

CUSTOMER FOCUS SCRUTINY COMMITTEE

28 November 2024

Present:

Councillor Josie Parkhouse (Chair)

Councillors Rees, Darling, Fullam, Harding, Holland, Hussain, Miller-Boam, Moore, Patrick, Pole, Read and Wardle

Apologies:

Councillor Begley

Present as Portfolio Holders:

Councillors Asvachin, Bialyk, Vizard and R Williams

Also present:

Councillor Jobson

Also present:

Chief Executive, Head of Service, Customers and Communities, Head of Legal and Democratic Services & Monitoring Officer, Strategic Director for Corporate Resources, Strategic Director for People and Communities and Democratic Services Officer (PMD)

In attendance:

Sue Julyan (CEO, Citizens Advice Exeter), Richard Willmott (Trustee, Citizens Advice Exeter), Lyndsay Jarman (Assistant CEO, Citizens Advice Exeter), Steve Barriball (former CEO, Citizens Advice Exeter)

35 Minutes

Councillor Read raised the following points with regard to Minute No. 28 (Questions from Members of the Council under Standing Order No. 20):-

- she disputed the claim made by Councillor Vizard that her question had been submitted late, remarking that there was no deadline for Standing Order No. 20 questions; and
- she felt that her expression of horror that Exeter City Council had investments in Barclays had not been properly recorded.

The Monitoring Officer clarified that:-

- on the first point, while it was noted that Councillor Read disagreed with its substance, the comment in question had indeed been made by Councillor Vizard;
- on the second point, committee minutes were not a verbatim transcript of every comment made; instead, they were meant to capture the sense of the meeting.

The Democratic Officer reminded Members that standard Local Government procedure dictated that the only discussion allowed on the approval of minutes was about their accuracy. However, he confirmed to Councillor Read that her comments would be recorded in the minutes of the present meeting and would therefore constitute a public record.

Subsequently, the minutes of the meeting held on 3 October 2024 were taken as read, approved and signed by the Chair as correct.

36 **Declarations of Interest**

No declarations of interest were made by Members.

37 **Questions from the Public under Standing Order No. 19**

The Chair reported no questions had been received from members of the public under Standing Order No. 19.

38 **Citizens Advice Exeter and Exeter City Council**

The two Citizens Advice Exeter items on the agenda were presented jointly. After the representatives from Citizens Advice Exeter had introduced themselves, the Chair:-

- encouraged all participants to avoid the divisive language of “sides”;
- reminded all attendees that this is not a Scrutiny of Council Officers, as the decision to halt the funding of Citizens Advice Exeter was a political one;
- explained that the Strategic Director – People and Communities was present to provide points of clarity if required; and
- requested that any Motions that Members wish to propose be formulated after the end of the debate.

She then invited Councillor Vizard, as Portfolio Holder for Communities, and Councillor M Mitchell, as originator of the Scrutiny proposal, to the table.

The Chair announced that the reports and appendices would be taken as read. She asked the originator of the Scrutiny proposal to open the debate. Councillor M Mitchell made the following comments:-

- it was important to move forward;
- the easy action for Members would be to take no action;
- Citizens Advice essentially wanted Exeter City Council to look at the matter again;
- the remit of this Scrutiny committee was to make a recommendation to the Executive;
- this issue would be revisited for the 2025-26 Budget;
- the present meeting did not mark the end of the conversation; and
- every District Council in Devon contributed financially to Citizens Advice except Exeter City Council.

During debate, Members expressed the following views:-

Councillor Fullam:-

- reminded Members of his current role working in social housing;
- noted media reports of rising demand for legal advice;
- wondered what capacity there was to fulfil such a role in the city; and
- wondered who people needing immigration advice and/or with a language barrier could turn to.

Councillor Harding:-

- raised the issue of the knock-on effect on ECC staff if people could no longer turn to Citizens Advice Exeter.

Councillor Moore:-

- raised the issue of data recording, remarking that Citizens Advice Exeter had sent regular updates to ECC;
- asked how the referrals had been monitored during the contract period;
- asked what contract management was in place; and
- asked if staff had been advised to stop issuing referrals.

