

EXECUTIVE

Date: Tuesday 12 February 2019
Time: 5.30 pm
Venue: Civic Centre

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 John Street, Corporate Manager Democratic & Civic Support on 01392 265106.

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

Membership -

Councillors Edwards (Chair), Bialyk, Denham, Harvey, Leadbetter, Morse, Pearson, Sutton and Wright

Agenda

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

1 Apologies

To receive apologies for absence from Committee members.

2 Minutes

To approve and sign the minutes of the meeting held on 15 January 2019.

(Pages 5 -
10)

3 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.

- 4 **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 17, 18, 19 and 20 on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1, 2, 3 and 4 of Part I, Schedule 12A of the Act.
- 5 **Vision for a Transformational Housing Delivery Programme**
- To consider the report of the Chief Executive & Growth Director. (Pages 11 - 20)
- 6 **Exeter Live Better and Move More Draft Physical Activity Strategy**
- To consider the report of the Director (JY). (Pages 21 - 52)
- 7 **Parking Tariffs**
- To consider the report of the Service Manager Community Safety & Enforcement. (Pages 53 - 58)
- Place Scrutiny Committee considered the report at its meeting on 17 January 2019 and its comments will be reported.
- 8 **General Fund/HRA Estimates and Capital Programme 2019/20**
- To consider the report of the Chief Finance Officer. (Pages 59 - 98)
- 9 **Treasury Management Strategy 2019/20**
- To consider the report of the Chief Finance Officer. (Pages 99 - 110)
- Corporate Services Scrutiny Committee considered the report at its meeting on 24 January 2019 and its comments will be reported.
- 10 **The Prudential Code for Capital Finance in Local Authorities (Incorporating the Annual Statement of Minimum Revenue Provision)**
- To consider the report of the Chief Finance Officer. (Pages 111 - 130)
- Corporate Services Scrutiny Committee considered the report at its meeting on 24 January 2019 and its comments will be reported.
- 11 **Move More Live Better Draft Built Facilities, Playing Fields, Pitches, Play Areas, Parks and Open Spaces**
- To consider the report of the Director (JY). (Pages 131 - 156)
- Background Documents - Draft Built Facilities, Playfields, Pitches, Play Areas

Parks and Open Spaces

These independent reports have informed the councils draft proposals for the future of its built leisure facilities, playing pitches and play areas , they have not in themselves been adopted by the Council as policy or strategy.

Public consultation on the Councils proposals will take place if the Executive approve the draft proposals for consultation at its meeting on 12th February.

12 **Update Report on Built Sports and Leisure Facilities**

To consider the report of the Director (JY).

(Pages
157 - 186)

Please see link to further information

<https://exeter.gov.uk/people-and-communities/communities/newtown-community-aspirations-report/>

Place Scrutiny Committee had considered the report at its meeting on 31 January 2019 and its comments will be reported.

13 **Bull Meadow Recreation Ground**

To consider the report of the City Surveyor.

(Pages
187 - 194)

Place Scrutiny Committee considered the report at its meeting on 17 January 2019 and its comments will be reported.

14 **Major Grants Minutes 21 January 2019**

To receive the minutes of the Major Grants Panel minutes on 21 January 2019.

(Pages
195 - 198)

15 **Community Grants Review Draft Policy for Consultation**

To consider the report of the Director (JY).

(Pages
199 - 280)

16 **Annual Pay Policy Statement**

To consider the report of the City Solicitor & Head of HR.

(Pages
281 - 290)

Corporate Services Scrutiny Committee considered the report at its meeting on 24 January 2019 and its comments will be reported.

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.

17 **Exeter City Living Business Plan**

To consider the report of the Director (DB).

(Pages
291 - 352)

18 **Staffing Review – Democratic & Civic Support**

To consider the report of the Corporate Manager Democratic & Civic Support.

(Pages
353 - 356)

19 **Review of Staffing in Housing Tenancy Services**

To consider the report of the Director (BA).

(Pages
357 - 360)

Date of Next Meeting

The next scheduled meeting of the Executive will be held on **Thursday 14 February 2019** 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.

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EXECUTIVE

Tuesday 15 January 2019

Present:

Councillor Edwards (Chair)
Councillors Bialyk, Morse, Pearson, Sutton and Wright

Apologies:

Councillors Denham, Harvey and Leadbetter

Also present:

Chief Executive & Growth Director, Director (BA), Chief Finance Officer, Director (DB),
Service Lead Housing Tenancy Services and Democratic Services Manager

1 MINUTES

The minutes of the meeting held on 11 December 2018 were taken as read, approved and signed by the Chair as correct.

2 DECLARATIONS OF INTEREST

No declarations of disclosable pecuniary interest were made.

3 PROPOSED CONSULTATION ON PUBLIC CONVENIENCES

The Director (DB) presented the report requesting permission to start a public consultation on the proposals to close a number of public conveniences to achieve the required budget savings and enable a balanced budget to be set.

Members were informed that further central government funding cuts meant that the City Council had to find additional savings of £3.9 million over the next two financial years. All non-statutory services were under pressure to deliver savings Public Conveniences were not a statutory service the Council no longer had enough funding to maintain all the sites that it operated.

The consultation would start next week and run for three weeks, this would be on-line and papers copies would be available at the Civic Centre. Part of the consultation would be around the concept of a community toilet scheme which had been successful in other parts of the Country including Bristol.

Members were asked how they would like the final decision to be made, delegated to the Director or brought back to Executive.

Councillor Pierce, speaking under Standing Order No.44, raised concerns regarding the potential closure of the Public Conveniences at Topsham Quay and that they were essential for the Economy and Tourism in Topsham.

The Leader stated that this process was the start of a consultation and that Councillor Pierce should encourage the Topsham residents to write in.

The Director (DB) confirm that so far 19 letters had been received in support of the Topsham Fore Street toilets.

Members support the final decision be brought back to Executive to make.

RESOLVED that the following be noted:-

- (1) In common with many cities around the UK, the Councils public toilets no longer serve the needs of residents and were costly to maintain. Many were hidden away and in poor condition. They attract serious and repeated anti-social behaviour including widespread drug use and are regularly vandalised. Understandably many are infrequently used;
- (2) Further central government funding reductions mean that the City Council had to find an additional saving of £3.9 million over the next two financial years. Every service was being challenged to ensure that it provides value for money and all non-statutory services were under considerable pressure. Public conveniences were not a statutory service and the Council no longer had enough funding to maintain all the sites it operate;
- (3) the Council operate 26 public conveniences across the City Council area, with two of those currently closed due to anti-social behaviour; and
- (4) a consultation on proposals to rationalise the Council's existing provision to a more manageable number and suggested alternative proposals to improve the availability of good quality publically accessible toilets be approved and the consultation results be brought back to Executive to make the final decision.

4

HOUSING RENTS AND SERVICES CHARGES

The Chief Finance Officer presented the report setting out the proposed changes to council dwelling rents, garage rents and service charges with effect from 1 April 2019.

Members were advised that this was the final year of implementing the 1% rent cut, this would result in an overall reduction of £400,000 to the Housing Revenue Account in 2019/20.

People Scrutiny Committee considered the report at its meeting on 10 January 2019 and its comments were reported.

RESOLVED that:-

- (1) rents of Council dwellings are reduced by 1% from 1 April 2019;
- (2) garage rents are increased by 3% from 1 April 2019;
- (3) service charges remain at their existing levels, with the exception of charges specified below from 1 April 2019:-
 - (a) 10% increase in emergency light testing in line with routine testing costs and additional installations;
 - (b) 20% decrease in respect of the Older Persons' property service charge reflecting a frozen post; and

7 **CREATION OF A SECOND POST OF A CIL AND SECTION 106 MONITORING OFFICER**

The Director (BA) presented the report which sought approval to establish a new, second, permanent position of Community Infrastructure Levy (CIL) and Section 106 Monitoring Officer in City Development. The new position would be funded through Community Infrastructure Levy receipts which were intended to be used for administration purposes, and through future receipts secured through Section 106 agreements for similar purposes. The postholder would work to ensure that both CIL and Section 106 monies were effectively monitored, secured, and spent in accordance with legislative requirements.

The Portfolio Holder for Economy and Culture supported this post to ensure that the both CIL and Section 106 monies were received in good time to help deliver essential infrastructure for the City.

RECOMMENDED that Council approve the use of Community Infrastructure Levy - derived funds to create the new position – Community Infrastructure Levy and Section 106 Monitoring Officer.

8 **EXETER SCIENCE PARK COMPANY. SHAREHOLDER REPRESENTATIVE**

The Chief Executive & Growth Director presented the report seeking approval for the Exeter City Council's Shareholder representative on the Exeter Science Park Company. Members were also advised there was a requirement to appoint a Director to replace David Hodgson, it was proposed that this be Jon-Paul Hedge as he would bring Communications and Marketing experience to the Board.

Members supported the way forward.

RESOLVED that David Hodgson be appointed as Exeter City Council's Shareholder representative for the Exeter Science Park Company and Jon-Paul Hedge be appointed as a Director of the Exeter Science Park Company.

9 **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 the following items on the grounds that they involved the likely disclosure of exempt information as defined in paragraphs 1,2 3 and 4 of Part 1, Schedule 12A of the Act.

10 **ST LOYES MANAGEMENT REPORT**

The Director (BA) presented the report in relation to the management of Exeter City Council's Extra Care Scheme (Exeter's Extra Care Scheme) formally known as St Loyes Extra Care. It was anticipated that the scheme would be completed by 2020 and would be an asset held within the Housing Revenue Account (HRA).

The Service Lead Housing Tenancy Services advised of the two options available to the Council in relation to the management of Exeter City Council's Extra Care Scheme. Option one requiring the housing management function to be carried out in house by the City Council's Housing Service Team including maintenance, tenancy matters and all care elements to be provided on a commissioned basis and option

two requiring the housing management function to be carried out by a care provider in addition to the care provider under a management agreement.

People Scrutiny Committee considered the report at its meeting on 10 January 2019 and its comments were reported.

RESOLVED that:-

- (1) the preferred option two in relation to the management of Exeter's Extra care Scheme (EECS) as set out in section 8 of the circulated report be approved; and
- (2) the Director responsible for Housing be given delegated authority in consultation with the Portfolio Holder for the Housing Revenue Account, to agree the eligibility criteria for allocations to EECS in negotiation with Devon County Council (DCC) and the nominated care and housing management provider following that appropriate procurement specialist consultants are engaged to provide expert advice on the setting up of any agreements with DCC and the care/ management provider.

11

WASTE OPERATIONS MANAGEMENT STRUCTURE

The Director (DB) presented the report seeking preliminary approval for a minor restructure in the Waste Operations management team. No posts would be added nor deleted but three postholders would have some of their duties changed.

RESOLVED that:-

- (1) the proposed restructure in the Waste Operations team be supported; and
- (2) the consultation and implementation plan as described in this report be approved.

(The meeting commenced at 5.30 pm and closed at 6.06 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 26 February 2019.

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REPORT TO EXECUTIVE

Date of Meeting: 12th February 2019

REPORT TO COUNCIL

Date of Meeting: 26th February 2019

Report of: Chief Executive & Growth Director

Title: A Vision for a Transformational Housing Delivery Programme

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1 What is the report about?

- 1.1 This report, and accompanying document produced by LDA-Design on behalf of the City Council, sets out a vision for delivering a transformational housing programme of around 12,000 homes in Exeter for the period 2020 to 2040. It will inform the production of the Greater Exeter Strategic Plan. It is not a formal planning document but rather a strategic vision for place that captures the development opportunities in the city that require public sector support and leadership within the city of Exeter. It will inform planning documents in the making and guide approaches to: a housing land supply problem, redevelopment of City Council's assets, council house building, and corporate priorities centred on Building Great Neighbourhoods; Promoting Active & Healthy Lifestyles; and Tackling Congestion and Accessibility. It also has the potential of being an advocacy document for government funding for infrastructure and housing programmes, and in engaging the private development sector and investors.

2 Recommendations

- 2.1 That Executive recommends to Council the adoption of the Vision for a Transformational Housing Programme to inform the production of the Greater Exeter Strategic Plan (GESP) and to provide a strategic context for: redevelopment of the City Council's assets, the production of Site Planning Statements to clarify expectations on sites offering scope for redevelopment; investigating options resulting from the Government's removal of the cap on local authorities' borrowing to fund the delivery of new council housing, and to assist planning responses to an acute housing land supply problem in Exeter.
- 2.2 That Executive and Council note that the Greater Exeter Industrial Strategy sets out an ambitious land acquisition and infrastructure investment bid amounting to £350m in support of a transformational housing programme for the sub-region, and it is assumed that the Transformational Housing Programme would require significant investment in infrastructure and land assembly to realise the 20 year programme.

3 Reasons for the recommendation

- 3.1 Exeter City Council is working with East Devon District Council, Mid Devon District Council, Teignbridge District Council and Devon County Council on the preparation of the Greater Exeter Strategic Plan 2020-2040. This will provide strategic policies

and guidance on how the local authorities will meet the housing and employment needs of the sub-region and the infrastructure required to meet this scale of housing and employment provision. There is a need for the City Council to shape a programme for urban renewal and densification in Exeter to maximise the number of homes delivered in the city to relieve pressures on the surrounding districts. Perhaps even more importantly, housing growth within the city will deliver the infrastructure investment necessary to ensure that Exeter continues to thrive in a competitive national and international context.

- 3.2** There is a degree of frustration with some residents who believe the city is not doing enough to provide housing within the city, in spite of the major housing sites at Newcourt, Monkerton/Hill Barton, Alphington and Pinhoe, the very visible blocks of purpose built student accommodation focused on the city centre has shaped a perception that the City Council should be doing more to build a variety of housing in the city. Some from our neighbouring authorities believe that we should be doing more to build in the city, they cite the hills on the periphery of the city as evidence we could be doing more. The hills are mainly within neighbouring authorities and we have provided evidence that even if the hills were within the municipal boundary of the city they are not the type of locations that should be built upon; their steep gradients and attractive landscapes should be protected as an important landscape asset for the city.
- 3.3** It is vitally important that the future growth of the city protect the special character of the city, the hills and the Exe Valley parks. That was the thinking behind 2011 publication “A City Centre Vision for A Green Capital.” Exeter grew from the historic city along roads, streets, tracks and natural features to encompass surrounding villages. The city structure has been put under increasing strain, green spaces and linear routes along valleys and water courses do not connect, the city centre has been fragmented from the River and Quay, and in some places roads, such as Western Way, have dominated historic street patterns and townscape; and congestion has eroded the urban experience. What is called for is no less than a renewal of those parts of the city that are currently hindering and detracting from a wider success of the city. The City Council with its asset base has a significant role to play in the renewal of the city fabric.
- 3.4** The City Council has submitted to Government the largest bid outside of London for building council housing through the removal of the cap on borrowing against council housing assets. Should the Council be permitted to borrow to build an ambitious programme of council house building this would further support the Council’s strategic aims of building within urban areas. This initiative, together with the City Council owned Exeter City Living development company would provide a direct lever to delivering against this transformational housing agenda. The City Council is also a land owner with significant assets throughout the city. These land holdings range from surface car parks, through to employment sites and recreational land holdings. The City Council can therefore directly intervene in the development of the city and facilitate this transformational programme. The City Council has in the past played this direct role with mixed use schemes such as Princesshay and the Guildhall Shopping centre, and is currently bringing forward a scheme at Paris Street with the redevelopment of the Bus and Coach station site, where the City Council’s £50m will be seeking to attract private sector investment for a mixed use development including housing. The programme material put together by LDA does show how such sites could be brought forward on a comprehensive basis. In that particular case at Paris Street, known as the eastern gateway, it shows the approach to the Heavitree Road corridor from the Heavitree Road Police Station through to Paris Street/Sidwell Street junction.

- 3.5** In such examples the City Council has a role beyond local planning authority and therefore it is a good illustration of the value of a strategic vision document. Typically the City Council will be asked for an input in land disposal considerations, and the wider public sector through a one view of public estate perspective can bring added value to stakeholders within the city. It is helpful to have a 20 year vision in order to suggest approaches to development that may challenge current policy thinking, particularly when the formal planning document is coming to the end of the plan period.
- 3.6** The value in having a 20 year housing programme is that it can galvanize around a strategic vision that can represent a genuine step change in ambition, rather than incremental change. The scale of ambition built into the regions productivity strategy and the merging industrial strategy is suggestive of transformational change rather than incremental growth. Throughout the country many centres that are driving transformational economic growth, such as is occurring at Exeter, have received significant Government investment in the form of growth deals. The Greater Exeter Industrial Strategy was put together with this in mind. Government through Homes England and BEIS want to work with those areas that have ambition and have the right ingredients to support the national challenges, such as clean growth and the need to improve productivity. Housing is an essential condition of a successful place. Growth occurs in particular places and a good supply of homes and jobs is part of the package of a successful place. Connecting people to the jobs is a fundamental challenge that investment in infrastructure can address.
- 3.7** Exeter has a number of challenges and congestion is one of the key challenges, as much as practical the housing programme will seek to increase density of future housing and provide a range of uses that will make it possible, by design, to travel to facilities by foot and bicycle, and to address the built environment in such a way that an active lifestyle is possible. Solving the challenge of how Exeter's residents get around the city is critical to solving the sub-regional challenge of getting in and out of the city. We don't want to harm the city, we need to improve the quality of the city through the developments we build and without addressing how infrastructure is funded this is unlikely to be possible. Under the current planning system there is likely to be a significant infrastructure funding gap between what can be collected as Community Infrastructure Levy (CIL) funding and the total cost of the infrastructure. The bid that has been set out for the region, Homes England and BEIS has attempted to quantify the size of the task. It is possible that the National Infrastructure Commission case study on Exeter will further add to the evidence of the scale of the challenge and the solutions.
- 3.8** The conundrum for places like Exeter is that unless the place can show ambition, such as with the transformational housing programme, the city is unlikely to attract Government funding for infrastructure and capacity building; however, without guarantees on infrastructure funding and capacity building, communities are likely to be opposed to housing programmes. The reality for local authorities is that Government expects us to deliver against our housing land supply requirements and housing targets, without any promises of funding. In other words, the Government believes it is our problem to solve. Therefore, there is a clear benefit in putting together an ambitious programme that at least has the potential to attract Government support to assist our delivery. Therefore, it is worth publishing this transformational housing programme even though we are not able to confirm how key elements of infrastructure would be funded. A more disciplined approach will have to be followed under the GESP when any allocation will require a more robust assessment of the viability of the development and the infrastructure required to

support the allocation. This was the process undertaken in support of Cranbrook and South West Exeter and, as members will be aware, we are still far from clear on what funding will be available to deliver key infrastructure in association with those developments.

4 What are the resource implications including non financial resources

- 4.1** There are significant resource implications potentially arising from the adoption of this Transformational Housing Programme, but nothing directly connected with the decision. Decisions on: land disposal, land assembly, site developments, development briefs, infrastructure planning and funding, capital borrowing and officer capacity to progress individual schemes, are all subject to their own process, and the resource implications of those decisions will be set out in that process. The expectation is that a transformational programme of this nature will require significant funding from government programmes.

5 Section 151 Officer comments

- 5.1** There are no financial implications for the Council to consider directly arising from the recommendations of this report. Given the size of Council and current funding levels, the Council will need to secure external support to deliver such an ambitious programme. Any future projects and plans however will be considered on their own merits as and when they are developed.

6 What are the legal aspects?

- 6.1** None identified.

7 Monitoring Officer's comments

- 7.1** This report raises no issues for the Monitoring Officer.

8 Report details – Background and Context

Housing Supply

- 8.1** There is a national housing crisis, and this is reflected locally. The Greater Exeter area has poor housing affordability, currently the 6th highest of any city in the country, and there is a need to ensure that sufficient housing is provided in each area and across the country to rebalance supply and demand for homes. The government now provides a specific formula for calculating local housing need, using official household projections and housing affordability statistics. For Greater Exeter the calculation comes to 2,660 homes per year, which is used to set the overall target of 53,200 homes over 20 years. Government statements clarify that this is a minimum. In particular, it is important that the supply is flexible and can respond to changing circumstances in the area, and that setbacks in one or two individual sites do not undermine the plan strategy.
- 8.2** The sub-region could provide for the new housing blind to municipal boundaries or it could require each council to consume its own housing provision based on individual assessed housing needs. In the case of the city, this would be 13,100 homes over twenty years. Ahead of the work that has to be done on behalf of the GESP, there is merit in setting out a strategic vision for a transformational housing programme that would be focused on brownfield development brought together for the city. This programme optimises the use of available city centre brownfield sites, including

publicly owned land, to drive transformational change and achieve a step change in the economic and housing trajectory of the city. This programme is aimed to make Exeter more attractive and competitive as a productive, tech-enabled and creative city, allowing it to attract talent and investment. The realisation of the Exeter sites would see the city become denser and more urban, providing more of the mix of living, leisure and employment necessary for any successful city, whilst also ensuring that growth delivers a dividend for the city's communities and environment.

- 8.3** The city's growth needs are apparent, with a high performing economy and key institutions like the University, the Met Office and Exeter Airport driving demand. The City is at the heart of the most dynamic local economy in the region. The current Exeter Core Strategy is shaped in part by the Draft South West Regional Spatial Strategy (now revoked), which identified that the majority of the housing and employment needs of Exeter and the sub-region must be met largely outside the city on key strategic allocations in East Devon (including Cranbrook) and major urban extensions to the city at Monkerton/Hill Barton, Newcourt and South West Exeter. As we approach the end of the life of the Core Strategy there is a need to rethink the strategic approach to housing and employment and the functioning of the city and the sub-region. This work is being done through the Greater Exeter Strategic Plan.

A Focus on Housing Delivery

- 8.4** The revised and updated National Planning Policy Framework was published in July 2018. In addition to a five year land supply assessment, the Government has introduced an annual Housing Delivery Test. The test is a measurement of net homes delivered against the number of homes required over a rolling three year period. [The number of net homes delivered is calculated using the Housing Flows Reconciliation, which requires local authorities to provide the government with data on the number of new builds, conversions, changes of use, mobile dwellings, temporary dwellings, demolitions and other losses/gains. Information on student and other communal accommodation is also required. Net homes required depends on the age of the local plan but will be one or more of the local plan target, household projections and the government's local housing need calculation]. Where the Housing Delivery Test indicates that delivery has fallen below 95% of the local planning authority's housing requirement over the previous three years, the authority must prepare an action plan in line with national planning guidance, to assess the causes of under delivery and identify actions to increase delivery in future years.
- 8.5** In recognition of the increasing focus on housing delivery the Leaders of the Heart of the South West commissioned a housing audit across the Heart of the South West Councils area. This highlighted a number of issues and challenges as well as identifying opportunities moving forward. These include the possibility of producing site Delivery Plans. Whilst this will be a requirement of the Government's Housing Delivery Test as a result of local under-performance, it should be seen as a positive "good-practice" to assist with turning local plan allocations to active implementation strategies. At this stage it would appear that there is no housing under delivery at Exeter or across the Greater Exeter sub-region when assessed against the Housing Delivery Test, but given the number of key strategic housing allocations within the Greater Exeter authorities, such as South West Exeter, Culm Garden Village at Junction 28, it is prudent to assume we maintain a focus on housing delivery and consider producing housing delivery plans. Exeter's Core Strategy covers the period up to 2026, and with Monkerton/Hill Barton and Newcourt well underway, Exeter's future housing and employment strategy becomes critically dependent on the delivery of sites outside of the city and the progress on the Greater Exeter Strategic Plan.

- 8.6** A strategic housing transformation programme will assist in the task of providing housing delivery plans when required, and by getting ahead of the process will enable any ask of Homes England to be backed by an ambitious plan. There is competition for available funding from Homes England and therefore the publication of a transformational housing programme would help press our case ahead of other areas.

Transport

- 8.7** The current transport strategy for Exeter is set out in the Local Transport Plan 3 (2011-2026), much of our collective focus has been in delivering the growth agenda to the east of the city and supporting the major infrastructure challenges associated with motorway junction improvements, road widening schemes, strategic cycling infrastructure, new bus services and two new rail stations. The County Council has made good progress in helping deliver approximately £80 million of new transport infrastructure for the Exeter and East Devon Growth Point area since 2011.
- 8.8** The Exeter Travel to Work Area (TTWA) has grown considerably in recent years and is now the second largest geographical TTWA in the country (behind Cambridge). The growth in Exeter jobs from 2001 to 2011 has been filled by labour from outside the city, which is reflected by the rising levels of in commuting, 48% in the last Census. Between 2001 and 2011 there has been an increase of 7,500 people travelling onto Exeter from outside the city for work, and significant jobs and housing growth in Exeter and surrounding area. Despite this, the County Council assure us that traffic levels on key routes into the city have not increased and average speeds have remained consistent. Additional travel demand into the city has instead been accommodated by the residents of Exeter shifting to sustainable travel modes. As a result, the balance of travel for Exeter residents has shifted to a point where the majority of Exeter residents now travel to work by sustainable modes.
- 8.9** Looking forward, the adjacent Strategic Road Network is expected to be at capacity at the end of the current Local Plan period in 2026 and the numbers employed in Exeter is likely to increase significantly over the next 20-25 years. Therefore we need a different approach to strategic planning if we are to avoid congestion and an unacceptable environmental impact.
- 8.10** The County Council and the City Council recognise the issues that face us and the City Council's strategic priorities put these issues front and centre stage in our corporate plan. Dialogue with Devon County Council's transport planners shows the transport authority recognises that as cities grow and factors changes, urban transport policy is continually evolving and acknowledges a People Centric approach to design - central to this is a greater sense of place and better quality of life. As policy has evolved over time, car usage from urban areas has decreased. This trend is observed in Exeter, with the most recent Census highlighting a fall in driving levels such that that the majority of residents of Exeter do not drive to work and some of the highest levels of walking of any UK city. With existing transport networks already at capacity in peak periods, additional capacity will be required to support additional economic activity and enable the agglomeration that is so critical to business productivity. Alongside this urban centre regeneration schemes must strive to reduce the dominance of vehicular traffic and provide an environment where amenities and services are located within a reasonable walking and cycling distance.
- 8.11** Building extra highway capacity is probably not possible within Exeter. Instead, providing capacity for future growth will depend on effective sustainable alternatives

to remove discretionary car trips from the local and Strategic Road Network and more sophisticated management of existing transport corridors. We will need to ensure we create a comprehensive and coherent permeable cycle and pedestrian network that connects key economic hubs to transport interchanges and residential areas. Emerging thinking from transport planners would aim for 50% of trips within the city to be made on foot or by bike. This complements the city's aspirations to encourage greater physical activity and become the country's most active city.

