

## **EXECUTIVE**

Tuesday 4 February 2025

Present:

Councillor Bialyk (Chair)

Councillors Wright, Asvachin, Foale, Vizard, Williams, R and Wood

Also present:

Councillor Jobson (as an opposition group Leader); and

Councillor M. Mitchell (as an opposition group Leader).

Apologies:

Councillor Moore (as an opposition group Leader).

Also present:

Chief Executive, Strategic Director for Place, Strategic Director for Corporate Resources, Strategic Director of Operations, Strategic Director for People and Communities, Service Lead – Commercial & Procurement, Benefits & Welfare Lead and Democratic Services Manager.

11

### **MINUTES**

The minutes of the meeting held on 14 January 2025, were taken as read, approved and signed by the Chair as a correct record.

12

### **DECLARATIONS OF INTEREST**

No declarations of disclosable pecuniary interests were made.

13

### **QUESTIONS FROM THE PUBLIC UNDER STANDING ORDER NO. 19**

No questions from members of the public were received.

14

### **AMENDMENT TO THE PROCUREMENT CONTRACT PROCEDURE RULES**

The Executive received the report which sought to update the Procurement and Contract Procedures as set out in Appendix A of the report, to take account of new national procurement legislation (Procurement Act 2023). The procedures would form part of the Council's Constitution and therefore needed to align with the new Act. Particular reference was made to:-

- the updated procedures aligned with new procurement regulations which would be effective from 24 February 2025;
- some terminology had changed but transparency and equal treatment of suppliers was still considered important. The new legislation is expected to make it easier for smaller suppliers to do business with the Council;
- there would be an increase in the publication of notices and contract management requirements for contracts over £5 million;
- under the new rules, the management of contracts over £5 million across the contract lifespan had an obligation to be made public;
- new procurement templates would be introduced, but the impact of the changes was not expected to have a significant impact day to day for most at the Council; and

- the procurement team would manage the increased transparency responsibilities.

During the discussion, Executive Members raised the following points and questions:-

- were there changes to the levels of procurement?
- enquired about the power to make changes to standing orders and was that power already in place?
- enquired on the impact to the budget;
- with grant funding being exempt, was there an impact to procurement for services such as Wellbeing Exeter and community services; and
- the procurement and social value briefing provided to Members on 20 November 2024 was welcomed.

An opposition group leader sought clarification on 2.3 of the report relating to minor amendments and whether any review of the implementation would be needed by the Council?

In response to questions raised, the Service Lead – Commercial & Procurement, the Strategic Director for Corporate Resources, Chief Executive and Strategic Director for People and Communities advised that:-

- the UK procurement thresholds (for goods, works and services) were expected to remain unchanged until January 2026;
- changes to procurement standing orders was a council function and could not be delegated to the Executive;
- there would be no adverse budgetary impact and existing resources would manage the additional workload, but this would be monitored;
- grants were exempt from the procurement processes and areas such as Wellbeing Exeter were procured through existing procurement practices;
- updated reports on implementation, including numbers of contracts could be made available but were already shared via the Members' bulletin; and
- policy reviews were necessary following any changes to legislation and were undertaken on a review cycle.

The Leader moved the recommendations, which were seconded by Councillor Wright, voted upon, and CARRIED unanimously.

**RECOMMENDED** that approve:-

- (1) the revised Procurement and Contract Procedures in Appendix A of the report for adoption from 24th February 2025;
- (2) the following revised Procurement Procedure Notes for adoption from 24th February 2025:-
  - a) Appendix B – Procurement Note Approval to Procure & Quality Assurance;
  - b) Appendix C – Procurement Note Concessions;
  - c) Appendix D – Late Submissions;
  - d) Appendix E – Missing and Omitted Materials;
  - e) Appendix F – Signing and Sealing Contracts; and
  - f) Appendix G – Waivers

- (3) to grant delegated authority to the Head of Legal and Democratic Services in consultation with the Portfolio holder to make any minor amendments to the Procurement and Contract Procedures and Procurement Procedure Notes.