Councillor Darling:-

- sought clarity regarding discrepancies around rent and service charges in the tables submitted by Citizens Advice Exeter; and
- asked why Citizens Advice Exeter had spent £75,000 on premises when premises had been offered to them by ECC.

Councillor Read:-

- felt that no overall monetary impact assessment on Council finances had been made; and
- wondered if it was likely to be plausible that there would be no impact.

Councillor Pole:-

- sought clarity and detail on the income and expenditure summary table submitted by Citizens Advice Exeter and queried why the figures Devon County Council, Exeter City Council and 'other' were presented jointly in a single column;
- raised the issue of performance indicators linked to the contract between ECC and Citizens Advice Exeter; and
- made reference to the work of the Churches Housing Action Team (CHAT) in Mid-Devon, whose services also included debt advice.

Councillor Wardle:-

- remarked that Citizens Advice Exeter had known about this issue for six and a half years; and
- noted that the costs of running the service had nearly doubled since 2018.

Councillor Rees:-

- reminded Members that supporting the vulnerable was at the heart of what a Council did; and
- asked Members if they agreed that early intervention was crucial to any long-term strategy.

Councillor Vizard:-

- agreed with Councillor Rees's last point, remarking that this was what Wellbeing Exeter did;
- reassured Members that none of the debate taking place was lost on the Executive;
- explained that, on the issue of data analysis, it was through the tendering process that such work could be done.

Councillor Patrick:-

- asked Citizens Advice if there were any current bids they felt confident about.

Councillor Miller-Boam:-

- asked Citizens Advice Exeter whether they would find a way to reduce their costs, should end funding be found.

The Citizens Advice Exeter representatives made the following comments:-

- the impact of the end of the Citizens Advice Exeter funding on the city of Exeter would be significant;
- there was no way of currently knowing where the people needing immigration advice and/or with a language barrier would go;
- Citizens Advice Exeter recommended a full EQIA;
- Citizens Advice Exeter had negotiated smaller premises;
- nobody had suggested to them that they could have free accommodation;
- moving into the ECC Customer Centre was not a practical solution when it had first been suggested, because of costs linked to the move but also because of the perceived stigma attached to coming into Council premises;
- Citizens Advice Exeter would be prepared to explore moving into a customer hub going forward;
- while it was currently impossible to assess the impact that the end of the funding would have on the city of Exeter, the plain facts were that Citizens Advice Exeter had reduced their services and that the demand was still there;
- the figures in the first column of the income and expenditure summary table were for Exeter alone;
- the Citizens Advice Exeter member of staff based at Exeter City Council was purely doing money advocacy;
- Citizens Advice Exeter shared some of their leadership costs with other Devon branches;
- Citizens Advice Exeter currently had a worker based at Trussell three days a week;
- there was nothing Citizens Advice Exeter could do about Local Authorities pulling funding, but by the same token CA could not change their services;
- all of Citizens Advice Exeter's funding other than crowdfunding had been in place for years;
- while Wellbeing Exeter did indeed play a part in early intervention as alluded to by Councillor Vizard, it did not replace the vital role played by Citizens Advice Exeter;
- over the last year, Citizens Advice Exeter had submitted bids totalling £56,000 and had expressed an interest in the Legal & General grant (worth max. £75,000 over three years);
- larger 'bidding pots' were becoming increasingly rare;
- Citizens Advice Exeter had already reduced their overheads, including reducing staff hours to avoid redundancies;
- the next step was to offer voluntary redundancy;
- stripping their offer back to just a telephone service with no premises would allow Citizens Advice Exeter to keep the project going; and
- constructive debates around Council funding issues were taking place in Devon and nationwide.

The Strategic Director – People and Communities made the following comments:-

- the ECC Housing & Homelessness Advice service contract had been awarded to Citizens Advice Exeter through a tendering process in the summer;
- referrals for this service come from Exeter City Council Housing Advisors;
- the Council was keeping track of all referrals made under the Housing & Homelessness Advice service contract;
- a lot of detail went into the officer reports presented to Executive and to Council last year which members may wish to refer back to;

- there was no mechanism for ECC to make any objective judgement about what may or may not happen in terms of overall impact caused by any future reductions in Citizens Advice Exeter services; and
- ECC had been unable to identify any discernible impact on Council services from earlier reductions in Citizens Advice Exeter service levels.

