

EXECUTIVE

Tuesday 29 June 2010

Present:-

Councillor Fullam (Chair)
Councillors S Brock, Cole, Mrs Henson, Mrs J Morrish, Newton and Wadham

Chief Executive, Director Community and Environment, Director Corporate Services, Interim Director Economy and Development, Head of Human Resources, Head of Treasury Services, Head of Environmental Health Services, Head of Housing Services and Member Services Manager

68

DECLARATIONS OF INTEREST

No declarations of interest were made.

69

CAPITAL MONITORING 2009/10 AND REVISED CAPITAL PROGRAMME FOR 2010/11 AND FUTURE YEARS

The report of the Head of Treasury Services was submitted, informing Members of the overall financial performance of the Council for the 2009-10 financial year, in respect of the annual capital programme, and seeking approval of the 2010-11 revised capital programme.

The report was considered by the Scrutiny Committee – Resources at their meeting on 16 June 2010 and the comments and support of members were noted.

Executive noted the main variances and achievements in relation to the programme.

RECOMMENDED to Council that:-

- (1) the overall financial position for the 2009-10 annual capital programme be noted; and
- (2) the amendments to the Council's annual capital programme for 2010-11 be approved by Council.

(Report circulated)

70

OVERVIEW OF REVENUE BUDGET 2009/10

The report of the Head of Treasury Services was submitted, informing Members of the overall final financial performance of the Housing Revenue Account (HRA) and General Fund Revenue Budget for the 2009/10 financial year ended 31 March 2010.

The Head of Treasury Services reported an overall reduction in the HRA working balance in anticipation of changes to the HRA subsidy system. He identified the adjustments and main Service Committee variations for the financial year in respect of the General Fund and reported on the position in relation to Council Tax and Outstanding Sundry Debt and Creditors' Payment performance.

The report was considered by the Scrutiny Committee – Resources at their meeting on 16 June 2010 and the comments and support of members were noted.

In response to a question regarding sub-letting of Council properties, the Head of Housing Services reported that this was an extremely rare occurrence in the City and a recent investigation had not uncovered any cases.

The Chair congratulated officers on the successful performance in the context of a very challenging budget. Whilst it had been necessary to use £1.6 million of balances, members were pleased to note that the current General Fund working balance remained well in excess of the £2 million minimum requirement approved by Executive in February 2010.

RECOMMENDED that the report be noted and that Council approves:-

- (1) the net transfer of £57,486 from Earmarked Reserves as detailed in paragraph 3.13 of the report;
- (2) supplementary budgets totalling £152,160 as detailed in paragraph 3.9 of the report;
- (3) the Earmarked Reserves at 31 March 2010;
- (4) the Council Tax account and collection rate;
- (5) the outstanding sundry debt and aged debt analysis;
- (6) the Creditor Payments performance;
- (7) having regard to the General Fund working balance at 31 March 2010 of £3,897,755, the overall financial position of the Council as set out in paragraph 3.8 of the report; and
- (8) the Housing Revenue Account working balance at 31 March 2010 of £2,681,729.

(Report circulated)

71

TREASURY MANAGEMENT 2009/10

The report of the Head of Treasury Services was submitted, reporting the overall performance for the 2009-10 financial year and the position regarding investments and borrowings at 31 March 2010.

The Head of Treasury Services reported that the overall rate of return for the Investment Fund of 1.18% reflected market conditions but conversely the Council had benefited from low interest rates in relation to short-term borrowing.

The report was considered by the Scrutiny Committee – Resources at their meeting on 16 June 2010 and the support of members was noted.

Executive acknowledged the impact of low investment returns on an already challenging budget.

RECOMMENDED that Council note the Treasury Management report for 2009/10.

(Report circulated)

ANNUAL GOVERNANCE STATEMENT

The report of the Head of Treasury Services was submitted, setting out the proposed Annual Governance Statement to be included within the Council's Annual Statement of Accounts for 2009/10. The Statement also incorporated the Council's Code of Corporate Governance.

The Head of Treasury Services highlighted a number of key issues identified in the Governance Statement. In response to a query, he undertook to circulate to members more detailed information on the Learning and Development budget.

The report was considered by the Scrutiny Committee – Resources at their meeting on 16 June 2010 and the support of members was noted.

RECOMMENDED that Council supports the Annual Governance Statement to be included within the Council's Annual Statement of Accounts for 2009/10.

(Report circulated)

DELIVERING VALUE FOR MONEY

The report of the Head of Treasury Services was submitted, reporting on the Council's performance in trying to achieve value for money cash efficiency savings for the previous (2009/10) financial year.

The report was considered by the Scrutiny Committee – Resources at their meeting on 16 June 2010 and the support of members was noted.

Members acknowledged the difficulty of continuing to deliver year-on-year savings in respect of an already tight budget.

RESOLVED that the contents of the report are noted and the identified savings in the draft 2009/10 schedule are approved as part of the Council's overall submission in respect of National Indicator 179.

