



# Exeter Budget Speech



### This year's budget speech highlights our response to the pandemic, which has affected every single one of us over the last 12 months.

It explains how, through working collaboratively with our partners, we plan to ensure that Exeter is in the best possible position to recover, and to be more resilient than ever.

These are extraordinary times, and the impact on our finances has been severe, just as it has for residents, businesses and organisations right across the city.

Extraordinary times demand an extraordinary response, and the way in which our staff have been at the forefront of helping people through the crisis and has been remarkable.

Thousands of people contacted the support hub we set up at the start of the crisis to ensure help was there for all who needed it.

Volunteers right across the city gave up their time to help the vulnerable. They did - and are still doing - an incredible job.

We have paid out government funds of more than £34 million in support grants to local businesses.

Throughout the crisis the dedication of our staff meant we maintained every single waste collection round, every street sweeping round and all grounds maintenance work.

We delivered social distancing measures to keep our streets safe and ensured all businesses complied with safe working practice.

Despite everything, we have much cause for optimism here in Exeter. This summer we will open a brand new leisure centre and bus station. Our leisure services are now being run in-house so we can fulfil our aim of being the healthiest and most active location in the country.

We have a city-wide Recovery Plan in place which has been created in partnership with all the major organisations in Exeter.

And most of all, we have the collective strength of the community here in Exeter, which always comes together with a common aim, to bring success and prosperity to our city.



**Phil Bialyk**  
Leader  
Exeter City Council



### When we set our budget 12 months ago Coronavirus had barely been heard of in the UK.

No-one could have predicted that the virus would have such an impact on our lives, and of course it will continue to do so for some time to come.

There is some light at the end of the tunnel with the rollout of the vaccine.

And I am so proud of the way in which our staff and the whole city responded to the crisis, and I highlight this work in more detail shortly.

The budget we propose tonight will balance the books and protect our frontline services.

But I need to be clear, the pandemic has had a major impact on our finances.

We are no different in that regard to residents and businesses right across the city who have been affected, severely in some cases.

The road to recovery will be a long one, and there is no getting away from the fact that this is going to be a difficult year ahead.

There will also be more difficult years in the future, as the country goes through what is widely expected to be the deepest recession any of us have ever known.

We face major challenges, as do all local authorities, and we have to tackle these head on.

Financial discipline will be essential, and we will place a premium on working with others as a way of leveraging funding into the city.

We have had to work hard to balance the books in the current financial year, and we will need to continue setting very challenging budgets for some years ahead.

But despite this, we still have much to look forward to this year, and have much cause for optimism, as I will outline shortly.

In July we set an Emergency Budget to balance the books in the current financial year.

We highlighted the need to make a substantial reduction of £1.7million in spending in the current financial year, and to make further budget savings of £5.8million over the next few years.

Income losses and additional expenditure incurred during the coronavirus crisis were estimated to total £11.19 million. Today we continue to evaluate the extent of this loss as the crisis continues.

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In the Emergency Budget we said we wanted to reduce expenditure in a way that protected and maintained the services we as residents all depend on – doing things a bit less often rather than not at all - so most residents would not be adversely affected. I think we have been successful in that.

At the same time we worked quickly to bring together all the major organisations and employers in the city, from all sectors, to work on a city-wide Recovery Plan.

We took swift action in setting up a wide range of recovery groups to address the impact of Covid-19 on the city.

The Liveable Exeter Place Board has also been instrumental in supporting and coordinating the city's response to the pandemic.

The Building Exeter Back Better Recovery Plan gives us the best possible chance of a sustainable recovery for the whole city.

This will be crucial in helping to recovery from the pandemic and realise our wider social, economic and environmental ambitions and our commitment to delivering a Net Zero Carbon city by 2030.

I will shortly outline the budget that we are proposing to set tonight. But first I want to highlight the city's response to the pandemic, and why - despite everything - I remain optimistic about the prospects for the city in the coming year and in the years ahead.



## Our response to the crisis

I am extremely proud of the way we responded to the crisis.

Residents, communities and organisations across Exeter came together throughout the restrictions and lockdowns to look after and support each other during the most difficult times.

When the pandemic hit and the nation went into the first lockdown, our Customer Support Team had to set up a virtual contact centre overnight. In addition to the 60,000 calls for existing services taken since the first lockdown, Customer Support's Covid-19 wellbeing hotline – Exeter Community Wellbeing - received more than 4,000 calls and 1,500 online requests for support.