The Chair invited Members to formulate any recommendations they may wish to put forward.

Councillor Moore remarked that information and guidance were becoming segmented and proposed the following recommendations:

- 1. To recommend that the Executive consider an annual grant to support the general work of Citizens Advice Exeter, based on the report presented to the Executive in January 2024;**
- 2. To recommend that the Executive consider working with the voluntary community sector to develop an information and guidance strategy to reduce inequality and poverty in Exeter.**

The Strategic Director – Corporate Resources & S.151 Officer explained that, if such a recommendation was put forward, its authors would need to identify how it would be funded.

Councillor Vizard, invited to speak by the Chair, made the following remarks:-

- the Executive would consider everything put in front of them;
- it was important to bear in mind the limited funding available; and
- by singling out Citizens Advice Exeter for exceptional treatment over other VCSE organisations, Members would be setting a precedent and expectations that the council could not meet should other organisations then come and ask the council for the same treatment. .

Councillor Pole proposed an amendment to Councillor Moore's recommendation. However, the Chair deemed it to be a wrecking amendment and consequently dismissed it.

During discussion on Councillor Moore's proposal, particular reference was made to:- the statutory duty of a Council to offer support to people in a vulnerable position; the need for Members to identify a budget line if they wished Citizens Advice Exeter funding to be re-examined.

Councillor Moore explained that her proposal was linked to the report from January 2024 Executive, which referred to reputational risk to the Council. The Strategic Director – People and Communities clarified that:-

- the point in her report Cllr Moore was referring to was in the "What are the risks?" section and did not constitute a recommendation to either Executive or Council; and
- the report submitted to Executive in January 2024 had formed the basis of the Executive decision.

Councillor Moore remarked that the risk in question had now happened and felt that the decision should be reconsidered.

The recommendation was proposed by Councillor Moore, seconded by Councillor Read, put to the vote and DEFEATED.

Councillor Patrick proposed the following recommendation:-

To recommend that the Executive revisit options for Citizens Advice Exeter to reduce their premises expenses with Exeter City Council.

She also clarified that it did not necessarily mean the Civic Centre, reminding Members that ECC owned various premises. During debate on this recommendation, the following comments were made:-

- the Exeter City Council Chief Executive remarked that every offer of accommodation made to Citizens Advice Exeter so far had been turned down;
- on the same point, Councillor Wardle asked what had made Citizens Advice Exeter change their mind;
- the Citizens Advice Exeter Chief Executive Officer explained that the costs of moving premises had always been an obstacle, but that they now found themselves in a situation where something had to be done;
- the Citizens Advice Exeter CEO explained the shared leadership arrangements with Citizens Advice Torbay (namely Torbay paying for half of the costs), clarifying that the two entities were separate charities and she happened to be the CEO of both;
- responding to a question from Councillor Miller-Boam, the Strategic Director – People and Communities explained that all business cases were considered and that, while she could not comment on cost specifically, there was a willingness to continue to work with Citizens Advice Exeter to help them find a solution; and
- Councillor Fullam said he understood the issue of the stigma attached to walking into Council premises but welcomed the fact that both parties were working in the same direction and expressed gratitude to the Leader of the Council for attending the discussion.

Councillor Parkhouse proposed from the Chair that the Committee vote on the recommendation. This was agreed unanimously and, consequently, the recommendation was moved by Councillor Patrick, seconded by Councillor Harding, voted upon and CARRIED.

A further two proposals were made by Members; however, both were dismissed by the Chair for being too similar to an earlier unsuccessful proposal.

The Chair gave Councillor M Mitchell the opportunity to offer his closing comments, which were as follows:-

- a step forward had been made as a result of the discussion;
- all parties had to be mindful of the fact that ECC may vacate the Civic Centre in two years' time;
- the present meeting was a good example of the power of scrutiny.

39 Consultation Charter

The Chair took the report as read and opened the floor to questions.