- 8.12** A lot of work is being done by Devon County Council on the Transport Strategy and what specific interventions will be required over the next twenty years. The City Council has approached the task in a manner that it can do because it is not the transport authority and therefore can set out high level vision statements freed, to a degree, by not being the transport authority but having a leadership role for place and in setting out planning policies that can frame master planning and development schemes. These goals have been reflected in the goals of Exeter City Futures, the Sport England Local Delivery Pilot and the Council's Corporate Plan.
- 8.13** The Vision document assumes the City Council has a key role to play in pulling policy levers that will influence future transport planning, not as a reactive body, but through a potential master developer role both at a strategic level in setting policy frameworks but also as land owner and developer partner. Car free and car light developments will be part of the mix to bring about active and healthy lifestyles and a better environment for our residents.

Active Design and Quality

- 8.14** Vision for the Transformational Housing Programme seeks to build principles of Active Design into our approach to the future planning of the city. This is to ensure that the physical environment provides the conditions for people to be more active. An example of this could mean a housing development which makes walking and cycling the easy and preferred method of transport, by prioritising walking routes over roads and highways. These Active Design principles are:
- Activity for all;
 - Walkable communities;
 - Connected walking & cycling routes;
 - Co-Location of community facilities;
 - Network of multifunctional open space;
 - High quality streets and spaces;
 - Appropriate infrastructure;
 - Active buildings;
 - Management, maintenance, monitoring & evaluation
 - Activity promotion and local champions.
- 8.15** The design principles bring together social aspects of the environment as well as the physical environment. Whilst in the Vision document we are focused largely on the physical environment, the City Council is working with the Sport England Local delivery pilot, Well Being Exeter, and Exeter City Futures focused on community engagement and broader issues relating to behaviour. There is evidence to suggest walkable neighbourhoods can encourage active travel and thereby promote physical activity. Walkability can be encouraged by incorporating a number of simple principles: compact neighbourhoods with increased housing density; good street connectivity; mixed uses like schools, recreational centres, shops, and offices; appropriate walking and cycling infrastructure; and access to public transport.

- 8.16** In setting out a people centred approach to a transformational housing programme, rather than simply a focus on housing numbers, we should be able to put achievement of health outcomes and a liveable city ahead of the all too familiar focus on housing numbers. We want both, housing outputs but also a quality environment that is conducive to healthy lifestyles. Everyone talks about quality, few places have achieved quality outcomes, all too often the quality of new developments under deliver on quality. This is a systemic problem that has been written about for years. Typically the planning system has been found wanting in holding the development industry to the quality of product we deserve. At times the government does not help by strengthening the hand of the volume house builders in negotiations, the problem of under delivery of housing is routinely framed by government as a local authority failing, when it is the housebuilders who are the builders. We are not seeking to blame anyone, but to suggest there is a different approach that could deliver quality and use whatever powers hard and soft that we have at our disposal. This desire for quality in new house building and in building neighbourhoods is at the heart of this programme.
- 8.17** The City Council has sought with its own commitment to Passivhaus and internal space standards to show leadership, but we need an even bigger commitment to quality. For Exeter to be recognised as a leading sustainable city and global leader in addressing social, economic and environmental challenges of climate change and urbanisation we need to raise the bar. This programme is our attempt to do just that, we now need partners in government, the public and the private sector, to grasp the opportunity we are offering.

9 How does the decision contribute to the Council's Corporate Plan?

The Exeter Vision 2040

- 9.1** The Exeter Vision 2040 provides a lot of material to help set a vision to shape the development of the city over the next twenty years:

Healthy & Inclusive

- Every resident will have a home that is secure, affordable and healthy in a balanced and connected neighbourhood that supports

The Most Active City

- Exeter will be the most active and accessible city in England – transport will not be a barrier to economic or social activities, and sustainable means of travel will be cheaper, quicker and more convenient than private car ownership.
- Land currently dominated by driving and parking will be freed up for social, economic and environmental uses and air will be clean and healthy.
- A high-quality and accessible built environment and green spaces, with great arts and cultural facilities, will encourage healthy, active lifestyles. A comprehensive network of safe routes will ensure that most everyday journeys are made by walking and cycling.

Liveable & Connected

- Exeter will be a liveable city, with a thriving city centre, within a network of thriving rural and coastal towns and villages.
- The impacts of growth will be managed and mitigated and communities will lead development, helping to create a city where everyone has access to the

places and services which enable them to meet their needs and lead fulfilling lives.

- Urban planning will protect and enhance Exeter's exceptional natural and historic environment, safeguard its iconic landscape setting, and encourage high-quality contemporary design that complements and enhances the city's heritage.

A Leading Sustainable City

- Exeter will be recognised as a leading sustainable city and a global leader in addressing the social, economic and environmental challenges of climate change and urbanisation. The Exeter of the future will have grasped the opportunities ahead of us today.

- 9.2** This Transformational Housing Programme embodies three of the City Council's Corporate Plan priorities:

BUILDING GREAT NEIGHBOURHOODS

We will strive to ensure that every resident has a home that is secure, affordable and healthy in a neighbourhood where local services support wellbeing and promote community cohesion.

PROMOTING ACTIVE & HEALTHY LIFESTYLES

We will strive to make Exeter the most active city in England with a high-quality and accessible built environment and green spaces that encourage active and healthy lifestyles in communities that support wellbeing and reduce social isolation.

TACKLING CONGESTION & ACCESSIBILITY

We will work with our partners to make Exeter a city where active travel is promoted and where transport is not a barrier to accessing education, jobs, services or social activities and where sustainable means of travel are safer, cheaper, quicker and more convenient than private car ownership.

10 What risks are there and how can they be reduced?

- 10.1** A transformational housing programme of this nature will give rise to many risks, individual site projects will be subject to their own risk register which will identify the owner of the risk. Typically the main financial risks will be unrealistic expectations of value by land owners; under-estimation of value of land to be acquired; failure to secure land through compulsory purchase orders; delay; changes in market conditions which lead to inability to recover up-front acquisition costs. Infrastructure costs under estimated; failure to secure all statutory consents; inability to cover costs through CIL; delays through suppliers, legal agreements etc. The scale of the infrastructure funding may require recycling of investments and recycling of receipts; front funding infrastructure ahead of receipts can create its own risks. Significant investments in land requires capturing of income further down the cycle.
- 10.2** The scale of this programme potentially spanning twenty years would justify exploration of a delivery vehicle and management board to manage the programme risks.
- 10.3** The governance and staffing implications of a transformation programme are matters that should be addressed at the appropriate time. Arguably this should be done in the context of a specific proposal for government funding, when a conversation on funding against a specific proposal would warrant clarity on resources and

governance to ensure delivery of the outcomes for which funding was being sought. In the short term, it is likely to be a fluid conversation.

11 What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

11.1 This approach to housing development that seeks to build great neighbourhoods and improve health outcomes through planning for active lifestyles and tackling congestion is likely to lead to better outcomes for equality, diversity, health and well-being. The focus on urban renewal and access to facilities with greater density of development should make for a stronger city with positive environmental outcomes.

12 Are there any other options?

12.1 The City Council could allow the GESP to take its natural course and wait for the process to determine the housing numbers the city should provide, moreover the City Council could be reactive as a planning authority and assume development will be delivered through the private sector. There is no requirement on the City Council to use its assets for development and we could advocate a stance that supports the current approach to building. We could seek to argue that the city is full up and new strategic sites should be found outside of the limits of the city. The City Council could go it alone without the neighbouring councils; accepting there is a duty to co-operate but decline the collaborative process currently being pursued.

**Karime Hassan
Chief Executive & Growth Director**

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

Background papers used in compiling this report:-

Exeter City Council Corporate Plan 2018-2021

Greater Exeter Industrial Strategy

A Transformational Housing Programme, LDA Design, Jan 2019 -The report is available to all members in hard copy from the Office of the CX and at the all member briefing, prior to publication on ECC's website

Exeter City Council, 2011 publication "A City Centre Vision for A Green Capital."

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

REPORT TO EXECUTIVE

Date of Meeting: 12th February 2019

Report of: Director

Title: Exeter Live Better and Move More Draft Physical Activity Strategy

Is this a Key Decision?

No

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function?

Executive

1. What is the report about?

1.1 The report presents the Exeter Live Better and Move More Draft Physical Activity Strategy and recommends a period of public consultation with a final report to be presented to Council in July 2019.

2. Recommendations:

2.1 It is recommended that the Executive approves the draft strategy for public consultation with a final report and strategy to be presented to Council in July 2019.

3. Reasons for the recommendations:

3.1 This strategy provides the overall direction for increasing physical activity in Exeter and securing and aligning commitment from stakeholders. It sets out the ambition for increasing levels of physical activity to meet the Council's ambition of becoming the most active city in England

4. What are the resource implications including non-financial resources.

4.1 Officer time and funding will be required to undertake a public consultation and this will be met within existing resources

5. Section 151 Officer comments:

5.1 This report raises no issues for the Section 151 officer on the basis that the costs of a public consultation and associated officer time will be met from existing approved budgets.

6. What are the legal aspects?

6.1 None Identified

7. Monitoring Officer's comments:

7.1 This report raises no issues for the Monitoring Officer

8. Report details:

8.1 This strategy describes current physical activity levels and proposes priorities and principles for encouraging active lifestyles. It includes strategic partnership work with Sport England through the Exeter and Cranbrook Local Delivery Pilot and with Devon County Council (local transport authority) to improve mobility across the city through walking and cycling networks, integrated public transport and travel networks.

8.2 The document explains why physical activity m and provides details on:

- What do we mean by physical activity?
- How physically active are we?
- How much physical activity should you do?
- How physically active are we in Exeter?
- What are the Challenges people face with Physical Activity?
- Our Whole System Change Approach and Guiding Principles
- How we intend to deliver the strategy

9. How does the decision contribute to the Council's Corporate Plan?

9.1 The strategy will contribute to the 2018/21 Corporate Plan objectives of

1. Tackling congestion and accessibility
2. Promoting active & healthy lifestyles
3. Building great neighbourhoods

10. What risks are there and how can they be reduced?

10.1 None.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

11.1 The strategy proposes a targeted approach to achieve population level change that directly tackles entrenched inequalities. Successful implementation of the strategy would reduce inequality and promote inclusion.

12. Are there any other options?

12.1 None identified

Director

Jo Yelland

Local Government (Access to Information) Act 1972 (as amended)
Background papers used in compiling this report:-

Exeter Live Better and Move More Draft Physical Activity Strategy

Contact for enquires:
Democratic Services (Committees)
Room 2.3

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Exeter Live Better and Move More

Draft Physical Activity Strategy
January 2019





Contents

1. The purpose of this strategy	Page 5
2. Why physical activity matters	Page 7
3. How physically active are we?	Page 11
4. Our approach	Page 19
5. Delivering this strategy	Page 23



1. The purpose of this strategy

This strategy provides the overall direction for increasing physical activity in Exeter and securing and aligning commitment from stakeholders. It sets out our ambition for increasing levels of physical activity.

The 2018-2021 corporate plan ([Exeter Corporate Plan 2018-2021](#)) describes the key priorities for the City Council focussing on three strategic programmes:



**Tackling
congestion &
accessibility**



**Promoting
active & healthy
lifestyles**



**Building great
neighbourhoods**

This strategy describes current physical activity levels and proposes priorities and principals for encouraging active lifestyles. It includes strategic partnership work with Sport England through the Exeter and Cranbrook Local Delivery Pilot and with Devon County Council (local transport authority) to improve mobility across the city through walking and cycling networks, integrated public transport and travel networks.

An additional document ***Exeter City Council's Built Facilities, Playing Fields, Pitches, Parks and Open Spaces Report (Jan 2019)*** sets out how the City Council intends to promote physical activity through exercise and sport in its own built facilities, pitches, playing fields, parks and open spaces. This will be consulted on alongside this strategy.



2. Why physical activity matters

There is overwhelming evidence that regular physical activity is good for you, for society, the environment and economy.

Physical activity is proven to:

- Improve and maintain physical and mental health and well-being
- Prevent long term conditions such as heart and lung diseases, diabetes, cancers and obesity
- Speed up recovery if we do become ill.

Physical activity is also proven to have wider societal benefits:¹

- Improve educational attainment
- Reduce anti-social behaviour
- Build self-esteem throughout life
- Contribute to urban regeneration
- Increase work productivity
- Improve quality of life.

A physically active society will result in reductions in:

- Depression and poor psychological health
- Loneliness and social isolation
- CO2 emissions and reduced congestion

Physical activity is important across all ages. Active play and recreation is important for early childhood as well as for healthy growth and development in children and adolescents.

Quality physical education and supportive school environments can provide physical and health literacy for long-lasting healthy, active lifestyles.

It is also important that adults are physically active and less sedentary at work. Whether working or not, older adults, in particular, can benefit from regular physical activity to maintain physical, mental and social health and enable healthy ageing.

Health and social care providers can help individuals of all ages become more active and prevent diseases while also using physical activity as a means to increase rates of rehabilitation and recovery.

“If a medication existed which had a similar effect to physical activity, it would be regarded as a “wonder drug” or a “miracle cure”

– (Sir Liam Donaldson, the former Chief Medical Officer of England, 2009)

¹Bailey, Hillman, Arent & Petitpas (2013) Physical activity an underestimated investment in human capital? (*Journal of Physical Activity and Health*)

What do we mean by physical activity?

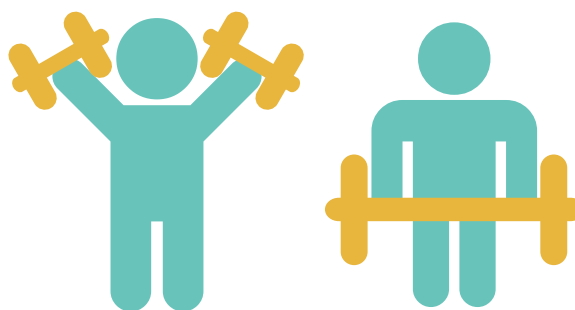
Physical activity can be undertaken in many different ways: walking, cycling, sports and active forms of recreation (for example, gardening, dance, yoga, tai chi).

Physical activity can also be undertaken at work and around the home. All forms of physical activity can provide health benefits if undertaken regularly and of sufficient duration and intensity.

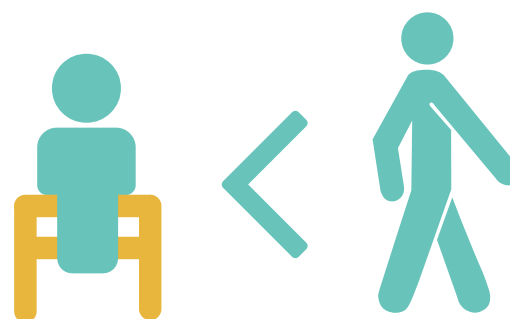
How much physical activity should you do?

Current UK guidelines recommend that:

- Children and young people should aim for at least 60 minutes of physical activity a day
- Adults should aim for at least 150 minutes a week of moderately intense activity (moderate breathing/able to talk) or 75 minutes a week of vigorous activity (breathing fast/difficulty talking) or a combination of both
- Adults should undertake muscle strengthening activities at least twice a week
- Everyone should sit less and move more: take breaks from sitting down
- Regular 10 minute bursts of activity can make a big difference



**10 minutes can
make a difference**



**move more
sit less**



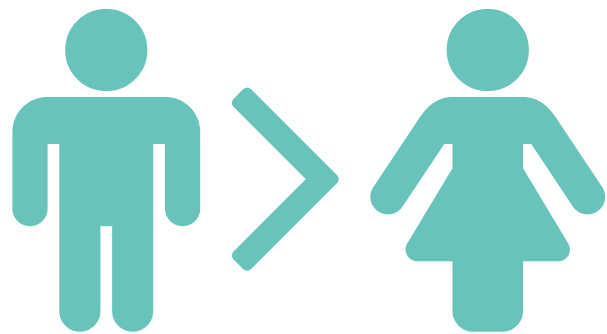


3. How physically active are we?

Physical activity is influenced by a wide range of factors, from the advice or encouragement of friends, family and carers at home, through programmes at school, work or in local communities, the built environment, to the influence of general socio-economic conditions.



1 in 4 women and 1 in 5 men in England are classed as physically inactive: doing less than 30 minutes of moderate physical activity a week.



Men/boys are more likely than women/girls to average 6 or more hours of (sedentary) sitting time on both weekdays and weekends.



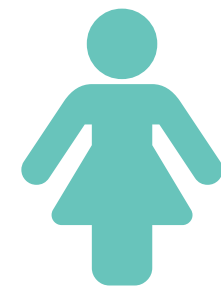
Children are averaging over 3 hours a day of (sedentary) sitting time during the week increasing to over 4 hours a day at weekends.

The proportion of children who spend 6 or more hours of (sedentary) sitting time rises steadily with age as does the average time per day spent watching TV/screen time.

1 in 3



1 in 4



Only 1 in 3 men and 1 in 4 women undertake muscle strengthening activities at least twice a week.

People may be encouraged to exercise by a health or social care professional or a friend, but may find that childcare or work responsibilities get in the way, or they cannot find anywhere nearby to be active.

How physically active are we in Exeter?

People in the South West, on average, have slightly higher levels of physical activity compared to the national average, but according to Public Health Devon over 21,000 adults in Exeter (25% of women and 14% of men) do less than 30 minutes of physical activity per week.

Since 2015, Sport England have undertaken an annual survey asking people over 16 how physically active they are using the following benchmarks:

- Active:**
 People who meet the Chief Medical Officer's guidelines and do at least 150 minutes of moderate intensity activity each week – gaining health benefits including a reduced risk of dementia, depression, diabetes, and improved mental wellbeing
- Fairly Active:**
 People who some physical activity but do not meet the Chief Medical Officer's guidelines
- Inactive:**
 People who do less than 30 minutes of physical activity a week.

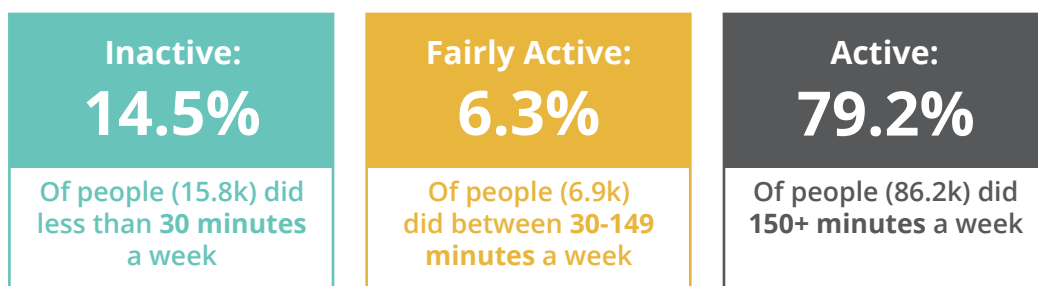
The 2018 "Active Lives" survey reports Exeter as the most "active" Local Authority in England with nearly 4 in 5 (79%) adults in Exeter saying they undertake more than 150 minutes activity each week. This compares to just over 3 in 5 (62%) for England as a whole. Year on year this represents a 2.8% point improvement.

According to Active Lives, Exeter also has the second lowest level of 'inactive' adults (less than 30 mins per week) in the country at 14.5% (narrowly beaten by Islington with 14%). This is a 2.8% point fall, year on year, putting our achievement this year in greater context as we made improvements at both ends of the activity spectrum – the percentage of Fairly Active Adults (30-149 mins per week) remained unchanged.

Physical Activity (England)



Physical Activity (Exeter)



Source: Sport England – Active Lives Survey 2018

Exeter Live Better and Move More: Draft Physical Activity Strategy January 2019

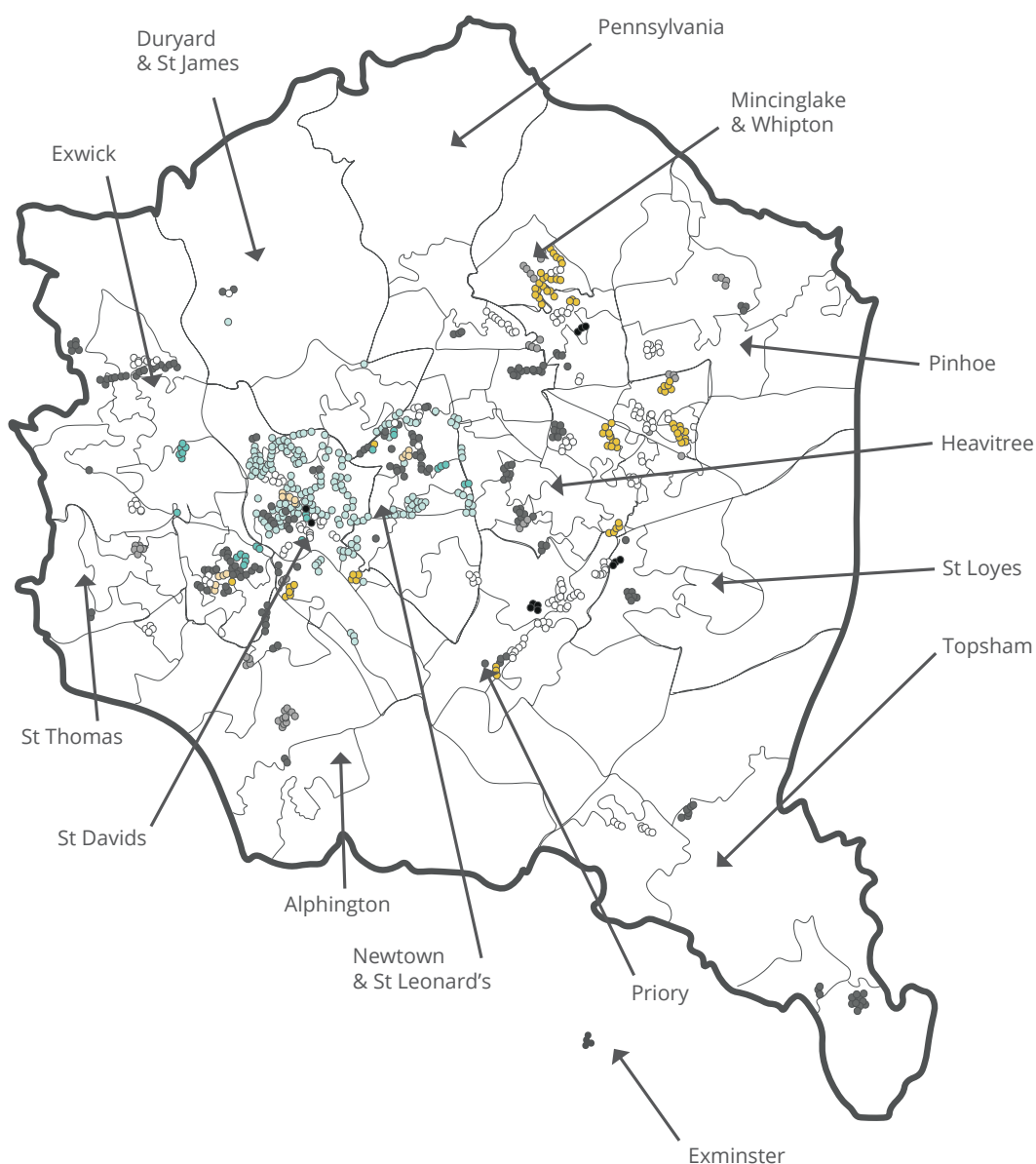
This is great news and reflects the fact that Exeter already has a socio-demographic profile that heavily represents those groups who tend to be the more active i.e. younger, higher social grades, etc. It also reflects the impacts achieved through the Get Active Exeter Programme sponsored by the Exeter Health & Wellbeing

Board, funded by Sport England and managed by Active Devon on behalf of a range of partners in the city.

However some areas in the city are amongst the most deprived in the country and in these areas physical activity levels will be very low.

