Authority Housing Fund	580,789	166,032	580,789					-
Council House Building Programme - Bovemoors Lane	14,605	0	14,605					-
Council House Building Programme - Hamlin Gardens	75,000	1,918	78,000					3,000
Council House Building Programme - Vaughan Road Phase A	3,112,517	2,445,319	3,112,517					-
COUNCIL OWN BUILD TOTAL	4,582,911	3,015,870	4,585,911	0	0	0	0	3,000
OVERALL HOUSING REVENUE ACCOUNT TOTAL	22,354,866	5,861,003	19,417,866	(2,905,000)	2,612,500	292,500	0	(32,000)

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REPORT TO EXECUTIVE

Date of Meeting: 16 December 2025

REPORT TO COUNCIL

Date of Meeting: 13 January 2026

Report of: Strategic Director for Corporate Resources

Title: 2026/27 Budget Strategy and Medium-Term Financial Plan

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 To provide a strategic overview of the budgetary position for the 2026/27 financial year and beyond including an indication of the likely level of available resources and the known demand for resources and the proposals to ensure that a balanced budget is achieved.

2. Recommendations:

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

3. Reasons for the recommendation:

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

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

4.1 The Council has a medium-term financial plan that contains proposals to ensure it can set a balanced budget next year. In line with the planned use of reserves, proposals for reductions / additional income total £1.616 million to balance the budget.

4.2 Across the remaining two years of the medium-term financial plan (2027/28 – 2028/29), further proposals for reductions / additional income have been identified totalling £0.465 million.

4.3 Unlike recent years, we are in a position to put forward a balanced budget for next year without having to identify further budget reductions / additional income. This is due to an expected increase in the grants we receive from central government for 2026/27 due to the new national Fair Funding Formula.

5. Section 151 Officer comments:

5.1 There has been significant reform of Local Government finance delivered in time for the 2026-27 settlement. As widely expected, the business rates have been reset and therefore Exeter has lost all the Business Rates growth and pooling gains that it currently receives. The system was meant to reset in 2018, so the Council has enjoyed seven years of growth funding that were not anticipated when the system was first implemented.

5.2 Alongside this, the Government have also introduced a new funding formula (FF 2.0) which determines how funding is allocated across Councils. Importantly for Exeter, this has introduced a Council Tax equalisation element to reflect the fact that some Councils are constrained in the amount of Council Tax they can collect. Although the settlement has not yet been announced, it looks like this element alone has added an additional £3m back to the funding received. This has therefore substantially reduced the level of reductions required over the next few years, although some reductions are still required.

5.3 The purpose of this report is to seek approval to the assumptions used in setting the budget for next year and the medium-term financial plan.

6. What are the legal aspects?

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

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

7. Monitoring Officer's comments:

7.1 Section 25 of the Local Government Act 2003 requires the section151 officer to report on the adequacy of the Council's financial resource.

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

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

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

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

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When deciding, councillors are reminded of their obligation to act reasonably and in accordance with the principles set down in the Wednesbury case (*Associated Provincial Picture Houses Ltd v Wednesbury Corporation* [1948]). This means that councillors are required to consider and take into account all relevant considerations and ignore any irrelevant considerations. Put simply, it would be unlawful for the Council to come to a view which is unreasonable in the sense that it is so irrational that no reasonable authority could have reached it.

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

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

Restriction on voting

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

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

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

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

8. Equality Act 2010 (The Act)

8.1 In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equality Impact Assessment has been included in the background papers for Member's attention.

An EQIA assessment has been undertaken for each of the 2026/27 budget proposals, as set out in Appendix 2. Three proposals were identified as requiring an EQIA, which accompany this report.

9. Carbon Footprint (Environmental) Implications:

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

10. Report details:

10.1 Local Government Funding: Fair Funding Review 2.0

The Government has consulted on significant reforms to how funding from central government is allocated between English councils. From 2026-27, there will be a new system for allocating funding. The new funding distribution will be subject to transitional arrangements and introduced gradually over the period of the three-year settlement, from 2026/27 to 2028/29. Once finalised, this will be the first multi-year settlement in a decade.