Outcomes have included arranging emergency food and prescription deliveries for those who are self-isolating and shielding, and connecting residents with community groups and other support services such as Exeter City Community Trust.

The team also administers the Covid-19 Community Wellbeing fund, and has helped almost 400 residents with grants totalling over £75,000, to assist with Covid-related financial hardship.

Since September, we have been running the Test and Trace Support Payments scheme on behalf of the Department of Health & Social Care, supporting the public health message to isolate when instructed to.



## Our response to the crisis

These flat rate £500 grants are paid to low income working residents who lose income as a result of isolating.

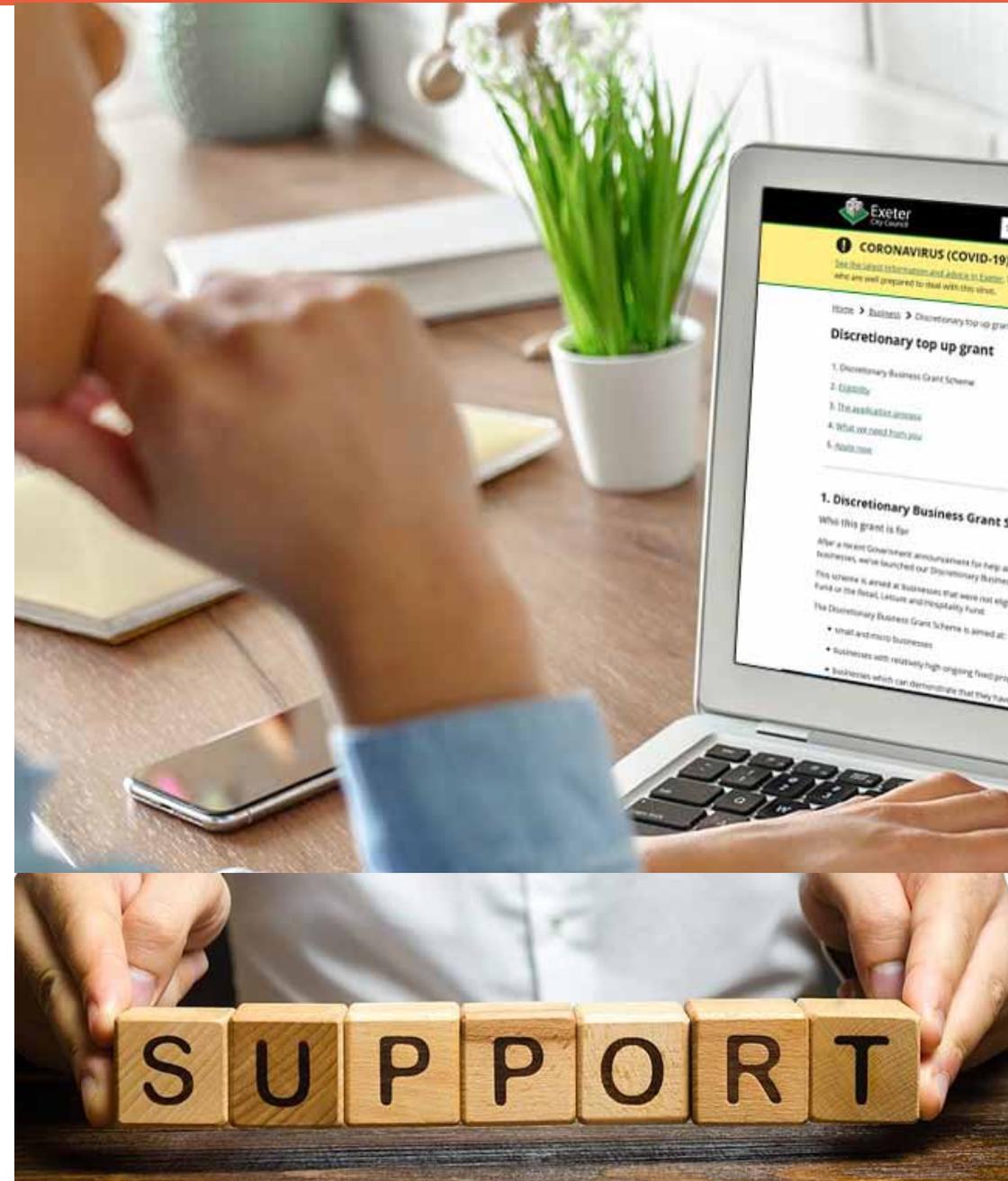
So far we have received over 400 claims, paying out £77,000. More than half of successful awards are being made within two days of the claim being received. The scheme has recently been extended to the end of March.

