

## EXECUTIVE

Date: Tuesday 11 August 2015

Time: 5.30 pm

Venue: Rennes Room, Civic Centre, Paris Street, Exeter

Members are invited to attend the above meeting to consider the items of business.

If you have an enquiry regarding any items on this agenda, please contact Sarah Selway, Democratic Services Manager (Committees) on 01392 265275.

Entry to the Civic Centre can be gained through the Customer Service Centre, Paris Street.

*Membership -*

Councillors Edwards (Chair), Denham, Hannaford, Leadbetter, Morris, Owen, Pearson and Sutton

## Agenda

### **Part I: Items suggested for discussion with the press and public present**

#### **1 Apologies**

To receive apologies for absence from Committee members.

#### **2 Declarations of Interest**

Councillors are reminded of the need to declare any disclosable pecuniary interests that relate to business on the agenda and which have not already been included in the register of interests, before any discussion takes place on the item. Unless the interest is sensitive, you must also disclose the nature of the interest. In accordance with the Council's Code of Conduct, you must then leave the room and must not participate in any further discussion of the item. Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

#### **3 Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

**RESOLVED** that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of items 6 and 7 on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 2 and 3 of Part I, Schedule 12A of the Act.

**4 Community Infrastructure Levy Funding for Marsh Barton Railway Station**

To consider the report of Assistant City Development.

(Pages 5 -  
10)

Scrutiny Committee – Resources considered the report at its meeting on 29 July 2015 and its comments will be reported.

**5 Leisure Complex Programme Board Minutes - 9 July 2015**

To receive the minutes of the Leisure Complex Programme Board Minutes of 9 July 2015.

(Pages 11  
- 18)

**Part II: Items suggested for discussion with the press and public excluded**

No representations have been received in respect of the following items in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

**6 Waste Operations: Market Supplement to Drivers' Salaries**

To consider the report of the Assistant Director Environment.

(Pages 19  
- 26)

**7 Proposal for Additional Enhancement of the Leisure Complex and Swimming Pool**

To consider the report of the Deputy Chief Executive.

(Pages 27  
- 34)

Scrutiny Committee – Resources considered the report at its meeting on 29 July 2015 and its comments will be reported.

**Comments from Scrutiny Committee - Resources 29 July 2015**

Comments from Scrutiny Committee – Resources 29 July 2015 in respect of the items on Executive agenda.

**Date of Next Meeting**

The next scheduled meeting of the Executive will be held on **Tuesday 15 September 2015** at 5.30 pm in the Civic Centre.

**A statement of the executive decisions taken at this meeting will be produced and published on the Council website as soon as reasonably practicable.**

Find out more about Exeter City Council services by looking at our web site <http://www.exeter.gov.uk>. This will give you the dates of all future Committee meetings and tell you how you can ask a question at a Scrutiny Committee meeting. Alternatively, contact the Democratic Services Officer (Committees) on (01392) 265115 for further information.

**Follow us:**

[www.twitter.com/ExeterCouncil](http://www.twitter.com/ExeterCouncil)

[www.facebook.com/ExeterCityCouncil](http://www.facebook.com/ExeterCityCouncil)

**Individual reports on this agenda can be produced in large print on request to Democratic Services (Committees) on 01392 265275.**

**This page is intentionally left blank**

**REPORT TO :-**  
**SCRUTINY COMMITTEE – RESOURCES 29<sup>TH</sup> JULY 2015**  
**EXECUTIVE 11<sup>TH</sup> AUGUST 2015**  
**COUNCIL 12<sup>TH</sup> AUGUST 2015**  
**REPORT OF : ASSISTANT DIRECTOR CITY DEVELOPMENT**  
**TITLE: COMMUNITY INFRASTRUCTURE LEVY FUNDING FOR MARSH BARTON**  
**RAILWAY STATION**

**Is this a Key Decision?**  
**Yes**

**Is this an Executive or Council Function?**  
**Council**

**1. What is the report about?**

- 1.1 This report responds to a Devon County Council request for £1.3 million Community Infrastructure Levy (CIL) match funding towards the delivery of a new railway station at Marsh Barton. The latest cost estimate for the station is £7.4 million.