The latest funding changes were announced on Thursday 20 November in a ministerial statement.

Officers have worked with external consultants to model the expected outcomes of the Fair Funding Review, which include the following:

- Business Rates**

Re-set the Baseline Funding Level for retained business rates in full in 2026-27.

The Business Rates Retention System (BRRS) was introduced in 2023-14. Under the BRRS, each authority was assigned a Baseline Funding Level which determined how much of its relative funding need was to be met through retained business rates income. This was then compared to a measure of their individual ability to raise business rates. Where a local authority raised more in business rates than their assessed level of need – they were required to pay a tariff. Conversely, if an authority's business rates income was below their assessed level of need – they received a top-up.

The BRRS was designed to be periodically re-set, to ensure that the distribution of resource is realigned with need. It has been over a decade since the BRRS was introduced without a re-set. This has meant that many local authorities, including Exeter, have grown their business rates income in excess of their Business Rates Baseline and have benefited from retaining business rate growth. For Exeter, this equates to a loss of circa £4m.

- Council Tax**

The new funding allocation system is expected to include an assessment of how much councils can raise via council tax, based on modelled revenues if their tax rates was equal to the average rate across all councils.

The review is intended to achieve 'full equalisation' of revenue-raising capacity, to ensure councils receive the same share of overall funding that they are assessed to need, if they

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were to set their council tax level to the national average. For Exeter, this equates to gain of circa £3m, due to its low council tax levels.

In terms of Council Tax increases, the Government will maintain core referendum principles as they were in 2025-26 over the multi-year Settlement, with a council tax referendum principle of up to 3% or £5 increase for District Councils. This is in line with the medium-term financial plan. As a result, Exeter's budget strategy for next year assumes that council tax will increase by 2.99%, which, along with the estimated surplus on the collection fund of £82,783 and increase in the taxbase will raise an extra £264,260.

The Government have also consulted on modernising and improving the administration of council tax, this includes proposals to spread council tax payments over 12 monthly instalments by default, rather than the current default 10 monthly instalments.

- **The end of the New Homes Bonus**

The funding currently allocated to the New Homes Bonus (circa £290 million in 2025-26 across the country) will be returned to the core funding settlement.

- **Grants simplification**

The Government have consulted on consolidating several smaller grants into the main funding formula, so that they form part of the multi-year settlement and into the non-ringfenced Revenue Support Grant, including Temporary accommodation funding, Biodiversity Net Gain Planning Requirement, Local Government Finance Data Review, among others.

Alongside this, the Government are setting up four consolidated grants, as part of the multi-year Settlement package, which will be ring-fenced. Details on their distribution and conditions will be announced as part of the provisional settlement;

- Homelessness, Rough Sleeping and Domestic Abuse Grant
- Children, Families and Youth Grant
- Public Health Grant
- Crisis and Resilience Fund.

At the time of writing this report, the Government announced their intention to maintain the Recovery Grant allocations, at 2025-26 levels across the multi-year Settlement. The Recovery grant targeted funding towards areas with greater need and demand for services and equates to £271k p.a. for Exeter. The MTFP does not currently reflect this recent announcement.

- **Transitional Arrangements**

Transitional funding, including a minimum funding floor, to protect councils from the full impact of the funding changes. There will be a 3-year transition to new funding allocations.

