

**Strategic Scrutiny Committee - 19 November 2020
Leader's Update in relation to COVID-19 Recovery.**

Introduction

Members will be aware that I presented the city's Covid-19 recovery plan 'Building Exeter Back Better' to Executive on 3rd November 2020. The plan is to be presented to full Council in December. The plan will work with other plans – including those at a regional and national level – and allow the city to clearly articulate, with one voice, what it intends to do to facilitate recovery and what support (financial or otherwise) the city needs in order to implement and deliver these actions.

In addition the corporate plan has been updated to emphasise the importance of recovery as a strategic priority. Our contribution to the work of the seven recovery groups and initiatives outlined in that plan will be critical for an effective recovery from the ongoing pandemic.

As a council it is imperative that we also recognise the way we operate and all of our services have a direct and indirect impact on the recovery. This will involve us changing the way we do things, re-prioritising, re-allocating resources and ensuring that we do everything possible to facilitate the recovery for our businesses and citizens as they face wide-ranging impacts on their lives and the consequences of a severe recession.

This update focuses on what we have doing on those areas in my remit to ensure that recovery is at the core of what we do. It illustrates how we put recovery at the forefront of our thinking and use our influence and all the powers and tools at our disposal to limit the impact on the city.

Exeter City Living (ECL)	<p>Exeter City Living's (ECL) third year business case received full council approval in July 2020 and the Company has been busy delivering against the ambitions contained within this.</p> <p>As we move into a likely double-dip recession and a potential stall in the development and property markets, the role of ECL has become even more critical in instilling confidence and continuing to deliver the properties that are needed in the city to the highest environmental standards.</p> <p>Since the last Strategic Scrutiny Committee on 23rd July 2020, ECL activity has included:</p> <p>Governance Review of Exeter City Group and Board</p> <p>An independent review of the governance of the Exeter City Group provided a comprehensive report and recommendations which has been enacted. The Board has been expanded to include new Directors and a new Shareholder Representative has been appointed (Karime Hassan, Exeter City Council)</p>
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New Build Developments:

Anthony Rd

The completion and sale of this 3-home development to the Housing Revenue Account as new council homes.

Thornpark Rise (Hockings Green)

The completion and pending sale of 9 new homes on this site to the Housing Revenue Account as new council homes. New tenants are scheduled to move in next month.

Bovemoors Lane

Ongoing progress towards the completion of 10 new council homes for the Housing Revenue Account. Completion of the homes are expected in late December 2020 (dependent on Covid-19 impacts).

Hamlin Gardens

ECL are developing this site on behalf of the Housing Revenue Account to deliver 21 new council homes. Works were scheduled to commence in September but have been delayed due to Covid-19 and the need to secure a road closure notice and S278 works. Skinner Construction are due to commence in January 2021 as soon as they have finished building Bovemoors Lane site.

Vaughan Rd (Whipton Gardens)

The 92 new homes on this site are scheduled to commence in early 2021. 60% of the homes will be affordable and developed for the Housing Revenue Account. Site Hoardings have been erected and demolition works will commence before the end of 2020.

Clifton Hill

ECL have submitted a planning application to redevelop this site for homes, subject to planning permission works on this site will commence in spring 2021.

Wonford Health & Wellbeing Centre

Work continues on the community-led design of this facility. Progress has been hampered by Covid-19 but the project is being advanced.

Pipeline of other Development Sites

Project planning has been ongoing for a number of new development opportunities and this work continues.

One Public Estate Funding

ECL have been working up submissions for funding via One Public Estate (OPE) for Land Release Funding to assist bringing forward sites for development that have viability