The Strategic Director – People and Communities responded to questions from Members as follows:-

- there would be opportunities for Councillors to input into the consultation and engagement strategy to be produced in 2025;
- results of all consultations are published on the Exeter City Council website;

- with the recruitment of a Consultation and Engagement Manager there will be staff resources to better analyse consultation feedback and report on the impacts on council decision making and service improvements;
- it was possible to report on the costs of consultation; as an annual consultation plan was developed, ECC would be able to consolidate some consultation exercises into single processes such as an Annual Residents Survey;
- if relevant, environmental impact assessments of undertaking consultation exercises could be conducted in a similar way to Equality Impact Assessments; and
- it was not appropriate for the Council to provide guidance to other organisations on their consultation activity.

Councillor Read wished to formulate a recommendation about ensuring that outcomes and complaints would be published; however, the Monitoring Officer felt that this would not be relevant as it had already been established that publication would take place.

Councillor Moore stressed the importance of the output of any consultation and remarked on a line in the report about the publication of complaints about consultations. The Chief Executive advised that Exeter City Council accepted that it had not been compliant with regard to the publication of complaints about consultations, adding that these would be published.

Members were unanimously satisfied with the report and answers provided by the Strategic Director – People and Communities and the Chief Executive.

40 **Quarter 2 Budget Scrutiny**

The Chair took the report as read and opened the floor to questions.

The Strategic Director – Corporate Resources replied to Members' questions as follows:-

- temporary accommodation was an area of significant budgetary pressure;
- homelessness impacted on several budgets;
- in terms of income, Q2 was similar to Q1;
- property income was down, but the new Interim Head of Service would be addressing outstanding debts;
- funding was now available for debt recovery with the Legal department;
- a standardised approach was required for debt recovery as there were too many types of property debt;
- commercial property debt was only a debt once the tenant had moved;
- the Government had introduced a significant uplift in planning fees in the past year. Consequently the number of planning applications had dropped, although it was important to note that one or two major applications would make a noticeable financial difference;
- a new interim Head of Culture had been appointed and would be addressing the RAMM underspend and look at a number of ideas;
- 'unapportionable overheads' were pension strain payments and were not budgeted at the start of the year; and
- setting the budget and reporting on it no carbon impact in itself, it was what was done with the budget that had an impact.

On the subject of General Fund Capital, Councillor Moore called for a more strategic approach to investment. She asked if it was possible to change the reporting format

to see what was active and what was possible. The Strategic Director – Corporate Resources explained that all the reports being presented were produced for Members, adding that he was always available to provide clarity if needed and would welcome views on how to make the reports more usable.

On the subject of the Housing Revenue Account, Councillor Moore remarked that she had not seen anything from the Council Housing and Development Advisory Board (CHaDAB) being fed back to the Executive. The Strategic Director – Corporate Resources informed that he would speak to the Monitoring Officer about CHaDAB reporting back.

Responding to final question from Councillor Moore about how Scrutiny could be the most impactful about the Budget, the Strategic Director – Corporate Resources noted that:-

- this was the first instalment of the budget monitoring exercise; and
- Democratic Services were working on a new table of meetings and Scrutiny as a whole was being recalibrated.

Members noted the reports from the Strategic Director – Corporate Resources.

41 Update on the Budget Setting Process

The Strategic Director – Corporate Resources gave the following update to Members:-

- Exeter City Council was currently out to consultation ;
- officers had identified a range of options totalling £6m for Members to consider;
- no final decision would be taken until February 2025;
- no initial decision would be taken until the end of the consultation;
- the local authority funding settlement was expected the week before Christmas; and
- a Members Briefing on the Budget would take place in January or February.

He also provided the following points of clarity:-

- when the Capital Programme came back next year, he would not expect significant changes, but the biggest change would be over the purchase of IT equipment and possibly vehicles;
- statutory repayment of debt happened the year after and would impact on future years but was factored in nonetheless.

Councillor Moore remarked that the Capital Programme hadn't been delivered because of lack of capacity and asked for Members to be kept updated on this. She also enquired which Councillors would be considering the range of options for the Budget. The Strategic Director – Corporate Resources replied that the tradition was that the ruling party or group had priority.