Location of high-risk mosaic types containing high levels of working age adults with no dependant children, deprivations and/or physical inactivity

Source: Sport England Local Delivery Pilot Stage 2 Submission: Exeter & Cranbrook

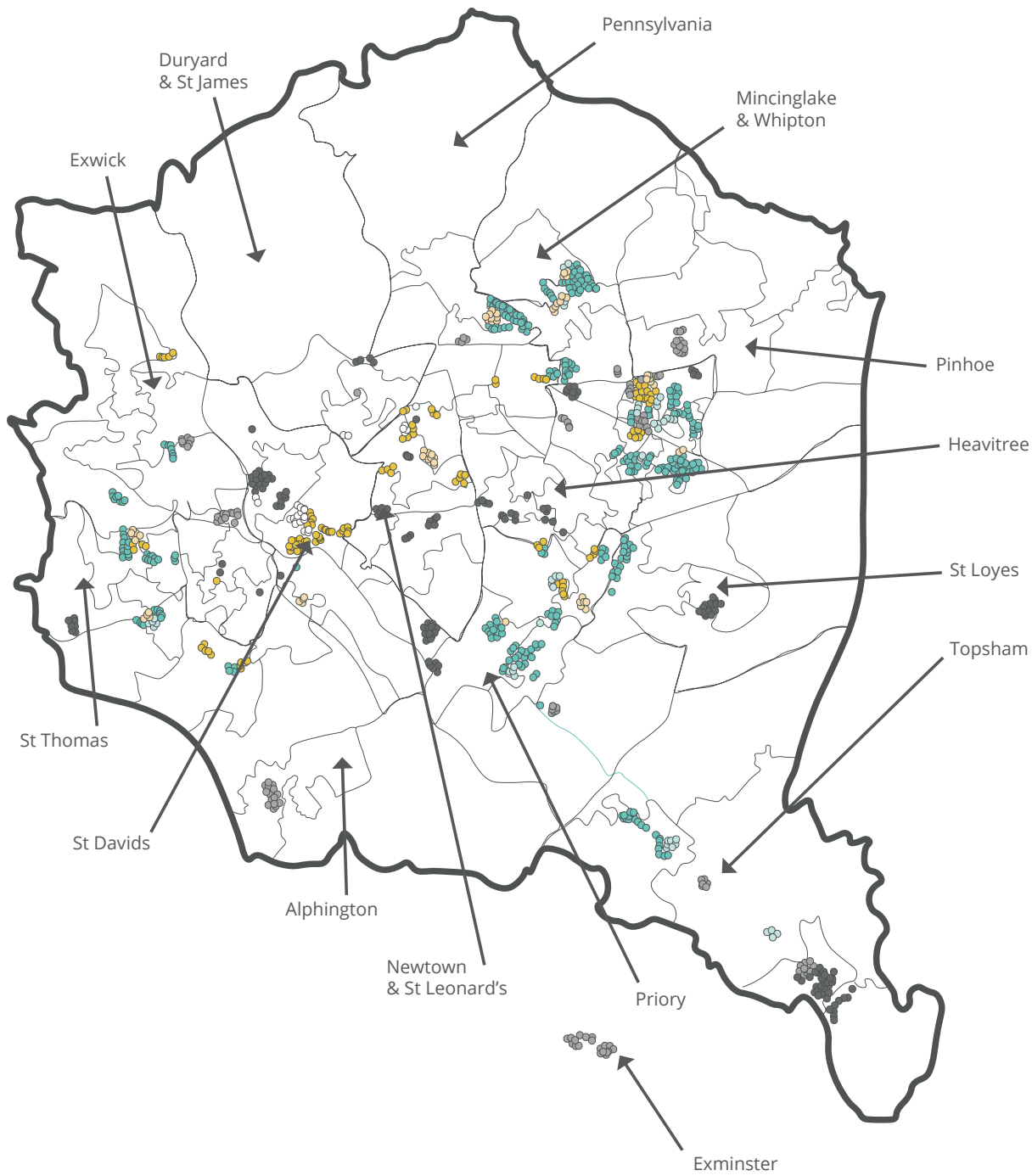


Legend: Type

- | | |
|---|--|
| ● J41 Central Pulse | ● L49 Disconnected Youth |
| ● J44 Flexible Workforce | ● L50 Renting a Room |
| ● J45 Bus-Route Renters | ● L51 Make Do & Move On |
| ● K46 Self-Supporters | ○ O63 Streetwise Singles |

Location of high-risk mosaic types containing high levels of frailer individuals, deprivations and/or physical inactivity

Source: Sport England Local Delivery Pilot Stage 2 Submission: Exeter & Cranbrook



Legend: Type

- K48 Down-to-Earth Owners
- N57 Seasoned Survivors
- N58 Aided Elderly
- N59 Pocket Pensions
- N60 Dependant Greys
- N61 Estate Veterans
- O66 Inner City Stalwarts

What are the challenges people face with physical activity?

The world we live in doesn't make being physically active very easy: in fact it is easier for most of us to move less than it is to move more.

Over the last 30 years as a society we have become increasingly reliant on technology in our daily lives, our working day and our leisure choices. We have effectively managed to engineer physical activity out of our routines; environments and opportunities predominately promote sitting down.

Sedentary forms of transport are seen as necessary for us to lead our busy lives. As a result the social and physical design of our schools, workplaces and communities has changed to accommodate these preferences.

Instead of being part of how we live, we have effectively confined physical activity to a recreational past-time (exercise) chosen by few and in the process we have created a range of actual and/or perceived barriers to being active (e.g. a perceived lack of time, cost, low confidence, limited opportunity and actual or perceived lack of safety).

Being physically active is too often defined by socioeconomic position with the least active often the least well off. This is a significant but often hidden issue in Exeter. When we look beneath the surface we can see that, whilst overall Exeter is one of the healthiest and most active places to live, there are some areas in the city with measures of deprivation amongst the top 20% of deprived areas in the country.

There is a 7.8 year life expectancy gap for men between the most and the worst well off areas in the city.

The environment around us is one of the most important factors in enabling people to be active in their everyday life. The places we live, work and visit often act as a daily barrier to people taking part in physical activity and sport whether that be due to safety, accessibility, awareness or the practicalities of using spaces in the built and natural environment. According to Inclusive Design for Getting Outdoors (IDGO)² older people who live in areas where it is easy and enjoyable to go outdoors, are more likely to be physically active and satisfied with life, and twice as likely to achieve recommended levels of healthy walking.

Less user-friendly environments are often perceived by people as posing an increased risk of falling, especially by those with vision, mobility or other impairments. Such environments can heighten fears about crime, nuisance and traffic, and make going outdoors less enticing; reinforcing feelings of loneliness or entrenching the challenges of socioeconomic deprivation.

Physical activity can and should be integrated into the settings in which people live, work and play. Walking and cycling are key means of transportation and enable regular physical activity on a daily basis.

“For most people, the easiest and most acceptable forms of physical activity are those that can be built into everyday life. Examples include walking or cycling instead of travelling by car, and using stairs instead of lifts. ‘Active travel’ (or active transportation or mobility) means walking or cycling for the purpose of making every day journeys.”

– (Working together to promote active travel - Public Health England)

Exeter already has higher than the national average rates of commuters using sustainable travel. Of those commuters that live and work in Exeter over 8% cycle and over 30% walk.

This still leaves over 40% of commuters living and working in Exeter who are making short journeys

to work every day by car. On top of this over 36,000 commuters travel by car into the city for work every day.

This translates to Exeter as one of the slowest moving cities in the UK, with average road travel speed at rush hour of just 4.6mph.



over 8% cycle

of the commuters that live and work in Exeter



over 30% walk

of the commuters that live and work in Exeter



over 40% drive

of the commuters that live and work in Exeter



over 36,000 drive

into Exeter from outside for work

² http://www.idgo.ac.uk/about_idgo/index.htm





4. Our approach

The biggest gain and best value for society is achieved by engaging people who are least active in becoming active in daily life.

We want to get more people undertaking the levels of physical activity that are recommended for good health and well-being but with a determined focus on those who are currently inactive. The strategic aims are to:



Improve population health & wellbeing



Reduce health inequalities



Promote community resourcefulness



Increase active travel

The World Health Organisation (WHO) suggests a whole system approach is needed to increase physical activity on a population level this includes:

- Transport policies and systems that promote walking, cycling and public transport
- Urban design regulations and infrastructure that provide for equitable and safe access for recreational physical activity, and recreational and transport related walking and cycling across the life course
- Public education, including mass media to raise awareness and change social norms on physical activity
- Prevention programmes integrated into primary health care systems

- Community-wide programmes involving multiple settings and sectors and that mobilise and integrate community engagement and resources
- Sports systems and programmes that promote 'sport-for-all' and encourage participation across the lifespan.

This "Whole System Change" approach is based on the starting point that no one lives in a vacuum. They are connected to a place and its community, each with its own unique structure, relationships and geography.

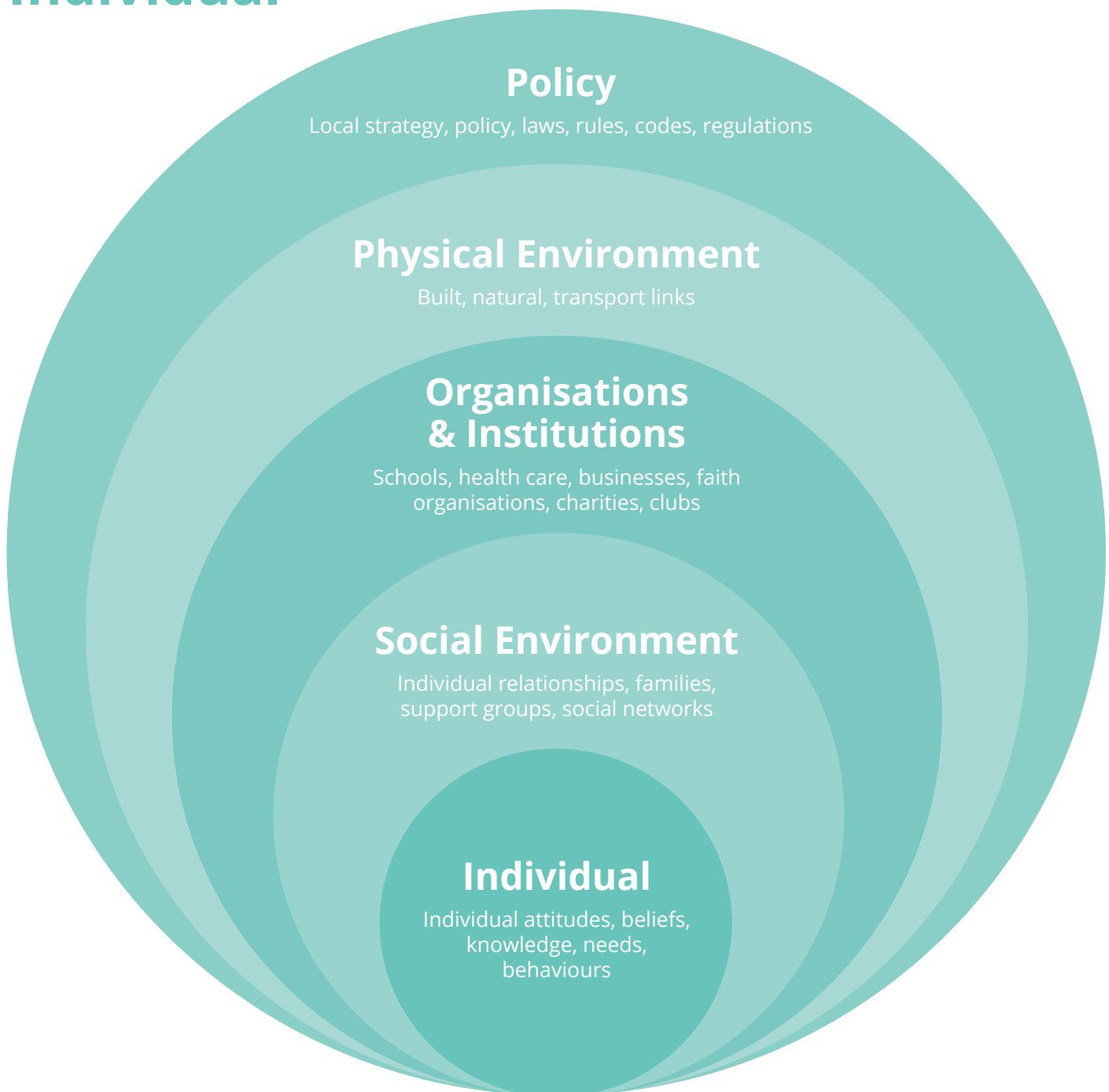
It recognises that tackling inactivity requires a root and branch approach; it is not simply within the individual's power to change but requires actions across the range of influencers.



Whole Systems Approach

Source: Socio-Ecological Model

Policy Environmental Social Organisational Individual



Guiding principles for action

Taking an evidenced based approach to achieving population level change we are proposing that all interventions aimed at increasing physical activity in Exeter, including the Sport England Pilot are underpinned by the following evidenced based principles.³

- 1. Build from the bottom up:**
adopt an asset based community development approach
- 2. Reduce inequality in participation:**
when planning and prioritising interventions recognise that the largest health gain occurs with improvements made by the least active.
- 3. Equal and inclusive approach:**
everyone should have accessible, safe convenient and affordable choices for physical activity
- 4. Connect people with physical activity:**
ensure physical activity opportunities are available and promoted across the life course
- 5. Whole systems approach:**
address the policy, environmental, social and individual factors and determinant of physical activity
- 6. Create a physical activity habit:**
recognise the importance of habit formation and the contextual nature of physical activity behaviour in the design of interventions
- 7. Make it fun:**
encourage providers of physical activity to promote fun, enjoyment and autonomy, helping people to build it into their everyday lives
- 8. Consistent Communications:**
about the benefits, opportunities and support available for physical activity choices in Exeter
- 9. Make it visible:**
Portray physical activity as a normal part of everyday life across the lifespan
- 10. Work together:**
recognise that no single organisation can effectively change the physical activity behaviour of the population alone
- 11. Evidence and evaluation:**
ensure interventions are underpinned by best practices and the impact of service delivery is robustly evaluated using process, output and outcome measures.

³ Adapted from *More People Active for a Healthier World 2018/2030 (WHO)* and *Creating a Culture of Physical Activity Sheffield City Council 2015*



5. Delivering this strategy

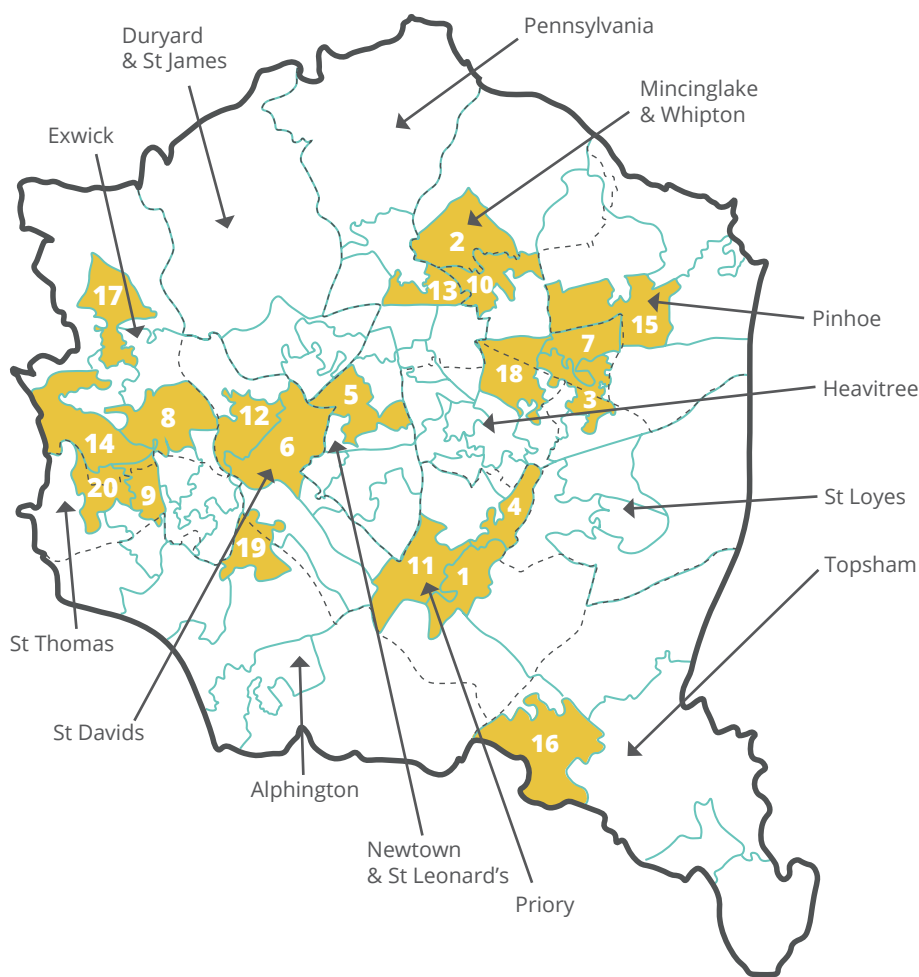
Taking a Whole System Change Approach underpinned by the guiding principles we will focus activity and resources in the areas of greatest need.

Using data from a number of sources we can show that those at most risk of inactivity and poor health outcomes are clustered into pockets that in the main form Exeter's "deprivation crescent".

This map shows these top 20 target areas grouped into population groups called Lower Super Output Areas (LSOAs). These are the areas where we intend to focus efforts to increase physical activity levels.

Physical Activity Target Areas

Source: Public Health Devon (October 2018)



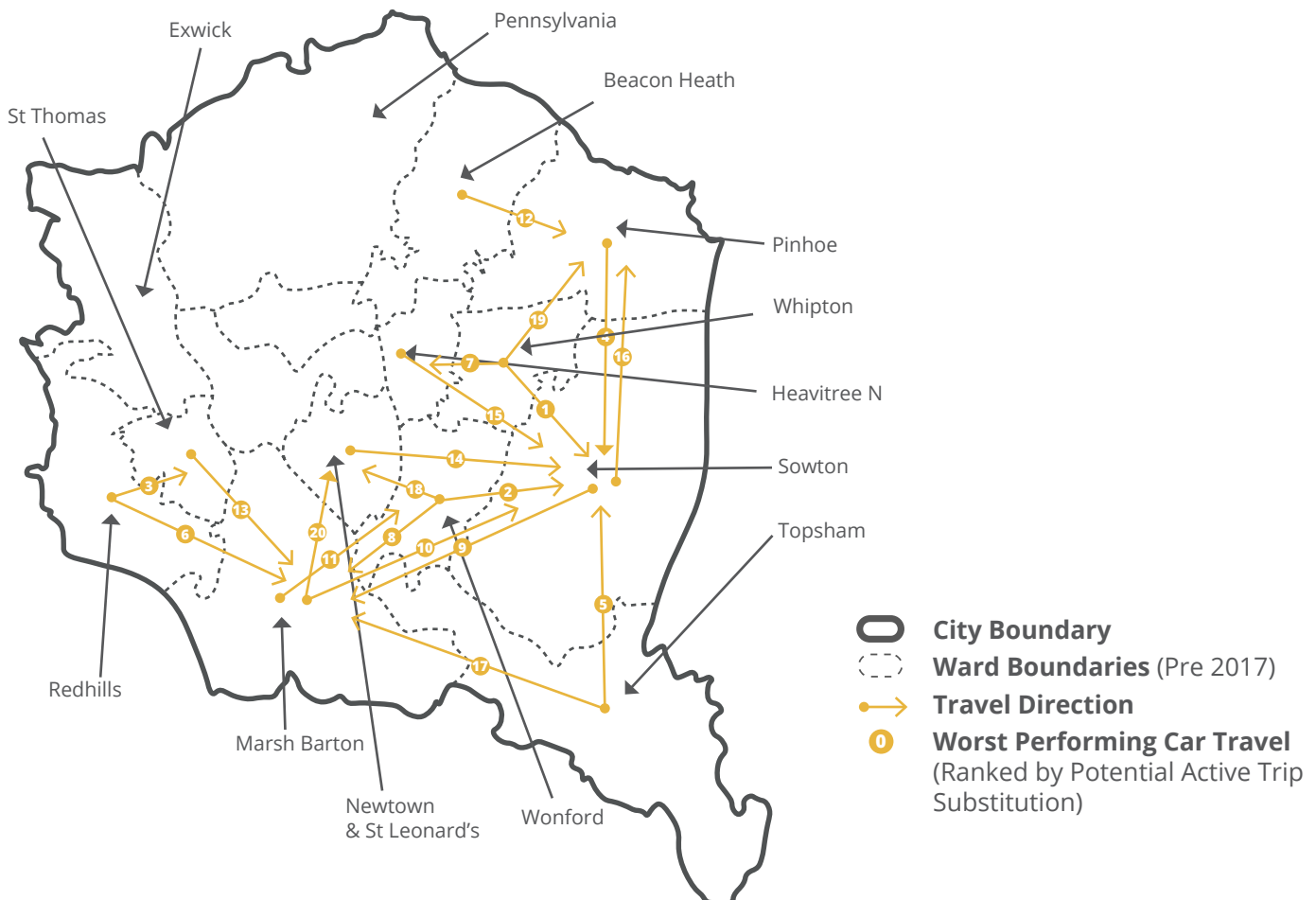
Rank	Description
1	Burnthouse lane (Trees)
2	Lancelot Road
3	Whipton (Leypark Road & Brambley Avenue)
4	Burnthouse Lane (Rifford Road)
5	Sidwell Street & Clifton Road
6	Cathedral & City Centre (East)
7	Whipton (Hillyfield Road)
8	Exwick (Cemetery)
9	Cowick (Newman Road)
10	Beacon Heath
11	Burnthouse Lane (Poets)
12	City Centre (West)
13	Stoke Hill
14	Exwick (Redhills)
15	Summerway
16	Countess Wear (Lower)
17	Exwick (Farm Hill)
18	Hamlins Lane & Honeylands
19	Alphington Road (Ebrington Road)
20	Cowick (Barley Farm Road)

- City Boundary
- Priority Areas
- Ward Boundaries
- LSOA Boundary

Active Travel to Work Target Areas

Experian Mosaic used under license to Devon County Council

Rank	Origin	Destination	Distance	Absolute Trip No.	Drive %	Expected Drive %	Difference %	Potential Active Travel Substituion
1	Whipton	Sowton	1671	575	61.70%	34.00%	27.70%	96
2	Wonford	Sowton	1793	592	52.50%	35.80%	16.70%	55
3	Redhills	St Thomas	846	209	35.40%	19.90%	15.60%	38
4	Pinhoe	Sowton	2697	641	62.60%	47.20%	15.30%	36
5	Topsham	Sowton	2458	370	67.80%	44.60%	23.30%	35
6	Redhills	Marsh Barton	2446	463	62.30%	44.40%	18.00	34
7	Whipton	Heavitree N	996	124	42.70%	22.70%	20.10	25
8	Wonford	Marsh Barton	1901	251	53.80%	37.40%	16.40	22
9	Sowton	Marsh Barton	3516	308	78.60%	54.30%	24.30	21
10	Marsh Barton	Sowton	3516	490	68.00%	54.30%	13.60	19
11	Marsh Barton	Wondford	1901	207	54.60%	37.40%	17.20	19
12	Beacon Heath	Pinhoe	1618	115	56.50%	33.20%	23.30	17
13	St Thomas	Marsh Barton	2061	474	46.60%	39.60%	7.00	16
14	St Leonards	Sowton	2742	352	59.10%	47.70%	11.40	15
15	Heavitree N	Sowton	2409	555	50.10%	44.00%	6.10	14
16	Sowton	Pinhoe	2697	108	80.60%	47.20%	33.30%	13
17	Topsham	Marsh Barton	3445	189	75.10%	53.80%	21.30%	12
18	Wonford	St Leonards	1036	171	30.40%	23.40%	7.00%	12
19	Whipton	Pinhoe	1600	122	46.70%	32.90%	13.80%	11
20	Marsh Barton	St Leonards	1741	108	50.90%	35.10%	15.90%	10



We also want to focus on getting more people who live and work in the city to commute by cycling, walking and public transport. This will help us to reduce congestion and promote active environments across the city as well as overall improvements in individual and community health and wellbeing.

According to the 2011 Census, 46% (17,380) Exeter residents drive to work within the city or are car passengers. However local data shows that there is still more that could be achieved with lots of people making short distance trips to work.

Sport England is investing around £100 million across 12 local pilots over 4 years to create innovation solutions making it easier for people in communities to access physical activity. Having been selected as one of the 12 pilots, along with our neighbour the NHS Healthy New Town of Cranbrook, our aim is to take the opportunity of the Sport England Pilot to deliver on our physical activity strategy.

Working with Sport England we want to understand how local identities and structures can be used to deliver sustainable increases in physical activity levels. As a Pilot we will test whether taking a whole system and behaviour change approach in a place could really unlock something ground breaking for the whole country. Over the 3 years of the Sport England Pilot we intend to achieve population level change by encouraging 10,000 of the least active residents to lead regular active lifestyles. We are aiming for around 5,750 people becoming active

and around 4,250 more commuters choosing active travel for their daily commute.

We will use the opportunity of the investment and expertise from the Sport England Pilot to ensure that the long term Housing Transformation Plan for the city is underpinned by the 10 Active Design Environmental Principles advocated by Sport England and Public Health England (Active Design Planning for health and wellbeing through sport and physical activity).

These principles will also be used to influence a new project aimed at tackling our strategic infrastructure issues announced in December 2018 by the National Infrastructure Commission (an independent body tasked with providing clear advice to the Government on how best to meet the country's long-term infrastructure needs). Exeter is one of the five cities selected to work with the Commission to help us to develop strategies to improve local transport connections, unlock job opportunities and deliver much-needed new homes.