(Report circulated)

REFORM OF THE HOUSING REVENUE ACCOUNT SUBSIDY SYSTEM

The report of the Head of Housing Services was submitted, informing Members of the Government consultation paper entitled *Council Housing – A real Future* setting out proposals for the reform of the Housing Revenue Account (HRA) finance system and recommending a formal response from the Council.

The Head of Housing Services reported on the Government's proposals to dismantle the current HRA subsidy system and to replace it with a devolved self-financing system. The consultation paper had been the subject of a member briefing in October 2009 prior to the Council's formal response to the Government. He reminded members of the inequity and unpredictability of the current subsidy system which had prevented the Council undertaking improvement works to Council properties in accordance with the "Exeter standard".

He reported that under the new self-financing system the Council would be able to keep 100% of the rent collected from tenants locally. In return Exeter would be requested to accept a share of the national housing debt which was projected to be in the region of £56 million, rather than the £59 million stated in the report.

The Chair welcomed the proposed reform of the Housing Revenue Account system but regretted that Exeter would bear a disproportionate burden of the national housing debt. Members welcomed the proposals and endorsed the draft response circulated by the Head of Housing Services. They looked forward to Exeter being able to enjoy greater freedom and certainty in respect of future spending on Council properties. They thanked the Portfolio Holder Housing and Community Involvement, the Head of Housing Services and staff for contributing to the review.

RESOLVED that:-

- (1) the Government's proposals for reform of the Council Housing Finance system be noted; and
- (2) the draft response to the consultation paper circulated be approved.

(Report circulated)

75

LOCAL DEVELOPMENT FRAMEWORK CORE STRATEGY SUBMISSION
DRAFT

The report of the Interim Director Economy and Development was submitted, considering the content of Exeter City Council's Core Strategy and its publication for pre-submission representations.

The Interim Director presented the Core Strategy which had been the subject of consultation at various formal stages in 2005 and 2006. Further consultation had been carried out in October/November 2009 in relation to the implications of the proposed number of houses to be built in Exeter, including the strategic allocations at Monkerton/Hill Barton, Newcourt and South of Alphington.

Whilst the present Government had stated its intention to abolish Regional Spatial Strategies, it remained necessary for the Council to identify a five year supply of housing land in order to resist inappropriate development proposals. It was recommended that the Core Strategy should go forward on the basis of the 12,000 dwelling target, which members had felt would deliver local needs, rather than 15,000 recommended by the Proposed Changes RSS. The Interim Director highlighted a number of other specific issues identified in the Core Strategy including density, the policy relating to Gypsies and Travellers, sustainable development and employment.

A Member expressed concern regarding the impact of higher density on the quality of dwellings, for example in relation to room sizes and outside space. Whilst acknowledging these concerns, the Interim Director considered that the draft Supplementary Planning Document on Residential Design agreed by Executive at their previous meeting went a considerable way in addressing this issue by identifying the quality of development which would be regarded as acceptable. High density did not preclude high quality development as was evidenced by a number of schemes throughout the country.

The Chair congratulated the Interim Director and the former Director Economy and Development, the Head of Planning and Building Control and officers on the production of the comprehensive Core Strategy document. He endorsed the great importance of continuing to provide an adequate supply of high quality housing.

RESOLVED that the publication of the Core Strategy for Pre Submission Representations be approved and authority to make minor amendments be delegated to the Head of Planning and Building Control in consultation with the Portfolio Holder.

(Report circulated)

76

FREEDOM OF THE CITY: THE COLDSTREAM GUARDS

The report of the Head of Corporate Customer Services was submitted seeking approval to grant Freedom of the City to the Coldstream Regiment of Foot Guards.

Councillor Winterbottom attended the meeting and spoke on this item in accordance with Standing Order 44. He reported on the success of the Armed Forces Day and the honour which would be bestowed on both the Regiment and the City by granting the Freedom of the City to the Coldstream Guards.

Executive members supported the proposal with enthusiasm, in acknowledgement of the high esteem in which the Regiment is held and their valued and historic links with the City.

RECOMMENDED that, in accordance with Section 249 of the Local Government Act 1972, an Extraordinary meeting of the Council be arranged, immediately prior to the Ordinary meeting of the Council on 12 October 2010, to grant Freedom of Entry to the City to the Coldstream Regiment of Foot Guards.

(Report circulated)

77

REPRESENTATION AT COURT

RESOLVED that, in accordance with Section 223 of the Local Government Act 1972, Michelle Johnson, Legal Executive (Litigation), be authorised to represent the Council at the County and Magistrates Courts.

78

APPOINTMENT OF REPRESENTATIVES TO SERVE ON OUTSIDE BODIES

A schedule of appointments to outside bodies was circulated.

RESOLVED that the appointments identified on the attached schedule be approved, and **RECOMMENDED** that the outstanding appointments indicated be agreed by Council.