	<p>challenges. The results of the submission will not be determined until early 2021.</p> <p>Business Plans for new Exeter City Group Subsidiaries</p> <p>ECL have been instructed to provide initial Business Plans to examine the feasibility of establishing a Consultancy Company, Retrofit Company and Residential Property Company. This work is underway and the findings will be concluded in May 2021.</p> <p>Innovation Funding UK Success</p> <p>Working with the Housing Revenue Account and City Science, ECL were successful in securing funding from The Sustainable Innovation Fund – a 2-phase funding opportunity for innovative projects with a focus on decarbonisation. The funding will support a project to use a Smart meter Enabled Thermal Efficiency Rating (SMETER) algorithm to help inform priorities for retrofit and identify how a Heat as a Service Model could provide a sustainable and scalable approach to accelerating energy efficiency improvements.</p>
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<p>Liveable Exeter Transformational Housing Programme</p>	<p>The Liveable Exeter programme has continued to progress, despite Covid-19, with work progressing on key projects including Water Lane and St David's and on policy/evidence base required to underpin delivery of the programme. An application for further Garden community funding was submitted to Homes England in September and an outcome on the bid is currently awaited.</p> <p>The Liveable Exeter Place Board have been instrumental in assisting the development and coordination of the city's recovery plan; "Building Exeter Back Better" and this has now been approved by Executive, with presentation to Council scheduled for December 2020.</p> <p>Liveable Exeter, and associated projects, are included within the recovery plan as key interventions through which the city can recover from the effects of covid-19 and the programme is expected to continue to gather momentum in coming months, supporting the delivery of key corporate objectives and the realisation of the 2040 Vision.</p>
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<p>Strategic Finance</p>	<p>In July, Council considered and approved an emergency budget to address the impact of Covid-19 on the financial position of the Council. A mixture of additional grant support from Government, in-year reductions in spend, repurposing of earmarked reserves and technical accounting adjustments enabled the Council to offset a reduction of £11.2 million and deliver a balanced budget.</p>
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	<p>Since then, the Government has announced an income compensation scheme in respect of sales, fees and charges income and provided a further £515,000 in emergency grant to support councils. The first compensation claim under the sales, fees and charges scheme totalled £1.5 million.</p> <p>Whilst some of this additional funding will undoubtedly be required to offset further losses of income arising from a second lockdown, as a result of the Council's decisive action in July, the Council is able to use much of the additional funding to protect services in 2021-22. The Medium Term Financial Plan still shows a need to deliver reductions in the region of £6 million, but the extra funding available will support the Council in delivering a balanced budget next year, whilst allowing further time to ensure that the decisions taken to address the reductions are properly evaluated.</p> <p>However, we have started work immediately on identifying options to deliver the required reductions and I have instructed the Portfolio Holder for Transformation and Environment to work with the other Portfolio Holders, the Director Finance, Director Transformation and Corporate Manager Executive Support to deliver a presentation to me outlining the options available to me to address the MTFP shortfall of £6m.</p>
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<p>Commercial and property assets (includes redevelopment of Paris Street/Sidwell Street, Exeter City Centre)</p>	<p>The pandemic has inevitably presented challenges for the management of our property portfolio as we have continued to support businesses and traders in the city:</p> <ul style="list-style-type: none"> • Management of rent deferral agreements with business tenants to ease cashflow of closed businesses • Establishment and management of further concessionary terms by negotiation limiting risk of early business closures • Continuing to keep Exeter Business Centre open for its occupants • Working with operational services and building managers to reopen facilities safely • Ongoing management maintenance and compliance contracts to minimise expenditure and wasted attendance • Delivery of in-year savings to minimise current financial year expenditure • Progression of the Smartgrid and solar field project so as not to lose momentum on this crucial carbon saving project • Continuing to liaise with business tenants to assist their recovery plans
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	<ul style="list-style-type: none"> • Progressing the CityPoint development project • Operating a quick and simple procedure for outdoor tables and chairs licences for food and drink operators in the City. • Working with Exeter City Living to bring forward identified sites for redevelopment • Identification and resourcing of substantial capital investment programme to tackle condition survey backlog and bring city assets back into good condition <p>We have been managing commercial rental income since the pandemic broke out and can confirm that over that period we have managed to collect around 79% of rental income from the estate. Rent deferrals and concessions have been agreed with tenants by negotiation to seek to secure a sustainable future for businesses struggling in these difficult economic times. The analysis of this work is set out below:-</p>
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Commercial Rent Analysis at 2 nd November 2020			
	March quarter	June quarter	Sept quarter
Balance of invoice debt for the quarter	£229,000	£185,000	£433,000
Position in relation to 9 th October figure	-£47,000	-£22,000	-£267,000
Amount of revenue income received for the quarter	£1,111,000	£1,155,000	£907,000
% of income received for the quarter	83%	86%	68%
Amount that there is a reasonable prospect of recovering	£100-125,000	£65,000	£300,000
Amount at high risk and likely to be bad debt which cannot be recovered	£104,000	£120,000	£130/150,000
Currently anticipated ECC write offs	£100-150,000	£100 – 130,000	£100-150,000

Strategic Communication	<p>Coronavirus</p> <ul style="list-style-type: none"> • Providing a single reliable source of information during COVID-19 • Community campaigns included targeted metrics to banner campaigns on refuse lorries • Relaying key information with partners at Local Resilience Forum, Public Health England and Cabinet Office • Leading on communications for Council service issues around coronavirus • Administrating the Exeter Coronavirus Updates Facebook Group, which has more than 7,0000
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member - during the first lockdown it averaged 300,000 post views a month

- Leading on the public promotion of Exeter Community Wellbeing support hub
- Highlighting community support activities during the crisis

Recovery

- Working with the Liveable Exeter Place Board on the promotion of the city's Recovery Plan
- Recording a series of videos with recovery programme leads from the public and private sector
- Acting as the main source of information and publicity for business grants in partnership with the business community
- Acting as the main source of information and publicity for community grants
- Leading on the communications around a safe and welcoming city centre, including sponsored content and campaigns
- Working through Visit Exeter on national campaigns welcoming people back to the city when it is safe to do so

Strategic

- Working with my portfolio holders in promoting policy
- Creating a range of content – media releases, video, pictures, graphics - for our own website, social media channels and for the media
- Working with our partners on Exeter City Futures to promote Net Zero Carbon Exeter and a range of workshop/recovery initiatives, such as the city centre
- Working with strategic partners including Liveable Exeter, Exeter Live Better the BID, Princesshay, the University of Exeter, Exeter College, Exeter Airport, Premiership Rugby and the Exeter Chiefs, the Cultural sector and Exeter College to promote the wider shared interests of Exeter
- Live streaming all Council meetings
- Producing a weekly newsletter with key information and updates for around 8,000 subscribers to our news service
- Dealing with all media enquiries
- Monitoring social media

	<p>Internal</p> <ul style="list-style-type: none">• Keeping all staff updated on all issues relating to coronavirus• Providing all staff with key information on homeworking, health and wellbeing and occupational development• Producing the weekly staff newsletter, which has an open-rate of up to 90 per cent• Instigating a monthly virtual Exchange
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