The key delivery platforms the Council will use to deliver our contribution to this strategy are:

- Sport England Local Delivery Pilot , Wellbeing Exeter and Active Exeter Network
- Swimming Pools, Sports and Leisure Centres
- Playing pitches, playgrounds, parks and open spaces
- Walking and Cycling through Exeter Transport Strategy



New Approach to Delivering Physical Activity Locally

Source: Sport England

Locations

📍 Rural Places
📍 Coastal Communities

📍 Big Cities
📍 Small Towns

£100m of National Lottery money across **12 local pilots**

📄 **113 Applications**

☰ **19 Proposals Shortlisted**

📍 **12 Places Selected**

Pennine Lancashire
Population: 532,500

Calderdale
Population: 208,400

Greater Manchester
Population: 2,756,200

Birmingham & Solihull
Population: 471,400

Greater Exeter
Population: 139,200

Southall
Population: 71,200

Hackney
Population: 269,000

Redcar, Cleveland & Middlesbrough
Population: 274,800

Bradford
Population: 132,800

Withernsea
Population: 6,000

Doncaster
Population: 304,800

Essex
Population: 1,443,200

Reaching

👥 People from some ethnic minorities

👩 Women

♿ Disabled People

£ People on Lower incomes

👴 Older People

👪 Families

For healthier, happier communities and to discover a blueprint for tackling inactivity locally www.sportengland.org/localpilots



LOTTERY FUNDED



Exeter City Council
Civic Centre
Paris Street
Exeter
EX1 1JN
United Kingdom

www.exeter.gov.uk

REPORT TO: Place Scrutiny Committee and Executive Committee
Date of Meeting: 17 January and 12 February 2019
Report of: Service Manager Community Safety & Enforcement
Title: Parking Tariffs

Is this a Key Decision? *

Yes

**One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.*

Is this an Executive or Council Function?

Executive.

1. What is the report about?

Increasing car park tariffs from April 2018. Further regulating car parking at King George V Playing Fields.

2. Recommendations:

2.1 To amend the Car Parking Places Order 2014 as follows:

- a) To increase tariffs at Premium, Zone 1 and Zone 2 car parks by a maximum of 10% within the existing linear pricing structure as set out in the table below.
- b) To increase the tariffs at Zone 3 car parks by 50p as set out in the table below.

Premium Car Parks (Guildhall, Mary Arches, John Lewis)		
Stay	Current Tariff	Proposed Tariff
1 hour	£3.00	£3.30
2 hours	£4.00	£4.40
3 hours	£5.00	£5.50
4 hours	£6.00	£6.60
5 hours	£7.00	£7.70
6 hours	£8.00	£8.80
7 hours	£9.00	£9.90
All day	£15.00	£15.00
Zone 1 Car Parks (Bampfylde Street, Bartholomew Terrace, Harlequins, King William Street, Magdalen Road, Magdalen Street, Matthews Hall, Princesshay 2, Princesshay 3, Smythen Street)		
Stay	Current Tariff	Proposed Tariff
1 hour	£2.00	£2.20
2 hours	£3.00	£3.30
3 hours	£4.00	£4.40

4 hours	£5.00	£5.50
5 hours	£6.00	£6.60
6 hours	£7.00	£7.70
7 hours	£8.00	£8.80
All day	£12.00	£13.00
Zone 2 Car Parks (Belmont Road, Bystock Terrace, Cathedral & Quay, Haven Road 1, Howell Road, Richmond Road, Parr Street, Topsham Quay, Triangle)		
Stay	Current Tariff	Proposed Tariff
1 hour	£2.00	£2.20
2 hours	£3.00	£3.30
3 hours	£4.00	£4.40
4 hours	£5.00	£5.50
5 hours	£6.00	£6.60
All day	£10.00	£11.00
Zone 3 Car Parks (Flowerpot, Haven Road 2 & 3, Holman Way, Okehampton Street, Tappers Close, Turf Approach)		
Stay	Current Tariff	Proposed Tariff
1 hour	£0.50	£1.00
2 hours	£1.00	£1.50
3 hours	£1.50	£2.00
4 hours	£2.00	£2.50
All day	£3.00	£3.50
Zone 3 Car Parks with Maximum Stay (Bromhams Farm, Clifton Hill, Gordons Place, Station Road (Exwick))		
1 hour	£0.50	£1.00
2 hours	£1.00	£1.50
3 hours maximum stay	£1.50	£2.00
Coach Parking at Haven Road 3 (per day)	£5.00	£5.00
Quarterly Commuter Season Ticket	£375.00	£375.00
Residents Annual Season Ticket	£150.00	£150.00
Bartholomew Terrace Business Permit	£250.00	£250.00
Cathedral & Quay Business Bays	£750.00	£750.00

- 2.2 To restrict parking to a maximum 4 hour stay at King George V Playing Fields (Appendix 1).

2.3 Delegated authority to the Director (Place) to consider any objection that may be received.

3. Reasons for the recommendations:

3.1 To adopt a reasonable pricing policy to support the Council's ambitions to reduce congestion in the city.

3.2 To better control parking at King George V Playing Fields to help ensure spaces remain accessible for those wishing to visit and enjoy the park.

4. What are the resource implications including non financial resources.

4.1 Based on historical ticket data, and allowing for a resistance factor of 10%, the projected annual net income would rise to £8.7M (Appendix 2). This represents a £764,000 increase on the 2018/19 target income budget.

5. Section 151 Officer comments:

The report raises no concerns for the Section 151 officer. As the figures can only be estimates, Finance will work with Parking Services to produce a budget that is realistic and achievable rather than simply adding this estimate to the existing budget.

6. What are the legal aspects?

Any changes to the Council's Parking Places Order must be advertised and any comments received as a result must be carefully considered.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report Details:

8.1 With a stated aim of reducing congestion in the City, the Council cannot help support this objective without reasonable and regular increases in tariffs.

8.2 Any increases must be balanced alongside the accompanying strategic aims of:-

- a) Ensuring car parks contribute to economic growth
- b) Maximising the capacity of existing Council assets
- c) Improving the city centre environment
- d) Promoting sustainable travel
- e) Reducing congestion
- f) Maintaining an income stream to help fund essential services

8.3 Parking data for the past 12 months indicates a 4% rise in the number of vehicles using Council car parks.

- 8.4 In these circumstances a tariff increase of 10% should help deliver objectives b, c, d, e and f in the above list.
- 8.5 The free car park serving King George V Playing Fields is constantly at capacity with many vehicles parking there all day. The only existing restriction is for cars not to remain for more than 24 hours.
- 8.6 To help ensure access to the Playing Fields is maintained for recreational users the Parking Places Order regulating the site should be amended to restrict parking to a maximum of 4 hours. There will continue to be no charge for parking at this site.

What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

Maintaining free parking for Blue Badge Holders in pay and display car parks supports equality of access to the city. A maximum stay restriction at King George V will help ensure access for recreational users of the asset, improving their health and wellbeing.

9. Are there any other options?

Maintain existing tariffs and make additional income or savings in other areas.

Steve Carnell
Service Manager Community Safety & Enforcement

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

Background papers used in compiling this report:-

Contact for enquires:

Democratic Services (Committees)
Room 2.3
01392 265275

10% Increase	PROPOSED			
Premier	Proposed Tariff	Tickets Sold	Income	
1 hr	£ 3.30	481,119	£	1,587,693
2 hr	£ 4.40	212,733	£	936,025
3 hr	£ 5.50	109,368	£	601,524
4 hr	£ 6.60	47,340	£	312,444
5 hr	£ 7.70	20,740	£	159,698
6 hr	£ 8.80	9,817	£	86,390
7 hr	£ 9.90	6,158	£	60,964
All day	£ 15.00	11,336	£	170,040
Short				
1 hr	£ 2.20	229,461	£	504,814
2 hr	£ 3.30	269,761	£	890,211
3 hr	£ 4.40	152,562	£	671,273
4 hr	£ 5.50	66,709	£	366,900
5 hr	£ 6.60	29,167	£	192,502
6 hr	£ 7.70	12,195	£	93,902
7 hr	£ 8.80	14,192	£	124,890
All day	£ 13.00	31,780	£	413,140
Long				
1 hr	£ 2.20	136,161	£	299,554
2 hr	£ 3.30	159,394	£	526,000
3 hr	£ 4.40	109,226	£	480,594
4 hr	£ 5.50	55,157	£	303,364
5hr	£ 6.60	24,660	£	162,756
All day	£ 11.00	106,897	£	1,175,867
Local				
1 hr	£ 1.00	21,393	£	21,393
2 hr	£ 1.50	35,121	£	52,682
3 hr	£ 2.00	21,429	£	42,858
4 hr	£ 2.50	17,512	£	43,780
All day	£ 3.50	59,293	£	207,526
Coaches	£ 5.00	444	£	2,220
Season Tickets	£ 1,500.00	216	£	324,000
Business Permits	£ 250.00	87	£	21,750
Residential Permits	£ 150.00	48	£	7,200
C&Q Business	£ 750.00	51	£	38,250
		2,450,681	£	10,882,202
			net income	£ 8,705,762
			target income 2018/19	£ 7,858,540
			increase	£ 847,222
			Less 10% resistance	£ 762,500

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EXETER CITY COUNCIL

REPORT TO: EXECUTIVE
DATE OF MEETING: 12 FEBRUARY 2019
REPORT TO: COUNCIL
DATE OF MEETING: 26 FEBRUARY 2019

REPORT OF: CHIEF FINANCE OFFICER
TITLE: GENERAL FUND / HRA ESTIMATES AND CAPITAL PROGRAMME 2019/20

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

- 1.1 To propose the General Fund revenue estimates for 2019/20 and to recommend the Band D level of Council Tax for 2019/20. This report also includes the proposed Capital Programme for 2019/20 and future years, and the proposals in respect of the Housing Revenue Account.

2. Recommendations:

- 2.1 It is recommended that :

- 2.1.1 the Council's overall spending proposals in respect of both its revenue and capital budgets are recommended to Council for approval;
- 2.1.2 the council tax for each Band be recommended to the Council as set out in section 8.19.3 subject to Devon County Council, OPCC Devon and Cornwall and the Devon and Somerset Fire Authority confirming their Band D levels respectively;
- 2.1.3 when 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 then the revised council tax levels be submitted to Council on 26 February 2019 for approval;
- 2.1.4 Members note the Statement given by the chief finance officer as required under Section 25 of the Local Government Act 2003.

3. Reasons for the recommendation:

- 3.1 To ensure that the Council is in a position to set a budget and determine the Council Tax for the City of Exeter in line with the statutory timeframe.

4. What are the resource implications including non-financial resources

- 4.1 The report sets out the proposed budgets for 2019/20. Details of the resource implications are set out in section 8.

5. Section 151 Officer comments:

- 5.1 The proposed budget will achieve the requirement to maintain a minimum balance in excess of £3 million. The Medium Term Financial Plan is reliant on substantial reductions being delivered both for the 2019/20 budget and also in the following year in order to maintain and strengthen the Working Balance to ensure the Council is able to cope with any issues arising from the fair funding review. It is imperative that Members maintain a strong financial discipline to ensure that the reductions already proposed are delivered and that additional reductions are identified to deliver a balanced medium term financial plan.
- 5.2 The proposed capital programme aligns with the Medium Term Financial Plan and the revenue implications have been built into both the General Fund and HRA budgets.
- 5.3 The report sets out the proposed income and expenditure for 2019-20. There is a small budgeted deficit, which is in line with the HRA's medium Term Financial Plan. The budgeted deficit is substantially lower than 2018-19, when a planned, large contribution has been made to the construction of the Extra Care facility.
- 5.4 It is important to remember that Council is legally responsible for setting a balanced budget each year and for taking action when there are adverse movements in the projected financial position during the year.

6. What are the legal aspects?

- 6.1 As part of the budget and the Council Tax fixing process, the Council is required by the Local Government Finance Act 1992 to make various specific calculations and decisions:-
- (a) it must calculate its budget requirement in accordance with Section 32 of the Act;
 - (b) it must calculate the City Council element of the Council Tax - first for Band D and then for all bands - in accordance with Sections 33 to 36;
 - (c) it must set the overall Council Tax for each band in accordance with Section 30.

7. Monitoring Officer's comments:

- 7.1 Legislation does not prescribe how much the minimum level of reserves should be. The Section 151 officer is tasked with recommending the minimum level of reserves required as part of the budget setting process having regard to elements of risk in the Council's finances. Section 25 of the Local Government Act 2003 requires the S.151 officer to report on the adequacy of the Council's financial resource.

The Monitoring officers comments are intended to assist all members of the Council in consideration of the complex legal background to their budgetary and Council Tax decisions and in particular to set out the legal factors and requirements which Members of the City Council need to consider in reaching decisions on the budget and Council Tax.

In coming to a decision in relation to the revenue budget and the council tax, the City Council and Councillors have the following legal duties:

- a. To act in accordance with their statutory duties and responsibilities;
- b. To act reasonably; and
- c. To have careful regard to their fiduciary duty to its rate payers and Council tax payers.

The City Council has a clear legal duty to set a balanced budget. A resolution not to set a Council tax would be unlawful so would be a resolution to set a Council tax which deliberately did not balance the budget.

When making a decision, councillors are reminded of the obligation to act reasonably and in accordance with the principals set down in the Wednesbury case. This means that councillors are required to take into account all relevant considerations and ignore any irrelevant considerations. Put simply, it would be unlawful for the Council to come to a view which is unreasonable in the sense that it is so irrational that no reasonable authority could have reached it.

The meaning of fiduciary duty is more difficult to define but can be summarised as a duty to conduct administration in a business-like manner with reasonable care, skill and caution and with due regards to the council's rate payers. When discharging their fiduciary duties councillors will need to consider the following:

- a. Prudent use of the council's resources, including the raising of income and the control of expenditure;
- b. Financial prudence both long and short term;
- c. Striking a fair balance between the interest of the council tax payers on the one hand and the community interest and adequate and efficient services on the other hand;
- e. Acting in good faith with a view to complying with statutory duties and exercising its statutory powers for the benefit of the community.

Restriction on voting

Members' attention is drawn to the provisions of S.106 of the Local Government Finance Act 1992 which applies to members where:

- (a) they are present at a meeting of full Council, the Executive or Committee and at the time of the meeting an amount of Council tax and has remained unpaid for at least 2 months and
- (b) Any budget or Council tax calculation or recommendation or decision which might affect the making of any such calculation, is the subject of consideration at the meeting.

In these circumstances, any such members shall at the meeting and as soon as practical after its commencement disclose the fact that S.106 applies to them and shall **not vote** on any question concerning budget setting.

Failure to comply with these requirements is a criminal offence unless such member can prove that they did not know S.106 applied to them at the time of the meeting or that the matter in question was the subject of consideration at that meeting.

8. Report Details:

8.1 LOCAL GOVERNMENT FINANCE SETTLEMENT

8.1.1 4 year Settlement

During the settlement for 2016-17, the Government offered Local Authorities the opportunity to apply for a 4year agreed settlement subject to producing an efficiency plan. The Council took up this offer and were notified in November that the Government had agreed the Settlement.

The provisional settlement for 2019-20 was announced in December and the figures in the Medium Term Financial Plan have been updated.

- 8.1.2 The provisional settlement for 2019-20 was announced in December and the final settlement in January, the figures in the Medium Term Financial Plan have been updated to reflect minor changes.

8.1.3 Appendix 1 shows as a comparison the formula funding settlement figures for all Devon authorities. The final settlement figures will be announced later this month but at this stage it is not expected that they will be significantly different from the provisional announcement. The figures show that the most rural of authorities have fared worse this year in percentage terms of formula funding reduction.

8.1.4 Core spending power is a new definition used by the Government, which encompasses an individual authority's:

- Council Tax Requirement including estimates of Council Tax increases and increases in the Taxbase;
- Social Care Precept (not applicable for district councils);
- Formula Grant;
- New Homes Bonus;
- Rural Services Delivery Grant and
- Better Care Fund (not applicable for district councils).

Appendix 2 shows a comparison of Devon authorities using this definition of revenue spending power. Using this measure Exeter's core spending power reduces by 15.2% over the period.

8.2 COUNCIL TAX

8.2.1 The Government has announced in respect of the local authority tax referendum threshold, that Shire District councils will be allowed increases of less than 3% or up to and including £5, whichever is higher. Upper Tier Authorities may increase their Council Tax by up to three per cent above the threshold as long as the additional income is spent on Adult Social Care. This is on top of the 2.99% increase they may make for other services but can total no more than 6% over a three year period, which began in 2017-18. Exeter's budget strategy for next year assumes that council tax will increase by £5, which, along with the estimated surplus on the collection fund of £96,331 and increase in the taxbase will raise an extra £208,000.

8.3 BUSINESS RATES PILOT

8.3.1 All authorities in Devon have taken part in the Business Rate pilot for the 100% retention of Business Rates during 2018-19. They have also applied to be a 75% pilot during 2019-20, but unfortunately have been unsuccessful. The aim therefore is for all Devon Authorities to revert to acting as a pool.

8.4 KEY ASSUMPTIONS

8.4.1 An overall allowance of £602,380 has been set aside for inflation. The inflationary increases allowed in the budget are:

Pay Award	2.0%
Pay – Increments	0.5%
Electricity	25%
Gas	6%
Oil	2.5%
Water	0.0%
Insurance	8%
Rates	2.5%
Fuel	3.0%
General Inflation	0.0%
Income (excluding Car Parks)	3.0%

8.4.2 General inflation has again been held at zero; however where there are contracts in place, inflation at around RPI has been added. The pay award for 2019/20 has been included as a two year settlement was agreed for 2018/19.

8.4.3 In respect of interest rates, next year's budget reflects the likelihood that whilst base rate may remain low, borrowing for cashflow purposes will increase and the Council may begin to take out borrowing over a longer timeframe as a result.

8.5 **FURTHER ISSUES TO BE CONSIDERED**

8.5.1 Before the Council can finalise its revenue budget for next year there are a number of issues that require further consideration as follows: -

- Equality Impact Assessment
- New Homes Bonus
- Future spending pressures and review of the medium term financial planning process
- The level of reserves and balances

8.6 **EQUALITY IMPACT ASSESSMENT**

8.6.1 Equality Impact Assessments (EQIA) form part of the Council's decision making process and are a tool to help the Council identify what effect or possible effects its work may have on different groups of people. All local authorities have a legal responsibility to assess their policies and functions, and to set out how they will monitor any possible negative impact on equality target groups. The Council needs to consider the impact on equalities of all new and reviewed Council strategies, policies, projects, services or functions, budget decisions and restructures. By anticipating the consequences of its actions on equality groups the Council can make sure that, as far as possible, any negative consequences are eliminated, minimised or counterbalanced by other measures, and opportunities for promoting equality are maximised. As part of this process any revenue savings proposals are assessed for any potential equality issues and EQIA's are undertaken as appropriate with the results available on the council's web site.

8.7 **NEW HOMES BONUS**

8.7.1 The Government have deferred any further changes to the New Homes Bonus in 2019/20. As members will remember the Government has removed £800 million from New Homes Bonus in order to fund Adult Social Care and completed the reduction to four years payment in 2018-19. Additionally, no payment has been made on housing growth below 0.4%. This has resulted in Exeter being awarded £2.518 million for 2019-20.

- 8.7.2 To date the Council has received New Homes Bonus of £20.644 million over the period 2011/12 to 2018/19 and has been notified that it will receive a further £2.518 million in 2019/20. The methodology for using the New Homes Bonus has the following impact:-

Year	Top Slice (revenue)	Community Projects	Major Projects /Debt Reduction	Unused / Projects	Revenue	Total
	£000's	£000's	£000's	£000's	£000's	£000's
2011/12	-	-	-	389	-	389
2012/13	120	361	601	241	-	1,323
2013/14	120	286	1,757	42	-	2,205
2014/15	120	286	2,372	-	-	2,778
2015/16	120	286	3,123	-	-	3,529
2016/17	159	150	2,000	923	1,000	4,232
2017/18	164	150	1,500	783	1,000	3,597
2018/19	164	150	1,150	127	1,000	2,591
2019/20	25	150	1,000	149	1,194	2,518
Total	992	1,819	13,503	2,654	4,194	23,162

8.8 REVISED MEDIUM TERM REVENUE PLAN (APPENDIX 3)

- 8.8.1 An updated Medium Term Financial Plan (MTFP) is set out in Appendix 3. The MTFP currently indicates that significant reductions are required in 2020-21. The reductions required total £2.4 million and partly result from a reset of the business rates, which will mean that all the growth that Exeter has benefitted from in its business rates baseline will be redistributed and is intended to coincide with the introduction of the new formula resulting from the fair funding review currently being undertaken and the move to 75% business rates retention.
- 8.8.2 The amount of savings required in 2020-21 could vary significantly based on the results of the fair funding review and any changes to the distribution of growth introduced in the move to 75% business rates retention. Additionally there are further uncertainties and factors that could affect the future financial position. These include: potential costs arising from the review of service plans, the cost of any new statutory functions, and additional borrowing and revenue costs in respect of any new capital programme commitments. Any additional revenue costs / reduced income streams that are not currently identified within the medium term financial plan will have to be met from further savings and will require careful consideration from members.

8.9 BALANCES AND RESERVES

- 8.9.1 The Council's current policy is such that the minimum level of the General Fund Balance will remain above £3 million. As the Council faces great uncertainty in the medium term over funding it is prudent to hold reserve levels at this level to offset sudden losses of income or unexpected expenditure. The latest estimated position of the General Fund Balance is that it will be £4.004 million as at 31 March 2020, equivalent to 28.1% of Exeter's net revenue budget. The Council's revised medium-term financial plan (Appendix 3) indicates that the General Fund Balance will increase slightly to £4.497 million by the end of 2022/23.

- 8.9.2 The Council also has other reserves that have been earmarked for specific purposes. The Council's proposed revenue budget for 2019/20 includes a net transfer from earmarked reserves of £643,000. This is broken down as shown below:-

Transfer (from)/ to reserves:

	2019/20 £'000
Transfers to Reserves	
New Homes Bonus	<u>2,518</u>
	2,518
Transfers from Reserves	
New Homes Bonus	(2,586)
Offset NNDR Deficit	(474)
Other	(45)
Sports	<u>(56)</u>
	(3,161)

8.10 REVENUE ESTIMATES 2019/20 (APPENDIX 4)

- 8.10.1 The Council's revenue estimates for next year are being considered during the current cycle of Scrutiny Committee meetings for the final budget report to the Executive on 12 February 2019. In total, Service Committee Expenditure for 2019/20 is £12,696,930 which is £278,520 higher than the current year.
- 8.10.2 In addition there are other items to take into account referred to as 'below the line' as they do not form part of the individual service controllable budgets. These include an estimate of £216,000 for net borrowing in respect of the overall cash balances, £1,738,020 towards repaying debt in respect of the Council's capital programme, New Homes Bonus grant and transfers in respect of balances and reserves. The Council's total General Fund Expenditure budget requirement for 2019/20 is planned to be £11,740,700, a reduction of £103,690 compared to 2018/19.
- 8.10.3 Attached at Appendix 5 is a breakdown of the movements for each management unit removing the amounts that have been removed or added, but that don't actually impact on the Council Tax. This is either because they have been transferred to / from another part of the budget or because there is a statutory override, which means that the costs are removed elsewhere in the budget.

8.11 COUNCIL TAX BUDGET REQUIREMENT 2019/20 (APPENDIX 6)

- 8.11.1 As stated above, the Government is setting the referendum trigger for District Councils at above £5 or 3%, whichever is higher. The budget has been set on the basis of a £5 increase, although this is ultimately a Member decision. It should be noted that in the Government spending calculations, they have assumed that all District Councils will raise their Council Tax by £5 and have set the spending reductions accordingly.
- 8.11.2 When all the Government Grant funding is taken into account the resultant net expenditure to be financed from council tax is £5,831,320 (as indicated in Appendix 4), an increase of £207,590 compared to 2018/19.
- 8.11.3 Each year the Council must estimate the likely surplus or deficit position on its Collection Fund and any such amounts must be taken into account when determining the band D Council Tax amount for 2019/20. For next year it is estimated that the collection fund will have a surplus (£96,331), which will be used to fund part of the expenditure to be financed from Council Tax.

8.11.4 After taking into account the surplus and the taxbase of 36,988, the proposed band D council tax for 2019/20 is £155.05, which means that the council tax would increase annually by £5.00 or 3.33%. An increase of 2.99% would reduce the Council Tax requirement by £18,994, which would have to be taken from reserves.

8.12 HOUSING REVENUE ACCOUNT (HRA) (APPENDIX 7 & 8)

8.12.1 Since April 2012, the Council's HRA is expected to be self-financing. Thus all income collected locally from rents, service charges and other sources are kept at a local level to deliver housing services to tenants and to maintain the housing stock.

8.12.2 Since April 2012 each local authority had a limit on the amount of borrowing it could have for the purposes of the HRA, called the 'debt cap'. For Exeter City Council, the debt cap was £57,882,413.

The HRA debt cap was formally removed on 29 October 2018, as a result local authorities are now able to borrow for housebuilding in accordance with the Prudential Code.

Officers are currently investigating sites for the development of new council housing in order to make use of this new flexibility and to contribute to local housing delivery.

8.12.3 With effect from 1st April 2016, the Welfare Reform and Work Act 2016 requires social housing landlords to reduce social housing rents by 1% a year for 4 years from a 2015/16 baseline.

The financial year 2019/20 represents the final year of implementing the 1% rent cut.

As previously reported, local authorities had previously been given assurance that rents would rise by Consumer Price Index inflation (CPI) + 1% for the ten years; 2015-16 to 2024-25. The statutory 1% rent cut has therefore significantly reduced the resources available to the HRA with approximately £7.9 million less rental income over the 4 year period compared to previous income projections.

For 2019-20 this will result in an average reduction of £0.75 per week, over 52 weeks, per property.

8.12.4 The proposed budgets for 2019-20 indicate that a total of £386,815 will need to be taken out of the HRA Working Balance in order to meet the budgeted deficit. The impact on the HRA Working Balance is set out below.