**2. Recommendations:**

It is recommended that Scrutiny Committee – Resources notes and requests Executive to recommend approval by Council of the following -

- 2.1 to make £1.3 million Community Infrastructure Levy available for investment in the new railway station at Marsh Barton on the following basis;
- 2.2 no funds to be made available until adequate CIL has been collected and funding for city centre major infrastructure investments has been secured in line with the resolution of Executive on 10 February 2015;.
- 2.3 of the £1.3 million funding:
- £660,000 to be committed specifically for Marsh Barton Station; and
  - the other £640,000 to be available for County Council delivered infrastructure needed to serve development at South West Exeter, which could include Marsh Barton Station;
- 2.4 City Council CIL funding for the railway station to be conditional on ‘claw-back’ provisions whereby the Council would be an equal-proportion recipient of any project cost savings, and
- 2.5 authority be delegated to the Assistant Director City Development to finalise an agreement with Devon County Council that accords with these recommendations.

**3. Reasons for Recommendation:**

- 3.1 The new railway station forms an important part of the transport infrastructure package needed to accommodate development growth in and around Exeter. However, funding for the station needs to be cost effective and balanced against other identified priorities.

#### **4. What are the resource implications including non financial resources?**

- 4.1 Of the anticipated £25 million CIL receipts to 2026, the Council has earmarked £18 million for 'major infrastructure'. The recommendations of this report would commit approximately 7% of CIL major infrastructure funding.

#### **5. Section 151 Officer comments:**

- 5.1 The allocation of CIL funding is noted and if approved will be passed to the County Council in line with the agreed timing.

#### **6. What are the legal aspects?**

- 6.1 The main issue is does the City Council have the authority to spend CIL funding for the purpose of providing a new railway station. The railway station is on the Regulation 123 list of projects for use of CIL, so the necessary authority exists.

#### **7. Monitoring Officer Comments:**

- 7.1 The Monitoring Officer raised no issues beyond that set out in paragraph 6.1.

#### **8. How does the decision contribute to the Council's Corporate Plan?**

- 8.1 Successful deployment of CIL is integral to the following strands of the Corporate Plan. The proposed railway station would help to meet these objectives.
- Supporting business and economic growth;
  - Sharing the benefits of growth; and
  - A green and healthy city

#### **9. Background**

- 9.1 The Council has introduced a Community Infrastructure Levy. The Levy is expected to raise around £25million during the period to 2026 and can be used to fund a wide range of projects so long as they support development growth. CIL Demand Notices for more than £600,000 have been issued. These largely provide for phased payments over a period of up to two years. Around £230,000 has been received.
- 9.2 In February 2015 the Council set out a framework for the prioritisation of CIL in the absence of joint infrastructure governance arrangements for the greater Exeter area. This earmarked £18 million of forecast receipts for major infrastructure, of which the first £8 million is for city centre priorities. The estimated £10 million balance is for strategic investments that support development growth elsewhere across Exeter.
- 9.3 It is forecast that the £8 million city centre funding will have been received by 2019/2020. However, this is dependent on the profile of future development commencements. In particular, the timing of starts on large scale retail schemes like IKEA (£3.5 million) will have a considerable bearing on the pace at which CIL income is accumulated.
- 9.4 Upon adopting its CIL Charging Schedule, the Council published a (Regulation 123) list of infrastructure considered likely to benefit from the application of CIL funding.

This list did not constitute a funding commitment but rather outlined the strategic infrastructure types and projects that might benefit from some CIL funding and towards which Section 106 contributions would not be expected. It is not possible to secure new funding for the same item of strategic infrastructure through Section 106 and CIL.

- 9.5 Amongst the projects listed on the Regulation 123 list was the new station at Marsh Barton. The Exeter Infrastructure Delivery Plan identifies the station as 'critical' to unlocking the development growth planned for the area. This conclusion is supported by the Transport Access Strategy for the 2,500 dwelling urban extension at South West Exeter (2,000 in Teignbridge, up to 500 in Exeter).

## 10. Funding secured for the station

- 10.1 Marsh Barton station benefits from planning permission. On 8 July 2015, Devon County Council's Cabinet approved a scheme for construction subject to finalising the funding package. Minutes are available at the following internet address:

[http://www.devon.gov.uk/index/councildemocracy/decision\\_making/cma/cma\\_document.htm?cmadoc=minutes\\_exc\\_20150213.html](http://www.devon.gov.uk/index/councildemocracy/decision_making/cma/cma_document.htm?cmadoc=minutes_exc_20150213.html).

