

EXECUTIVE

Tuesday 5 February 2013

Present:

Councillor Edwards (Chair)
Councillors Denham, Fullam, Hannaford, Mrs Henson, Martin, Sheldon and Sutton

Also present:

Chief Executive, Strategic Director (KH), Strategic Director (MP), Assistant Director City Development, Assistant Director Finance, Assistant Director Housing and Contracts, Corporate Manager Democratic and Civic Support and Member Services Manager

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DECLARATIONS OF INTEREST

No declarations of disclosable pecuniary interests were made.

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GENERAL FUND REVENUE ESTIMATES AND CAPITAL PROGRAMME 2013/14

The report of the Assistant Director Finance was submitted, seeking approval to the General Fund revenue estimates for 2013/14 and recommending the Band D level of Council Tax for 2013/14. The report also included the Proposed Capital Programme for 2013/14 and future years, and a note of the proposals in respect of the Housing Revenue Account.

The Assistant Director Finance reported that the Formula grant settlement had been confirmed as set out in the report.

Scrutiny Committee Resources considered the report at their meeting on 23 January 2013 and the comments and support of members were noted. Executive noted that some members of Scrutiny Committee opposed the proposal to increase Council Tax by £5 per annum (4%).

One member recorded her disappointment that the Council proposed an increase in the Council Tax despite the Government's call for a further freeze. Another member noted that whilst formula grant funding had been cut, the Council was in receipt of substantial revenue from New Homes Bonus. At a time of revenue pressure, he opposed the retention of reserves to fund longer term capital projects and was concerned about the future impact of borrowing.

The Leader responded that the rise of £5 per annum was minimal, represented good value and was in the best interests of the City. He reiterated that the Council was acting prudently by not using New Homes Bonus to support revenue expenditure in view of the uncertain future of income from this source. He was proud of the proactive record of the Council which had produced significant new development in the City.

Other members endorsed the Council's policy of taking advantage of low interest rates and noted that the level of debt was comparable with other district authorities. They emphasised the need to continue investing in the city and the importance of keeping in good repair housing and other facilities.

Members acknowledged the potentially devastating consequences of flooding in the city and welcomed the lead taken by the Council in addressing the matter.

RECOMMENDED to Council:-

- (1) to approve the Council's overall spending proposals in respect of both its revenue and capital budgets;
- (2) to approve the council tax for each Band as set out in section 26.3 of the report, subject to Devon County Council, the Office of the Police and Crime Commissioner Devon and Cornwall and the Devon and Somerset Fire Authority confirming their Band D levels respectively;
- (3) when the actual council tax amounts for Devon County Council, Devon and Cornwall Police Authority, and the Devon and Somerset Fire Authority are set, then the revised council tax levels be submitted to Council on 26 February 2013 for approval;
- (4) to note the Statement given by the chief finance officer as required under Section 25 of the Local Government Act 2003.

(Report circulated)

(In accordance with Standing Order 43, Councillors Mrs Henson and Fullam requested that their names be recorded as having voted against the recommendation)

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TREASURY MANAGEMENT STRATEGY 2013/14

The report of the Assistant Director Finance was submitted, seeking adoption by the Council of the Treasury Management Strategy report, incorporating the Annual Investment Strategy 2013/14, as required under section 15(1)(a) of the Local Government Act 2003.

Scrutiny Committee – Resources considered the report at their meeting on 23 January 2013 and their support and comments were noted.

RECOMMENDED to Council to adopt the new Treasury Management Strategy and delegations contained therein.

(Report circulated)

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THE PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES

The report of the Assistant Director Finance was submitted setting out the proposed 2013/14 prudential indicators for capital finance for adoption by the Council and setting the annual statement for Minimum Revenue Provision (MRP).

RECOMMENDED to Council to adopt:

- (1) the Prudential Indicators set out in Appendices A – C of the report; and
- (2) the Annual Statement of Minimum Revenue Provision for the Council.

(Report circulated)

AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT

The report of the Assistant Director City Development was submitted on the outcome of public consultation on a draft Affordable Housing Supplementary Planning Document (SPD), prepared to amplify affordable housing policy contained in the Exeter Core Strategy. The report also sought agreement to the Council's proposed responses to representations and to adopt an amended document. The SPD included a proposed approach to the viability of housing developments in the current economic climate.