15

### **ANNUAL PAY POLICY STATEMENT 2025/26**

The Executive received the report which set out the Council's Annual Pay Policy Statement 2025/26 which was a statutory requirement for approval by Full Council each financial year. Particular reference was made to the two main recommendations and section 8.1 of the report, which noted the pay award for 2025-2026 was yet to be resolved.

The Leader moved the recommendations, which were seconded by Councillor Wright, voted upon, and CARRIED unanimously.

**RECOMMENDED** that Council approve:-

- 1) the adoption of the Policy, Report and Appendices for publication in accordance with the legislation; and
- 2) to grant delegated authority to the Strategic Director – People and Community to make necessary amendments to the pay policy statement following any changes in legislation or subsequent increases in pay.

16

### **GENDER PAY GAP REPORT**

The Executive received the Gender Pay Gap report, which was a statutory requirement of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 for local authorities employing 250 or more employees to produce gender pay gap information relating to employees. The Act required that the Council report the criteria outlined in the report and to publish its gender pay report by March 2025.

Particular reference was made to the 4.24% increase for the number of females in the upper middle quartile since 2023, leading to an increase in the gender pay gap.

During the discussion, Executive Members raised the following points and questions:-

- there had been previous discussions about gender representation in lower pay grades and a push to recruit more females into those roles; and
- it was requested whether a 10-year trend graph analysing the mean pay differences between men and women could be made available?

An opposition group leader enquired whether any comparison data could also be made with other with neighbouring authorities to address recruitment challenges.

In response to questions and points raised, the Strategic Director – People and Community advised that:-

- there was a potential unreliability in historical data for a 10-year analysis, however the Strategic Director would investigate this; and
- as all Councils were required to publish this data the Strategic Director would place a request with Southwest Councils to see if they collated and benchmarked this data.

The Leader moved the recommendations, which were seconded by Councillor Wright, voted upon, and CARRIED unanimously

**RECOMMENDED** that Council:-

(1) note the findings as follows:-

- the average rate of pay for females is higher than males across the Council;
- the mean average difference has increased since last year from 2.91% to 5.07%;
- the median average difference has increased since last year from 9.71% to 14.03%; and
- there are nearly 3 times more males in the lower quartile of earnings than females.

(2) approves the publication of the ender Pay Gap Report on the Exeter City Council website and on the national database on gov.uk; and

(3) approves the annual review of the report to track the relationship between both female and male earnings.

17

### **UPDATED LOCAL DEVELOPMENT SCHEME 2025**

The Executive received the updated Local Development Scheme (LDS) which provided a brief scope and timetable for the preparation of Council planning policy documents including the emerging Exeter Plan (the new Local Plan). The report adhered to the new Government national planning reforms requiring Councils to review and update their timetables for new local plans.

Particular reference was made to:-

- the LDS being a legal requirement outlining planning policy documents and included the Exeter Plan, which was undergoing Regulation 19 consultation, ending on Thursday 6 February 2025;
- the LDS had been brought back to Members following government reforms requiring an updated version by April 2025. The current version included minor updates, primarily about the Exeter Plan consultation and being set for submission to the Planning Inspectorate in June 2025.

During the discussion, Executive Members raised the following points and questions:-

- enquired about no supplementary planning documents for other Liveable Exeter Sites, given the inclusion of the St Luke's University Campus SPD;
- enquired on the workload impact to the team relating to the Exeter Plan and SPD efforts; and
- enquired on any potential conflicts of interest in the development of the St Luke's University Campus SPD, particularly since the process was primarily being managed by an external organisation.

An opposition group leader enquired about the ownership and oversight of the St Luke's University Campus SPD being funded by the university and in ensuring that the Council retained control over the planning document.

In response to questions raised, the Strategic Director for Place advised that:-

- the St Luke's campus work was being funded by Exeter University, with the local planning team overseeing the consultation process;
- further SPD work was limited by resources and capacity, but the priority was on the Exeter Plan, which would occupy the team's capacity for the next 18 months and the SPD could not be adopted until the Exeter plan was adopted;
- the Council would maintain oversight throughout the SPD preparation, ensuring full compliance with policies;
- Exeter University would be managing community engagement to inform the overall master plan, which would be submitted to the Council for review; and
- a formal consultation would follow submissions, involving the wider community, in line with the council's consultation charter. The Council would then consider adopting the statements as part of the City Council planning policy document.