- 10.2 The cost of the station had been estimated at around £4 million. For several years this figure remained relatively unchanged, even following preparation of a business case for Growth Deal funding in July 2014.
- 10.3 The County Council secured £2 million Growth Deal funding for Marsh Barton Station as part of a combined award that also encompassed the construction of Edginswell station in Torbay. Local contributions towards the balance were anticipated. With regard to the quantum of development anticipated in each authority area there was an expectation that the City Council would contribute one third (£660,000) and Teignbridge District Council two thirds. As at January 2015, Teignbridge District Council's Capital Programme includes a £1.4 million commitment to the station.
- 10.4 Since then cost increases are understood to have arisen as a result of:  
Previous design underestimates as to the accessibility of the site;  
Tender price inflation owing to a high volume of rail industry work nationally;  
Recent experience of Network Rail and First Great Western fees; and  
New signalling, telephony and platform length regulations.
- 10.5 The station cost estimate has been revised to £7.4 million. The County Council has sought additional Growth Deal funding in response. To date the County has secured **[bold]** or anticipates the following amounts.

<b>Devon County Council</b>	<b>£1,300,000</b>
<b>Teignbridge District Council</b>	<b>£1,300,000</b>
Exeter City Council	£1,300,000
<b>Growth Deal</b>	<b>£2,000,000</b>
Further Growth Deal	£1,500,000
	<b><u>£7,400,000</u></b>

## **11. Funding From Exeter City Council**

- 11.1 Following the County Council Cabinet decision, the City Council has now received a request for £1.3 million. This is premised on each of the relevant local authorities meeting an equal share of the scheme costs not expected to benefit from Growth Deal funding.
- 11.2 The request marks a change to how the County Council expects costs to be apportioned and a doubling of what it had been anticipated Exeter City Council would contribute just a year before. It is not considered reasonable that the City Council should disproportionately meet what are very significant cost increases. Instead, it is recommended that the City's contribution specifically for the station should remain at £660,000.
- 11.3 Nevertheless, Marsh Barton Station is recognised as being integral to enabling development growth at South West Exeter and facilitating continued economic success in the nearby employment areas. The Growth Deal funding opportunity is time limited and the station would be much more difficult to deliver without it.
- 11.4 It is therefore also recommended that the full amount of £1.3 million should be made available. The additional balance of £640,000 would constitute a broader contribution towards meeting the transport or education needs at South West Exeter. It could be used to address urgent station funding needs on the basis that there would be an offset against what would otherwise be the City Council's contribution towards wider infrastructure requirements.
- 11.5 The cumulative costs of infrastructure needed at South West Exeter (including secondary school provision to serve the wider urban area) total more than £40 million. The Bridge Road highway improvement, that will also serve the development of South West Exeter, has a total cost of about £9million of which about £5.3million is from S106 agreements, about £1million at Exminster and about £4.3million from developments within the City at Newcourt and Bishops court.
- 11.6 Whilst the recommendation is for £1.3 million to be committed so that it can be used to help fund Marsh Barton Station, it is not necessary for the Council's position as of February 2015 to change. This funding will only become available once £8 million CIL has been collected to contribute towards city centre investments. Current estimates are that sufficient money will have been collected by around 2020/21 (see appendix 1). It will therefore be for the County Council to arrange forward funding of the City's commitment.
- 11.7 An agreement between the authorities will be needed to give long term security to the £1.3 million commitment. It is recommended that authority should be delegated for the Assistant Director City Development to finalise such an agreement. In the event that the costs of the railway station scheme should fall, any such agreement should include 'claw back' provisions that provide for the City Council to benefit from a contribution-proportionate reduction to its commitment.

## **12. Relationship with proposed joint Major Infrastructure Panel**

- 12.1 In February 2015 the City Council undertook to investigate the establishment of a joint Major Infrastructure Panel that would make collective infrastructure investment decisions on the use of resources (including CIL) available to Exeter City, Teignbridge District, East Devon District and Devon County Council.



