

**STRATEGIC SCRUTINY COMMITTEE**  
**HELD AS A VIRTUAL MEETING**

21 January 2021

Present:

Councillor Luke Sills (Chair)

Councillors Newby, Buswell, Hannaford, Henson, D, Moore, D, Moore, J, Owen and Packham

Apologies:

Councillor Atkinson

Also present:

Director Finance, Director Net Zero Exeter & City Management, Growth & Commercialisation Manager, Democratic Services Officer (SLS) and Democratic Services Officer (MD)

In attendance:

Councillor Philip Bialyk	- Leader
Councillor Emma Morse	- Portfolio Holder for City Development
Councillor Ollie Pearson	- Portfolio Holder for City Centre & Corporate Services
Councillor Duncan Wood	- Portfolio Holder for Leisure & Physical Activity

**1 Minutes**

The minutes of the meeting of the Strategic Scrutiny Committee held on 19 November 2020 were taken as read, approved as correct, for signing by the Chair at the earliest possible convenience.

**2 Declaration of Interest**

No declaration of interest was made by a Member.

**3 Questions from Members of the Public Under Standing Order 19**

No questions from members of the public were received.

**4 Questions from Members of the Council Under Standing Order 20**

In accordance with Standing Order 20, Councillor Diana Moore submitted the following question relating to consultation and engagement, which the Leader responded to and which was set out below in the following terms:-

“In October 2019 I submitted the following scrutiny proposal to set up a task and finish group to develop a framework for the Council, setting out its approach to consultation and engagement. The framework would include setting out:-

- the meaning, purposes and principles of consultation, engagement and any related methodologies the Council intends to use,
- what the Council and contributors might expect from participation in such processes,

- how and what decisions may be influenced by such contributions or participation and where and when those decisions will be taken; and
- how contributions will be analysed and how feedback to contributors and the public will be given.

When will this matter be put for scrutiny by members?”

The Leader responded and advised that a report was being prepared for the forthcoming meeting of the Executive on 9 February and then Council later in the month. The report would include a proposed framework for how the Council would consult in the future. Members would be able to comment on the report, with the opportunity to make a statement at the Executive and address any questions at Council on 23 February.

Councillor Moore in asking a supplementary question enquired if there would be further consultation on the proposal and if the intended course of action was incongruous with the sentiment of consultation. She looked forward to an opportunity to offer feedback on the proposal, but felt the current process did not allow for active scrutiny on that matter. She felt confident of the shared aspiration with the Leader to ensure that consultation worked well, and asked if there would be any opportunity to comment on the report before the Executive. The Leader confirmed that the report would outline how the Council will consult with the appropriate groups and organisations. There was the opportunity for further discussion around that when the report is presented through the Committee process. He gave his assurance that the Council’s stance was to listen and consult, and there would be the opportunity to continue to reflect on the proposals at the forthcoming Executive and Council. He gave an undertaking that any received comments would be considered.

## 5 **City Centre Recovery Update 2021 Budget Focus Discussion**

The Growth and Commercialisation Manager presented a briefing note which provided an overview of the activity of her team, work on recovery plans and developing business support activities, and included an update on data collected since Covid 19 restrictions commenced. Weekly meetings were held with the Exeter Chamber of Commerce, Exeter branch of Federation of Small Businesses and InExeter. Discussions considered the effect of the pandemic on the city’s retail and businesses and more recently the further challenges presented by the impact of Brexit.

The following areas were highlighted from the briefing note:-

- Exeter’s residents and businesses continued to meet the demands of the pandemic and Brexit, but the city’s position remained favourable in comparison with other towns and cities. Exeter was listed within the top ten cities for footfall recovery and its economy was classed as moderately strong.
- the impact of home and flexible working arrangements would remain as one of the major challenges for the city centre going forward. The loss of the lunchtime and after work trade from workers in the city centre had caused a huge impact on businesses who are reliant on this trade.
- there had been 15 shop openings and 45 closures since March 2020, with the majority of shop openings being in the city centre which offered some reassurance for future investment.
- the increase in home working had reduced car park usage and drastically reduced much needed income for the City Council.
- nationally, the trend for job postings had been increasing but were for temporary positions.