The Leader moved the recommendations, which were seconded by Councillor Wright, voted upon, and CARRIED unanimously.

**RESOLVED** that the updated Local Development Scheme be approved as the basis for preparing local planning policy.

18

### **GENERAL FUND / HRA ESTIMATES AND CAPITAL PROGRAMME 2025/26**

The Executive received the report on the General Fund revenue estimates for 2025/26 to recommend the Band D level of Council Tax for 2025/26. The report also included the proposed Capital Programme for 2025/26 and future years, and the proposals in respect of the Housing Revenue Account for 2025/26.

Particular reference was made to:-

- the Government's Provisional Local Government Finance Settlement initially offered a flat amount, but the final settlement now included an additional £183,000 for Exeter as compensation for National Insurance increases, having taken local housing revenue accounts (HRA) into consideration;
- national insurance contributions had increased costs of £669,000 for the General Fund and £91,000 for housing revenue account;
- the core spending power assumption from the Government included a Council Tax increase to the maximum level allowed under the referendum limits;
- the Government intended to reset business rates and to review the funding formula for local government funding, which could impact Exeter significantly;
- Exeter was able to implement a Council Tax increase of less than 3% or £5, with the budget assuming a 2.99% increase, but it would be for Members to determine at Council;
- a General Fund consultation had been undertaken and the results were available for Councillors and the public to support balancing the budget;
- the business rate pool for the whole of Devon, would continue, which would support the Council by around £900,000;
- the Council started the year with a projected shortfall of £3.5 million, which had remained steady throughout the year, but £2.4 million from either income or budget reductions was still required to balance the budget and stay above the minimum reserve level;
- a small increase to the General Fund Reserves minimum level was being proposed from £3.020 million to £3.1 million;
- there were challenges to the Housing Revenue Account relating to increased costs for repairs and maintenance due to a new approach, impacting the capital program in the short term, but would be beneficial longer term;

- the budget and medium-term financial plans were being recommended, to maintain the HRA minimum working balance at £3.525 million; and
- the Capital Programme had a new three-year funding request to replace vehicles under a lease agreement.

During the discussion, Executive Members raised the following points and questions:-

- clarification was sought on the National Insurance contributions, the differences in costs from April and where they were being covered from;
- the Devon Cornwall Police tax precept, had recently been agreed upon; and
- clarity was sought on the business rate reset dates outlined in the report following the recent update from the Deputy Prime Minister.

An opposition group leader expressed concerns about the inflation assumptions in setting aside £0.662 million for the budget and why there were no other ranges available?

In response to questions raised, the Strategic Director for Corporate Resources advised that:-

- a new Extended Producer Responsibility Tax for manufacturers and packaging had been introduced, which would provide an additional £1.4 million to the Council to support the National Insurance contribution challenges;
- the police precept had been confirmed as having increased by £13.70, which was important for Members who set the overall city council tax. The figures would be included in the budget reports presented to full Council;
- the business rate reset consultation would commence in 2025 but would not impact the budget until 2026-27; and
- the approach to budgeting, required a balance between under-providing and over-cutting, the general fund reserves acting as a financial management tool.

The Leader moved the recommendations, which were seconded by Councillor Wright, voted upon, and CARRIED unanimously.

**RECOMMENDED** that Council:-

- (1) approve the overall spending proposals in respect of its General Fund and HRA revenue budgets;
- (2) approve the General Fund and HRA Capital Programmes, subject to the identification of sufficient capital receipts to finance the new General Fund Capital bids in respect of IT and to grant delegated authority to the Strategic Director for Corporate Resources, in consultation with the Leader and Chief Executive to agree the final decision;
- (3) in agreeing the recommendations, consider the Section 151 Officer budget assessment in 8.17 of the report;
- (4) approve setting the General Fund minimum Balance at £3.100 million for 2025/26 and the HRA minimum Balance at £3.525 million for 2025/26;
- (5) approve the Council Tax for each Band recommended to the Council as set out in section 8.20.3 of report, subject to Devon County Council, OPCC Devon and Cornwall and the Devon and Somerset Fire Authority confirming their Band D levels respectively; and
- (6) approve the revised Council Tax levels on 25 February 2025, once the actual Council Tax amounts for Devon County Council, Devon and Cornwall Police and Crime Commissioner and the Devon and Somerset Fire Authority are set.