Movement on HRA Working Balance	£
Estimated HRA Working Balance, as at 1/4/19	6,344,212
Supplementary budget to be requested at 31/3/19	(200,000)
Budgeted Deficit for 2019-20	(386,815)
Balance resolved to be retained (HRA contingency)	(4,000,000)
Total Forecast Balance Available, as at 31/3/20	1,757,397

8.13 CAPITAL PROGRAMME RESOURCES (APPENDIX 9)

- 8.13.1 Historically, the annual capital programme was financed from Government allocated grants together with money from the Council's own capital receipts and capital reserves. However the funding from these sources has now reduced and as a result the Council has to use borrowing instead to fund a significant part of its proposed capital programme. This also has an ongoing impact on the Council's revenue budget. The Council must ensure that any borrowing decisions remain affordable and to this end, has to adopt a number of prudential indicators, which are set out in the Prudential Code for Capital Finance in Local Authorities developed by CIPFA. A separate report to this meeting of the Executive sets out the Council's Prudential Indicators for approval by members.
- 8.13.2 The following capital resources are available for General Fund (£7.253m) and Housing (£30.505m) in 2019/20. The Capital Programme totals £37.814 million in respect of the General Fund and £20.591 million for the HRA. The borrowing requirement for the General Fund is £25.161 million. Appendix 9 sets out the forecast use of the resources available for the General Fund and the Housing Revenue Account and the likely amounts of borrowing that will be necessary to fund the capital programme in the future.

8.14 GENERAL FUND CAPITAL PROGRAMME (APPENDIX 10)

- 8.14.1 The proposed capital programme is set out in Appendix 10. The programme for 2019/20 totals £37.814 million. The capital programme has been set out in line with the Council Purposes, in order to demonstrate how the Council's capital priorities help to contribute towards their achievement. Although a number of schemes contribute to the achievement of more than one vision theme, they have been placed under the theme to which it is considered the scheme contributes the most.

8.15 HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME (APPENDIX 10)

For 2019/20, the HRA medium term financial plan provides for a capital programme of £20.591 million. This comprises capital investment of £11.389 million for improvements to the Council's existing housing stock and £9.202 million towards the provision of new council homes.

In terms of investment in existing stock the proposed budgets for 2019/20 provide for the following:

- 245 kitchen replacements
- 245 bathroom replacements
- Refurbishment of 17 LAINGS properties
- 480 boiler replacements
- Year 2 of storage facility improvements in accordance with the Fire Safety Management Policy
- Refurbishment of Rennes House to commence following replacement of the lifts
- 200 properties to have window replacements
- Re-roofing to 142 houses

8.15.1 The HRA Capital Programme will be funded by:

HRA Capital Finance	£
Major Repairs Reserve	8,432,086
Revenue Contribution to Capital	2,500,000
Capital Receipts	4,030,000
Commutated sums	5,320,000
External contributions	308,424
Total HRA Capital Financing 2019/20	20,590,510

8.16 RISK ASSESSMENT

8.16.1 It has already been mentioned above in this report that our financial forecasts are based on a number of assumptions including the level of inflation, interest rates, income levels, support from the Government and general prevailing economic conditions. In addition there are a number of uncertainties that could affect the financial position either now or in the future. These include the level of future years' pension contributions, potential costs arising from the review of service plans, and the cost of any new statutory functions.

8.16.2 Although the Council faces risks from the assumptions and uncertainties outlined above these have been mitigated by the following:

- Adopting a prudent approach to financial forecasting which involves obtaining information from external professional sources
- Continuous monitoring and review of the key factors together with regular reports to Strategic Management and Members on any key issues
- Regular budget monitoring meetings with budget managers to ensure that budget pressures are identified at the earliest opportunity
- The adoption of robust financial management arrangements including option appraisal, risk assessment and financial monitoring
- Retaining a prudent level of reserves and balances

8.16.3 As part of the general budget-setting process the Council needs to also consider the risks inherent in the budgets set and the adequacy of the measures put in place to manage the potential risks.

8.17 STATEMENT OF THE ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

8.17.1 There is a requirement under Section 25 of the Local Government Act 2003 that requires the chief finance officer of a local authority to formally report to its members on the robustness of the estimates and the adequacy of its reserves when it is considering its budget and council tax.

- 8.17.2 I have already outlined above in this report the key assumptions that have been made in the budget proposals for next year including an assessment of the risks and mitigating factors. As the Chief Finance Officer for this Council I therefore consider that the budget estimates for 2019/20 that have been prepared are both robust and achievable.
- 8.17.3 The Council's current policy is such that the minimum level of the General Fund Balance will be £3 million. In the current financial climate, with uncertainty regarding the new financing of Local Government and taking into account the potential level of financial risk facing the Council in the medium term, it is proposed to maintain reserves at this level. The latest estimated position of the General Fund Balance is that it will be £3.754 million as at 31 March 2019, equivalent to 24.0% of Exeter's net revenue budget. The Council's current medium-term financial plan indicates that the General Fund Balance will increase consistently and be £4.497 million by the end of 2022/23, although further savings of £2.4 million are required to deliver this.
- 8.17.4 The Council's financial strategy recognises the need to maintain a General Fund Balance to provide stability for both medium and longer term planning and to provide a contingency against unforeseen events. In setting this minimum amount of £3 million the following have been taken into account: -
- The size of the authority;
 - The volatility of some income and expenditure budgets;
 - The risks faced by the Council with regard to funding unforeseen events;
 - The financial risks inherent in partnerships, outsourcing deals and as accountable body for external funding.
- 8.17.5 The Council's estimated revenue Reserves are as follows: -

<u>Earmarked</u>	31/03/2018 £'000	31/03/2019 £'000	31/03/2020 £'000
Total Earmarked Reserves	7,530	6,976	6,333
<u>Non-Earmarked</u>			
General Fund Balance	4,692	3,754	4,004

8.18 **PRECEPTS**

8.18.1 Devon County Council, the Office of the Police and Crime Commissioner Devon and Cornwall (OPCC Devon and Cornwall) and the Devon and Somerset Fire Authority will all precept separately upon the council tax payers in Exeter. The County Council, OPCC Devon and Cornwall and Devon & Somerset Fire Authority will meet on the 21st, 8th and 19th February respectively. The precepts will be tabled at the Council meeting for approval.

8.18.2

	2018/19	2019/20	Change	
	£	£	£	%
Devon County Council	1,246.41	x,xxx.xx	xx.xx	x.xx
DCC Adult Social Care	84.78	xx.xx	x.xx	x.xx
OPCC Devon and Cornwall	188.28	xxx.xx	xx.xx	x.xx
Devon and Somerset Fire Authority	84.01	xx.xx	x.xx	x.xx
Total Precept	1,603.48	x,xxx.xx	xx.xx	x.xx

8.19 **FINAL POSITION**

8.19.1 Based upon the recommendations above the aggregate requirements of Exeter City Council, Devon County Council, OPCC Devon and Cornwall and the Devon and Somerset Fire Authority will result in a council tax for the City of Exeter for 2019/20 of £x,xxx.xx per Band D property.

8.19.2 This is an overall increase of £xx.xx (x.xx%) on the amount of £1,753.53 levied for 2018/19.

8.19.3 The detailed figures are: -

Band	Exeter £	DCC £	Police £	Fire £	Total £
A	103.37	xxx.xx	xxx.xx	xx.xx	x,xxx.xx
B	120.59	xxx.xx	xxx.xx	xx.xx	x,xxx.xx
C	137.82	x,xxx.xx	xxx.xx	xx.xx	x,xxx.xx
D	155.05	x,xxx.xx	xxx.xx	xx.xx	x,xxx.xx
E	189.51	x,xxx.xx	xxx.xx	xx.xx	x,xxx.xx
F	223.96	x,xxx.xx	xxx.xx	xxx.xx	x,xxx.xx
G	258.42	x,xxx.xx	xxx.xx	xxx.xx	x,xxx.xx
H	310.10	x,xxx.xx	xxx.xx	xxx.xx	x,xxx.xx

9. How does the decision contribute to the Council's Corporate Plan?

9.1 The budget underpins the Corporate Plan by determining the amount of funds available to the Council to deliver its priorities.

10. What risks are there and how can they be reduced?

10.1 The key risks are set out in section 8.16 above

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, Economy safety and the environment?

11.1 Not applicable.

12. Are there any other options?

12.1 Not applicable.

Dave Hodgson, Chief Finance Officer

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

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FORMULA GRANT DECREASES - DEVON AUTHORITIES

Authority	Grant 2017/18 £m	Grant 2018/19 £m	Yearly Decrease %	Grant 2019/20 £m	Yearly Decrease %	Grant Decrease 2017/18 - 2019/20	
						£m	%
Devon	128.307	121.019	(5.7%)	101.542	(16.1%)	(26.765)	(20.9%)
Plymouth	77.535	72.436	(6.6%)	66.932	(7.6%)	(10.603)	(13.7%)
Torbay	44.576	41.612	(6.6%)	38.440	(7.6%)	(6.136)	(13.8%)
East Devon	3.024	2.873	(5.0%)	2.625	(8.6%)	(0.399)	(13.2%)
Exeter	5.177	4.842	(6.5%)	4.429	(8.5%)	(0.748)	(14.4%)
Mid Devon	2.564	2.683	4.6%	2.178	(18.8%)	(0.386)	(15.1%)
North Devon	3.622	3.571	(1.4%)	2.959	(17.1%)	(0.663)	(18.3%)
South Hams	2.046	2.182	6.6%	1.897	(13.1%)	(0.149)	(7.3%)
Teignbridge	4.016	3.685	(8.2%)	3.339	(9.4%)	(0.677)	(16.9%)
Torrige	2.939	3.110	5.8%	2.473	(20.5%)	(0.466)	(15.9%)
West Devon	1.762	1.958	11.1%	1.622	(17.2%)	(0.140)	(7.9%)

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REVENUE SPENDING POWER CHANGES - DEVON AUTHORITIES

Authority	Core Spending Power	Core Spending Power	Core Spending Power	Core Spending Power	Core Spending Power Change	
	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	£m	%
Devon	504.4	520.6	533.9	554.4	50.0	9.9%
Plymouth	187.1	191.0	186.5	198.4	11.3	6.0%
Torbay	110.1	113.3	115.1	119.1	9.0	8.2%
East Devon	15.5	15.5	15.1	15.3	(0.2)	(1.3%)
Exeter	15.1	14.1	13.0	12.8	(2.3)	(15.2%)
Mid Devon	10.6	10.1	9.5	9.8	(0.8)	(7.5%)
North Devon	11.3	10.7	10.9	11.0	(0.3)	(2.7%)
South Hams	10.7	9.7	9.3	9.9	(0.8)	(7.5%)
Teignbridge	15.9	15.2	14.4	14.5	(1.4)	(8.8%)
Torrige	9.3	8.7	8.3	8.1	(1.2)	(12.9%)
West Devon	8.6	7.5	7.2	7.4	(1.2)	(14.0%)

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MEDIUM TERM REVENUE PLAN (2015/16 - 2020/21)

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	
Resources							
Revenue Support Grant	1,320	0	365	0	0	0	
Business Rates Income (assumed by Government)	3,857	4,842	4,064	4,426	4,624	4,743	
Business Rates growth	2,000	2,115	1,709	0	0	0	
Business Rates pooling / pilot benefit	400	896	150	0	0	0	
NNDR Deficit to Cover	0	(790)	(474)	0	0	0	
CIL income	191	335	95	95	95	95	
New Homes Bonus	3,597	2,591	2,518	2,414	2,327	2,478	
Council Tax	5,338	5,624	5,831	5,979	6,228	6,480	
Likely resources	16,703	15,613	14,258	12,914	13,274	13,796	
Expenditure							
Service expenditure							
Committee expenditure base budget	12,549	12,852	12,975	12,697	10,522	10,486	
Inflation	110	500	602	300	300	300	
Potential increase in service costs	1,458	568	1,083	135	(43)	135	
Budgeted reductions	(1,265)	(945)	(1,963)				
	12,852	12,975	12,697	13,132	10,779	10,921	
Supplementary Budgets	1,463	1,923					
Net Interest	82	(140)	216	399	563	552	
Forecast Committee movements	(1,223)	589					
RCCO	917	150	0	0	0	0	
Repayment of debt	648	608	738	988	1,014	998	
Additional repayment of debt	117	1,000	1,000	1,000	1,000	1,000	
	14,856	17,105	14,651	15,519	13,356	13,471	
Other funding							
Contribution to/ (from) earmarked reserves	2,419	(554)	(643)	(95)	(4)	147	
Contribution to/ (from) balances - Other	(572)	(938)	250	100	215	178	
	1,847	(1,492)	(393)	5	211	325	
Reductions identified during 2016-17				0	0	0	
Further reductions required				(2,400)			(2,400)
Potential reductions identified				(210)	(293)		
Total Net Budget	16,703	15,613	14,258	12,914	13,274	13,796	

Total additional savings required by 2022/23 (2,400)

Opening General Fund Balance	5,264	4,692	3,754	4,004	4,104	4,319
Closing General Fund Balance	4,692	3,754	4,004	4,104	4,319	4,497
Balance as a percentage of budget	28.1%	24.0%	28.1%	31.8%	32.5%	32.6%

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	2018-19 Budget	2019-20 Budget	Change
	£	£	£
SCRUTINY - PEOPLE	2,935,040	3,456,890	521,850
SCRUTINY - PLACE	9,366,030	8,165,740	(1,200,290)
SCRUTINY - CORPORATE	7,396,760	6,949,230	(447,530)
less Notional capital charges	(6,722,380)	(5,874,930)	847,450
<u>Service Committee Net Expenditure</u>	12,975,450	12,696,930	(278,520)
Net Interest	100,000	216,000	116,000
New Homes Bonus	(2,590,900)	(2,517,780)	73,120
Revenue Contribution to Capital	150,000	0	(150,000)
Minimum Revenue Provision	1,720,160	1,738,020	17,860
<u>General Fund Expenditure</u>	12,354,710	12,133,170	(221,540)
Transfer To/(From) Working Balance	(82,320)	250,530	332,850
Transfer To/(From) Earmarked Reserves	(428,000)	(643,000)	(215,000)
<u>General Fund Net Expenditure</u>	11,844,390	11,740,700	(103,690)
Formula Grant	(4,841,660)	(4,429,000)	412,660
CIL Admin		(95,380)	(95,380)
Business Rates Growth	(1,379,000)	(1,385,000)	(6,000)
Council Tax	(5,623,730)	(5,831,320)	(207,590)
	0	0	0

Working Balance

March 2018

March 2019

3,015,615

3,266,145

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SCRUTINY COMMITTEE	BASE ESTIMATE 2018/2019	INFLATION	BUDGET ADDITIONS	BUDGET SAVINGS	TRANSFERS / ACCOUNTING CHANGES THAT DON'T IMPACT ON THE COUNCIL TAX	OTHER ADJUSTMENTS THAT DO IMPACT ON THE COUNCIL TAX	NEW ESTIMATE 2019/2020	EXPLANATION
PEOPLE								
81C2 HOUSING NEEDS	975,340	24,050	0	0	(1,540)	93,030	1,090,880	£48k pay increase due to revised pay scale, £45k expenditure funded from Devon Home Choice reserve
81C3 AFFORDABLE HOUSING DEVELOPMENT	91,270	4,130	0	0	(95,400)	0	0	Team transferred to 81C4, Private Sector Housing and 83B5, Planning Services
81C4 PRIVATE SECTOR HOUSING	116,030	1,390	0	0	85,100	(59,740)	142,780	(£15k) re extension of mandatory licensing and (£45k) Better Care Funding
81C5 SUNDRY LANDS MAINTENANCE	89,980	0	0	0	0	0	89,980	No changes
81E1 GF HOUSING - PROPERTY	235,530	13,000	0	0	0	(53,190)	195,340	Reflects planned handbacks of Private Sector Leased properties
86A1 REVENUE COLLECTION/BENEFITS	1,426,890	60,150	463,780	0	(41,900)	28,990	1,937,910	£475k HB adjustment, £29k removal of welfare reform dashboard, £14k removal of apprentice budget, £32k grant funded staff now permanent. Virement to Corporate 86B6 - additional IT spend. Other - pay increase due to revised pay scale
Net Cost	2,935,040	102,720	463,780	0	(53,740)	9,090	3,456,890	
PLACE								
81A1 ENVIRONMENTAL PROTECTION	288,580	5,460	0	(12,810)	7,250	51,890	340,370	Additional roles to meet licensing demand. Savings relates to Apprenticeship opportunities for own staff
81A3 LICENCING, FOOD, HEALTH & SAFETY	231,130	2,680	0	0	26,390	0	260,200	Community Safety Partnership post transferred here from 86B5
81A4 PUBLIC SAFETY	315,730	4,110	0	(92,810)	(860)	4,150	230,320	Provide Apprenticeship opportunities for own staff, £80k CCTV maintenance saving.
81A6 PARKS & GREEN SPACES	1,294,380	25,990	0	(12,810)	190,270	114,750	1,612,580	Budget transfer from 81B&C, £30k targeted premises saving removed. Saving relates to Apprenticeship opportunities for own staff.
81B2 BEREAVEMENT SERVICES	4,840	3,170	0	0	54,830	6,270	69,110	Budget transfer from 81B&C
81B&C BUSINESS & COMMERCIAL OPS	565,730	14,720	0	(40,000)	(526,810)	(13,640)	0	Budget transfer to 81A6, 81B2 & 83B4. £40k saving from closure of Development Team.
81D2 DOMESTIC REFUSE COLLECTION	2,081,240	53,420	0	(12,810)	(61,550)	(9,300)	2,051,000	Provide Apprenticeship opportunities for own staff.
81D4 STREET CLEANING	1,539,780	40,760	3,000	0	(6,880)	(54,850)	1,521,810	£50k overtime budget removed. £3k routine maintenance cost pressure.
81D5 PUBLIC CONVENIENCES	257,530	7,780	0	(65,000)	129,630	41,040	370,980	£30k Paris Street toilets not closed. Savings from proposed closures, subject to consultation; £45k staff costs, £10k electricity, £7k rates and £3k materials
81D6 CLEANSING CHARGEABLE SERVICES	(287,830)	(21,850)	0	0	(37,940)	27,050	(320,570)	Capital charges only
81D7 EXTON ROAD OVERHEADS AND FLEET	249,500	6,490	0	(15,000)	(240)	(34,900)	205,850	Savings mainly from cashable productivity gains reducing staffing needed. £15k saving in supplies & services
81D8 RECYCLING	109,690	40,260	0	0	(12,670)	(5,310)	131,970	No significant changes
83A2 TRANSPORTATION	21,000	0	0	(21,000)	0	0	0	Removal of grant issues and other initiatives.
83A3 PARKING SERVICES	(5,526,960)	59,400	0	(700,000)	(15,250)	92,740	(6,090,070)	£90k NNDR adjustment. £700k increase in charges at car parks
83A4 ECONOMIC DEVELOPMENT	387,300	7,990	0	(193,540)	0	38,420	240,170	New 'Building Exeter' post planned to become self-financing. Saving from reduced establishment by 5.5 FTEs
83A5 CULTURE	295,970	1,360	0	(120,000)	0	(4,690)	172,640	End of agreed funding for Respect Festival and Rugby 7s
83A6 TOURISM	356,855	5,420	0	0	(57,955)	0	304,320	Some 'Tourism' staff now part of "Communications" in 86A6 Comms below.
83A8 DISTRICT HIGHWAYS & FOOTPATHS	256,580	7,930	0	0	38,000	(3,500)	299,010	Capital charges only
83A9 BUILDING CONTROL	45,740	(2,290)	0	0	0	7,730	51,180	No significant changes
83B4 ENGINEERING/CONSTRUCTION SERVS	0	0	0	0	226,070	13,550	239,620	Budget transfer from 81B&C
83B5 PLANNING SERVICES	378,880	5,700	0	(6,960)	10,300	63,800	451,720	£64k CIL Community Infrastructure Levy. Saving relates to Apprenticeship opportunities being provided for own staff.
83B6 CONSERVATION	4,920	0	0	0	0	0	4,920	No changes
83B7 ARCHAEOLOGICAL FIELD UNIT	1,670	130	0	0	0	(260)	1,540	No significant changes
83B8 MAJOR PROJECTS	30,000	0	0	0	0	0	30,000	No changes

SCRUTINY COMMITTEE	BASE ESTIMATE 2018/2019	INFLATION	BUDGET ADDITIONS	BUDGET SAVINGS	TRANSFERS / ACCOUNTING CHANGES THAT DON'T IMPACT ON THE COUNCIL TAX	OTHER ADJUSTMENTS THAT DO IMPACT ON THE COUNCIL TAX	NEW ESTIMATE 2019/2020	EXPLANATION
83B9 MARKETS & HALLS	(459,365)	(15,810)	0	(12,800)	(10,370)	44,265	(454,080)	Mainly expected reduction in income from general trading conditions. Saving relates to Apprenticeship opportunities being provided for own staff.
83C1 WATERWAYS	188,750	2,110	0	(14,220)	90,030	22,760	289,430	Budget transfer from 81B&C. Saving relates to Apprenticeship opportunities being provided for own staff.
83C2 MUSEUM SERVICE	2,190,660	81,820	0	(87,560)	85,760	10,950	2,281,630	Apprenticeship opportunities being provided for own staff, vacancies held, £50k spread over supplies & services, £15k additional income.
83C3 LEISURE & SPORT	4,441,910	(4,650)	0	0	(985,740)	277,660	3,729,180	£278k Reduction in income from centre closures.
83C7 ACTIVE & HEALTHY PEOPLE	101,820	2,310	0	0	0	36,780	140,910	Increased resourcing, expected to be funded from grant carry-over.
Net Cost	9,366,030	334,410	3,000	(1,407,320)	(857,735)	727,355	8,165,740	
CORPORATE SERVICES								
83A1 CORPORATE PROPERTY - ESTATES	(2,701,900)	12,420	0	0	(2,440)	(4,500)	(2,696,420)	No significant changes
83C4 PROPERTIES	(23,850)	370	0	0	310	(5,420)	(28,590)	No significant changes
83C5 CORPORATE PROPERTY - ASSETS	1,088,770	11,070	0	0	(510)	18,870	1,118,200	No significant changes
83C6 CORPORATE PROPERTY - ENERGY	98,630	2,890	0	0	0	(3,910)	97,610	No significant changes
86A2 ELECTIONS & ELECTORAL REG	374,760	7,190	0	0	0	(9,460)	372,490	No significant changes
86A3 CORPORATE	(13,900)	(6,220)	0	(15,000)	0	1,000	(34,120)	Saving in external audit fee.
86A4 CIVIC CEREMONIALS	208,700	5,670	0	(5,000)	0	(2,280)	207,090	Savings from Mayor's expenses, twinning costs and civic gifts.
86A5 DEMOCRATIC REPRESENTATION	647,540	15,420	0	(73,000)	0	5,140	595,100	£39k staffing saving, £34k additional fees.
86A6 GRANTS/CENT SUPP/CONSULTATION	1,502,000	13,240	0	(398,960)	57,955	46,405	1,220,640	Supplementary budget approved during 18-19 for Comms restructuring. £290k reduction in grants paid out from General Fund to be replaced by a new scheme that brings together funding from multiple sources, apprenticeship saving, Policy Officer post removed, saving in marketing spend.
86A7 UNAPPORTIONABLE OVERHEADS	1,507,310	7,270	0	0	0	600	1,515,180	No significant changes
86B1 FINANCIAL SERVICES	520,200	14,620	0	(14,930)	0	46,370	566,260	Supplementary budget approved during 18-19 to meet growing demand. Savings relates to Apprenticeship opportunities being provided for own staff.
86B2 INTERNAL AUDIT	94,460	2,870	0	0	0	(400)	96,930	No significant changes
86B3 HUMAN RESOURCES	605,690	10,810	0	(14,220)	0	(1,620)	600,660	Provide Apprenticeship opportunities for own staff.
86B4 LEGAL SERVICES	202,790	12,120	0	(2,500)	0	2,940	215,350	Saving in Apprenticeships budget.
86B5 CORPORATE SUPPORT	753,030	30,250	0	(45,000)	(33,190)	(29,200)	675,890	Policy Officer posts restructured. Saving relates to letting out Civic Centre ground floor.
86B6 IT SERVICES	1,664,240	(830)	0	(50,000)	41,900	87,120	1,742,430	Mainly additional resources to allow for improvements in productivity. Savings relates to payments to Strata.
86B7 STRATEGIC MANAGEMENT	787,060	20,630	0	(97,000)	0	(48,890)	661,800	Deputy Chief Executive role deleted.
86B8 PROCUREMENT	81,230	5,460	0	0	0	(63,960)	22,730	Employed team appointed so external support is no longer required.
Net Cost	7,396,760	165,250	0	(715,610)	64,025	38,805	6,949,230	
TOTAL	19,697,830	602,380	466,780	(2,122,930)	(847,450)	775,250	18,571,860	

**EXETER CITY COUNCIL
2019/20 COUNCIL TAX - SUMMARY**

APPENDIX 6

	2018/19		2019/20	
Council Tax Base	36,547		36,988	
	Total Expenditure £	Band D Council Tax £	Total Expenditure £	Band D Council Tax £
General Fund Budget	5,623,730	153.88	5,831,320	157.65
Collection Fund (Council Tax) Surplus	(139,902)	(3.83)	(96,331)	(2.60)
TOTAL	5,483,828	150.05	5,734,989	155.05