The Assistant Director City Development reported that no significant changes were required as a result of the consultation and recorded the support of Planning Member Working Group to the proposals. He advised that in respect of paragraph 3 of the appendix on the affordable homes mix calculation of financial contributions, it would be helpful to include one or more examples of calculations to show how it applied to the shared ownership/intermediate components and a detailed financial calculation. Sensitivity testing had shown there could be some minor variation in financial calculations depending on exactly how the advice was applied. This might require some amendment to the table. He requested delegated authority to include examples of how the guidance would work in practice.

Members acknowledged that the requirement for 35% affordable housing was no longer viable in the current economic climate and accepted that 25% was a more realistic figure. Members were pleased to note the comprehensive consultation exercise that had taken place. They welcomed the SPD as a useful document which clarified the expectations from developers.

RESOLVED that:-

- (1) authority be delegated to the Assistant Director City Development to provide appropriate guidance on application of the housing mix and financial contribution calculation;
- (2) subject to (1) above, the amended Affordable Housing Supplementary Planning Document as set out in Appendix 1 of the report be adopted; and
- (3) the proposed Consultation Statement as set out in Appendix 2 of the report, including the proposed responses to representations made on the draft SPD, be approved.

(Report circulated)

AUTHORISED SIGNATORIES FOR COUNCIL AND JOINTLY FUNDED AFFORDABLE HOUSING SCHEMES

The report of the Assistant Director Housing and Contracts was submitted seeking approval to signatories to enable the Council to administer, validate, authorise and allow the payment of Other Public Subsidy (OPS), Recycled Capital Grant Fund (RCGF), Social Housing Grant (SHG) and Affordable Rent Tenancy Grants (ARTG) to Registered Social Landlords (RSLs), Registered Providers (RPs) and developers through the Homes and Communities Agency's (HCA's) online Investment Management System (IMS).

Councillor Fullam declared an interest as an employee of Sanctuary Housing Association.

RESOLVED that:-

- (1) the following officers be designated as authorised signatories for the purposes set out in paragraphs 1 and 2 of the report and that the Homes and Communities Agency be informed:

All Financial Grant Claims	Assistant Director Finance (A Stark) or Corporate Finance Manager (D Hodgson) Housing Development Manager (E Osmundsen) Senior Housing Development Officer (C Massey)
Scheme-work Approvals	Assistant Director Housing and Contracts Housing Development Manager (E Osmundsen), Senior Housing Development Officer (C Massey) or Housing Development Officer (G Stenning or K Plumb)
Monitoring	As per scheme-work approvals plus Strategy and Development Assistants (D Brownlie and N Suckley)

- (2) that the Housing Development Manager (E Osmundsen) and the Senior Housing Development Officer (C Massey) be designated as Systems and Security Administrators for these purposes on the IMS Computer System.

(Report circulated)

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MEMBERS' ALLOWANCES 2013/14

The report and recommendations of the City Council's Independent Remuneration Panel were submitted in relation to Members' Allowances for 2013/14.

RECOMMENDED to Council to consider the report and approve the following recommendations of the Independent Remuneration Panel in respect of Members' Allowances for 2013/14:-

- (1) the basic structure and principles of the current Members' Allowances scheme be retained for 2013/14;
- (2) the principle that any Member qualifying for more than one Special Responsibility Allowance is paid the higher allowance only, should be retained;
- (3) the Councillors' Basic and Special Responsibility Allowances including the Lord Mayor and Deputy Lord Mayor's Expenses Allowances should continue to be linked and updated in line with the Local Government Employers (LGE) staff pay award for the previous year. However for 2013/14 only, the level of these allowances should attract a 1% rise;
- (4) the Travel and Subsistence allowances provisions for staff continue to apply to Exeter City Councillors, where appropriate;
- (5) the existing payment of £7.50 per month contribution toward broadband (one payment per household) be retained;

- (6) the current Dependants' Carers' Allowance scheme is maintained and that the level of allowance, currently £6.19 per hour, continues to be linked to and updated in line with the minimum wage, however the allowance should include an uplift of the standard rate of tax (increasing the hourly rate to £7.43 per hour for 2013/14); and
- (7) that a sum of £50 be paid to the Independent Persons affiliated to Standards Committee for up to four hours work, and £100 for four hours and over, payable to each of the two Independent Persons (up to a maximum of £500 per person in any one year).

(Report circulated)

20

VARIATION OF DECISION ON PARKING TARIFFS

The report of the Assistant Director Public Realm was submitted seeking approval to a minor variation in the changes to parking tariff proposals previously agreed by Executive on 20 November 2012.