We have spent a lot of the last year supporting businesses. The Council is currently implementing nine different Business Grant Schemes – seven mandatory and two discretionary.

This is a vital lifeline for businesses either forced to close or severely impacted by the local and national restrictions - so far more than 4,000 awards totalling more than £34 million have been made.

Another £5 million will be paid out in discretionary grants and a further £1million is being used to support businesses through a range of interventions, to adapt, change and diversify to become more resilient.

In April the Council held what was thought to be the country's first virtual council meeting, which brought us to national attention - though not the same attention as Handforth Parish Council recently received, I'm pleased to report.



## Our response to the crisis

I am very proud of the dedication of our staff, who have continued to deliver all our key services in the face of a global pandemic.

We have maintained every single waste collection round, street sweeping round, grounds maintenance work and burial service during the pandemic. We delivered social distancing measures to keep our streets safe.

We made sure all businesses complied with Covid-19 safe working practices to keep residents safe.

We kept our toilets and play parks safe for use by increasing cleaning regimes.

In the most difficult of times, we made sure that our public realm and open green spaces continued to flourish.

We expanded our Exeter Wild City programme – working in partnership with the Devon Wildlife Trust, community builders and residents.

We continued to reduce glyphosate use and encouraged biodiversity through wildflowers and naturalising grass areas.

Our staff worked with community groups to directly improve local areas, including Wonford Planters and the St David's Community.

We were a finalist in the Best Local Authority Recycling Initiative, a national award for excellence.



## Development

Despite the impact of the virus, new development has continued to be delivered across Exeter by our City Development team, with planning and building control applications remaining generally steady.

Considerable work was done by Building Control during the fitting out of the Nightingale Hospital.

Our planning team have dealt with applications for variation of conditions and hours of operation to facilitate businesses to continue throughout this difficult time.

Planning has seen the ongoing granting of major developments for residential provision with the first two applications agreed, subject to S106, for the new tenure of Co-living at Harlequins in the city centre and the former Ambulance Station in Heavitree.

These reflect a new form of living choice for single people to complement more traditional flat and house accommodation.

Both schemes will also provide affordable housing for key local and retail workers.



## Development

Another major scheme of note is at Exmouth Junction representing one of the largest brownfield developments in recent years within the city.

This high quality, high density, low carbon design brings forward 400 homes and 65 living with care units, new public open space and refurbishment of the Listed Water Tower.

The scheme is a mix of house sizes and tenures with 170 units for sale and 230 Build to Rent units, another first in the city.

This year has also seen the agreement to form a dedicated Local Plan team to bring forward a new Exeter Local Plan.

I can confirm that to date we have collected £19,191,177.85 in Community Infrastructure Levy payments.

15% of CIL receipts is spent in our neighbourhoods (£2.8m), and £10.672m has been committed and is being spent on projects such as St Sidwell's Point, and transport schemes such as Sandy Park road junction, and Marsh Barton Railway Station.



## Development

Habitat mitigation is an ever present call on CIL funding and it is something we need to plan for when looking at the residual £5m of CIL.

The Annual Infrastructure Funding Statement sets out the raft of infrastructure demands that require attention, including public realm improvements, active travel measures, improvements to leisure facilities, such as the proposed new Wonford Centre and Northbrook Pool, and support for net zero carbon infrastructure.

In simple terms the infrastructure needs of the city are greater than the sum of CIL receipts, and the City Council's role is as a municipal entrepreneur, finding ways to fund the infrastructure needs of the city by blending various income streams to secure outcomes for the city.

The New Homes Bonus data shows that Exeter's housing stock increased by almost 1,020 between October 2019 and October 2020.

This high level of new housing provision explains why the City Council has achieved such a successful NHB payment this year.

Of these, just over 80 comprised 'empty' homes brought back into use. This means that most of the homes - 935 - were either built from scratch or delivered by converting or changing the use of existing buildings.

Of the 935 new homes, more than 80 were affordable homes.