## **CAPITAL STRATEGY 2025-26**

The Executive received the report which sought Member approval for the Capital Strategy 2025-26 and to provide assurance that all elected Members fully understood the long-term policy objectives and resulting capital strategy requirements, governance procedures and risks. Particular reference was made to there being no significant changes from the previous year to report.

During the discussion, an Executive Member enquired if the pending update to the Corporate Plan would impact on the Capital Strategy's purpose and aims, notably with any priority changes?

In response to the question raised, the Strategic Director for Corporate Resources advised that amendments could be made to reflect any changes in priorities and any significant impact to the Capital Strategy would be brought back to Members.

The Leader moved the recommendations, which were seconded by Councillor Wright, voted upon, and CARRIED unanimously.

**RECOMMENDED** that Council approve the Capital Strategy as set out in Appendix A of the report presented at the meeting.

## **THE PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES (INCORPORATING THE ANNUAL STATEMENT OF MINIMUM REVENUE PROVISION)**

The Executive received the report on the proposed 2025/26 Prudential Indicators for capital finance for adoption by the Council and to set the annual statement of Minimum Revenue Provision (MRP). The Prudential Indicators / MRP report would be incorporated within the Budget Book for approval at the relevant full Council meeting as per the statutory requirement.

Particular reference was made to:-

- the minimum revenue provision, was the policy for calculating the statutory amount to be set aside to repay debt and remained unchanged;
- the Prudential Code provided a range of indicators for both the General Fund and the HRA (Housing Revenue Accounts) to ensure they were affordable and profitable;
- the key indicator for Members to consider were the capital financing requirement, which highlighted the amount underlying debt in the capital programme; and
- the operational boundary and authorised limits were explained to Members;

The Leader moved the recommendations, which were seconded by Councillor Wright, voted upon, and CARRIED unanimously.

**RECOMMENDED** that Council approve the adoption of:

- 1) the Prudential Indicators set out in Appendices A-C of the report; and
- 2) the Annual Statement of Minimum Revenue Provision for the Council.

## **TREASURY MANAGEMENT STRATEGY REPORT 2025/26**

The Executive received the report which sought the adoption of the Treasury Management Strategy Report, incorporating the Annual Investment Strategy

2025/26, and revised supporting Treasury Management Practices, as required under section 15(1)(a) of the Local Government Act 2003.

Particular reference was made to:-

- the Treasury Management Strategy outlined the management of cash flow and investment of surplus funds, both for short and longer-term periods;
- the Treasury Management Strategy had been cross-referenced with the Environmental, Social and Governance Policy and was now fully aligned;
- updated Treasury Management practices had been included and were attached to the appendix presented at the meeting; and
- there were no changes being proposed to limits in the report.

An opposition group leader enquired about the impact of the ethical policy on investments relating to BlackRock and Aberdeen Standard Investments.

In response to the question raised, the Strategic Director for Corporate Resources advised that BlackRock and Aberdeen Standard Investments were money market funds, and as such had no direct influence on their dividends. Funds had been withdrawn from Barclays earlier in the year for practical cash management reasons.

The Leader moved the recommendations, which were seconded by Councillor Wright, voted upon, and CARRIED unanimously.

**RECOMMENDED** that Council adopt the Treasury Management Strategy, Treasury Management Practices and the delegations contained therein.

22

### **LOCAL COUNCIL TAX SUPPORT SCHEME**

The Executive received the report on the Local Council Tax Support (CTS) scheme for working age residents for 2025-26, which Members were required to agree the working age scheme rules on an annual basis.

During the discussion, Executive Members raised the following points and questions:-

- was there any update or changes since the previous year?
- what percentage of the population needed support and how did it compare with other local authorities; and
- was there an indication of the take-up for the pension credit and support?

