

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 recommenced 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