- 12.2 An Infrastructure Officers Group has been assembled and is working with partners including the Local Enterprise Partnership and Homes and Communities Agency towards recommendations on how to prioritise resources and infrastructure projects that maximise delivery outcomes. Early expectations are that, whilst some district areas will benefit from a collective approach more than others, the likelihood of leveraging outside funding and support together would be much higher and result in net benefits across all authorities.
- 12.3 In the event that a joint Major Infrastructure Panel is constituted and convened, the proposal to offset around half of the City Council station contribution against other costs at South West Exeter and associated equity considerations would become irrelevant. Instead it is anticipated that the Panel would make collective decisions on the use of all uncommitted resources concerned, irrespective of their source.

**Richard Short**  
**Assistant Director City Development**

**Local Government (Access to Information) Act 1972 (as amended)**

**Background papers used in compiling this report:-**

None

Contact for enquiries  
Democratic Services (Committees)  
Room 2.3  
01392 265275

### Appendix 1: Approximate collected and anticipated CIL income

	<b>2014/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>
<b>Annual</b>	£160,000	£655,000	£1,370,000	£2,170,000	£2,345,000	£5,915,000
<b>Cumulative</b>	£160,000	£815,000	£2,185,000	£4,355,000	£6,700,000	£12,615,000
<b>Strategic Infrastructure</b>	£115,200	£586,800	£1,573,200	£3,135,600	£4,824,000	£9,082,800
	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>
<b>Annual</b>	2,915,000	1,760,000	1,070,000	715,000	1,665,000	4,030,000
<b>Cumulative</b>	15,530,000	£17,290,000	£18,360,000	£19,075,000	£20,740,000	£24,770,000
<b>Strategic Infrastructure</b>	11,181,600	12,448,800	13,219,200	13,734,000	14,932,800	17,834,400

## **LEISURE COMPLEX PROGRAMME BOARD**

Thursday 9 July 2015

### **Present:-**

Councillors Edwards and Denham and Prowse

### **Apologies:-**

Councillor Sutton  
Deputy Chief Executive

### **Also Present**

Chief Executive & Growth Director, Assistant Director Finance (Section 151 Officer), Client Lead Build, Client Lead Estates, Project Manager - Leisure Operations, Corporate Manager Policy, Communications and Community Engagement, Leisure Facilities Manager and Democratic Services Officer (Committees) (SLS)

Justin Pickford, Scott Moore, Charles Hill - E C Harris  
Mark Thomas – AFLS + P Architects  
David Gale and Tomas Gartner Gale & Snowden, Eco Design

### 1 **APPOINTMENT OF CHAIR**

Councillor Edwards was nominated and agreed as Chair. He confirmed that this was the first meeting of the Leisure Complex Programme Board and the purpose was to confirm the formation of the Board and receive a presentation on the update on the progress of the Exeter Active Project to date.

### 2 **DECLARATIONS OF INTEREST**

No declarations of discloseable pecuniary interest were made

### 3 **TERMS OF REFERENCE**

The draft terms of reference were presented, and the final copy would be appended to the minutes.

Councillor Leadbetter had supported the appointment of Councillor Prowse as the Conservative representative on the Board.

### 4 **EXETER ACTIVE PRESENTATION - AN UPDATE ON THE PROGRESS OF THE PROJECT TO DATE**

The following presentations were made on the feasibility options for the new Leisure Complex.

The Project Manager, Leisure Operations provided a brief overview of his work and progress with the procurement strategy for securing an Operator for the new Leisure Complex to date.

The Client Lead, Estates and Acquisitions provided an overview of negotiations and progress with Crown Estate and Stagecoach.

The Client Lead, Build referred to the appointment of the Project Management and Cost Consultancy Team, EC Harris following an OJEU tender process. (Official Journal of the European Union). She also provided a timeline overview, details of the project brief and the Project Control and Governance measures that had been put in place. The Design Team were appointed in January 2015, following an OJEU tendering exercise and reported that they had spent the last six months developing and concluding on their Feasibility and Options Study. The Design Team were introduced and included Mark Thomas from AFLS+ P Architects, David Gale and Tomas Gartner of Gale & Snowdon Eco Design, (low energy specialists). Other members of the Design Team (not present) included LDA Design, (Landscape Architects and Planning Consultant) ARUP (Structural and Services Engineer) and Continuum Sport and Leisure. Mark Thomas, from AFLS + P Architects outlined the project needs and presented the four key options for Members to consider. The presentation set out in detail the options considered along with the design and business case analysis of each option.