## Housing

Following a significant design period, the wider roll-out of a retrofit programme for all Council housing commenced in January.

The current target for affordable housing provision by the Council is to deliver 500 properties over the next 10 years - but we are currently well ahead of this.

To help with the Council's priorities of promoting active and healthy lives, and building great neighbourhoods, some sites in sustainable locations are being designed as car-free schemes.



# Housing

Progress on the Council's development programme during 2020 includes:

- 1 Three high specification Passivhaus houses at Anthony Road, purchased from our council-owned development company Exeter City Living in October
- 2 53 one and two bedroom Extra Care flats at Edwards Court, due to complete this summer
- 3 Nine three bedroom Passivhaus houses at Thornpark Rise, due to be purchased from Exeter City Living shortly
- 4 18 poor quality properties in Newman Road are being demolished and rebuilt
- 5 10 three bedroom Passivhaus houses at Bovemoors Lane, were completed in January
- 6 21 one and two bedroom flats at Hamlin Gardens are due to start on site this spring
- 7 60 flats for the Council's affordable housing programme and 32 for Exeter City Living at Vaughan Road due to start this summer

I am so pleased with the quality of our council house building programme, low energy Passivhaus homes which help towards a carbon neutral future while lifting residents out of fuel poverty.



## Housing

Work continues with the Liveable Exeter Place Board and other strategic partners, including Homes England and Sports England, has taken place to identify opportunities for strategic interventions to support the delivery of the 2040 Vision.

We continue to progress the Liveable Exeter programme to deliver up to 12,000 new homes for the city in sustainable, inclusive and highly accessible new communities.



### Homelessness was a major issue in 2020, and I am proud of our work in this area.

Our Rough Sleeping and Emergency Accommodation service was asked by central government to bring all known and new rough sleepers into accommodation in March under the Everybody In initiative.

This resulted in the Council accommodating 102 additional people we would not ordinarily have a duty to house.

Additional accommodation was procured at short notice.

Like all shared sleeping space, accommodation the night shelter had to scale down to minimal numbers from March so this made the challenge greater.

Supporting these people to maintain their temporary accommodation as well as successfully move on provided ongoing challenges to staff time and resources and has done throughout the rest of the year.

Plans were rapidly drawn up with partners involved in the Exeter Homelessness Partnership to provide crisis support services such as food and medicines alongside additional health protection measures.

Of the almost 150 people now accommodated and supported under this scheme and its legacy over the past 10 months, 85% have moved on to more permanent housing.

Successful bids were made in the summer to the government's Next Steps Accommodation Programme to provide more dedicated housing and support for move-on for those brought off the streets during the pandemic.

Alongside capital contribution from the Council a £3.5million package of housing and support is being developed which will result in an additional much needed 29 supported accommodation beds in the city.

Despite the ongoing restrictions caused by the pandemic, excellent progress was made by our contractors at St Sidwell's Point and the new Exeter Bus Station.

We are due to open both facilities in the summer, and I couldn't be more pleased.

This £50million redevelopment is the biggest single investment the Council has made in our city in a generation.

These much-needed new facilities will give a massive boost to the city and will play a vital role in our recovery, by supporting the city centre and acting as a catalyst for the redevelopment of the wider area.

St Sidwell's Point will be one of the best facilities of its kind anywhere in Europe, and it is so exciting to think that its opening is only a few short months away.

I'm also delighted that after a massive rebuilding programme, that took far longer than any of us could have imagined due to the state of the building, the pool at the Riverside will be open again this summer.



## Leisure

Our commitment to becoming the most active city in the country was further demonstrated by taking back direct control of leisure centres by running the service in-house.

This has been a massive undertaking and one that will enable us to provide top class facilities that the city can be proud of.

We carefully planned and modelled the in-house operation, with staff from the previous operator transferring to the employment of the Council.

Despite the obvious difficulties caused by the pandemic, which led to close and safely reopen as the lockdown situation dictated, there has been much to be positive about.

We have completely rebranded Leisure services – including signage, uniform and social media.

The launch of our Exeter Leisure app has been a huge success. Well over 1,000 have been downloaded – more than 500 were downloaded in the first weekend.

The team launched on-demand virtual workouts from our centres for both members and non-members during lockdown.

We are continuing to grow memberships by reflecting the changing fitness industry and the demand for a more flexible approach to health, fitness and wellbeing.

