

REPORT TO COUNCIL

Date of Meeting: 9 December 2025

Report of: Strategic Director for Corporate Services

Title: Update of Exeter City Council's Companies, Alternative Delivery Models and Charities.

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

This report provides Members with the following:

1.1 An update on companies, alternative delivery models and charities connected with or controlled by Exeter City Council so that Members are aware of their activities and financial performance;

2. Recommendations:

2.1 That Council notes the report.

3. Reasons for the recommendation:

3.1 In January 2025 a detailed report on each of the companies in which the Council has an interest was presented to Executive and Council. In the report officers committed to providing an update every six months to Council therefore this report addresses that commitment.

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

4.1 There are none arising out of the report.

5. Section 151 Officer comments:

5.1 The report sets out the position in respect of the Companies in which the Council has an interest. There are no issues of significance to highlight. The review into Exeter Business Centre by Local Partnerships is complete and a draft report has been issued. Officers are considering the report with an intention to present a report to Council early next year.

6. What are the legal aspects?

6.1 Under the Local Government Act 2003, local authorities may trade in activities related to their ordinary functions for commercial purposes via a company (as defined under the Companies Act 2006).

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6.2 Under the Localism Act 2011 local authorities are granted the General Power of Competence (GPC) and are permitted to do anything that an individual may do, including engaging in commercial activities. However, in accordance with section 4 of the Act any commercial activities under the GPC must also be conducted through a company.

7. Monitoring Officer's comments:

7.1 The purpose of this report is to provide Members with an update on Council-owned and related companies.

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 report's recommendations address Companies not individuals.

9. Carbon Footprint (Environmental) Implications:

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

10. Report details:

10.1 Exeter City Council Companies and Charities:

10.1.1 ECC has a range of interests in a number of Companies (and a Charity) for a range of purposes. This report provides information to Members concerning those entities connected to Exeter City Council and the role of the Council within those organisations.

10.1.2 Attached at Appendix 1 of this report is a list of the Companies and a Charity in which ECC has an interest, along with details as to who fills the key roles in respect of interactions with the various entities with. Appendix 2 provides the financial information in respect of each of the entities. Set out below is a short summary of activities and financial performance by the organisation in the financial year 2025-26 to date.

- **Strata Service Solutions Limited (Incorporated 15 May 2014)**

Strata is the Council's ICT Company and is owned in equal shares with East Devon District Council and Teignbridge District Council. Strata has been successful in delivering the savings it was required to achieve in its early period of existence and has continued to adapt with the aim of delivering the services each Council wants.

Strata continues to make significant progress into the transformation set out in the business plan for 2026-27. Initiatives include replacement of the Councils' aged laptop estate and infrastructure, delivery of the new phone system and decommission of skype for desktop users, enhancement of the Councils' digital front door and Customer Relationship Management (CRM).

The published accounts for 2024-25 are included in Appendix 2a and an unqualified audit opinion given with no issues reported. The accounts are unchanged from the draft financial statements included in the previous Companies, Alternative Delivery Models and Charities report (June 2025).

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- **Exeter Science Park Limited (ESPL) (Incorporated 24 February 2009)**

ESPL is a company in joint ownership between Exeter City Council, Devon County Council, the University of Exeter and East Devon District Council. There are different shareholdings amongst the four owners. ESPL is one of the most commercially driven Companies in which the Council has an interest, but under the agreement the Council is unable to take dividends from any profits.

The accounts for 2024-25 (Appendix 2b) have been published and an unqualified audit opinion given with no issues reported. The accounts show an improved Net Asset position compared with the draft position included in the previous Companies, Alternative Delivery Models and Charities report (June 2025).

- **Exeter City Group Limited (Incorporated 7 June 2018) and Exeter City Living Limited (Incorporated 12 June 2018)**

ECG and ECL now exists with the limited role of holding and managing property. It now holds and manages the six flats at the Guildhall Shopping Centre.

The Council resolved on 18 February 2025 to approve the Shareholder Representative to issue and sign written order to amend the Articles of Association of ECG and ECL. A special resolution to action the amendments to the Articles of Association was approved on 2 June 2025. Subsequently the two dormant subsidiary companies of Exeter City Group Limited, Exeter City Homes Limited and Exeter City Living Property Limited (both incorporated 12 June 2018) were dissolved on 18 November 2025.

During current financial year the net rental income position has been impacted by increased turnover in tenants compared with prior years. This has resulted in increased void periods before the flats are relet as repairs and maintenance is carried out to bring the flats back to the started for reletting. However this has been offset by a significant reduction in operating costs compared with the prior year due to a reduction in Directors and termination of IT services following the transition from housing development to solely residential rental activity. The Management Fee earned from the Council will be adjusted to cover the costs of the business in 2025-26.

