

REPORT TO STRATEGIC SCRUTINY COMMITTEE

Date of Meeting: 29th September 2022

PORTFOLIO HOLDER'S REPORT TO SCRUTINY COMMITTEES

COUNCILLOR PHIL BIALYK, LEADER

1. Issues relating to achieving the Council's published priorities

One Exeter - work is ongoing with this major transformation programme and it is to be covered under the report of the Deputy Leader.

MTFP – The expectation now is that the Fair Funding review and Business Rates reset will be pushed back to after the next election. The Government (prior to the change in Prime Minister) announced its intention to announce a two-year settlement for 2023-24 and 2024-25, which will give certainty over the next two years. It is a very difficult time financially and the need to reduce our spending has become immediate regardless of the Government's decisions around the future of local government finance. The reasons are: the proposed pay award is substantial - £1.5 million higher than expected for the General Fund alone; The energy crisis impacts on the Council as much as every other business and household. Energy prices are not yet capped for the Council and therefore we are projecting significant increases. The savings to be identified remain at circa £6.6 million over the MTFP (£2.3 million for 2023-24) and work is progressing with the Council's transformation programme, One Exeter, to make better use of the skills and resources we have, enable us to provide more cost efficient and joined up services and crucially, support the delivery of cost reductions that need to be made by April 2027.

Embedding Net Zero in all services, planning and activity. All portfolio holders now have this explicitly stated in their role description. All executive members have been made aware of their joint responsibility to support the delivery of the Net Zero Exeter 2030 goal.

Exeter City Living – The strategic issues facing the construction sector, with inflation hitting the pricing of tenders and seriously challenging capital projects, are explored in the 6 monthly update of the managing director being reported to Executive in September. I believe the strategic issues facing the country and creating the local context for development within the city point to an immediate housing supply challenge for the country and the city. I will want to review the governance of the Board to make sure we address the skills that we need to manage the challenge as well as managing risk and strengthening the engagement with members and the Board.

Exeter Development Fund - Engagement with the Scrutiny Committee is nearing completion so that a recommendation can be made to Executive. A task and finish group will provide a deep dive into the outline business case. ECF under the leadership of the Director of City Development is working to identify flagship Liveable Exeter sites which will form the basis of the modelling work required to take the project to a full business case. The Director of City Development will request the formal involvement of project partners and assess their requirements for any due diligence. Further work to develop the project governance and procurement processes is ongoing.

Liveable Exeter - Six Liveable Exeter principles have been developed as tools to deliver outcomes of the Exeter Vision 2040. These principles are embedded in the draft Exeter Plan, which is being launched for public consultation in September. The draft Exeter Plan also identifies the 8 strategic Liveable Exeter sites where the majority of new homes will be built.

2. Update or commentary on any major ongoing programmes of work

Corporate Plan - The corporate plan has been drafted and will be presented to Executive on 4th October and Council on 18th October. A briefing for all members was scheduled for 14th September but had to be cancelled.

Devolution and the County Deal – The initial work of setting out the basis for a county deal has been presented by Devon County Council to the Department of Levelling Up Housing & Communities. There are other places in the country ahead of Devon, conversations continue with Devon and the other authorities in the next group. There is inevitably uncertainty because of the internal election taking place and the changes that will follow. Devon Leaders continue to meet and Devon, Plymouth and Torbay are continuing with their conversations. In August the Government advised that it hopes to begin official-level discussions on the devolution proposals in the autumn.

Shared Prosperity Fund – The council is working with neighbouring district councils in jointly commissioning business support, delivered through the Shared Prosperity Fund. This is to support growth of the regional economy, new business start-ups, high growth potential businesses and supporting businesses with current business challenges.

Community Infrastructure Levy (CIL) - Consultants have been engaged in the review of the CIL Charging Schedule. Background evidence regarding viability and infrastructure is moving towards completion. An updated programme is currently being put together. Consultation on the Draft Charging Schedule will need to take place following completion of the Exeter Plan consultation, towards the end of 2022 or early 2023. Following consultation, an Examination will be required before the new Charging Schedule can be implemented in the second half of 2023.

Procurement - We have gone live with a new ordering system, which will enable better management of supplier payments and will enable us to enforce no purchase order no pay policy across all council services.

3. Issues that may impact : services delivery/financial performance/future budget requirements

Economic outlook - The strategic picture facing the country and in turn the local government sector is challenging to say the least. Inflation and the cost of living crisis will place increasing burdens on local government and we are working in a political vacuum until national policies emerge. We need an emergency inflation budget to address the pressing needs of local government. The demands of the MTFP are already shaping our approach to many areas of council business, the impact of inflation, the costs of energy simply make the problem even more challenging. The strategic problems are piling up, and some councils have to make significant in year budget savings that are eye watering, in particular upper tier authorities are facing serious shortfalls.

4. Potential changes to services/provisions being considered

The One Exeter programme is considering options on service provision as part of the consideration of identifying budget savings.

5. Other matters the Portfolio Holder wishes to raise with the Scrutiny Committee

Covid-19 Support Schemes – The Deputy Chief Executive has presented a report to Executive on the significant number of grants provided to residents and businesses. Exeter City Council has given £56.4 million in Covid-19 Support across households and businesses: £1,233,953 to 3,169 households; £55,201,024 to 12,670 businesses.