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2019/20 HRA ESTIMATES

	2018/19 BUDGET £	2019/20 BUDGET £	CHANGE £
Management	4,919,655	5,307,265	387,610
Sundry Land Maintenance	684,890	759,610	74,720
Repair & Maintenance Programme	6,499,610	6,775,670	276,060
HRA SERVICE PROVISION EXPENDITURE	12,104,155	12,842,545	738,390
Revenue Contribution to Capital	7,196,550	2,500,000	(4,696,550)
Capital Charges	3,006,450	3,224,210	217,760
Net Interest	1,829,810	1,815,330	(14,480)
HRA EXPENDITURE	24,136,965	20,382,085	(3,754,880)
Dwelling Rents	(18,600,000)	(18,250,000)	350,000
Service Charges	(1,070,150)	(1,085,570)	(15,420)
Other	(704,670)	(659,700)	44,970
HRA NET EXPENDITURE	3,762,145	386,815	(3,375,330)
Transfer to / (from) HRA Working Balance	(3,762,145)	(386,815)	3,375,330
TOTAL NET HRA BUDGET	0	0	0

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MEDIUM TERM REVENUE PLAN - HOUSING REVENUE ACCOUNT (2018/19 - 2022/23)

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Resources					
Rents	18,530	18,435	18,250	18,925	19,625
1% Rent reduction	-	(185)	-	-	-
Service Charges	1,070	1,054	1,086	1,102	1,119
Other	693	719	660	682	705
Garage rent reduction - following site disposals		(62)	-	-	-
Inflation on income		35	713	739	766
Likely resources	20,293	19,996	20,709	21,448	22,215
Expenditure					
HRA expenditure base budget	11,382	12,513	12,844	12,793	13,057
Inflation on expenditure	271	283	141	146	151
Supplementary budgets	335	200	-	-	-
Repairs & Maintenance Programme uplift	-	-	201	106	347
New non-recurring budgets	31	-	-	-	-
Remove non-recurring budgets	(65)	(22)	(443)	(57)	-
Spending Pressure - Tree Maintenance	70	70	50	70	60
Depreciation	3,180	3,224	3,224	3,224	3,224
Revenue Contribution to Capital Outlay	7,197	2,500	3,100	4,500	3,400
Net interest	1,760	1,815	1,815	1,900	1,950
	24,161	20,583	20,932	22,681	22,189
Other Funding					
Contribution to / (from) HRA Working Balance	(3,868)	(387)	(223)	(1,233)	26
Contribution to / (from) HRA Working Balance - Supplementary budget		(200)			
Total Net budget	-	-	-	-	-
Opening HRA Working Balance	10,212	6,344	5,757	5,534	4,301
Closing HRA Working Balance	6,344	5,757	5,534	4,301	4,327

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GENERAL FUND AVAILABLE RESOURCES

GENERAL FUND	2018-19 £	2019-20 £	2020-21 £	2021-22 £	Future Years £	TOTAL £
CAPITAL RESOURCES AVAILABLE						
Capital Receipts Brought Forward	6,306,833					6,306,833
GF Capital Receipts	163,590	0	1,259,750	0	0	1,423,340
GF Ringfenced Capital Receipts	0	0	0	0	0	0
Revenue Contributions to Capital Outlay	0	284,920	0	0	0	284,920
Disabled Facility Grant	801,181	500,000	500,000	500,000	500,000	2,801,181
New Homes Bonus	198,069	1,000,000	1,000,000	1,000,000	1,000,000	4,198,069
Community Infrastructure Levy	1,903,193	4,667,620	254,679	0	0	6,825,492
Other - Grants/External Funding/Reserves/S106	515,839	800,480	0	0	0	1,316,319
Total Resources Available	9,888,705	7,253,020	3,014,429	1,500,000	1,500,000	23,156,154
GENERAL FUND CAPITAL PROGRAMME						
Capital Programme	16,225,060	37,813,870	16,546,510	1,217,900	1,053,900	72,857,240
Total General Fund	16,225,060	37,813,870	16,546,510	1,217,900	1,053,900	72,857,240

Financed by						
CIL	(1,903,190)	(4,667,620)	(254,679)	0	0	
NHB	(1,198,057)	(1,000,000)	(837,900)	(697,900)	(553,900)	
Conts / S106	(1,317,016)	(500,000)	(500,000)	(500,000)	(500,000)	
Capital Receipts	(3,956,757)	(381,820)	0	0	0	
RCCO	0	(125,000)	0	0	0	
Borrowing Requirement	7,850,040	31,139,430	14,953,931	20,000	0	

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HRA AVAILABLE RESOURCES

HOUSING REVENUE ACCOUNT	2018-19	2019-20	2020-21	2021-22	2022-23	TOTAL
	£	£	£	£	£	£
CAPITAL RESOURCES AVAILABLE						
Usable Receipts Brought Forward						7,704,749
Major Repairs Reserve Brought Forward						11,169,004
Other HRA Sales	1,904,500	150,000	0	0	0	2,054,500
RTB sales	1,306,552	650,000	500,000	500,000	400,000	3,356,552
Surrender back to DCLG - pending investment in replacement affordable housing	0	(965,712)	0	0	0	(965,712)
Major Repairs Reserve	3,180,337	3,224,210	3,224,210	3,224,210	3,224,210	16,077,177
Revenue Contributions to Capital	7,196,555	2,500,000	3,100,000	4,500,000	3,400,000	20,696,555
External contributions	284,000	308,424	0	0	0	592,424
Grant funding - Estate Regeneration Funding	756,257	0	0	0	0	756,257
Grant funding - Zero Energy Buildings Project	216,000	0	0	0	0	216,000
Commuted sums	471,107	5,320,000	949,432	0	0	6,740,539
Total Resources available	15,315,308	11,186,922	7,773,642	8,224,210	7,024,210	68,398,045
CAPITAL PROGRAMME						
HRA Capital Programme	14,871,217	20,590,510	12,419,250	10,368,585	8,895,408	67,144,970
Total Housing Revenue Account	14,871,217	20,590,510	12,419,250	10,368,585	8,895,408	67,144,970
UNCOMMITTED CAPITAL RESOURCES:						
Usable Receipts Brought Forward	7,704,749	8,760,801	4,565,089	2,615,089	2,365,089	7,704,749
Major Repairs Reserve Brought Forward	11,169,004	10,557,043	5,349,167	2,653,559	759,184	11,169,004
Resources in Year	15,315,308	11,186,922	7,773,642	8,224,210	7,024,210	49,524,292
Less Estimated Spend	(14,871,217)	(20,590,510)	(12,419,250)	(10,368,585)	(8,895,408)	(67,144,970)
Uncommitted Capital Resources	19,317,844	9,914,256	5,268,648	3,124,273	1,253,075	1,253,075
WORKING BALANCE RESOURCES:						
Balance Brought Forward	10,212,244	6,344,212	5,757,397	5,534,683	4,301,654	10,212,244
HRA Balance Transfer - Surplus/(Deficit)	(3,868,032)	(386,815)	(222,714)	(1,233,029)	25,674	(5,684,916)
Supplementary budget to be requested		(200,000)				(200,000)
Balance Carried Forward	6,344,212	5,757,397	5,534,683	4,301,654	4,327,328	4,327,328
Balance Resolved to be Retained	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)
Uncommitted HRA Working Balance	2,344,212	1,757,397	1,534,683	301,654	327,328	327,328
TOTAL AVAILABLE CAPITAL RESOURCES	21,662,056	11,671,653	6,803,331	3,425,927	1,580,403	1,580,403

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GENERAL FUND - CAPITAL PROGRAMME 2019/20 AND FUTURE YEARS						
SCHEMES LISTED WITHIN COUNCIL PURPOSES	NEW BID	2019/20	2020/21	2021/22	Future Years	What the scheme is trying to achieve
		£	£	£	£	
PEOPLE						
<i>HELP ME FIND SOMEWHERE TO LIVE</i>						
Disabled Facility Grants		500,000	500,000	500,000	500,000	To meet the legal duty to pay grants to enable disabled people to remain in their homes.
Sub-Total - Help Me Find Somewhere Suitable to Live		500,000	500,000	500,000	500,000	
PEOPLE TOTAL		500,000	500,000	500,000	500,000	
PLACE						
<i>WELL RUN COUNCIL</i>						
Vehicle Replacement Programme		400,000	400,000	400,000	400,000	To ensure that the Council's vehicles are replaced so that a safe and reliable fleet is maintained.
Car Park Resurfacing, Lining & Boundary Improvements		200,000				To ensure income generating car parks are safe and welcoming to use.
Waste Infrastructure		163,000	144,000	144,000		To reduce on-street presentation of domestic and commercial rubbish. Infrastructure to consist of communal domestic waste collection points in selected streets, 'Recycle on the Go' bins in the city centre and communal trade waste facilities.
Sub Total - Well Run Council		763,000	544,000	544,000	400,000	
<i>IMPROVE THE ENVIRONMENT AND MY NEIGHBOURHOOD</i>						
Repair Canal Bank at M5		25,990				To re-strengthen and raise canal banks at this known vulnerable location.
Kings Arms Bridge		15,000				To replace the current Kings Arms Bridge which has declined in condition.
Bowling Green Marshes Coastal Defence Scheme		28,900				To repair the coastal defences to retain the level of protection to the freshwater marshes. The scheme is entirely funded by the Environment Agency.
Exeter Flood Alleviation Scheme		200,000				Approximately 30 to 40 properties in Exwick and Countess Wear that are not protected from the Environment Agency's main flood scheme will be offered property level protection. The scheme is entirely funded by the Environment Agency.

GENERAL FUND - CAPITAL PROGRAMME 2019/20 AND FUTURE YEARS						
SCHEMES LISTED WITHIN COUNCIL PURPOSES	NEW BID	2019/20	2020/21	2021/22	Future Years	What the scheme is trying to achieve
		£	£	£	£	
Replacement of Mallison Bridge (Exeter Quay)		300,000				The current bridge has been identified as requiring replacement by DCC engineers. Opportunity to replace with a flatter, wider, 'fit for use' bridge to cater for heavy use.
Parks Infrastructure		250,000	100,000			To ensure public safety in parks and open spaces. Works include resurfacing parking areas and repairs to steps, railings and gates.
Cemeteries & Churchyards Infrastructure Improvements		80,000	20,000	20,000		To provide adequate and safe access to graves. Works include improvements to path and road layout and surfacing improvements and provision of suitable parking.
Purchase of Harbour Patrol Vessel for Exe Estuary		50,000				Purchase of RHIB type vessel for Harbour Patrol purposes in order to comply with Port Marine Safety Code requirements to deter speeding and monitor the use of the Estuary as part of ECC's Safety Management System.
Repairs to Turf Lock Pier Head		100,000				Stabilisation work to Turf Lock Pier Head by providing rock protection on the seaward side and making good displaced masonry slabs in other areas.
Repair to Walls at Farm Hill		60,000				To ensure stability and integrity of structures.
Bank Repairs & Stabilisation to Watercourses		20,000	20,000			To ensure stability and integrity of watercourses at Pinhoe, Monkerton and Northbrook to prevent bank slips/blockages that could result in localised flooding in populated areas.
Sub Total - Improve the Environment & My Neighbourhood		1,129,890	140,000	20,000	0	
KEEP ME/MY ENVIRONMENT SAFE & HEALTHY						
City Wide Property Level Protection		30,000				To protect properties in Old Tiverton Road and Longbrook Street from flooding. The scheme will be funded by Devon County Council.
Sub Total - Keep Me/My Environment Safe & Healthy		30,000	0	0	0	

GENERAL FUND - CAPITAL PROGRAMME 2019/20 AND FUTURE YEARS						
SCHEMES LISTED WITHIN COUNCIL PURPOSES	NEW BID	2019/20	2020/21	2021/22	Future Years	What the scheme is trying to achieve
		£	£	£	£	
PROVIDE GREAT THINGS FOR ME TO SEE & DO						
Outdoor Leisure Facilities		80,000				To provide facilities at Omaha Drive.
Sports Facilities Refurbishment		56,430				To undertake replacement of plant and equipment within the leisure management contract.
Riverside Leisure Centre	NEW	4,400,000				To undertake essential repairs to the fabric of the building
Sub Total - Provide Great Things for Me to See, Do & Visit		4,536,430	0	0	0	
DELIVER GOOD DEVELOPMENT						
Leisure Complex - Build Project		26,017,300	12,167,690			To develop a new leisure complex and swimming pool on part of the bus station site to replace Pyramids.
Bus Station Construction		2,208,430	3,000,920			To redevelop Exeter's Bus and Coach Station.
Sub Total - Deliver Good Development		28,225,730	15,168,610	0	0	
PLACE TOTAL		34,685,050	15,852,610	564,000	400,000	
CORPORATE SERVICES						
WELL RUN COUNCIL						
Council Signage Improvement		40,000	40,000			A phased replacement of council signage across the city.
Annual Contribution to Strata		53,900	53,900	53,900	53,900	Contribution to Strata led projects
DR VDI Infrastructure	NEW	53,900				
ECC Cabinet & Network Replacement	NEW	125,000				
Street Scene and Other Asset Management	NEW	35,940				
Legal Case Management	NEW	23,360				
ECM - Scoping Exercise	NEW	17,970				
Cash and Income Management	NEW	28,750				

GENERAL FUND - CAPITAL PROGRAMME 2019/20 AND FUTURE YEARS						
SCHEMES LISTED WITHIN COUNCIL PURPOSES	NEW BID	2019/20	2020/21	2021/22	Future Years	What the scheme is trying to achieve
		£	£	£	£	
Loan to Exeter City Living Ltd		2,150,000				To provide the second loan payment to Exeter City Living in order to implement and complete the year one business case
Capitalised Staff Costs		100,000	100,000	100,000	100,000	To provide for the cost of certain Council employees, which will be directly involved in the construction or acquisition of assets and qualify as capital expenditure, including engineers and surveyors.
Sub Total - Well Run Council		2,628,820	193,900	153,900	153,900	
CORPORATE SERVICES TOTAL		2,628,820	193,900	153,900	153,900	
TOTAL CAPITAL PROGRAMME		37,813,870	16,546,510	1,217,900	1,053,900	
New Bids		4,684,920	0	0	0	
Pre-Approved		33,128,950	16,546,510	1,217,900	1,053,900	
TOTAL CAPITAL PROGRAMME		37,813,870	16,546,510	1,217,900	1,053,900	

HOUSING - CAPITAL PROGRAMME 2019/20 AND FUTURE YEARS

DESCRIPTION	2018/19 B/fwd	2019-20	2019-20	2018/19 B/fwd	2020-21	2020-21	2021-22	2022-23	Total
	£	£	Total £	£	£	Total £	£	£	£
INVESTMENT IN EXISTING STOCK									
1 Adaptations	75,000	517,500	592,500		560,820	560,820	560,810	560,000	2,274,130
2 Balcony Walkway Improvements	100,000	135,000	235,000		108,710	108,710	108,720	108,000	560,430
3 Bathroom Replacements (inc. Communal)		918,750	918,750		918,750	918,750	948,750	918,750	3,705,000
4 Boiler Replacement Programme & Central Heating		590,670	590,670		590,500	590,500	590,670	590,500	2,362,340
5 Common Area Footpath & Wall Improvements	100,000	59,360	159,360		95,800	95,800	132,300	159,370	546,830
6 Communal Area Improvements - New Flooring		97,890	97,890		73,840	73,840	49,790	73,840	295,360
7 Communal Door and Screen Replacements	100,000	108,060	208,060		208,070	208,070	185,130	208,070	809,330
8 Door Replacements (inc. Outbuildings)		172,490	172,490		213,490	213,490	213,490	231,000	830,470
9 Electrical Central Heating		15,000	15,000		15,000	15,000	15,760	15,000	60,760
10 Electrical Rewires - Communal		213,200	213,200		213,490	213,490	213,490	213,490	853,670
11 Electrical Rewires - Domestic		354,000	354,000		354,000	354,000	354,000	354,000	1,416,000
12 Energy Conservation	25,000	0	25,000	25,000	0	25,000	0	0	50,000
13 Estate Improvements		50,000	50,000		50,000	50,000	50,000	50,000	200,000
14 Fire Risk Assessment Works	150,000	65,200	215,200		344,830	344,830	344,830	344,830	1,249,690
15 Fire Safety Storage Facilities	90,000	150,000	240,000		150,000	150,000	150,000	150,000	690,000
16 Garage Upgrades		68,400	68,400		68,400	68,400	68,400	68,400	273,600
17 Kitchen Replacements (inc. Communal)		1,347,250	1,347,250		1,347,500	1,347,500	1,347,500	1,347,500	5,389,750
18 LAINGS Refurbishments		1,298,580	1,298,580		0	0	0	0	1,298,580
19 Loft and Cavity Insulation		52,690	52,690		52,690	52,690	52,690	52,690	210,760
20 Reroofing - Flats	81,820	177,590	259,410		250,000	250,000	250,000	250,000	1,009,410
21 Reroofing - Houses (outbuildings, chimney, gutters, downpipes, fascia)	98,180	1,043,610	1,141,790		1,141,790	1,141,790	1,141,790	1,054,500	4,479,870
22 Housing Management System		25,000	25,000		0	0	0	0	25,000
23 Porch Canopies		90,480	90,480		55,810	55,810	54,470	66,920	267,680
24 Rennes House Structural Works	490,000	1,510,000	2,000,000	1,500,000	500,000	2,000,000	1,485,275	0	5,485,275
25 Soil Vent Pipe Replacement	40,000	63,950	103,950		33,740	33,740	49,110	49,110	235,910
26 Structural Repairs		155,250	155,250		160,680	160,680	166,300	194,128	676,358
27 Window Replacements		758,750	758,750		758,750	758,750	785,310	785,310	3,088,120
Sub total - Investment in Existing Stock	1,350,000	10,038,670	11,388,670	1,525,000	8,266,660	9,791,660	9,318,585	7,845,408	38,344,323
PROVISION OF NEW COUNCIL HOMES									
28 Social Housing Acquisitions - Section 106	390,000		390,000		50,000	50,000	50,000	50,000	540,000
29 Social Housing Acquisitions - Open Market		1,000,000	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
30 St Loyes Extracare Scheme	(676,924)	8,488,764	7,811,840	1,400,000	177,590	1,577,590	0	0	9,389,430
Sub total - Investment in the Provision of New Homes	(286,924)	9,488,764	9,201,840	1,400,000	1,227,590	2,627,590	1,050,000	1,050,000	13,929,430
Total HRA Capital Programme	1,063,076	19,527,434	20,590,510	2,925,000	9,494,250	12,419,250	10,368,585	8,895,408	52,273,753

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REPORT TO: SCRUTINY COMMITTEE – CORPORATE
EXECUTIVE
COUNCIL

DATE OF MEETING: CORPORATE – 24 JANUARY 2019
EXECUTIVE – 12 FEBRUARY 2019
COUNCIL – 26 FEBRUARY 2019

REPORT OF: CHIEF FINANCE OFFICER
TITLE: TREASURY MANAGEMENT STRATEGY REPORT 2019/20

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To seek adoption by the Council of the Treasury Management Strategy Report, incorporating the Annual Investment Strategy 2019/20, as required under section 15(1)(a) of the Local Government Act 2003.

2. Recommendations:

That Scrutiny and Executive support and Executive recommend to Council the adoption of the new Treasury Management Strategy and delegations contained therein.

3. Reasons for the recommendation:

The Council adopted the CIPFA Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes, which requires the Council to approve a treasury management strategy before the start of each financial year.

In addition, the Ministry of Housing, Communities and Local Government (MHCLG) Guidance on Local Authority Investments requires the Council to approve an investment strategy before the start of each financial year.

The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments. Non-financial investments are covered in the Capital Strategy which is presented in a separate report to this Committee.

The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority’s treasury management strategy.

4. What are the resource implications including non financial resources

Treasury Management is carried out by the Finance team of the Council, with advice procured from a specialist advisor. Prudent Treasury Management supports the Council’s financial position by generating interest on investments / deposits and seeking to minimise the amount of interest paid on borrowing.

5. Section 151 Officer comments:

The strategy sets out the parameters under which the section 151 Officer and his team can operate. The Strategy aligns with the assumptions set out in the Council's MTFP and will enable good management of the Council's cash position throughout the year.

6. What are the legal aspects?

In February 2012 the Council adopted the updated *CIPFA Treasury Management in the Public Services: Code of Practice*, which requires the Council to approve a treasury management strategy before the start of each financial year. Adoption of the Code is required by regulations laid under the Local Government Act 2003.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer

8. Report Details:

Key issues to be considered

This is a statutory Strategy recommended for adoption by full Council. The key issues to be considered are:

- Investments in the CCLA – LAMIT fund have been made and details of the dividend yield are included in paragraph 3.2 of Appendix A attached to this report.
- Section 4.3 sets the limits on the value of investments to be held by any one institution and the type of institution that can be used.
- The maximum limit to be lent to any one organisation in respect of Property Funds was approved in December 2017, the maximum to be lent to any one organisation for this type of investment is £10m.
- All other limits on the value of investments to be held by one institution remains at £5m (other than the UK Government).
- Paragraph 3 of Appendix A attached to this report, sets out the current levels of borrowing and investments, along with the estimated changes and the financial impact for the year on both the General Fund and HRA.
- Sections 5 and 6 set out the planned strategy for the year, which Council must be satisfied meets their objectives and is in line with the level of risk they are comfortable to take.

9. How does the decision contribute to the Council's Corporate Plan?

Treasury Management supports the Council in generating additional funds for investing in Services, whilst minimising the amount of interest paid on borrowings. It does not in itself contribute to the Council's Corporate Plan.

10. What risks are there and how can they be reduced?

The investment limits are designed to reduce risk as far as possible, however with any investments there is a risk of default. The Council minimises this risk by keeping borrowing as low as possible and therefore the amount available for investment low. Investments tend to be in immediate access accounts, or short term (less than three months). The risk of keeping borrowing short term is that rates will rise causing the Council to lock into higher interest rates over the long term.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, Economy safety and the environment?

No impact.

12. Are there any other options?

No.

David Hodgson, Chief Finance Officer

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

Background papers used in compiling this report:

None

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APPENDIX A

EXETER CITY COUNCIL

TREASURY MANAGEMENT STRATEGY 2019/20

1. Introduction

- 1.1 The Council's strategy is based on the requirements of the MHCLG's Guidance on Local Government Investments ("Guidance") and CIPFA's Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes ("CIPFA TM Code").

2. Economic Context

- 2.1 **GLOBAL OUTLOOK.** World growth has been doing reasonably well, aided by strong growth in the US. However, US growth is likely to fall back in 2019 and, together with weakening economic activity in China, overall world growth is likely to weaken.

UK. The flow of positive economic statistics since the end of the first quarter this year has shown that pessimism was overdone about the poor growth in quarter 1 when adverse weather caused a temporary downward blip. Quarter 1 at 0.1% growth in GDP was followed by a return to 0.4% in quarter 2; quarter 3 is expected to be robust at around +0.6% but quarter 4 is expected to weaken from that level.

Inflation. The Consumer Price Index (CPI) measure of inflation has been falling from a peak of 3.1% in November 2017 to 2.4% in October. In the November Bank of England quarterly inflation report, inflation was forecast to still be marginally above its 2% inflation target two years ahead, (at about 2.1%), given a scenario of minimal increases in Bank Rate. This inflation forecast is likely to be amended upwards due to the Bank's inflation report being produced prior to the Chancellor's announcement of a significant fiscal stimulus in the Budget; this is likely to add 0.3% to GDP growth at a time when there is little spare capacity left in the economy, particularly of labour

2.2 Interest rate forecasts

The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives Link Asset Services forecast to March 2022.

Bank Rate															
	NOW	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Link Asset Services	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	1.75%	2.00%
5yr PWLB Rate															
	NOW	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Link Asset Services	1.70%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.50%	2.60%	2.70%	2.80%	2.80%
10yr PWLB Rate															
	NOW	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Link Asset Services	2.07%	2.30%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%
25yr PWLB Rate															
	NOW	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Link Asset Services	2.65%	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate															
	NOW	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Link Asset Services	2.50%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.40%

The flow of generally positive economic statistics after the quarter ended 30 June meant that it came as no surprise that the MPC came to a decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, from 0.5% to 0.75%. Growth has been healthy since that meeting, but is expected to weaken somewhat during the last quarter of 2018. At their November meeting, the MPC left Bank Rate unchanged, but expressed some concern at the Chancellor's fiscal stimulus in his Budget, which could increase inflationary pressures. However, it is unlikely that the MPC would increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. The next increase in Bank Rate is therefore forecast to be in May 2019, followed by increases in February and November 2020, before ending up at 2.0% in February 2022.

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

3. Current and Expected Treasury Portfolios

3.1 Investments

3.2 The Council's current investments as at 19 December 2018 was as follows:

Property Funds

Amount	Investment	Dividend Yield
5,000,000	CCLA - LAMIT Fund	4.27%

Note: Dividend yield as at 30 September 2018

Money Market Funds

Amount	Investment	Interest Rate
£5,000,000	Amundi Asset Management	0.75%
£5,000,000	Federated Investors	0.74%
£5,000,000	Aberdeen Standard Investments	0.74%
£1,000,000	Black Rock Asset Management	0.71%
£1,500,000	CCLA Public Sector Deposit Fund	0.74%

Fixed Term Deposits

Amount	Investment	Interest Rate	No of Days Invested	Maturity Date
£3,000,000	Eastleigh Borough Council	0.75%	97	19/02/2019
£5,000,000	London Borough of Southwark	0.95%	364	26/02/2019
£5,000,000	Blackpool Borough Council	0.81%	99	15/03/2019
£3,000,000	Salford City Council	0.78%	210	22/03/2019
£5,000,000	Slough Borough Council	0.60%	364	03/04/2019
£5,000,000	Surrey County Council	1.00%	182	03/06/2019
£3,000,000	Goldman Sachs	1.00%	182	19/06/2019
£3,000,000	North Ayrshire Council	0.70%	364	25/06/2019
£3,000,000	The City of Liverpool	0.85%	364	13/08/2019
£5,000,000	Dundee City Council	0.85%	364	21/08/2019
£3,000,000	Cambridgeshire County Council	1.15%	364	09/12/2019

3.3 Borrowings

The Council's short term borrowing is currently £10m.