Draft accounts for Exeter City Group and Exeter City Living can be found in Appendices 2c and 2d respectively. The Exeter City Living accounts are unchanged from the draft financial statements included in the previous Companies, Alternative Delivery Models and Charities report (June 2025).

- **South West Audit Partnership Limited (SWAP) (Incorporated 14 September 2012)**

South West Audit Partnership provides Internal Audit Services to Councils, Police Forces, Fire & Rescue Services and Police and Crime Commissioners across the Country. The Council joined the Partnership in April 2024. SWAP is the largest internal audit partnership in the UK and has continued to grow, with two more partners joining in April 2025. As such the Council's ownership is very small and we continue to have no involvement in the day to day running of the Company. In February a new Chief Executive was appointed, Rich Clarke, who has 25 years of experience.

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The accounts for 2024-25 (Appendix 2e) have been published and an unqualified audit opinion given with no issues reported.

- **Exeter Business Centre (EBC) (Incorporated 5 March 1986)**

EBC is based in a warehouse on the Marsh Barton Industrial Estate that the Company leases from a third party. The original intention of the company is to provide office space and workshops to 'start ups' on short-term leases to allow Companies that don't succeed to exit without significant leasehold obligations.

The review of Exeter Business Centre, approved earlier this year, was undertaken by Local Partnerships and has reported back. Officers are meeting to consider the report and expect to provide a report to Council recommending a way forward in early 2026.

The accounts for 2024-25 have been published and can be found in Appendix 2f. The accounts are in line with the year end forecast included in the previous Companies, Alternative Delivery Models and Charities report (June 2025).

- **DextCo Limited (Incorporated 1 December 2016)**

Dextco limited is a Company which was set up with partners in the City (Devon County Council, Royal Devon University Healthcare NHS Foundation Trust as well as Teignbridge District Council) with the intention of jointly procuring partners to deliver a City Centre district heat network and an additional district heat network in the West Exe part of the City (including Teignbridge). The proposals did not go ahead and there are no current projects being progressed by the Company. The Directors have taken a decision to recommend to the shareholders to voluntarily wind the company up.

Accounts for the financial year to 31 December 2024 have been filed and can be found in Appendix 2g.

- **Monkerton Heat Company Limited (Incorporated 3 November 2015)**

Monkerton Heat Company was set up with each Developer at Monkerton in relation to the District Heat Network which was installed by various developers with Eon as condition of Section 106 agreements for construction of residential developments at Monkerton. The Company exists for two principal purposes. Firstly, holding the Head Lease of the land for the pipework comprising the district heat network and granting a sub-lease to Eon. Secondly to administer the Master Agreement with Eon. As each developer completes their involvement in their scheme, they will resign as Directors and relinquish their shareholdings, and ultimately ECC will be the sole owner. The company is currently dormant.

Accounts for the financial year to 30 November 2024 have been filed and can be found in Appendix 2h.

- **Exeter Canal and Quay Trust Limited (Incorporated 17 December 1981)**

Exeter Canal and Quay Trust Limited is a charity which was set up in December 1981 to manage and improve a range of properties primarily at the Quay. The properties are

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owned by Exeter City Council and let to ECQT primarily on long leases with decades to run. In some instances the freehold interests have been transferred to ECQT.

There are no significant issues to highlight at this time. Draft accounts are not yet available to report.

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

11.1 The recommendations in this report supports the Council's Corporate Priorities of Leading a Well-Run Council – Well Managed Assets: In reviewing the activities of the companies and the proposals to reduce or cease certain activities, the Council is taking an proactive approach to managing those alternative business structures where it has an interest.

11.2 It also supports the Corporate Priority of a Balanced budget by reviewing the activities of companies and by making recommendations to reduce financial exposure and company activities where that is seen to be necessary.

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

12.1 The Companies may fall into administration if they are unable to meet their financial liabilities placing considerable pressure on Directors.

13. Are there any other options?

13.1 None

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

Background papers used in compiling this report:

None

List of Appendices:

- Appendix 2a – Strata Accounts 2024-25;
- Appendix 2b – Exeter Science Park Final Accounts 2024-25;
- Appendix 2c – Exeter City Group Accounts 2024-25;
- Appendix 2d – Exeter City Living Accounts 2024-25;
- Appendix 2e – SWAP Accounts 2024-25;
- Appendix 2f – EBC Accounts 2024-25;
- Appendix 2g – Dextco Accounts 2024-25;
- Appendix 2h – Monkerton Heat Accounts 2024.