8.2 Other Budgetary Assumptions

For enquiries please contact: democratic.services@exeter.gov.uk

8.2.1 An overall allowance of £0.971m has been set aside for inflation. The inflationary increases allowed in the budget are:

Pay Award	2.5%
Pay – Increments	0.5%
Electricity	4.0%
Gas	0.0%
Water	3.50%
Insurance	5.0% - 18.0%
Rates	3.6%
Motor Fuel	0.0%
General Inflation	3.6%
Income (excluding Car Parks)	3.0%

8.2.2 A thorough review of all budgeted costs and income has been performed to help ensure adequate provision is made for inflation and where allowance has been made for a general inflationary increase, it has been provided for at 3.6% in-line with August 2025 CPI. Pay has been increased by 2.5% although there is a risk that this again may be lower than the actual amount agreed.

8.2.3 Interest is based on the existing loans that have been taken out and the amounts available for investment. Future borrowing requirements are based on rates of around 3.5% and the Council will seek to internally finance borrowing until rates stabilise from the present highs of around 5.8%.

8.3 Likely Revenue Resources 2026/27 to 2028/29

8.3.1 The main resources are set out below. As already highlighted, the Government is implementing significant reforms, under the Fair Funding Review, to how funding from central government is allocated between English councils. From 2026/27 there will be a new system for allocating funding between councils, which will take account of new official assessments of councils' spending needs and their relative abilities to raise revenues themselves via council tax. Every council's new funding allocation will be phased in over three years in equal steps.

The Council has worked with external consultants to forecast the outcomes of the Fair Funding Review and this is reflected in the forecast sources of funding below:

Source	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Revenue Support Grant	1,384	0	0	0
Business Rates Income	9,929	0	0	0
Settlement Funding Assessment (SFA)	0	10,940	11,710	12,570
CIL income	798	793	793	793
New Homes Bonus	872	0	0	0
Extended Producer Responsibility Fund (EPR)	1,410	1,500	1,500	1,500
Council Tax	7,507	7,771	8,006	8,338
Resources	21,900	21,004	22,009	23,201
Increase/(decrease)		(896)	1,005	1,192
Annual % change		-(4.0%)	4.8%	5.4%

8.4 Additional Spending Pressures

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

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Additional Pressures	910	1,162	85	85

8.5 Revenue Savings and Other Budgetary Reductions

8.5.1 The MTFP has a funding gap of £2.1 million (26/27 – 28/29) of which proposals of £2.1 million have been identified. The proposals identified for 2026-27 will ensure a balanced budget can be presented.

The reductions / additional income proposals identified are summarised below. Please refer to Appendix 2 for details of the 26/27 budget proposals.

	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Saving proposals identified - prior years	(2,400)	(590)	(400)	0
Saving proposals identified - 26/27 budget cycle	0	(1,026)	(65)	0
Further savings required	0	0	0	0
Total	(2,400)	(1,616)	(465)	0

8.5.2 The updated Medium Term Financial Plan (MTFP) is set out in Appendix 3.

8.6 General Fund Capital Programme

8.6.1 At this stage there are no additional requests for Capital Expenditure. As Members are aware, the higher interest rates mean that any further borrowing would require additional reductions, which on top of those set out above, risks the Council having insufficient funds to run its Services.

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8.7 Risk Assessment

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

- The outcome of the Fair Funding Review in relation to the funding from central government over the medium term;
- The Council is reliant on a strong economy for much of its funding. Car Park income and Commercial Property income provide support, not just for our discretionary services, but increasingly support our statutory services and corporate costs. Changes in work patterns are already impacting car park income and contributing to the financial challenges.

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

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

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

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

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

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

13. Are there any other options?

13.1 Not applicable.

Strategic Director for Corporate Resources, Dave Hodgson

Author: Michelle White

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

Background papers used in compiling this report:-

For enquiries please contact: democratic.services@exeter.gov.uk

None

List of Appendices:

- Appendix 1 – Budget Pressures
- Appendix 2 – Budget Proposals
- Appendix 3 – MTFP
- EQIA Home call Proposal
- EQIA RAMM Charging for Exhibitions Proposal