Councillor Mrs Henson, on behalf of Councillor Prowse, queried the exclusion of Saturdays from commuter season tickets in Howell Road and Magdalen Road car parks as a result of their redesignation as short stay car parks. The Portfolio Holder Sustainable Development and Transport responded that variation of the original proposal, to continue to allow the use of season tickets on Mondays to Fridays, was proposed in response to the many representations received from local businesses, employees and the Chamber of Commerce. It was considered that this addressed the usage by the majority of people affected. She clarified that the original number of objections reported included some double-counting and 225 was in fact the correct figure.

RESOLVED that:-

- (1) approval be given to the use of commuter season tickets, on Mondays to Fridays only, in Howell Road and Magdalen Road car parks; and
- (2) the implementation of these changes to the City of Exeter (Civil Enforcement Off Street Parking Places) Order 2012, including the changes resolved by Executive on 20 November 2012, be made by way of an amendment to the existing Order. The Amendment Order therefore be advertised, made and sealed to come into force on 4 March 2013.

(Report circulated)

21

PROGRESSION TO DEVELOPING A FULL BUSINESS CASE FOR AN ICT SHARED SERVICE

The report of the Strategic Director was submitted seeking approval to progress to a full business case in respect of the creation of a local authorities' owned company to provide shared ICT services. The Chair agreed to accept the report as a matter of urgency since the three other Councils involved in the project were in the process of gaining agreement and wished to make an announcement shortly. Submission of the report to the next meeting of Executive on 19 March would delay the process.

Councillor Crow spoke on the item under Standing Order 44, and queried which aspects of the ICT service would be covered by the arrangement. Whilst supporting the principle of shared services, she was mindful of the Council's systems review work and stressed the need for ICT systems to be tailored to the service rather than the other way round.

The Strategic Director responded that all aspects of ICT were being considered and assured members that a very thorough investigation would be undertaken before entering into any arrangement.

Other members acknowledged the benefits which could derive from shared services whilst urging some caution in the light of the many major public sector IT systems which had encountered significant problems. The Leader stated that a convincing business case would need to be made before the Council proceeded with the proposal.

Executive welcomed the potential efficiency and savings that could be achieved by the shared service and congratulated officers on their open-minded approach to the proposal.

RESOLVED that:-

- (1) approval be given to progress to the next stage of the ICT shared service project, the construction of a detailed business case setting out detailed costs and benefits associated with a shared service facility; and
- (2) a budget of £20,000 (inclusive of contingency) be approved to progress this work.

(Report circulated)

22 **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 during consideration of the following item on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1, Schedule 12A of the Act.

23 **COUNCIL OWN BUILD AFFORDABLE HOUSING PROGRAMME - WAVE TWO**

The report of the Assistant Director Housing and Contracts was submitted seeking approval to Wave Two of the Council Own Build affordable housing programme.

Members considered the proposed shift from downsizing schemes to family homes on three of the developments: Newport Road, Bennett Square and Whipton Methodist Church and the retention of Rennes House Car Park as a down-sizing and flatted scheme. They were disappointed that local demand for down-sizing accommodation had not been as great as had been anticipated and discussed the potential impact of the new benefits system on future demand. It was anticipated that the requirements of tenants wishing to down-size could be met through the housing register but it was agreed that demand for all types of properties should be kept under review in the light of continually changing circumstances and the longer term needs of the city. The Assistant Director Housing and Contracts undertook to confirm proposals for the future of Whipton Methodist Church in the light of current security concerns.

Whilst technical problems had blighted initial Passivhaus developments in this country, members strongly endorsed their longer term benefits, particularly in the light of rising energy costs and climate change predictions. They were pleased to note the considerable reduction in premium, in comparison with original unit costs, which these now attracted.

Members noted that a report on the available funding options for development of the sites would be submitted at a future date but supported the proposal to commence the Wave Two programme as soon as possible using available Housing Revenue Account capital.

RESOLVED that:-

- (1) the scheme design of Newport Road, Bennett Square and Whipton Methodist Church Sites be changed from flats for downsizing to family homes;
- (2) the Council's commitment to developing low-energy Passivhaus Council homes be confirmed; and
- (3) the use of up to £7.5M Housing Revenue Account capital funding for the Council Own Build Wave Two development programme, be approved unless alternative funds become available.

(Report circulated to Members)

(The meeting commenced at 5.30 pm and closed at 7.10 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 26 February 2013.