- the number of claimants within Exeter had risen dramatically, with the self-employed adversely affected, however the numbers were still lower than the regional and national average.
- during summer 2020, the team had led on a number of Covid-19 city recovery groups, as well as a number of initiatives including Exeter Works and a joint project with Exeter Chamber of Commerce supporting residents and businesses affected by redundancy.
- a number of new business support initiatives had also been finalised this week, funded through the City Council's Additional Restriction Grant allocation.
- the purpose of the business support initiatives were to support businesses with recovery. Grants would be available to support businesses looking to diversify or introduce new innovation or equipment to their operations to aid recovery. In addition a city click and collect and a zero carbon delivery service was being investigated.
- Pop up shops continued to be encouraged as a way to support new and micro businesses, but there were a limited number of vacant City Council properties available, and the team would be working with private landlords.
- work on developing a temporary market space was under way to offer another opportunity to attract new business start-ups, micro-businesses or existing market traders. The market would have to complement the existing retail offer in the city centre.

The Portfolio Holder for City Centre and Corporate Services was in attendance and thanked the Director Net Zero & City Centre Management and the Growth and Commercialisation Manager for their efforts to put the range of support in place. He also thanked Exeter's businesses for their hard work, innovation and resilience. The Exeter Works initiative was working well, along with the Business Support Scheme and support measures as part of Build Back Better. He suggested any small business should visit the Exeter Works and Exeter City Council web site to look at the business support and grants currently available.

In response to questions and comments from Members, the Growth and Commercialisation Manager explained:-

- pop up shops offered opportunities for businesses to trial their business, but was not a long term option and occupants were provided support to help identify more permanent premises. Council owned units were limited and so increasingly efforts were being made to work with private landlords.
- the complexities around new import and export paperwork required in relation to Brexit was presenting an additional challenge. The Exeter Works web site was being updated to signpost businesses to the self-check system on the Gov.uk website, the Heart of the South West Growth hub, as well as the Better Business for All Initiative both provide advice and guidance on Brexit. Exeter Library were holding a number of business events to support businesses.
- there had been a peak of job postings over the last two weeks, with a consistent number of jobs advertised for positions in healthcare and nursing, as well as HR Recruitment and construction, digital, data and engineering type roles. One third of jobs posted are above the average salary for Exeter.
- it was important to work in partnership to help establish a new physical market space, and the team hoped to work with community groups and organisations such as Food Exeter, to encourage shoppers back into the city centre when restrictions are lifted. Additional business support and advice would also be offered to market stall holders to offer the best opportunity to sustain the business.

- the location of the Exeter Farmers' Market was subject to ongoing discussions. There were a number of potential sites around the city, but few were owned by Exeter City Council. The team had learnt from the experiences of the weekly Farmer's Market in terms of maintaining repeat stall holder business and opening hours.
- the City Council continued to administer and offer hardship and discretionary grants. The web site was regularly updated with information on specific grants, and individuals were encouraged to check the Council's and national Government sites regularly.
- work with the Chamber of Commerce checking the direct impact on the loss of spend in the city centre continued apace. A number of Recovery Groups met throughout the summer 2020 to focus on a reopening of the city centre around visitor economy, business and construction. Before the pandemic, the team had been working with a local company to develop a new City Centre Strategy, but now work was being concentrated on a review of that work over the next couple of months to take account of the speed of change going forward.
- Job Fairs had been a positive experience for individuals and businesses with a number of success stories which included past events for Flybe and ongoing virtual events as part of Building Greater Exeter. It may be possible to progress a wider Jobs event through a virtual platform. A Member's suggestion to offer an event with advice and training support for older age groups, including claimants over 50 would be followed up.
- the Exeter Works web site offered information to support individuals and businesses with their plans to create a physical space in the city centre to offer a drop in facility, when national restrictions are lifted.

The Leader was in attendance and stated that he had asked the respective Portfolio Holders for Communities & Culture and the City Centre & Corporate Services to look into this matter. The Leisure Centre at St Sidwell's Point was progressing well and the Bus Station was nearing completion. When the new Bus Station opened, he suggested using this vacant Space for a temporary market until proposals for the rest of the site were brought forward. The Chair welcomed the news and thanked Members for the discussion on this matter. He suggested a number of proposals including setting up a City Recovery Group to consider the medium to long term economic future of the city with Portfolio Holder, Council officers and stakeholder involvement.

Members went on to comment on the suggestion of the City Recovery Group:-

- concern about the level of challenges faced by those facing unemployment or financial difficulties and the opportunity to garner any discussion to galvanise any support for the economic future of the city was welcomed.
- the City Centre Strategy might offer a focus for the City Recovery Group. It was important not to duplicate the work of a number of the groups operating but they should operate in an open way and include ward Members of the city centre.
- there were issues going on in every ward, not just the city centre and engagement with any of the groups that have worked hard to support the community through the pandemic should be encouraged.