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Appendix 1

	2025/26 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's
<u>Unavoidable or Already Committed from Previous Years</u>				
Fleet maintenance	95			
Living Wage	25	25	25	25
Housing Benefit Admin grant reduction	60	60	60	60
Pension Revaluation	36			
External valuations		(90)		
Business Rates revaluation	50	215		
Arena Reduction not achievable		300		
Homeless Prevention Grant		640		
	266	1,150	85	85
<u>New Revenue Bids - Recurring</u>				
PT Payroll Post	18			
Deletion of SCP 2		12		
Comms Post	58			
Communities posts - remove CIL funding	81			
PT Property Lawyer	38			
Insurance over inflation	70			
CCTV Maintenance	80			
Guildhall Surplus reduction (offset by earmarked reserve)	299			
	644	12	0	0
TOTAL	910	1,162	85	85

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Service	Proposal	2026/27 Revenue Estimate (income/cost reduction) (£)	2027/28 Revenue Estimate (income/cost reduction) (£)	EQIA Assessment	Description
Energy	Review of electricity & gas budgets	645,000	50,000	Financial review exercise and no impact on people	Budgets reduced to reflect Corporate Energy Manager projections in conjunction with review of spend patterns, schedules produced for breakdown by service cost centre
Various	Asset Maintenance Contracts Review of existing procurement arrangements across the various directorates in terms of asset maintenance contracts to provide BVM/Cost Savings i.e PPM, Auto doors, Asbestos etc		10,000	Change to a small number of contracts and unlikely to impact on people	Potential cost savings via consolidated contracts. Requires support from Procurement. Expected benefits from economies of scale
Parks & Green Spaces	Events	10,000		Financial review exercise and no impact on people	Increase budget income recognising annual over performance
Parks & Green Spaces	Rental Income	23,000		Financial review exercise and no impact on people	Increase budget income recognising annual budget over performance
Waste Operations	Recyclate income	100,000		Financial review exercise and no impact on people	Realign budget with historic sales
Fleet	Reduced fuel costs	30,000		Financial review exercise and no impact on people	Savings can be realised due to electric vehicles powered by solar farm
Fleet	Fleet hire costs	100,000		Contractual arrangement unlikely to have any impact on people	More vehicles migrated across to the fleet contract with SFS
Homecall	Homecall	5,000	5,000	EQIA completed in relation to the increase in customers to meet the target income increase, and associated comms campaign. A further EQIA will be developed later for the overall review of Homecall	Work with Devon LA's in collaborative working for ECC to run and manage their respective systems. Comms campaign to increase customer base across Exeter and the wider area. Review of Homecall with a report presented to SMB winter 2025.
Local Plans	Cut Local Plan Evidence Budget	33,000		Financial review exercise and no impact on people	In base budget but not required on a recurring basis
Culture	Cultural Redesign Phase 2	30,000		EQIA completed and appended to the report	This is in addition to the savings being made in 2025/6. Further details to be scoped.
Culture	RAMM Exhibition income	10,000		EQIA completed and appended to the report	This is charging for exhibition space currently not charged for.
Sales and Marketing	Increased income	40,000		Income target will be raised through employment of extra post. There is no impact on the current team so an EQIA is not required	The figure listed for 26/27 is based on current establishment capacity.
		1,026,000	65,000		

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Appendix 3

MEDIUM TERM REVENUE PLAN (2024/25 - 2028/29)