Long term borrowing remains at £56.884m. Details of the loans are set out below.

Existing Loans

Amount	Lender	Interest rate	Date of repayment
£10,000,000	London Borough of Wandsworth	0.90%	05/12/2019
£56,884,000	PWLB	3.48%	28/03/2062

3.4 Expected changes

In July the Council approved the establishment of a Housing Development Company. The Council is expecting to borrow £2.2 million during this financial year over 25 years from the PWLB and will lend the money to the Company at a rate of 4.86%. It is expected that the transaction will take place in the near future.

The future cash flow forecast includes planned borrowing of £13 million as part of the 2019/20 capital programme. The decision of whether to take external long-term borrowing will be made in light of current and forecast interest rates and the decision is delegated to the section 151 Officer and Leader of the Council.

3.5 Budget implications

The net budget for interest payments in 2019/20 is £216,000 in respect of the General Fund. The HRA covers the interest costs relating to the long term borrowing of £56.9 million. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

4. **Investment Strategy**

4.1 The Council holds surplus funds, which represent income received in advance of expenditure plus balances and reserves held. Much of the Council's cash has been used to reduce the amount of debt taken on during the current financial year. Both the CIPFA Code and the MHCLG Guidance require the Council to invest its funds prudently, and to have regard to the **security** and **liquidity** of its investments before seeking the highest rate of return, or **yield**.

4.2 Specified Investments

Specified investments are those expected to offer relatively high security and liquidity, and can be entered into with the minimum of formalities. The MHCLG Guidance defines specified investments as those:

- denominated in pounds sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of "high credit quality".

- 4.3 The Council defines the following as being of “high credit quality” for making specified investments, subject to the monetary and time limits shown.

In-house investment	Monetary limit¹	Time limit
UK owned banks and building societies holding short-term credit ratings no lower than F1+ and P-1	£4m each	12 months
Foreign owned banks that deal in sterling holding short-term credit ratings no lower than F1+ and P-1	£3m each	9 months
UK owned banks and building societies holding short-term credit ratings no lower than F1 and P-1	£3m each	6 months
Money market funds ² and similar pooled vehicles holding the highest possible credit ratings (AAA)	£5m each	3 months
Property Funds	£10m each	3 months
UK Central Government	no limit	12 months
UK Local Authorities ³ Upper Tier Lower Tier	£5m each £3m each	12 months 12 months

¹ banks within the same group ownership are treated as one bank for limit purposes

² as defined in the Local Authorities (Capital Finance and Accounting) Regulations 2003

³ as defined in the Local Government Act 2003

- 4.4 The maximum that will be lent to any one organisation (other than the UK Government) will be £5 million, with the exception of Property Funds where the limit is £10m. For an individual bank, the limit is £4 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes.

4.5 Non specified Investments

- No non specified investments will be made by the Council.

4.6 Foreign countries

Investments in foreign countries will be limited to those that hold a AAA or AA+ sovereign credit rating from all three major credit rating agencies, and to a maximum of £3 million per country. Only banks that are domiciled in the UK but are owned in another country will be used and need to meet the rating criteria of and will count against the limit for both countries. There is no limit on investments in the UK.

4.7 Liquidity management

The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments.

Limits on long-term investments are set by reference to the Council’s medium term financial plan and cash flow forecast.

4.8 Credit ratings

The Council uses credit ratings from two main rating agencies Fitch Ratings Ltd and Moody's Investors Service to assess the risk of loss of investments. The lowest available credit rating will be used to determine credit quality.

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an institution has its credit rating downgraded so that it fails to meet the above criteria then:

- no new investments will be made,
- any existing investments that can be recalled at no cost will be recalled, and
- full consideration will be given to the recall of any other existing investments

Where a credit rating agency announces that it is actively reviewing an organisation's credit ratings with a view to downgrading it so that it is likely to fall below the above criteria, then no further investments will be made until the outcome of the review is announced.

4.9 Other information on the security of investments

Full regard will be given to other available information on the credit quality of banks and building societies, including credit default swap prices, financial statements and rating agency reports. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the above criteria.

4.10 Investment instruments

Investments may be made using any of the following instruments:

- interest paying bank accounts
- fixed term deposits
- call or notice deposits (where the Council can demand repayment)
- certificates of deposit
- treasury bills and gilts issued by the UK Government
- bonds issued by multilateral development banks
- shares in money market funds

5. Planned investment strategy for 2019/20 – In-House

5.1 The cash flow forecast will be used to divide surplus funds into three categories:

- Short-term – cash required to meet known cash outflows in the next month, plus a contingency to cover unexpected cash flows over the same period.
- Medium-term – cash required to manage the annual seasonal cash flow cycle, including amounts to cover forecast shortages, planned uses of reserves, and a longer-term contingency.
- Long-term – cash not required to meet cash flows, and used primarily to generate investment income.

5.2 The Council's in-house managed funds are based on the likely cash-flow position. Investments will be made to ensure that cash flow is protected and borrowing is minimised. However, on occasion, money has been invested for a longer period up to 364 days. These are funds which are not required for day-to-day cash management purposes.

5.3 The Council will seek to utilise its call accounts (which are linked to base rate), money market funds (Aberdeen, Blackrock, Federated, Amundi and CCLA) and use short-dated deposits to ensure liquidity of assets for day-to-day cashflow. Although these are essentially cash, a monetary limit in line with the banks credit rating is retained on the accounts. The Council will also make use of the Government's Debt Management Office to ensure the highest possible security for cash. Additionally, the Council will hold a balance on its general account to cover any payments due. On occasion, where significant payments are to be made, there may be in excess of £3 million in this account.

6. Borrowing Strategy

6.1 The Council's capital financing requirement (CFR, or underlying need to borrow) as at 31 March 2019 is expected to be £99.4 million, and is forecast to rise to £127.5 million by March 2020 as capital expenditure is incurred.

6.2 The maximum expected long-term borrowing requirement for 2019/20 is:

	£m
Borrowed in prior years	10.0
Not borrowed in previous years	32.5
Long term borrowing (HRA)	56.9
Forecast increase in CFR	28.1
TOTAL	127.5

6.3 The Council made a one-off payment on 28 March 2012, to buy itself out of the HRA subsidy system. The final settlement figure of £56.884 million was confirmed in February 2012. The amount was borrowed from the Public Works Loans Board over a 50 year period and is repayable on maturity at the end of the loan term. The interest rate was 3.48% fixed for the term of the loan.

6.4 To reduce risk and minimise cost on the General Fund, it has been decided to defer borrowing until later years, and to reduce the size of the Council's investment balance instead, however some targeted long term borrowing will be undertaken in 2019-20, where the costs will be offset against future income streams.

6.5 In addition, the Council will borrow for short periods of time (normally up to two years) to cover cash flow shortages.

Currently the Council has borrowing of £10 million, due for repayment on 5 December 2019.

6.6 Sources of borrowing

The approved sources of long-term and short-term borrowing will be:

- Public Works Loan Board
- any institution approved for investments above
- any other bank or building society on the Financial Services Authority list.

6.7 Debt instruments

Loans will be arranged by one of the following debt instruments:

- fixed term loans at fixed or variable rates of interest
- lender's option borrower's option (LOBO) loans.

As an alternative to borrowing loans, the Council may also finance capital expenditure and incur long-term liabilities by means of:

- leases
- Private Finance Initiative.

6.8 Borrowing strategy to be followed

With short-term interest rates currently much lower than long-term rates, it continues to be more cost effective in the short-term to not borrow and reduce the level of investments held instead, or to borrow short-term loans. However, with long-term rates forecast to rise in the coming years, any such short-term savings will need to be balanced against potential longer-term costs.

If required, the council may arrange forward starting loans during 2019/20, where the interest rate is fixed in advance, but the cash is received in a later period.

7. Policy on Use of Financial Derivatives

- 7.1 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans).
- 7.2 The Localism Bill 2011 includes a general power competence that removes the uncertain legal position over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The latest CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.
- 7.3 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 7.4 Derivative counterparties
Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 7.5 In reality, whilst the Council is required to include the above policy, the only type of transaction used is the forward deal, which means the Council agrees to borrow funds at a set price for a set period, in advance of the date the loan is actually taken. This is done to ensure the availability of funds at the time that they are needed.

8. Treasury Management Prudential Indicators

- 8.1 The Council sets each year, in February, prudential indicators for Treasury Management, to ensure that proper control of borrowing and investing is maintained. These indicators can be found in the Council's budget book.

9. Other Matters

- 9.1 The revised MHCLG Investment Guidance also requires the Council to approve the following matters each year as part of the investment strategy:
- 9.2 Investment consultants
The Council contracts with Link Asset Services to provide advice and information relating to its investment and borrowing activities. However, responsibility for final decision making remains with the Council and its officers. The services received include:
- advice and guidance on relevant policies, strategies and reports,
 - advice on investment decisions,
 - notification of credit ratings and changes,
 - other information on credit quality,
 - advice on debt management decisions,
 - accounting advice,
 - reports on treasury performance,
 - forecasts of interest rates, and

- training courses.

The quality of the advisory service is monitored by the Chief Finance Officer

9.3 Investment training

The needs of the Council's treasury management staff for training in investment management are assessed annually as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by Link Asset Services and CIPFA.

9.4 Investment of money borrowed in advance of need

The Council may, from time to time, borrow in advance of spending need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit. The maximum periods between borrowing and expenditure is expected to be two years, although the Council does not link particular loans with particular items of expenditure.

9.5 The Treasury Management Role of the Section 151 Officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe (say 20+ years – to be determined in accordance with local priorities.)
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority

- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following
 - Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
 - Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
 - Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
 - Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;
 - Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

10. Investment Reports

- 10.1 At the end of the financial year, the Council will prepare a report on its investment activity as part of its Annual Treasury Report. Progress will also be reported after six months of the financial year.

CHIEF FINANCE OFFICER
DECEMBER 2018

REPORT TO **CORPORATE SERVICES SCRUTINY COMMITTEE,
EXECUTIVE AND COUNCIL**

Date of Meeting: **Corporate Services Scrutiny Committee - 24 January 2019
Executive - 12 February 2019
Council - 26 February 2019**

Report of: **Chief Finance Officer**

Title: **The Prudential Code for Capital Finance in Local
Authorities (Incorporating the Annual Statement of
Minimum Revenue Provision)**

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To set out the proposed 2019/20 prudential indicators for capital finance for adoption by the Council and set the annual statement of Minimum Revenue Provision (MRP).

2. Recommendations:

It is recommended that Corporate Services Scrutiny Committee supports and the Executive recommends to Council to approve the adoption of:

- i. The Prudential Indicators set out in Appendix A-C
- ii. The Annual Statement of Minimum Revenue Provision for the Council

3. Reasons for the recommendation:

With effect from 1 April 2004, the Government abolished the capital finance legislation in Part 4 of the Local Government and Housing Act 1989 and the Local Authorities (Capital Finance) Regulations 1997 (Statutory Instrument 1997/319) and replaced it with a new Prudential system based on self-regulation. This means that Councils are free to borrow for capital investment where the borrowing is affordable.

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 came into force on 31 March 2008. The Regulations require Full Council to approve an Annual Statement of Minimum Revenue Provision which is the amount set aside from revenue for the repayment of debt principal relating to the General Fund only. The Housing Revenue Account remains exempt from making Minimum Revenue Provision although it can make voluntary set asides if it wishes.

The Prudential Indicators / MRP report will be incorporated within the Budget Book for approval at the full Council meeting as per the statutory requirement.

4. What are the resource implications including non financial resources

The financial resources required are set out in the body of this report.

5. Section 151 Officer comments:

The report is a statutory requirement that sets the repayment of debt policy and the prudential indicators. This includes the overall borrowing limits within which the section 151 Officer operates. These indicators align with both the proposed capital programme, the medium term financial plan and the potential new build within the HRA proposed after the lifting of the HRA borrowing cap.

6. What are the legal aspects?

With effect from 1 April 2004, the Government abolished the capital finance legislation in Part 4 of the Local Government and Housing Act 1989 and the Local Authorities (Capital Finance) Regulations 1997 (Statutory Instrument 1997/319) and replaced it with a new Prudential system based on self-regulation. More detailed information is set out in paragraph 3 above.

7. Monitoring Officer's comments:

When making a decision, councillors are reminded of the obligation to act reasonably and in accordance with the principals set down in the Wednesbury case. This means that councillors are required to take into account all relevant considerations and ignore any irrelevant considerations. Put simply, it would be unlawful for the Council to come to a view which is unreasonable in the sense that it is so irrational that no other reasonable authority could have reached it.

Members are under a duty to conduct administration in a business-like manner with reasonable care, skill and caution and with due regards to the council's rate payers. When discharging their duties councillors will need to consider the following:

- a. Prudent use of the council's resources;
- b. Financial prudence both long and short term;
- c. Striking a fair balance between the interest of the council tax payers on the one hand and the community interest and adequate and efficient services on the other hand;
- d. Acting in good faith with a view to complying with statutory duties and exercising its statutory powers for the benefit of the community.

8. Report Details:

PRUDENTIAL INDICATORS

- 8.1** The Prudential Code requires authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are being made with sufficient regard to the long run financing implications and potential risks to the authority. Effective financial planning, option appraisal, risk management and governance processes are essential in achieving a prudential approach to capital expenditure, investment and debt.

To demonstrate that local authorities have fulfilled these objectives, the Prudential Code sets out the indicators that must be used, and the factors that must be taken into account.

The proposed prudential indicators for the next three years are shown in Appendix A-C.

8.2 Key issues to consider

Appendix C summarises the prudential code indicators for the Council and of particular importance are:

- The Capital Financing Requirement - demonstrates the amount that the Council has an underlying need to borrow, regardless of whether that amount has actually been borrowed
- The Operational Boundary - this sets the amount of borrowing that the Council intends to keep within over the period covered by the indicators
- The Authorised Limit - the maximum that the Section 151 officer is allowed to borrow to cover the Operational Boundary and day to day cashflow needs. The Council is not allowed to exceed this amount of borrowing without first authorising an increase to the limit.

8.3

Lifting of the HRA Borrowing Cap

Since April 2012 each local authority had a limit on the amount of borrowing it could have for the purposes of the HRA, called the 'debt cap'. For Exeter City Council, the debt cap was £57,882,413.

The HRA debt cap was formally removed on 29 October 2018, as a result local authorities are now able to borrow for housebuilding in accordance with the Prudential Code.

Officers are currently investigating sites for the development of new council housing in order to make use of this new flexibility and to contribute to local housing delivery.

9. **ANNUAL STATEMENT OF MINIMUM REVENUE PROVISION**

The Regulations require that "a local authority shall determine for the current financial year an amount of minimum revenue provision which it considers to be prudent".

Minimum Revenue Provision (MRP) is an amount set aside from revenue to meet the repayment of debt principal. It is in effect a replacement for depreciation that you would normally expect to see within a Company's Accounts. Under the old Regulations this was 4% of principal outstanding for the General Fund and no requirement to set aside MRP in the Housing Revenue Account. In local government accounting depreciation is charged and then reversed out so it does not affect the level of Council Tax, however MRP is charged to the General Fund and therefore does affect levels of Council Tax.

The Secretary of State for Communities and Local Government has issued guidance under section 21(1A) of the Local Government Act 2003. This states that "the broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of the grant."

The guidance notes detail five options which the Secretary of State considers prudent. These are described in section 10 below:

- Regulatory Method;
- Capital Financing Requirement Method;
- Asset Life (Equal Instalment) Method;
- Asset Life (Annuity) Method; and
- Depreciation Method

Key issue to consider

Section 11 sets out the proposed policy for MRP, which matches the amount set aside against the useful life of the assets. The only exception to this is the writing off of historic debt which is being undertaken over 50 years.

10. MRP OPTIONS

Regulatory Method

MRP is equal to the amount determined in accordance with the former regulations 28 and 29 of the 2003 Regulations as if they had not been revoked. In effect this is 4% of the debt principal outstanding.

Capital Financing Requirement Method

MRP is equal to 4% of the non-housing Capital Financing Requirement, which is a Prudential Indicator.

Asset Life (Equal Instalment) Method

Where capital expenditure on an asset is financed wholly or partly by borrowing then MRP is determined by reference to the life of the asset and an equal amount charged in each year.

Asset Life (Annuity) Method

MRP is the principal element for the year of the annuity required to repay over the asset life the amount of capital expenditure financed by borrowing.

Depreciation Method

MRP is equal to the provision required in accordance with depreciation accounting in respect of the asset, including any amount of impairment chargeable to the Income and Expenditure Account. As standard depreciation rules are used where an asset is part financed by loan, e.g. 50% loan, 50% Capital Receipt, then the full 100% depreciation charge on the asset is required to be charged as MRP. MRP is required to be charged annually until the cumulative amount of the provision is equal to the original expenditure financed by borrowing. Should the asset be disposed of then the charge needs to continue as if the asset had not been disposed of unless the debt is repaid.

11. MINIMUM REVENUE PROVISION POLICY 2019/20

The Council's MRP policy is to match borrowing against specific capital investment and adopt either the Asset Life (Equal Instalment) or the Asset Life (Annuity) method for MRP. In this way the funding for the asset will be paid off over the useful life of that asset. This will ensure that loans are repaid over the asset life thus freeing financial resources for investment in other schemes or in asset renewal. They are also simple to operate and gives certainty in each year as to the level of charge for principal.

The other advantage is that it makes business cases and scheme appraisals easier to compile. As a general rule the Council will seek to borrow over the same period of the asset life up to a maximum of 50 years in line with the Regulations. The total capital financing requirement at the end of 2018/19 is likely to be approximately £99.4 m, some of which has financed redundancy payments and other shorter dated expenditure. Therefore MRP for 2019/20 will be calculated based on the capital financing requirement at the end of 2018/19 using the varying periods of repayment. The MRP charge for 2019/20 will be approximately £0.988 million. For the avoidance of doubt, it is proposed to use both options from 2016/17 onwards, depending on the asset being financed.

MRP Overpayments

A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in future years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2019 the total VRP overpayments were £5.602 million

- 12. How does the decision contribute to the Council's Corporate Plan?**
The Capital Programme contributes to all of the key purposes, as set out in the Corporate Plan.
- 13. What risks are there and how can they be reduced?**
Areas of budgetary risk are highlighted to committee as part of the quarterly budget monitoring updates.
- 14. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**
No impact
- 15. Are there any other options?**
No

Dave Hodgson, Chief Finance Officer

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

Background papers used in compiling this report:

1. The Prudential Code for Capital Finance in Local Authorities
2. The Prudential Code Guidance Notes

Contact for enquiries:

Democratic Services (Committees)

Room 2.3

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General Fund Prudential Indicator Calculations

The purpose of the prudential indicators is to demonstrate that the Council's financial plans meet the statutory requirement to be affordable, prudent and sustainable.

General Fund Capital Expenditure

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

Strategic Theme	2017/18 Actual £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
IMPROVE THE ENVIRONMENT AND MY NEIGHBOURHOOD	124	959	1,130	140	20
KEEP ME/MY ENVIRONMENT SAFE & HEALTHY	1,061	636	30	0	0
HELP ME FIND SOMEWHERE SUITABLE TO LIVE	959	1,183	500	500	500
WELL RUN COUNCIL	322	3,982	3,392	738	698
PROVIDE GREAT THINGS FOR ME TO SEE & DO	371	1,000	3,136	0	0
MAINTAIN THE ASSETS OF OUR CITY	10	4,089	0	0	0
DELIVER GOOD DEVELOPMENT	1,019	2,176	26,076	15,169	0
COMMERCIAL ACTIVITIES/NON-FINANCIAL INVESTMENTS*	200	2,200	2,150	0	0
Total General Fund Capital Expenditure	4,066	16,225	36,414	16,547	1,218

* Commercial activities/non-financial investments relate to areas such as capital expenditure on investment properties, loans to third parties etc.

General Fund Financing costs

The figures for the actual financing costs will be taken from the Council's financial statements using the definition of financing costs specified in the Prudential Code. Estimates for the current and future years should be calculated in a manner consistent with this definition.

Description	2017/18 Actual £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
Interest payable with respect to short term borrowing	118	105	241	324	410
Interest payable under 'irredeemable' long term liabilities	0	0	0	0	0
Interest and investment income	(215)	(230)	(200)	(200)	(200)
Replacement for Minimum Revenue Provision (England and Wales)	648	608	738	988	1,016
Voluntary contribution to financing costs in respect of short-life assets	117	1,000	1,000	1,000	1,000
Total General Fund Financing Costs	668	1,483	1,779	2,112	2,226

General Fund Estimates of the ratio of financing costs to net revenue stream

The net revenue stream is the estimate of the amounts to be met from government grants and local taxpayers. An important theme of the Code is transparency. For this reason the authority's calculation of the net revenue stream should be consistent with the figure that can be identified in the Income and Expenditure Account for 'Net Operating Expenditure'.

Description	2017/18 Actual £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
Financing costs	668	1,483	1,779	2,112	2,226
Net revenue stream	13,106	11,112	12,137	10,500	10,749
Ratio of financing costs to net revenue stream %	5.1%	13.3%	14.7%	20.1%	20.7%

General Fund Capital Financing Requirement

The Capital Financing Requirement will reflect the Council's underlying need to finance capital expenditure.

Actual General Fund Capital Financing Requirement at 31 March 2018

	£'000
Property, Plant and Equipment	146,165
Investment Properties	39,942
Heritage Assets	22,643
Intangible Assets / Other Long term Assets	4,185
Revaluation Reserve	(85,685)
Capital Adjustment Account	(97,057)
General Fund Capital Financing Requirement 31 March 2018	30,193

Estimated General Fund Capital Financing Requirement at 31 March 2019

Estimate of General Fund Capital Financing Requirement 31 March 2018	30,193
Estimate of change in Property, Plant and Equipment	0
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	11,325
Estimate of General Fund Capital Financing Requirement 31 March 2019	41,518

Estimated General Fund Capital Financing Requirement at 31 March 2020

Estimate of General Fund Capital Financing Requirement 31 March 2019	41,518
Estimate of change in Property, Plant and Equipment	0
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	28,093
Estimate of General Fund Capital Financing Requirement 31 March 2020	69,611

Estimated General Fund Capital Financing Requirement at 31 March 2021

Estimate of General Fund Capital Financing Requirement 31 March 2020	69,611
Estimate of change in Property, Plant and Equipment	0
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	4,958
Estimate of General Fund Capital Financing Requirement 31 March 2021	74,569

Estimated General Fund Capital Financing Requirement at 31 March 2022

Estimate of General Fund Capital Financing Requirement 31 March 2021	74,569
Estimate of change in Property, Plant and Equipment	0
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(1,297)
Estimate of General Fund Capital Financing Requirement 31 March 2022	73,272

HRA Prudential Indicator Calculations

Local authorities that have a Housing Revenue Account (HRA) are required to prepare separate calculations for their HRA and non-HRA elements.

HRA Capital Expenditure

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

Description	2017/18 Actual £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
MAINTAIN OUR PROPERTY ASSETS	3,264	9,215	11,389	9,792	9,319
HELP ME FIND SOMEWHERE SUITABLE TO LIVE	3,001	5,656	9,202	2,628	1,050
Total HRA Capital Expenditure	6,265	14,871	20,591	12,420	10,369

HRA Financing costs

Description	2017/18 Actual £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
Interest payable with respect to short term borrowing	0	0	0	0	0
Interest payable under 'irredeemable' long term liabilities	1,980	1,980	1,980	1,980	1,980
Interest and investment income	(227)	(220)	(165)	(165)	(80)
Voluntary Revenue Provision (England and Wales)	0	0	0	0	0
Voluntary contribution to financing costs in respect of short-life assets	0	0	0	0	0
Total HRA Financing Costs	1,753	1,760	1,815	1,815	1,900

HRA Estimates of the ratio of financing costs to net revenue stream

For the Housing Revenue Account the net revenue stream, for the purposes of the Code, is the amount to be met from rent income.

Description	2017/18 Actual £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
Financing costs	1,753	1,760	1,815	1,815	1,900
Net revenue stream	19,022	18,600	18,250	18,925	19,625
Ratio of financing costs to net revenue stream %	9.2	9.5	9.9	9.6	9.7
Negative for a debt free authority	%	%	%	%	%

HRA Capital Financing Requirement

The Capital Financing Requirement will reflect the Council's underlying need to finance capital expenditure.