An opposition group leader enquired about the effort involved in reaching residents and how they might have encouraged them to come forward for support.

In response to questions raised, the Benefits & Welfare Lead advised that:-

- support was introduced in 2024 for Devon County Council care leavers under the age of 25;
- the team had worked with Devon County for the last 12 months, receiving over 360 records to identify young people who have a council tax liability and to award council tax support to reduce their liability to zero, if they had one;
- 34 care leavers had benefited from the scheme, which had costed approximately £25,000 to the collection fund, which was quite minimal in financial impact to the Council;
- approximately 8,000 households received council tax support, which represented around 12% of the population;

- it wasn't known how Exeter City Council compared with other authorities;
- efforts had been made to increase the pension credit take-up, with more than 200 households being identified for potential entitlement. These households had all been contacted via phone, email, and letter;
- proactive work had been undertaken in contacting low-income households to encourage claims and there was a challenge in reaching at least 200 pensioners who were reluctant to seek support; and
- the council tax support scheme had a good visibility of low-income households, and their circumstances which drove targeted campaigns like the pension credit take-up.

The Leader moved the recommendations, which were seconded by Councillor Wright, voted upon, and CARRIED unanimously.

**RECOMMENDED** that Council agree for the scheme in place for the current year continue for 2025-26.

23

### **HOUSEHOLD SUPPORT FUND SCHEME 7**

The Executive received the report which sought approval to grant delegated authority to the Strategic Director for Corporate Resources in consultation with the Leader and the Portfolio Holder for Housing, Homelessness Prevention & Customer Services, to agree a scheme for disbursing funding from the seventh Household Support Fund for a 12-month period, commencing in April 2025.

Particular reference was made to:-

- the Household Support Scheme 7 had been announced in the previous year's budget, and further guidance and details on the distribution of funds was pending;
- the allocation from Devon County Council was also currently unknown, but the scheme was expected to be similar to previous versions in supporting low-income households with essential costs like food and energy; and
- the funding was expected to align with previous schemes, allowing for flexibility in fund distribution over the year.

During the discussion, Executive Members raised the following points and questions:-

- was it possible to receive a summary of the work for Household Support Fund Scheme 6;
- the high demand for support in Scheme 6, with more than 1,000 requests within a three-week period was noted;
- enquired about the total number of applications and impact on free school meals for the fund distribution;
- the importance of the work being undertaken was highlighted;
- enquired if there was the potential for any further improvements; and
- clarification was sought on whether a new framework with Devon County Council was required for Scheme 7, or would it continue on from scheme 6?

In response to questions raised, Benefits & Welfare Lead advised that:-

- achievements of Scheme 6 included direct awards of £200, given to 923 pensioners totalling at £185,000. The open application scheme began in

November 2024, with 1,650 awards being granted to date and £50,000 still remained to cover the period until the end of March 2025;

- there were two team members in the Welfare Service, who were proactive in using data to contact eligible households;
- there hasn't been any general widespread publicity on the scheme but the team had worked closely with voluntary sector organisations including Exeter Community Energy and Exeter Foodbank help reach those in need;
- government guidance stated that each household support fund was a separate scheme, and funding must be spent and committed in the specific period, with no rollover of funds; and
- there was a potential issue around the Devon County Council allocation concerning free school meals, which could impact on future distributions.

The Leader moved the recommendations, which were seconded by Councillor Wright, voted upon, and CARRIED unanimously.

**RECOMMENDED** that Council grant delegated authority to the Strategic Director for Corporate Resources in consultation with the Leader and the Portfolio Holder for Housing, Homelessness Prevention & Customer Services to agree the scheme for disbursing funding from the seventh Household Support Fund.

(The meeting commenced at 5.30 pm and closed at 7.04 pm)

Chair

**The decisions indicated will normally come into force 5 working days after publication of the Statement of Decisions unless called in by a Scrutiny Committee. Where the matter in question is urgent, the decision will come into force immediately. Decisions regarding the policy framework or corporate objectives or otherwise outside the remit of the Executive will be considered by Council on 18<sup>th</sup> and 25<sup>th</sup> February 2025.**