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Resources					
Revenue Support Grant	1,799	1,384	0	0	0
Business Rates Income	8,858	9,929	0	0	0
Settlement Funding Assessment (SFA)	0	0	10,940	11,710	12,570
CIL income	774	798	793	793	793
New Homes Bonus	486	872	0	0	0
Extended Producer Responsibility Fund (EPR)	0	1,410	1,500	1,500	1,500
Council Tax	7,170	7,507	7,771	8,006	8,338
Likely resources	19,087	21,900	21,004	22,009	23,201
Expenditure					
Service expenditure					
Committee expenditure	18,059	23,350	17,993	17,144	17,466
Net Interest	1,277	1,475	1,400	1,430	1,530
Repayment of debt	1,805	2,502	2,603	2,634	2,462
RCCO	115	89	0	0	0
	21,256	27,416	21,996	21,208	21,458
Other funding					
Contribution to/ (from) earmarked reserves	(1,592)	(1,693)	(136)	765	765
Contribution to/ (from) balances - Other	(577)	(1,423)	760	501	978
	(2,169)	(3,116)	624	1,266	1,743
Further reductions required		0	0	0	0
Potential reductions identified		(2,400)	(1,616)	(465)	0
Total Net Budget	19,087	21,900	21,004	22,009	23,201

Opening General Fund Balance	5,882	5,305	3,882	4,642	5,143
Closing General Fund Balance	5,305	3,882	4,642	5,143	6,121
Balance as a percentage of budget	27.8%	17.7%	22.1%	23.4%	26.4%

Equality Impact Assessment: Homecall

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.

Page 127

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
Executive 16 December 2025	Budget Strategy and Medium Term Financial Plan	Review of Homecall, to increase the customer base of the service across Exeter and the wider area	Race & Ethnicity Disability Age

Factors to consider in the assessment: For each of the groups below, an assessment has been made on whether the proposed decision will have a **positive, negative or neutral impact**. This is must be noted in the table below alongside brief details of why this

conclusion has been reached and notes of any mitigation proposed. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

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

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

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

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	Negative	Low	Homecall is only available to purchase for those that have an address, mobile or landline, a modern 3-pin electricity plug socket, a nominated 'keyholder' or have a key safe which will impact on Gypsies and Travellers who do not have permanent addresses. However most Gypsies and Travellers who are travelling live in groups and are therefore unlikely to be alone and require this service.
Disability: as defined by the Equality Act – a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse impact on their ability to carry out normal day-to-day activities.	Positive	High	Homecall alarms are available to anyone who needs one, provided they have an address, mobile or landline, a modern 3-pin electricity plug socket, a nominated 'keyholder' or have a key safe. This includes the elderly, those with mobility or medical problems or those in sheltered housing. If the individual isn't able to purchase a key safe or have a nominated individual, they are unable to become a customer, as emergency services may need to access their property. There could be a scenario where an individual is unable to afford Homecall, the team guide the individual to grant funding opportunities within the City Council and from other sources.
Sex	N/A	N/A	
Gender reassignment	N/A	N/A	

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	N/A	N/A	
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	N/A	N/A	
Age (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older people 81+; frail older people; people living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).	Positive	High	<p>Homecall alarms are available to anyone who needs one, provided they have an address, mobile or landline, a modern 3-pin electricity plug socket, a nominated 'keyholder' or have a key safe. This includes the elderly, those with mobility or medical problems or those in sheltered housing. If the individual isn't able to purchase a key safe or have a nominated individual, they are unable to become a customer, as emergency services may need to access their property.</p> <p>There could be a scenario where an individual is unable to afford Homecall, the team guide the individual to grant funding opportunities within the City Council and from other sources.</p>
Pregnancy and maternity including new and breast feeding mothers	N/A	N/A	
Marriage and civil partnership status	N/A	N/A	

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

- Prepare a communications plan that is accessible for all identified protected characteristics within this EQIA

Officer: Head of Service City Centre & Net Zero

Date: 18 November 2025

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Equality Impact Assessment: RAMM charging for exhibitions

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 16 December 2025	Charging for RAMM exhibitions	To introduce admission fees for all exhibitions at the Royal Albert Memorial Museum (RAMM).	Age Disability Gender Reassignment Marriage and Civil Partnership Pregnancy and Maternity Race Religion or belief Sex Sexual orientation