The Chair thanked the Design Team and Exeter City Council officers for their presentation.

5        **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** that, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the following item on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part I, Schedule 12A of the Act.

6        **LEISURE COMPLEX FEASIBILITY OPTIONS APPRAISAL**

The Client Lead for the Build work stream introduced colleagues from EC Harris, who provided a presentation on the business case for each of the four options.

A Member enquired if a contract stipulation could be made to use local contractors or at least to employ a local workforce. The Project Manager Leisure Operations stated that every effort would be made to include this in the new Leisure Contract along with an assurance that the workforce would be paid a living wage.

The Board Members discussed the four options, and concluded that Option 2, which was a scheme integrated with the Crown Estate development and inclusive of all the Environmental factors (Passivhaus) was the preferred option. The Board instructed the Project Team to progress with Option 2, through the Project Control Point.

The Project Manager, EC Harris presented the Board with the opportunity to add some additional commercial features to the Leisure Complex design in order to generate a significant increase in revenue. The Board received this information with interest and it was agreed that further meetings within the City Council Committee cycle be arranged to give consideration to this potential enhanced offering.

It was noted that a Members' Briefing for all Members of the City Council had been arranged for 13th July.

**RESOLVED -**

- (1) that the Project Team progress with Option 2, through the Project Control Point; and
- (2) meetings would be called of Scrutiny Committee - Resources, Executive and Council, to enable a further report on the potential enhanced offering for the Leisure Complex to be considered. Dates of these meetings were identified and would be held on 29<sup>th</sup> July, 11<sup>th</sup> and 12<sup>th</sup> August 2015 respectively.

7

**DATE OF FUTURE MEETINGS**

The next Programme Board meeting would be timed to coincide with the next programme gateway, and the date of this would be determined in due course.

(The meeting commenced at 5.30 pm and closed at 7.00 pm)

Chair

**This page is intentionally left blank**

**Terms of Reference –Leisure Complex Programme Board.**

**Title:** Leisure Complex Programme Board  
**Organisation:** Exeter City Council  
**Reporting to:** Executive  
**Duration:** Project Duration – January 2015 to December 2018  
**Start Date:** January 2015

**The Project:** The design, construction and delivery of a new swimming pool and leisure complex on part of the bus station site at Paris Street, Exeter.

**Project Gateways:** To be Identified

**Client Leads:** Housing Development Manager & Client Lead (Build)  
Corporate Manager Property (Estates)  
Assistant Director Economy (Operator)

The Board is a Sub-Committee of Executive and will comply with the Executive Procedures Rules.

**The Programme Board's Terms of Reference:**

In relation to The Project, the Board shall:

- Agree and oversee the the Strategic direction of the Project including the design and build of the new Swimming Pool and Leisure Complex;
- To approve all future spend decisions in respect of the Projects' agreed budget as approved by Full Council from time to time.
- To approve the Project Programme throughout its various stages including approving the planning, design, operator/operation, commercial agreements and construction route.
- Evaluate the business case on an ongoing basis.
- To monitor the Project Risks, quality and the timing of the Programme;
- To own and take responsibility for the Programme Board Risks.
- To resolve any conflicts arising between the needs/requirements of the programme.
- Monitoring of the business plans, feasibility and option appraisal and progress.
- To approve the appointment of the Project Managers and agree the scope of the Project Manager's objectives and responsibilities.

*9 July 2015*

- To ensure the programme's scope is aligned with the requirements of the Council and stakeholder groups.
- To ensure the efficient management of the Programme and Project costs.
- Deal with and address any issues which could have major implications for the programme.

Board Members will ensure that:-

- The right people are empowered to take decisions on behalf of the Board.
- Roles and responsibilities of Council Officers and the Project Managers are formally defined and understood.
- The client programme team work together effectively and efficiently;
- It liaises regularly with Legal Services in order to ensure compliance with legal obligations.
- The Client Leads (Build, Estates, Operator) carry responsibility for leading and managing the project teams and ensuring the Senior Responsible Officer is accountable to the Board for managing and supporting the Client Leads and ensuring their performance, quality, risk management, cost control, timescale and overall project control for their specific Client Lead areas.

