

REPORT TO: SCRUTINY COMMITTEE RESOURCES and EXECUTIVE
Date of Meeting: 27 January and 9 February 2016
Report of: Chief Executive and Growth Director
Title: Exeter City Futures – Community Interest Company

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1 What is the report about?

- 1.1 In September 2015 Executive endorsed Exeter City Futures as a vehicle for better understanding and addressing the transportation, energy and health challenges as opportunities facing the city. This report provides the rationale for Exeter City Council to become a member of a Community Interest Company (CIC) to facilitate the delivery of the Exeter City Futures vision.
- 1.2 To additionally agree the allocation of £50,000 as a one of payment as a working budget to facilitate the start-up and promotion of the Exeter City Futures (ECF) programme. The CIC will enable the delivery of the various ECF projects

2 Recommendations:

- 2.1 Scrutiny Committee – Resources support and Executive recommend to Council:-
- 1) That Exeter City Council become a member of the Community Interest Company.
 - 2) That a sum of £50,000 is allocated as a working budget to facilitate the start-up and promotion of the Exeter City Futures Programme; and
 - 3) That the Council agree to take membership of the Community Interest Company and for the delegated authority to be given to the Chief Executive and Growth Director to identify two directors on the board.

3 Reasons for the recommendation:

- 3.1 Exeter has been successful as a driver of economic activity in the South West but it cannot become complacent about needing to continue to pursue a programme of economic and housing growth in order to maintain and improve the quality of life and opportunities for those who depend on it. There are inevitable challenges and exciting opportunities facing the city and now, more than ever, we have at our disposal innovative technologies that enable us to understand these issues, in micro and macro detail, how they interrelate and the technologies that will enable us to address them to the advantage of the city/Exeter City Futures aims to provide an ambitious vision and a clear focus for the future, which makes use of pioneering technologies to diagnose and solve the issues facing the city.

The focus of Exeter City Futures can be defined in the three statements:

- Make Exeter smarter
Focusing on a combination of pioneering technology and intelligent analytics, Exeter will have a better view of where it currently stands and what problems it is facing.

- Make Exeter more sustainable
Using the insights generated from a smarter Exeter, a number of solutions and initiatives can be introduced that will ensure both the economic and environmental sustainability of the city.
- Make Exeter more successful
Ultimately, these solutions would make a significant contribution to Exeter being even more successful with a thriving knowledge economy, a protected natural environment and a better quality of life for its residents.

In order to work towards delivery of these ambitious aims, the Council will need to be part of Exeter City Futures Community Interest Company.

4 What are resource implications including non-financial resources:

- 4.1 This project is a joint endeavour by Andromeda Capital, Exeter City Council, and Devon County Council. Andromeda Capita is an Exeter-based company that invests in businesses and projects that foster social, environmental and economic prosperity. This includes investing in renewable energy, improving educational standards and encouraging a carbon-neutral society.
- 4.2 The specific resource implications are for this Council are a £50,000 initial working budget as identified above.

5 Section 151 Officer comments:

- 5.1 The budget, if approved will be funded from the proposed unallocated element of the New Homes Bonus award. This will be reviewed in future years, if required, in light of the outcome of the New Homes Bonus consultation.

6 What are the legal aspects?

A Community Limited Company (CIC) is a new type of company introduced in 2005, designed for social enterprises that want to use their profits and assets for the public good rather than being driven by the need to maximise profit for shareholders and owners.

7 Monitoring Officer's comments:

- 7.1 Please see comments on the legal implications set out above.

8 Background:

- 8.1 Work has been progressing over the preceding 6 months into a programme of initiatives called collectively Exeter City Futures (ECF). Details of the ECF were previously submitted to and approved by Executive on the 15th September 2015.
- 8.2 The Council is now in the position of wanting to progress with the governance structure to enable the Exeter City Futures initiatives to progress.
- 8.3 Exeter City Futures Community Interest Company has been set-up specifically to facilitate the delivery of the Exeter City Futures Programme. It will operate as a company limited by guarantee with share capital company and as a not for profit organisation.

- 8.4 By way of explanation, a Community Interest Company (CIC) is a business with primarily social objectives, whose surpluses are principally invested for that purpose in the business, or in the community, rather than being driven by the need to maximise profit for shareholders and owners. CICs tackle a wide range of social and environmental issues and operate in all parts of the economy. By using business solutions to achieve public good, it is believed that CICs have a distinct and valuable role to play in helping create a strong, sustainable and socially inclusive economy.
- 8.5 CICs are intended to be easy to set-up and with all the flexibility and certainty of the company form, but with some special features to ensure they are working for the benefit of the community. They have proved popular with some 10,000 registered to date.
- 8.6 Members of the Exeter City Futures CIC will have a total liability of £1 each so that there is no financial exposure. The board can have a maximum of 7 directors including 2 independent directors. The suggestion is that this will be made up of 2 directors from Andromeda, 2 from Exeter City Council and at least 1 from Devon County Council. External organisation partners will be considered on-a-skills to need basis.
- 8.7 The objects of the Company are to carry out activities which benefit the community and in particular to promote and work towards the decarbonisation of the City of Exeter and finding solutions relating to health, transport and energy relevant to the City.
- 8.8 We are currently working to establish a clear governance structure which ensures the Council's Exeter City Futures Programme Manager will work alongside the Community Interest Company board to ensure the Council's strict policy and political framework is adhered to.
- 8.9 This report seeks delegated authority to establish the governance structure required. Approval of these recommendations will allow us the ability to act in a timely fashion.

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

- 9.1 The programme along with the intentions of the Innovation Exeter initiative will directly contribute to a number of the key ambitions and programmes in the Corporate Plan.

10 What risks are there and how can they be reduced?

- 10.1 Risks would be perceived as reputational towards the Council if Exeter City Futures Community Interest Company fail to deliver the desired ambitions.
- 10.2 Additionally, it is anticipated that, because data and analytics forms such a cornerstone of this project, data protection and privacy are key areas that should be investigated in more detail. The priority of Exeter City Futures would be that data collection is undertaken in a sensitive and secure fashion, and that said data is then protected in accordance with ICO and EU data protection regulation.

11 What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

- 11.1 At its core, this project is intended to improve the quality of life and wellbeing of

residents of Exeter, bringing economic prosperity and innovation to the region and safeguarding Exeter's future as a sustainable, pioneering city. As such, responding to the needs of Exeter city residents and key stakeholders is vital to ensuring the success of the project, and particular care is being taken to make sure that the project is as inclusive and accessible as possible for vulnerable, marginalised groups, or groups with special needs. Any initiative that does work directly with these groups will take special care to ensure that their needs and circumstances are sufficiently taken into account.

Karime Hassan
Chief Executive and Growth Director

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

Background papers used in compiling this report:-
Exeter City Futures – Transforming Exeter Through Data

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