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
Age	Neutral	Low	<p>Data from the 2021 Census Profile for the Exeter LAD report that 68.6% of people were aged between 16 and 64 years. 16.6% of the local population were aged 65 years and over and 14.8% were reported to under the age of 15 years.</p> <p>Data from RAMM Demographics 2024/25, report usage by age as follows;</p> <ul style="list-style-type: none"> Age 19 – 8% - 15,520 people (based on 194K visitors) 20-29 – 17% - 34,980 people 30-39 – 10.5% - 20,370 people 40-49 – 13.3% - 25,802 people 50-59 – 13% - 25,220 people 60-69 – 20% - 38,800 people 70+ – 17% - 32,980 <p>The is no fee for exhibitions for those aged 18 or under, meaning there is no impact for this age group, RAMMs major funding currently requires this age group to have free entry, future plans longer term 2028 onwards could review this. For those aged 19 and over, there is no evidence available of specific impact on those of different ages and no targeted provision in relation to age.</p>

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
			Consequently, exhibition fees across the museum will equally impact all Exeter residents aged 19 years or older.
Disability	Neutral	Low	<p>Data from the 2021 Census Profile for the Exeter LAD report that 7.3% of the population identified as disabled under the Equality Act with day-to-day activities limited a lot. 11.6% of the population identified as disabled under the Equality Act with day-to-day activities limited a little. 81.4% of the local population identify as not disabled under the Equality Act.</p> <p>Data from RAMM demographics report 2024-25 that 9% of visitors identify as disabled – 17,460 visitors to the museum each year.</p> <p>There is no evidence available of specific impact in relation to disability. The Museum is fully accessible, and tickets to exhibitions are available both online and via the museum reception. There is no charge for an accompanying carer. Consequently, exhibition fees across the museum will equally impact all Exeter residents, regardless of disability. There is currently no discount for disabled visitors, certified carers are free.</p>
Gender reassignment	Neutral	Low	There is no evidence available of specific impact.
Marriage and civil partnership	Neutral	Low	<p>Data from the 2021 Census Profile for the Exeter LAD report that 35.7% of the local population aged 16 or over were married or in a registered civil partnership. 64.3% of people aged 16 or over held other marital or civil partnership status.</p> <p>RAMM does not collect data on pregnancy and maternity status.</p>

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
			There is no evidence available of specific impact.
Pregnancy and maternity	Neutral	Low	RAMM does not collect data on pregnancy and maternity status. There is no evidence available of specific impact.
Race	Neutral	Low	<p>Data from the 2021 Census Profile for the Exeter LAD report that 4.9% of the local population identified as Asian, Asian British or Asian Welsh, 0.9% identified as Black, Black British, Black Welsh, Caribbean or African. 2.5% of the local population identified as mixed or multiple ethnic groups and 1.4% identified as another ethnic group. 90.3% of the local population identified as White.</p> <p>Data from RAMM demographics report 2024-25 identifies that 8% of RAMM's visitors are from Global Majority communities.</p> <p>There is no evidence available of specific impact on those with different races or ethnicities and no targeted provision in relation to race or ethnicity. Consequently, exhibition fees across the museum will equally impact all Exeter residents, regardless of race or ethnicity.</p>
Religion or belief	Neutral	Low	<p>Data from the 2021 Census Profile for the Exeter LAD report that 48.5% of the local population were reported to have no religion or belief, followed by 40% who reported to be Christian. 4.2% of people identify as Buddhist, Muslim, Hindu, Jewish or Sikh and 7.4% failed to answer.</p> <p>RAMM does not collect data on religion or belief.</p>