42 Questions from Members of the Council under Standing Order No. 20

In accordance with Standing Order No. 20, the following questions were submitted by Members:-

Question from Councillor Read to Councillor Bialyk, Leader of the Council:-

“At the last meeting of this committee the Leader said that in conjunction with the Director of Finance he would “review options for Council investments to identify what alternative products are available in the market” and would consider “non fossil fuel investing alternative providers”. What has been the extent of this review, and what suitable alternatives have been identified and what progress has been made regarding ensuring all Council investments are assigned to such suitable investment vehicles? Which committee will this information be brought to and when?”

Councillor Bialyk responded as follows:-

“The update for Councillors is contained in the Treasury Management Half Year update, which is on next week’s Executive agenda. We were able to identify 3 products, two of which had a higher minimum deposit than the maximum Council have set as a Counterparty limit, therefore we cannot use them. We already place deposits in the third.”

Councillor Bialyk also assured Councillor Read that this was a matter of importance for the Executive, adding that the Council did have a duty to the taxpayers.

Question from Councillor Read to Councillor Bialyk, Leader of the Council:-

“Also at the last meeting of this committee we were advised that the Council had sent a notice to Barclays advising them of complete disinvestment from Barclays and requiring the full return of funds from Barclays. This was particularly welcome news as Barclays are notorious for their investments in fossil fuels, which is contrary to the Council’s sustainability agenda. So my question is can we have confirmation that the Council is entirely disinvested from Barclays and that there are no plans for the Council to reinvest in Barclays? Additionally, what progress has the Council made in formulating an ESG policy, when can we expect this to come to Committee?”

Councillor Bialyk responded as follows:-

“The Council no longer has funds placed with Barclays and there is a draft ESG policy appended to the Treasury Management Half Year update, which is on next week’s Executive agenda. It is recommended to Council for approval and adoption. If this is adopted by Council then this will drive future strategy, although in extreme circumstances, there may be a need to place funds in institutions that would not meet the criteria set in order to minimise risk to the taxpayer and comply with your legal obligations. This would be a last resort and only instigated in circumstances where the Council had surplus funds and all eligible products were at the maximum level allowed by the Strategy.”

Councillor Bialyk commented that this was not an issue of importance just for the Green Party but that several Labour Councillors felt strongly about this issue, too. He also reminded Councillor Read of the Council’s fiduciary duty to the taxpayers.

In a supplementary question, Councillor brought up the issue of bundling and asked what the timeframe was for the Council to understand how much was invested in fossil fuel. The Leader replied that the Council would not be doing an analysis as such, adding that he was looking at the issue in terms of direction of travel. The Strategic Director – Corporate Resources clarified that the Council did not invest: it placed money.

Question from Councillor Read to Councillor Vizard, Portfolio Holder for Climate, Ecological Change and Communities:-

"I asked at the last meeting of this committee if alternative methods could be used to allocate funds to community projects so that there wasn't yearly underspends of ward grants. Cllr Vizard replied that he was open to ideas on the matter and requested that I make suggestions of alternative methods to the Grants Panel. I have done so, so I would like to know what has been the upshot of these and any other proposals? Do we have plans for ensuring there will be less underspend this coming end of budget year in April given the very high level of overall demand for funding? If we don't yet have a workable plan in this area what more can be done to ensure we will have one?"

Councillor Vizard responded as follows:-

"The funding for community grants comes from the Neighbourhood CIL. Any in year budget "underspends" remain within the NH CIL reserve and are allocated on an annual basis back into the next iteration for the grants programme. If ward councillors do not spend their annual grant budget this funding is still available for the grants programmes the following year. I strongly encourage all members use their ward grants for this purpose to support local communities.

The Member Led Grants Panel term of reference does not include reviewing the grants programme itself, however I welcome members suggestions for improvements to the process which I can be fed into the public consultation to be undertaken next year on our use of NH CIL (which will include ward and community grants) which was agreed at Executive in October."

In a supplementary question, Councillor Read asked if it was the case that grant money that hadn't be used would be lost. Councillor Vizard replied that unused grant money would remain within the grants programme fund.