The team are working together with our Sport England Local Delivery Pilot to embed its priorities and values into our leisure offer.



## Leisure

The pilot, Live and Move, is working to reduce health inequalities across the city and in Cranbrook by encouraging everyone, of whatever age or ability, to become more active.

Lord Mayor - as well as improving our health and wellbeing, leisure is so important to the sustainability of our city centre going forward.

Residents and visitors take a great deal of pride in our city centre, and the quality of the offer.

The impact of Covid has accelerated trends in behavioural change and this will have big implications for the future of the high street and city centres around the country.

The pace of change is frightening and we should not be under any illusions - traditional incomes sources of income for local authorities, such as business rates, commercial rents and car parking are all under threat.

City centres more than ever need local authorities to take the lead in managing change, and that's what we have done.

The work we are doing to diversify our city centre, and the investment we have made in leisure at St Sidwell's Point, will be absolutely critical in the year ahead.

The leisure and entertainment sectors are so important as anchors for city centres, extending the dwell time and providing an 18 hour offer.

Without national support all sectors of the economy, including the arts and culture, will be precariously poised. We will continue to play our part, but national government must also step up locally. It's a key ask in our Recovery Plan.



### I move on to the details of the budget itself.

The Council took quick and decisive action this year to address the financial challenges posed by Covid-19.

This action has enabled us to propose a balance budget with only a small amount of savings required.

This however has not been easy - the Government's own core spending power calculation shows that even by increasing our Council Tax by the maximum £5 available, the Council will only have the same amount to spend next year as it did this year.

Inflation increases alone account for an increase in spending requirement of £817,000.

The Council has been awarded a further £1.941 million in New Homes Bonus taking the total earned by this Council to over £27 million.

On top of that, we are still generating £2.3 million more in Business Rates Growth, than the Government believes we need to provide vital services in Exeter.

However, the Government is consulting on modifications to the New Homes Bonus and is still intent on overhauling the Business Rates retention scheme, meaning that the financial benefits that we have enjoyed will be lost from 2022-23 onwards.



This means reductions of £6 million will be required over the next three years to balance the budget. This equals 13% of the total spent on Services in Exeter.

In setting the budget, I have to take account of the recommendations of the section 151 Officer.

He is legally responsible for setting the level of reserves and will seek action to ensure that those reserves remain above this level.

It is important for Members to note that reserves can only be spent once and that they are there to protect the Council against risk.

During this last year the importance of these reserves was evidenced when, because of Covid-19 and the lockdown measures imposed by Government, the Council suffered a loss of around £11 million in its income and hence the decision to make an emergency budget. An extraordinary measure. Today the loss for the general fund this year (2020/21) looks to be of just over £12m against Government help, i.e income received of £1.9m plus additional claims to hopefully bring us to a total of £6m income support from Government, in other words about half of our losses.

I propose to you the recommendation set out in the papers before you in terms of the approval of both the revenue estimates and capital programme for the year 2021/22 and which will result in the setting of a District Council tax of £165.05 for a Band D property.

This is an increase of £5 a year for a Band D property, less than 10p a week.

By comparison the County precept will rise by £71.82 or £1.38 a week, the Police by £14.92 a year or 29p a week and the Fire by £1.76 or 3p a week.

Therefore the Band D Council Tax will be split as follows:

Exeter City Council	£165.05
Devon County Council	£1,511.28
Devon & Cornwall Police	£236.56
Devon & Somerset Fire	£90.00
<b>Making a total bill of</b>	<b>£2,002.89</b>

As I said at the beginning of my speech, we've had a difficult year and we have difficult times ahead. This is the toughest budget we have had to set in many years.

But the measures we have taken, in investing so heavily in our city centre, in our leisure services, by insisting on quality in whatever we do, through working with our partners across the city to produce a roadmap to recovery or the whole of Exeter, we have put ourselves in the best possible position to return to the good times.

By setting a balanced budget today we are protecting our core services, the things that people expect from us, while maintaining our ambition for the city. We won't allow that ambition to diminish; we remain the brilliant alternative, a city where people Live Better.

A healthy and inclusive city, with a roadmap to a Net Zero Carbon future, a place where people want to live, to work and to visit, a city of community and of quality of life.

This is a budget for the whole city, a city with a very bright future if we continue to work in collaboration with all those who share our vision for Exeter and all that we can achieve.





# Exeter Budget Speech



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