### **Members of Board**

- The Members of the Board include –
  - Leader of the City Council;
  - Leader of the Opposition Group or his nominated representative
  - Portfolio Holder for Economy and Culture;
  - Portfolio Holder for City Development;
  - Chief Executive and Growth Board Director;
  - Deputy Chief Executive; and
  - Assistant Director Finance (Section 151 Officer).



- The Leader of the City Council will be Chair of the Board.

Invitees to Board Meetings include -

- The Client Leads (Build, Estates and Operator);
- Project Managers;
- Officers of Exeter City Council including representatives from Planning, Economy and Leisure, Legal Services and Public Relations; and
- External consultees (as required).

### **Meetings**

- Meetings will be held quarterly, or in accordance with Gateway dates (identified dates which following Committee approval would enable the Project to proceed).
- Notice of meetings will be in accordance with Access to Information Procedures Rules (agendas will be circulated five working days in advance of every meeting). The meetings will be held in public except where confidential information requires the exclusion of the public as defined as such in Schedule 12A of the Local Government Act 1972.

**This page is intentionally left blank**

By virtue of paragraph(s) 2, 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

**This page is intentionally left blank**

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

**This page is intentionally left blank**

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

**Document is Restricted**

**This page is intentionally left blank**



**Comments of Scrutiny Committee – Resources**  
**29 July 2015**

**4 Community Infrastructure Levy Funding for Marsh Barton Railway Station**

The Assistant Director City Development presented a report which responded to a Devon County Council request for £1.3m Community Infrastructure Levy (CIL) match funding towards the delivery of a new railway station at Marsh Barton. The new railway station would form an important part of the transport infrastructure package needed to accommodate development growth in and around Exeter. However, funding for the station needed to be cost effective and balanced against other identified priorities.

The Council's published list of Regulation 123 infrastructure, included funding for the Marsh Barton Railway Station. The cost of the project had now risen from £4m to £7.4m. Devon County Council was keen to start the project in September, and it had been proposed that the funded package would be made up of £3.5m from Government funding and £3.9m to be split equally between Exeter City Council, Teignbridge District Council and Devon County Council.

The Assistant Director City Development invited the Transportation Manager for Devon County Council, Jamie Hulland to attend the meeting and comment on the project. He referred to the unusual position of building three new railway stations in Exeter in a relatively short space of time and of the experience of finding that the estimated costs changed once a clear price had been established. They had dealt with a number of legislative challenges within the rail industry, particularly around the evaluation of risk and assessment that had to be addressed, as well ongoing negotiations over the fees due to Network Rail. Although a contingency was built in through an increased optimism pricing arrangement, it was appreciated that this would be insufficient funding when the detailed design stage of Marsh Barton Station had been reached. There were issues relating to access to the site, which was behind the Viridor waste plant as well as limited opportunities in which to carry out the work on the mainline track. He added that there may be the opportunity to apply for further new station funding to help reduce the cost, despite already having received funding for Cranbrook Station, they were in a unique position of being ready to go with the project.

A Member welcomed any opportunity to alleviate congestion on Marsh Barton. In response to a Member, the Transportation Manager replied that the budget had increased significantly for the recently opened Newcourt Station, by 50%, and he anticipated the same figure for Cranbrook on its completion. However the measures being taken to protect the costs for Marsh Barton Station would allow a greater opportunity to manoeuvre. He felt that they had learnt from the experience and had agreed to meet with the range of partners including Network Rail, to discuss the Newcourt and Cranbrook Stations projects. They also remained in discussion with Network Rail and had appointed a quantity surveyor to look at some aspects of management of the projects. He apologised to a Member for not having some detail in relation to the First Great Western operator fees.

Scrutiny Committee – Resources noted and requested Executive to recommend approval by Council to ensure that £1.3m Community Infrastructure Levy would be available for investment in the new railway station at Marsh Barton on the following basis :-

- (1) that no funds to be made available until adequate Community Infrastructure Levy had been collected and funding for city centre major infrastructure investments has been secured in line with the resolution of Executive on 10 February 2015;
- (2) of the £1.3 million funding:  
that £660,000 to be committed specifically for Marsh Barton Station;  
and  
the other £640,000 to be available for Devon County Council to deliver infrastructure needed to serve development at South West Exeter, which could include Marsh Barton Station;
- (3) City Council CIL funding for the railway station to be conditional on 'claw-back' provisions whereby the Council would be an equal-proportion recipient of any project cost savings, and
- (4) authority be delegated to the Assistant Director City Development to finalise an agreement with Devon County Council that accords with these recommendations.