The Portfolio Holder for City Centre & Corporate Services welcomed the discussion to form a city centre recovery group to support the medium and long term future of

the city. The Director Net Zero & City Centre Management also welcomed the proposal but considered the importance of any such group to remain focused. There had been a very successful city centre group which had involved a number of key stakeholders, including from the private sector which had met through the pandemic, and they had focused on the immediate issues of re-opening the city centre. A group to focus on the medium to longer term issues relating to the city would be a natural progression. These stakeholders could continue to engage and include Member representation.

The Growth and Commercialisation Manager also welcomed the suggestion of using the draft city centre strategy going forward as there have been some positive impacts of people shopping more locally in their neighbourhood. She also welcomed wider engagement with ward members, but suggested contact could be maintained by email or virtual means as the business support measures do cover the whole of the city.

The following proposals were proposed and seconded and approved by unanimous vote. Members supported the following:-

- (1) the circulated Briefing note and appreciation of the work that City Council officers were doing to support the community was noted;
- (2) the work of the Council's Business Support team and the Business Support Initiatives as referred to in paragraph 7 of the circulated briefing note was endorsed; and
- (3) a City Centre Recovery Group be established, to include key stakeholders from the private sector with Member and officer support from the City Council to look at the medium to long term recovery of the city centre.

## 6 **2021/22 Budget Strategy and Medium Term Financial Plan**

The Director Finance introduced the Budget Strategy which included the strategic overview of the budgetary position for the 2021/22 financial years and beyond. The report included an indication of the likely level of available resources, current demand for resources and proposals to ensure that a balanced budget was achieved. The report had previously been considered by the Executive on 12 January 2021, but this provided the opportunity to ensure Members were fully briefed before consideration of the budget at Council on 23 February 2021. The Director Finance reminded Members, that the Council was required to agree a balanced budget, and council tax prior to the start of the financial year. He added that the detail of the final settlement from Government was not expected until February and after the Executive agenda was published.

Having already made reference to the expected delay in the arrival of the final financial settlement, he outlined the key points -

- the Government, through its one year Settlement, had announced a Lower Tier Services Grant given to all District Council's and Unitary authorities running lower tier services, Exeter's allocation to be £228,000. These grants would ensure no Council's had a negative core spending power and, as a result, the Council's core spending power would remain the same as the current financial year;
- a higher contribution had been received in respect of the New Homes Bonus from a third payment received for houses built by the Council in 2020;
- the Referendum Principles for the Council Tax set by the Government would allow Councils to increase the tax by £5 or less than 2% whichever was the higher. A £5

- increase equated to 10p a week. This increase along with the surplus in the collection fund would raise an extra £174,000;
- the Medium Term Financial Plan had included a drop in Business Rates Income as a result of the Covid-19 Pandemic;
  - a new software update would be installed shortly for the National Non Domestic Rates (NDR) figure to be provided to Government; and
  - the Government were still committed to resetting the Business Rates and removing the New Homes Bonus. These two actions would have a significant negative financial impact on the Council with £6.1 million savings required for the Medium Term Financial Plan (MTF) up to 2024/25 with £3.3million savings in 2022/23. It was for Members to consider what can be afforded rather than what we want to do and so work on identifying savings was needed now.

The Director Finance responded as follows to Members' questions and comments:-

- there would not be a disproportionate effect to those on lower council tax bands by charging £5 rather than a 2% increase in the council tax levy.
- the Section 31 grant of £16.45m was the estimate of the money that the Government will give to offset the impact of no Business Rates receipts from the retail, leisure and hospitality businesses in the city. This was a significant sum identified in the assessment which will be set aside to pay off the deficit next year.
- a sum of £50,000 was also set aside to undertake some specific targeted work relating to the Net Zero project. Currently there were no specific funds for the overarching New Zero project. The Corporate Energy team continue to carry out targeted projects relating to the Council and work was continuing through the Housing Revenue Account (HRA) in respect of the Retrofit Pilot.
- at the request of a Member and to put some context to the challenging financial situation, he would add additional narrative to the Budget report to Council relating to the funding lost by the Council since 2010.

The Chair invited Councillor Diana Moore to expand on her suggestion for this Scrutiny Committee to consider the work of the wider Commercialisation project, performance against forecast, as well as areas for future development, including those relating to climate change, and invited her to provide more detail to be put forward for consideration by the Scrutiny Programme Board.

Members noted the report and thanked the Director Finance and his team for all of their endeavours.

The meeting commenced at 5.30 pm and closed at 7.15 pm

Chair