

## **REPORT TO COUNCIL**

Date of Meeting: 16 June 2026

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 content of this 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. A report will be presented in the next Committee cycle recommending a way forward.

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

6.1 In accordance with 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).

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

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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. 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 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 where available. Set out below is a short summary of activities and financial performance by the organisation in the financial year 2025-26.

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

Strata is the Council's ICT Company and is owned 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 a number of LGR preparation projects as well as infrastructure move to the Cloud whilst ensuring further enhancement of the Councils' digital front door and Customer Relationship Management (CRM) systems.

In the financial year the company underspent against the Budget by £936k. A significant proportion of this underspend is due to excess income that has been built up in previous years to fund transformation of the Councils' IT services being handed back to Strata in 2025-26. A proportion of this excess income has been spent during the year and the remainder is earmarked to be spent on the continued transformation in 2026-27. Other contributors to the underspend are mainly due to delayed onboarding of new roles and initiatives created by the transformation programme as well as increased interest and grant income compared with the Budget. Strata also delivered £1.25m of capital

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improvements during the year. Strata will request that the Councils return the 2025-26 savings in 2026-27 to fund the continued transformation of IT services as set out in the 2026-27 Business Plan.

Draft accounts for 2025-26 are not available with this report due to a delay in year end pension reporting from the pensions administrator.

- **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.

A new Chief Executive of ESPL started 1 May 2026, working with the current Chief Executive until they leave at the end of June 2026.

At the time of writing the accounts for 2025-26 have not been published, but the Council is not aware of any issues.

- **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 residential flats at the Guildhall Shopping Centre.

During the 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 standard 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 in 2025-26 is £16,060.

Draft accounts for Exeter City Living can be found in Appendix 2a and show a small loss of £101 for the year and Net Assets of £117,156.

- **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 one more partner joining in April 2026. 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.

At the time of writing the accounts for 2025-26 have not been published, but the Council is not aware of any issues.

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- **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 has been completed and the Commercial Assets team are working on a report recommending a way forward to be put to Council in July 2026.

Draft accounts for 2025-26 can be found in Appendix 2b and show a profit of £12,838 for the year and Net Assets of £1,187.

- **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 the Directors took the decision to recommend to the shareholders to voluntarily wind the company up. The company was dissolved on 5 May 2026.

- **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-ease to E.on. Secondly to administer the Master Agreement with E.on. 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.

- **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 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. Published accounts for the financial year 2024-25 are attached in Appendix 2c.

At the time of writing the accounts for 2025-26 have not been published, but the Council is not aware of any issues.

## **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 1 – ECC Group interests;
- Appendix 2a – Exeter City Living Draft Accounts 2025-26;
- Appendix 2b – EBC Draft Accounts 2025-26;
- Appendix 2c – ECQT Accounts 2024-25;