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
			There is no evidence available of specific impact.
Sex	Neutral	Low	<p>Data from the 2021 Census Profile for the Exeter LAD report that 51.3% of the local population were female and 48.7% were reported to be male.</p> <p>Data from RAMM demographics report 2024-25 identifies that 44% of visitors are male (85,360 people), 56% of visitors are female (108,640 people). No visitors stated they were other/intersex in 2024-25.</p> <p>There is no targeted provision in relation to sex, and all exhibitions are equally accessible to males and females. Consequently, exhibition fees across the museum will equally impact all Exeter residents, regardless of sex.</p>
Sexual orientation	Neutral	Low	<p>Data from the 2021 Census Profile for the Exeter LAD report that 5.3% of the local population were reported to identify as either gay, lesbian, bisexual, pansexual, asexual, queer or other sexual orientation. 86.2% of the local population identified as either straight or heterosexual. 8.5% failed to answer.</p> <p>13% of RAMM's visitors identify as LGBTQ+ There is no evidence available of specific impact.</p>

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WORK PLAN FOR CUSTOMER FOCUS SCRUTINY ITEMS 2025/26

Working Draft for January 2026

Customer Focus Scrutiny Committee	Item	Director	Portfolio Holder	Origin of Business	Status
22 January 2026	Portfolio Holder Update – The Leader of the Council, Cllr Bialyk	Chief Executive	Leader, Cllr Bialyk		
22 January 2026	Medium Term Financial Plan	Strategic Director for Corporate Resources	Corporate Services & City Centre (Deputy Leader, Cllr Wright)		
22 January 2026	Quarter 2 Budget Scrutiny	Strategic Director for Corporate Resources (DH)	Leader (Cllr Bialyk)	Scrutiny proposal – Cllr Parkhouse	
5 February 2026	Portfolio Holder's Report (Cllr Asvachin)	Strategic Director for People and Communities	Portfolio Holder for Housing, Homelessness Prevention & Support Services		
5 February 2026	Tenants Energy Review of our Passivhaus Council Homes	Strategic Director – People and Communities (JY)	Housing, Homelessness Prevention and Support Services (Cllr Asvachin)	Scrutiny proposal Cllr Atkinson	

5 February 2026	Six-monthly update on Homelessness Strategy	Strategic Director – People and Communities (JY)	Housing, Homelessness Prevention and Support Services (Cllr Asvachin)	Proposed by Councillor Denning – half yearly report	
19 March 2026	Portfolio Holder's Report (Cllr R Williams)	Strategic Director for Operations (AP)	Portfolio Holder for City Management		
19 March 2026	Portfolio Holder's Report (Cllr Foale)	Strategic Director for Place (IC)	Portfolio Holder for Arts, Culture & Tourism (Cllr Foale)		
19 March 2026	Update on Street Cleansing and Bin Collection – Recycling and Food Waste Collection	Head of Operations (CC)	City Management (Cllr R Williams)	Yearly report	
19 March 2026	Eton Walk Refuse bin – Petition	Strategic Director for Operations (AP)	City Management (Cllr R Williams)	Petition	Deferred from September 2025
18 June 2026	Quarter 4 Budget Scrutiny	Strategic Director for Corporate Resources (DH)	Leader (Cllr Bialyk)		
18 June 2026	Scrutiny Annual Report	Strategic Director for Corporate Resources (DH)	Corporate Services & City Centre (Deputy Leader, Cllr Wright)	Statutory Duty	
24 September 2026	Six-monthly update on Homelessness Strategy	Strategic Director – People and Communities (JY)	Housing, Homelessness Prevention and Support Services (Cllr Asvachin)	Proposed by Councillor Denning – half yearly report	

12 November 2026	Quarter 2 Budget Scrutiny	Strategic Director for Corporate Resources (DH)	Leader (Cllr Bialyk)		
12 November 2026	Portfolio Holder's Report (Cllr TBD)				
11 February 2027	Key People Activity Across the Council	Strategic Director – People and Communities (JY)	Corporate Services & City Centre (Deputy Leader, Cllr Wright)	Scrutiny proposal Cllr Palmer	

To be scoped on 22 January 2026 subject to Scrutiny Programme Board allocation:

- **Budget proposal from Cllr Moore (Commercial Strategy)**
- **Empty Homes from Cllrs Moore & Read**

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