Question from Councillor Read to Councillor R Williams, Portfolio Holder for City Management:-

"The Exeter Port Authority operates a mooring repairs service, purchased by the Council several years ago which was hoped to be self-financing, but costs had risen significantly whilst workload and income have not. The report says that without the introduction of the HRO improvement will be slow – what difference exactly can we expect the HRO to make and why? The Council has stated that it does not anticipate levying any charges for use of the canal or river following the HRO so what difference could passing an HRO make to the income of a mooring repairs service, unless in fact the Council does propose to introduce charges following the introduction of the HRO?"

Councillor R Williams clarified that fees were already being charged in the canal and that these had already been published. She then gave the following response:-

"The HRO consultation and establishment has no direct bearing on mooring repair income. In the HRO pre-consultation summary of responses, the Council identified that considers it important to the Port's future viability, that port users should contribute to the cost of the management and maintenance of the port and introduction of the HRO supports that. Although the Council does not currently levy goods dues at the Port or ship dues outside of Exeter Ship Canal, it has the power to levy such ship, passenger, and goods dues as it thinks fit under section 26 of the Harbours Act 1964. In extension, under article 10 of the HRO, there is the modern

power to levy the equivalent of ship, passenger and goods dues in relation to vessels which are not 'ships' (such as jet bikes or jack-up barges). The HRO will enable the introduction of harbour dues on all vessels within the Port limits. When setting charges in for the port the future, the Council will consider the level of charges set by other statutory harbour authorities."

She thanked the Interim Director – Environment, Waste and Operations and the Harbour Master for their help with drafting the answer.

In a supplementary question, Councillor Read asked if it was correct that the HRO would make a difference through levies. The Portfolio Holder replied that Exeter City Council could actually charge now but chose not to, adding that any raising of fees would be a matter for Full Council.

Question from Councillor Read to Councillor R Williams, Portfolio Holder for City Management:-

"Regarding the report stating that canal licences represent the one area of concern because income levels have stagnated in the opening quarters with few new vessels being kept in the canal, and so there is a forecast of a reduction in income in comparison with 2023/24, due to vessels being scrapped or leaving, and that income will likely be some £76,000 below budgeted levels – are proposals for income generation being pursued? In collaboration with the Harbour Master I have suggested locations where the Council could offer permanent moorings to bar or restaurant boats which could raise income for the Council, how are these being pursued? What are the plans to communicate the locations identified for such moorings to the hospitality industry to encourage businesses to apply? How can this be more widely communicated? Additionally we have identified locations for kayak storage rental which could also raise income, when will these be developed as income generation opportunities for the Council?"

Councillor R Williams responded as follows:-

"The HRO will provide the powers to pursue income generation through port dues, however opportunities will remain limited until such time as HRO has been introduced. Service has committed to a review of Harbour income over the next 12 months, a timeframe set to allow for the introduction of the HRO. The review will consider income opportunities and the sustainability of income forecasts under the light of the HRO consultation outcome and subsequent implementation.

Kayak storage is not currently considered a value-income opportunity because the costs of delivering the service, when balanced against the low levels of income forecasted, are expected to fail in providing a reasonable return on the initial investment."

In a supplementary comment, Councillor Read remarked that other councils provided that service. Councillor R Williams advised that there would be a review and that one of the items on the agenda of the Visioning Day on 1 February 2025 was exploring options.

43 Scrutiny Work Plan and Proposals Received

The Chair proposed, to the approval of the Committee, that:-

- the item “The Budget Public Consultation Process and Results for 2025/26 Budget Consultation” be put on the January 2025 agenda;
- the item “Tenants Energy Review of our Passivhaus Council Homes” also be put on the January 2025 agenda; and
- the item “Performance and Service Provided to Customers and Stakeholders of Stagecoach South West in Exeter” be put on the March 2025 agenda.

It was consequently moved by Councillor Parkhouse and seconded by Councillor Moore that the Customer Focus Scrutiny Committee approve the Work Plan as amended during the meeting. Following a vote, the recommendation was CARRIED unanimously.

The meeting commenced at 5.31 pm and closed at 8.41 pm

Chair