(Report circulated)

79

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - EXCLUSION OF PRESS AND PUBLIC

RESOLVED that, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the following items on the grounds that they involved the likely disclosure of exempt information as defined in paragraphs 1, 2 and 4 of Part 1 of Schedule 12A of the Local Government Act 1972.

WASTE COLLECTION REVIEW: IMPLEMENTATION

The report of the Head of Environmental Health Services was submitted, informing the Executive of the progress made in respect of the implementation of actions identified by the recent review of waste collection services, and seeking Executive's views on the best course of action following a request by Scrutiny Committee – Community for waste collection options to be reconsidered.

The Head of Environmental Health Services introduced the report updating members on the progress of the proposed efficiency savings. Members had previously been informed that changing to a 4 day week was subject to future negotiations with trades union and staff, as it would significantly vary their terms and conditions. Staff had also stated that they wished to consider the proposal in the light of the proposed re-modelled collection rounds. It was disappointing that despite initial soundings from staff having indicated that a 4-day week was favoured, an indicative ballot carried out in April 2010 had subsequently suggested a change in opinion with a large majority of staff now rejecting the proposal. Nevertheless the Head of Environmental Health Services emphasised that the major efficiency savings would derive from moving approximately 14,000 households from a weekly to an alternate weekly collection, coupled with the remodelling of the rounds into zones. He also referred to the environmental advantages to be achieved from a zone-based system by rationalising the journeys and reducing fuel consumption. The alternate week collection also substantially increased the amount of waste separated for recycling by householders.

Councillor D Baldwin attended the meeting and spoke on this item under Standing Order 44. She referred to the views of Scrutiny Committee – Community which had expressed concerns at the length of time the recalculation of the rounds had taken and the associated costs and had requested Executive to revisit the issue. She expressed particular concern about the reduction in the education budget which she felt may be a false economy and the lack of a fallback position if the proposals were not accepted.

The Chair responded that the Administration regretted the need to make efficiency savings but emphasised the requirement to deliver a very challenging budget which had been successfully achieved in the previous year. A 4-day week remained a longer-term aspiration of the Council and he requested that discussions on the issue remain open.

The Head of Environmental Health Services reported that the change of view may have been influenced by the effect of the closure of the Exeter Waste Transfer Station and the changing requirements to deliver waste to Heathfield and later Greendale Barton together with some concerns regarding the arduous nature of longer rounds. He added that the re-modelled rounds would allow for better mitigation of the disruption currently caused by Bank Holidays Mondays.

Members were disappointed by the objections of staff to move to a 4-day week but were keen nevertheless to progress the re-modelling of the rounds which would deliver the most significant savings. Whilst acknowledging the concerns of staff regarding the impact of a 4-day week, the Portfolio Holder Business Transformation and Human Resources emphasised that it should remain an aspiration of the Council both in terms of additional savings and reducing the disruption which arose around Bank Holiday Mondays. The objective of the Council was to deliver efficient value-for-money services; the need to achieve significant savings was regrettable but essential. Members valued the goodwill of staff and had no wish to jeopardise

positive working relationships or damage the good reputation of the workforce. Nevertheless they hoped that discussions on the 4-day week would not be completely abandoned.

Councillor Cole, seconded by Councillor Newton, proposed that the re-modelling of the rounds be implemented as planned and that whilst the 4-day week should not be imposed on the same timescale, negotiations be re-opened. This was put to the vote and agreed.

RESOLVED that:-

- (1) the introduction of the re-modelled waste collection rounds based on a 5-day week be progressed with an implementation date of September 2010; and
- (2) the 4-day week is not imposed at the present time, but remains a longer-term aspiration of the Council and negotiations be re-opened in due course.

In accordance with Standing Order 43, Councillor Mrs Henson requested that her name be recorded as having abstained from the vote.

(Report circulated to Members)

81

CHIEF EXECUTIVE - WORKING ARRANGEMENT

The report of the Director Corporate Services was submitted seeking approval to an adjustment in the working arrangements of the Chief Executive. The Chair agreed to accept the item as a matter of urgency in view of the timescale to implement the proposal.

The Chair and members recorded their appreciation to the Chief Executive for his commitment to the Council and commended the benefits of the arrangement, including the savings to the Council.

RESOLVED that:-

- (1) the proposal to adjust the working arrangements of the Chief Executive to a four-day week basis with effect from 1 October 2010, on the basis of the terms set out in the report, be agreed; and
- (2) the Chief Executive and the Head of Human Resources be authorised to pursue all necessary procedures for giving effect to this arrangement.

(Report circulated to Members)

(The meeting commenced at 5.30 pm and closed at 7.15 pm)

Chair

The decisions indicated will normally come into force 5 working days after publication of the Statement of Decisions unless called in by a Scrutiny Committee. Where the matter in question is urgent, the decision will come into force immediately. Decisions regarding the policy framework or corporate objectives or otherwise outside the remit of the Executive will be considered by Council on 13 July 2010.