## **7 Proposal for Additional Enhancement of the Leisure Complex and Swimming Pool**

Councillor Edwards attended the meeting having given notice under Standing Order 44 to speak on this item.

The Housing Development Manager and Client Lead Build presented the report and invited Members of Scrutiny Committee - Resources to consider the business case for enhancing the facilities within the new leisure complex and swimming pool, and to determine whether Executive should be requested to approve additional capital funding. She provided an overview of the business case, which was based upon additional capital funding to enhance the commercialisation of the project, and enhance the revenue generation over and above the proposed additional capital investment over a 25 year period. It would also provide an increased level of project contingency to take account of third party dependencies. All due diligence had been undertaken on the current programme to ensure a high degree of confidence was encapsulated. A copy of the business case was attached to the report.

The enhanced facilities were set out as follows :-

- an increase from 100 to 150 fitness stations and size of the exercise studio areas from 150 to 250 sq.m.
- a facility mix with a greater emphasis on the social aspects of the facility including a larger soft play area, adding in a movable floor to the main pool to offer greater accessibility and flexibility and programming facility.
- an increase to the Spa proposition from a modest health suite of 70 sq.m of poolside sauna and steam room facility to 350 sq.m with saunas, steam rooms and a hydrotherapy pool.

A request for increased capital cost from £18.2m to £23.2m was made and Members were told the additional revenue that would be generated. The Assistant Director Finance explained the assumptions that had been built into the business case regarding the funding of the project so that the business case identified surplus was a robust figure.

Councillor Edwards, who had requested to speak under Standing Order 44, referred to the agreed funding for the £20m swimming pool and leisure complex, or £26m, if subsequently agreed by Council, and this would not increase the Council's underlying debt. A sum of £8m had already been set aside from the New Homes Bonus and it fully intended that a further £10m would be to set aside over the next five years. The additional £2m, or £8m as agreed, would come from the Community Infrastructure Levy and capital receipts. The City Council would build a new leisure complex with enhanced facilities, but at no extra cost to the council tax payers of Exeter and this should be seen as a great achievement.

The Design Team and officers working on the project were also present at the meeting and answered Members' questions.

A full discussion ensued on all aspects of the proposal including:-

- the ongoing maintenance costs of the Pyramids Swimming Pool which were no longer sustainable and sustainability of the new leisure complex;
- the way in which the new leisure facility would be operated and managed, including branding, and ensuring that the Council's corporate objectives and principles were delivered;
- the juxtaposition of the Leisure Complex and the Crown Estate and Bus Station development proposals including the necessity to ensure ongoing dialogue was maintained, as far as practicably possible, so that the two schemes progressed in a tandem and complimentary way;
- the detailed elements of the business case for the enhanced facilities so as to ensure as much use of the facilities as possible by all aspects of society, to include health, social and a high degree of access, paying particular attention to users' ability (including those of disabled users), gender, age, culture and faith;
- the implications of the enhancement on the project timetable; and
- a request for an increased capital cost for the project of £23.2m (from the approved £18.2m) in addition to a further £1m towards project contingency, and the way in which this would be funded.

The Chair confirmed that any Member could view the Feasibility and Options Study and Business Case, which were lodged with the Client Lead Build in her office.

**Recommended** that Scrutiny Committee – Resources supported and requested that Executive support and Council acknowledge and approve :-

- (1) that there was a compelling business case to invest an additional £6m to provide an enhanced leisure complex and swimming pool; and also
- (2) following the statement from the Leader of the Council, it was further recommended that the funding for the £26m should not result in an increase in the Council's underlying debt, noting that £8m has already been set aside from New Homes Bonus and that a further £10m will be set aside from New Homes Bonus over the next five years, The additional £8m coming from Community Infrastructure Levy and capital receipts.

One Member abstained from voting on this matter.

**This page is intentionally left blank**