Actual HRA Capital Financing Requirement at 31 March 2018

Description	£'000
Property, Plant and Equipment	267,953
Investment Properties	0
Revaluation Reserve	(66,512)
Capital Adjustment Account	(143,559)
Actual HRA Capital Financing Requirement 31 March 2018	57,882

Estimated HRA Capital Financing Requirement at 31 March 2019

Estimate of HRA Capital Financing Requirement 31 March 2018	57,882
Estimate of change in Property, Plant and Equipment	6,265
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(6,265)
Estimate of HRA Capital Financing Requirement 31 March 2019	57,882

Estimated HRA Capital Financing Requirement at 31 March 2020

Estimate of HRA Capital Financing Requirement 31 March 2019	57,882
Estimate of change in Property, Plant and Equipment	14,871
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(14,871)
Estimate of HRA Capital Financing Requirement 31 March 2020	57,882

Estimated HRA Capital Financing Requirement at 31 March 2021

Estimate of HRA Capital Financing Requirement 31 March 2020	57,882
Estimate of change in Property, Plant and Equipment	20,591
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(20,591)
Estimate of HRA Capital Financing Requirement 31 March 2021	57,882

Estimated HRA Capital Financing Requirement at 31 March 2022

Estimate of HRA Capital Financing Requirement 31 March 2021	57,882
Estimate of change in Property, Plant and Equipment	12,420
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(12,420)
Estimate of HRA Capital Financing Requirement 31 March 2022	57,882

Limit on indebtedness

The HRA borrowing cap was limited to £57,882k, but the cap was formally removed on 29 October 2018 so Local Authorities will now be able to borrow for housebuilding.

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Prudential Indicator CalculationsPRUDENTIAL INDICATORS OF AFFORDABILITYTotal Actual / Estimates of Capital Expenditure

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

Description	2017/18 Actual £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
Total General Fund Capital Expenditure	4,066	16,225	36,414	16,547	1,218
Total HRA Capital Expenditure	6,265	14,871	20,591	12,420	10,369
Total Actual / Estimates of Capital Expenditure	10,331	31,096	57,005	28,967	11,587

Total Actual / Estimates of Financing Costs

Description	2017/18 Actual £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
Total General Fund Financing Costs	668	1,483	1,779	2,112	2,226
Total HRA Financing Costs	1,753	1,760	1,815	1,815	1,900
Total Actual / Estimates of Financing Costs	2,421	3,243	3,594	3,927	4,126

Actual / Estimates of Ratio of Financing Costs to Net Revenue Stream

The net revenue stream is the estimate of the amounts to be met from government grants and local taxpayers, and for the Housing Revenue Account, is the estimate of the amounts to be met from rent income.

Description	2017/18 Actual £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
General Fund Ratio of Financing Costs to Net Revenue Stream	0.1	0.1	0.1	0.2	0.2
HRA Ratio of Financing Costs to Net Revenue Stream	9.2	9.5	9.9	9.6	9.7

Prudential Indicator CalculationsActual / Estimates of Capital Financing Requirement

The Capital Financing Requirement will reflect the Council's underlying need to finance capital expenditure.

Description	2017/18 Actual £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
General Fund Capital Financing Requirement	30,193	41,518	69,611	74,569	73,272
HRA Capital Financing Requirement	57,882	57,882	57,882	57,882	57,882
Total Actual / Estimates of Capital Financing Requirement	88,075	99,400	127,493	132,451	131,154

Authorised Limit

In England and Wales the prudential indicator for the Authorised Limit for external debt for the current year is the statutory limit determined under Section 3 (1) of the Local Government Act 2003: 'A local authority shall determine and keep under review how much money it can afford to borrow'

The Authorised Limit should not be set so high that it would never in any possible circumstances be breached. It should reflect a level of borrowing which, while not desired, could be afforded but may not be sustainable. The Authorised Limit must therefore be set to establish the outer boundary of the Council's borrowing, based on a realistic assessment of the risks.

Description	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
Borrowing	170,000	192,000	210,000
Other long term liabilities	0	0	0
Authorised Limit	170,000	192,000	210,000

Prudential Indicator Calculations**Operational Boundary**

The Operational Boundary is the focus of day-to-day treasury management activity within the authority. It is a means by which the authority manages its external debt to ensure that it remains within the self-imposed Authorised Limit. The Operational Boundary may be breached temporarily on occasions due to variations in cashflow. However, a sustained or regular trend above the Operational Boundary would be significant and should lead to further investigation.

Description	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
Borrowing	160,000	182,000	200,000
Other long term liabilities	0	0	0
Operational Boundary	160,000	182,000	200,000

The Authorised Limit and the Operational Boundary have been increased to include capacity to enable the establishment of a HRA development programme following removal of the debt cap.

Actual External Debt

The prudential indicator for actual external debt will not be directly comparable to the authorised limit and operational boundary, since the actual external debt will reflect the actual position at one point in time.

Description	2017/18 Actual £'000	To be repaid	
		within 12 months	after 12 months
Actual borrowing as at 31 March 2018	66,906	0	66,906
Actual long term liabilities as at 31 March 2018	0	0	0
Actual External Debt as at 31 March 2018	66,906	0	66,906

Prudential Indicator Calculations
PRUDENTIAL INDICATORS OF PRUDENCE

Gross Debt and Capital Financing Requirement

The Code makes it necessary, if a financial strategy is to be prudent, that it is one in which in the medium term gross debt is only used for capital purposes. In the Code this requirement is to be demonstrated through a comparison of gross debt with the Capital Financing Requirement.

Description	£'000
Total Capital Financing Requirement at 31 March 2018	88,075

2018/19 Estimated Change in Capital Financing Requirement	
Capital expenditure	31,096
Application of useable capital receipts	(2,372)
Application of capital grants/contributions	(15,791)
The replacement for MRP	(608)
Additional voluntary contributions	(1,000)
Total Estimated Change in Capital Financing Requirement 2018/19	11,325

2019/20 Estimated Change in Capital Financing Requirement	
Capital expenditure	57,005
Application of useable capital receipts	(8,996)
Application of capital grants/contributions	(18,178)
The replacement for MRP	(738)
Additional voluntary contributions	(1,000)
Total Estimated Change in Capital Financing Requirement 2019/20	28,093

Prudential Indicator Calculations

2020/21 Estimated Change in Capital Financing Requirement	
Capital expenditure	28,967
Application of useable capital receipts	(4,576)
Application of capital grants/contributions	(17,445)
The replacement for MRP	(988)
Additional voluntary contributions	(1,000)
Total Estimated Change in Capital Financing Requirement 2020/21	4,958

Capital Financing Requirement:	
Opening Balance 2017/18	88,075
Estimated Closing Balance 2020/21	132,451
This is an increase over the three years of	44,376

Operational Boundaries to Exposure to Interest Rate Risks

Interest rate risk management is a top priority for local authority management. The setting of upper limits has the effect of setting ranges within which the Council will limit its exposure to both fixed and variable interest rate movements.

Description	2018/19 £'000	2019/20 £'000	2020/21 £'000
Total projected interest payable on borrowing	2,221	2,304	2,390
Total projected interest receivable on investments	(365)	(365)	(280)
Net Interest	1,856	1,939	2,110
Upper limit - fixed rates = 100%	(365)	(365)	(280)
Upper limit - variable rates = 20%	(73)	(73)	(56)

This means that the Chief Finance Officer will manage fixed interest rate exposure within the range 0% to 100% and variable interest rate exposure within the range 0% to 20%

Prudential Indicator Calculations**Operational Boundary to the Exposure Inherent in the Maturity Structure of Borrowings**

This indicator is designed to be a control over the Council having a large concentration of fixed rate debt needing to be replaced at times of uncertainty over interest rates. The indicator is, in effect, a limit on longer term interest rate exposure and is set for the forthcoming year.

The analysis of borrowing by maturity used in the Code uses the same periods as that required in the local authority SORP.

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

Period	Upper Limit	Lower Limit
Under 12 months	100%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	20%	0%
5 years and within 10 years	20%	0%
10 years and above	100%	0%

Investments

Description	At 31/3/2017 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Long-term investments	5,855	5,855	5,855	5,855
Short-term investments	17,976	24,000	0	0
Cash and cash equivalents	22,666	12,000	5,000	5,000
Total Investments	46,497	41,855	10,855	10,855

REPORT TO EXECUTIVE

Date of Meeting: 12th February 2019

Report of: Director

Title: Draft Built Facilities, Playing Fields, Pitches, Play Areas, Parks and Open Spaces Report

Is this a Key Decision?

No

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function?

Executive

1. What is the report about?

1.1 The draft document appended to this report sets out proposals for how Council built facilities, playing fields, play areas and parks could be developed in future so that they can contribute to the strategic vision of Exeter becoming the most physically active city in England and encouraging those most at risk of inactivity to become active in everyday life.

2. Recommendations:

2.1 It is recommended that the Executive approves the draft strategy for public consultation with a final report to be presented to Council in July 2019.

3. Reasons for the recommendations:

3.1 This document brings together for the first time an integrated set of proposals for key Council owned assets. Traditionally these resources have all been considered separately and this document is a first attempt to draw them together as part of the Whole System Change Approach advocated by Sport England and proposed within the draft Exeter Live Better and Move More Physical Activity Strategy. There is a need for the Council to set out an integrated strategy for the future of built sports facilities, playing fields, pitches, play areas, parks and open spaces.

4. What are the resource implications including non-financial resources.

4.1 Officer time and funding will be required to undertake a public consultation and this will be met within existing resources

5. Section 151 Officer comments:

5.1 This report raises no immediate financial issues for the Section 151 officer, on the basis that the cost of undertaking a public consultation and associated officer time can be met from existing approved budgets.

5.2 However, the potential outcomes of an integrated strategy for the future of built sports facilities, playing fields, pitches, play areas, parks and open spaces could

have significant financial implications, which will require a thorough financial appraisal as and when detailed plans are available.

6. What are the legal aspects?

6.1 Please refer to paragraph 8.6 below.

7. Monitoring Officer's comments:

7.1 This report raises no issues for the Monitoring Officer.

8. Report details:

8.1 Delivery of sport and leisure facilities is a discretionary area for the Council however it is important that the draft Physical Activity Strategy and the Sport England Local Delivery Pilot are underpinned by a sustainable approach that provides good quality, accessible, community based built sports and leisure facilities and preserves and improves the city's pitches, playing fields, play areas, parks and open spaces.

8.2. With on-going funding cuts to Council there is a need to balance resident's expectations with the funding and resources available to the Council and to consult as openly as possible with the compromises and choices we have.

8.3. With the exception of the planned new build St Sidwell's Point Leisure Complex, there is aging and poor quality built estate which needs a strategic approach to determine areas for future investment that will best meet the needs of residents in the context of the overall resources available to the Council.

8.4. The Council needs to plan for and invest in local facilities in the context of developments within the Greater Exeter Strategic Partnership (GESP).

8.5. The growth in Play Areas across the city has largely been development-led as opposed to needs led resulting in an uneven distribution and increased and unsustainable repair and maintenance costs to the Council.

8.6. The Council has statutory duties as a local planning authority in line with National Planning Policy Framework (paras 73 & 74); for the provision and protection of sport, green spaces and recreation facilities. We are also required to publish an assessment of current and future needs for playing fields and pitches to inform, provide evidence for and make recommendations in relation to planning policies and delivery models.

8.7 The report provides a detailed rationale for proposals for consolidation and investment and requires formal consultation with communities, stakeholders, Sport National Governing Bodies and Sport England.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 The strategy will contribute to the 2018/21 Corporate Plan objectives of

1. Tackling congestion and accessibility
2. Promoting active & healthy lifestyles
3. Building great neighbourhoods
4. Providing value for money services

10. What risks are there and how can they be reduced?

10.1 None.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

11.1 The draft strategy for consultation proposes a consolidation and future investment plan that would see a step change in the range and quality of provision across the city. The proposals aim to intensify resources into localities of greatest need with the aim of achieving population level change that directly tackles entrenched inequalities. Successful implementation of the strategy would contribute to reducing inequality and promoting inclusion.

12. Are there any other options?

12.1 None considered at this time.

Director

Jo Yelland

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

Background papers used in compiling this report:-

1. Draft Built Facilities, Playing Fields, Pitches, Play Areas, Parks and Open Spaces
2. Exeter Live Better Move More Draft Physical Activity Strategy (Jan 2019)
3. Exeter Built Indoor Sports and Leisure Facilities Review October 2018
Max Associates
4. Exeter City Council Playing Pitch Strategy 2017 to 2026 Final Draft
February 2018 Continuum Sport and Leisure Ltd
5. Exeter Draft Play Report 2017

Contact for enquires:
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Exeter City Council
Draft Built Facilities, Playing Fields, Pitches, Play Areas,
Parks and Open Spaces
Report January 2019

This document sets out how our built facilities, playing fields, play areas and parks could be developed in future so that they can contribute to the strategic vision of Exeter becoming the most physically active city in England and encouraging those most at risk of inactivity to become active in everyday life.

The Council recognises and actively encourages the sporting excellence achieved by local clubs and individuals, not only is this good for the City in economic terms, but sporting excellence motivates people to take up sport and continue to participate at all levels. Increasing physical activity of all kinds, sustaining participation, and achieving wider health and social outcomes are the challenges we face locally and nationally and this is what the draft Physical Activity Strategy sets out to address.

The Council, along with the wider public sector, is facing continued challenges of austerity alongside growing demand, expectation and a widening inequality gap. Sport, leisure and recreation provision are discretionary areas for local authorities and it is a measure of the significance that this Council places on the health and wellbeing of citizens that there continues to be a range of sport, leisure and recreation provision from the Council.

Informal play provides the building blocks for families to be active, with our youngest residents expected to be active for 3 hours a day to realise the wide health, social and developmental benefits of physical activity. Community play areas and parks are pivotal in providing the places for families to meet, be active together, learn new skills and receive the wider wellbeing benefits of being outdoors.

This document supports the Council's 2018-2021 corporate plan ([Exeter Corporate Plan 2018-2021](#)) which describes the key priorities for the City Council and its three strategic programmes:

1. Tackling congestion and accessibility
2. Promoting active & healthy lifestyles
3. Building great neighbourhoods

The strategic aims of this report are aligned to those of the draft Physical Activity Strategy which are to:

- Improve population health and wellbeing
- Reduce health inequalities
- Promote community resourcefulness
- Increase active travel

The supporting pillars are set out below:



Traditionally these resources have all been considered separately and this document is a first attempt to draw them together as part of the Whole System Change Approach advocated by Sport England and proposed within the draft Physical Activity Strategy. There is a clear need for the Council to set out an integrated strategy for the future of built sports facilities, playing fields, pitches, play areas, parks and open spaces.

The main reasons for this are:

1. Delivery of sport and leisure facilities is a discretionary area for the Council however it is important that the draft Physical Activity Strategy and the Sport England Local Delivery Pilot are underpinned by a sustainable approach that provides good quality, accessible, community based built sports and leisure facilities and preservation and improvements in the city's pitches, playing fields, play areas, parks and open spaces.
2. With on-going funding cuts to Councils we need to balance resident's expectations with the funding and resources available to the Council and to consult as openly as possible with the compromises and choices we have.
3. With the exception of the planned new build St Sidwell's Point Leisure Complex, we have an aging and poor quality built estate which needs a strategic approach to determine areas for future investment that will best meet the needs of residents in the context of the overall resources available to the Council.
4. We need to plan for and invest in our local facilities in the context of developments within the Greater Exeter Strategic Partnership (GESP).
5. The growth in Play Areas across the city has largely been development-led as opposed to needs led resulting in an uneven distribution and increased and unsustainable repair and maintenance costs to the Council.
6. We have statutory duties as a local planning authority in line with *National Planning Policy Framework (paras73 & 74)*; for the provision and protection of sport, green spaces and recreation facilities. We are also required to publish an assessment of current and future needs for playing fields and pitches to inform, provide evidence for and make recommendations in relation to planning policies and delivery models.

National Planning Policy Framework (paras73 & 74)

"Access to high quality open spaces and opportunities for sport and recreation can make an important contribution to the health and well-being of communities. Planning policies should be based on robust and up to date assessments of the needs for open space, sports and recreation facilities and opportunities for new provision. The assessments should identify specific needs and quantitative or qualitative deficits or surpluses of open space, sports and recreational facilities in the local area. Information gained from the assessments should be used to determine what open space, sports and recreational provision is required. Existing open space, sports and recreational buildings and land, including playing fields, should not be built on unless:

- *An assessment has been undertaken which has clearly shown the open space, buildings or land to be surplus to requirements; or*
- *The loss resulting from the proposed development would be replaced by equivalent or better provision in terms of quantity and quality in a suitable location; or*
- *The development is for alternative sports and recreational provision, the needs for which clearly outweigh the loss."*

7. In planning terms, there are no specific requirements within legislation for the provision of play areas as part of a development, but guidance within the Exeter Local Plan (1995-2011 Section DG5), states: *"Family housing proposals should provide 10% of the gross development area as a level open space including equipped*

children's play space, unless there is open space and play provisions in the area which is well located and of sufficient size and quality to service the development".

As we embark on this exciting journey we have a lot to build on, important foundations are the sports and leisure facilities; playing fields and pitches; parks, play areas and open spaces that are owned and run by the Council as well as those that are provided by schools, clubs, colleges, university and private sector partners.

Strategic needs assessments and analysis of current facilities and future needs and demands have been undertaken by independent consultants to inform consultation with key communities, stakeholders; Sport England and Sporting National Governing Bodies.

1. Exeter Built Indoor Sports and Leisure Facilities Review October 2018 Max Associates
2. Exeter City Council Playing Pitch Strategy 2017 to 2026 Final Draft February 2018 Continuum Sport and Leisure Ltd
3. Exeter Draft Play Report 2017

These reports can be found on the Council website.

The purpose of this document is to set the framework for consultation with residents and key stakeholders on initial proposals, based on the recommendations in these reports, for how the Council will develop its existing resources, in partnership with others, to contribute to improving physical activity levels in the population. It describes high level proposals for making the best use of the existing Council assets taking into account future aspirations for the City.

It will form the basis of discussions with communities, and other stakeholders between February and April 2019 and the feedback will be reflected back in a clear strategy and delivery plan to be considered by the Council in July 2019.

2. Built Sports and Leisure Facilities

Proposals for the Council's future built sport and leisure facilities take into account the facilities we own and lease to others and are based on an independent report commissioned in 2018. With the construction of the new flagship St Sidwell's Point Leisure Complex underway the Council needs to set out sustainable plans for the development of other of leisure sites in the context of:

- understanding the key facility needs and demands within Exeter;
- planning for the replacement of ageing and in some cases poor quality leisure buildings;
- looking to the most effective ways to deliver future facilities;
- ensuring affordability and sustainability by maximising the income of future sites, and
- meeting the changing needs of Exeter's growing population.

2.1 Built Sports and Leisure Facilities Needs Assessment Summary

The Max Associates report concludes that the ability of the Council to provide quality leisure and sport facilities for communities in and across the city, in the face ongoing budgetary pressures is a significant challenge. Based on the needs analysis, the authors have concluded that, alongside the development of the St Sidwell's Point Leisure Complex to replace Pyramids, there is an opportunity to develop improved quality facilities across key sites in the City, potentially financed by the strategic development of the current sport and leisure estate.

2.2 These outline proposals provide a framework to enable Members to explore a strategy for the future which has the delivery of the new leisure complex at St Sidwell's Point at its centre. Whilst this reduces the number of sites, it enables the Council to improve the overall quality and offer of facilities and creates opportunities for Exeter Strategic Sports Board and other stakeholders, including local communities themselves, to collaborate to enhance our offer even further. There is a need to now consult with communities on these outline proposals and undertake a detailed financial assessment of the options.

2.3 It is clear that consumer choice and opportunities continue to widen as the supply of private sector provision of fitness facilities continues to grow, with the expectation that this will continue until the market is saturated. The Council's facilities offering operates within this context, and whilst suitable financial performance is essential in obtaining best value, it is clear that health and wellbeing, physical activity, social inclusion and sport as specific drivers all have a place in shaping our city- wide facility provision over the next decade.

2.4 The Council will need to replace outdated facilities and modernise and refurbish some sites to improve quality, accessibility and variety to support and encourage increasing participation particularly amongst inactive groups. Other sites may need to close and be sold to generate capital receipts for investment into Council priorities including leisure. A comprehensive investment strategy to support the proposals outlined will need to be developed and put in place.

2.5 The following table sets out the Max Associates recommendations for each site.

Site	Max Associates Recommendations
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Exeter Arena and ISCA Centre	<p>Redevelopment into a Community Sports Village to include:</p> <ul style="list-style-type: none"> • Community leisure centre with sprung sports hall and group exercise studios • 25m swimming pool (replacement for Northbrook pool) • Martial arts and boxing facilities (replacement for Northbrook gym), • Gymnastics centre and potential new home for Exeter Gymnastics Club. • Ski simulator/training centre and potential new home for Exeter Ski Club • Off road cycling track – for example this could be a free to use outdoor pump track that would attract young families and children to the site,
Rationale	<ul style="list-style-type: none"> • Located in an area with considerable housing development and identified unmet need for community leisure facilities. • Capacity of the site and multi-sport approach including existing Athletics Arena playing pitches, Skateboard Park and existing indoor bowling centre. • Attached car parking for improved accessibility to walking and cycling • Within current catchment for Northbrook Swimming Pool an ideal location for a replacement community pool. • Located in an area accessible to those priority groups and communities identified in the Draft Physical Activity Strategy
Wonford Sports Centre	<p>An innovative, new build integrated Community Health and Wellbeing Centre to replace the existing Wonford sports and community centres. This should be designed with the local community building on the aspirational proposals put forward in 2016 for an “Inclusive Hub”. This could include:</p> <ul style="list-style-type: none"> • Community leisure centre with sprung sports hall and group exercise studios and outdoor facilities. • Primary care centre in partnership with the local NHS. • Flexible community spaces linking indoor and outdoor spaces to promote healthy active lifestyles such as community kitchen, gardens and allotments. • Potentially part of a housing-led mixed use estates based development.
Rationale	<ul style="list-style-type: none"> • Wonford is a priority area for the Council with regards to health inequalities • Communities within Wonford are priority groups for the Sport England Local Delivery Pilot where efforts are needed to drive up physical activity and participation levels. • Strong community leadership and resourcefulness within the area. • Local GP involvement in Wellbeing Exeter (social prescribing and community building programme). • Capacity of the site and multi-sport approach including existing green space and playing pitches.
Riverside Leisure Centre and Swimming Pool	<p>This community swimming pool and leisure facility needs to be maintained to provide access on this side of the river. A rolling programme of refurbishment needs to be in place with a long term building replacement plan to ensure sustainability</p>
Rationale	<p>Considerable investment into the building infrastructure including new roofing is being undertaken as part of the refurbishment following the fire in 2017. Further investment is being made into areas such as the wet side changing village and with the introduction of virtual technology and additional studio/spin facilities to modernise the overall offer.</p>
Northbrook Pool	<p>Closure and removal from restrictive lease</p>
Rationale	<ul style="list-style-type: none"> • Dated and poor provision overall. • Pool facilities to be re-provided at Exeter Arena Community Sports Village • Boxing Club facilities to be incorporated in proposed new centre. • Removal from site would extract ECC from current restrictive lease and

	<p>liabilities on Northbrook Pool Site.</p> <p>Potential Closure Issues: Significantly outweighed by proposed new pool at the Arena site. As a Learn to Swim Centre the proximity of the Arena site and better access would be seen as a positive.</p>
Northbrook Golf	Closure and disposal of site
Rationale	<ul style="list-style-type: none"> • Limited value for wider strategic aims of the Council for participation and health given usage numbers and income. • The site has potential to generate a very positive capital receipt for the Council given its location that could be invested in council priorities including in other leisure sites. <p>Potential closure issues would need to be overcome with regard to the loss of green space and the loss of a sports facility.</p>

Table 1: Recommendation for Built Leisure Facilities
Source Max Associates October 2018

2.6 Built Sports and Leisure Facilities Priority Actions

Based on the conclusions and recommendations of the Max Associates report and initial consideration by officers, the following actions have been identified.

1. We will provide St Sidwell's Point Leisure Complex as a replacement for Pyramids Swimming and Leisure Centre. Construction work has now commenced and opening is planned for winter 2020/21.
2. We will close Northbrook Swimming Pool and re-provide at the Exeter Arena/ISCA site. We will dispose of the site in partnership with the trustees and we will consider closure and disposal of the Northbrook Gym and the re-provision of boxing facilities at Exeter Arena and ISCA site.
3. We will continue to refurbish the Riverside Swimming Pool and Leisure Centre, (most of this work is currently being addressed), and develop a long term building replacement plan.
4. We will close Northbrook Approach Golf Course and utilise sale proceeds for Council priorities including for new and improved sport and leisure facilities. We will seek to work with the Exeter Golf and Country Club to promote affordable membership costs for junior golf as part of their expansion plans, given the age profile of users at Northbrook Golf.
5. We will develop the Exeter Arena and ISCA site as a Community Sports Village to include a new community swimming pool with fitness and group exercise facilities alongside the existing athletics track and indoor bowls facility. We will consider additional facilities including:
 - Ski stimulator/training centre
 - Gymnastics centre with a potential lease/partnership with Exeter Gymnastics Club
 - Boxing and martial arts studio – flexible space that could be used by a variety of clubs
 - Off road cycling track – for example this could be a free to use outdoor pump track that would attract young families and children to the centre.
 - Beach volleyball court
 - New sports hall facilities to replace Clifton Hill Sports Centre sports hall.

- Commercial Leisure – possible options to include soft play, Junior Tag/Tag Active and tenpin bowling facility.

This mix of facilities, including both traditional and innovative facilities would make Exeter Arena a destination facility, with a focus on young people and family participation. There is activity to suit all age groups and abilities, from babies and toddlers using the pool or soft play to older people playing bowls. The space available on site and level of parking would be sufficient for this proposed facility mix.

We will work with Devon County Council to improve access to the site through walking and cycling and connecting new housing developments to the E4 Strategic Cycling route.

6. We will hold discussions with Exeter Ski Club to identify the type of skiing facilities required for skiing and a business case will need to be provided to ascertain sustainability of any new facility. Facilities for example could include a ski simulator to aid teaching for beginners based at Exeter Arena.
7. We will work with the local community and other stakeholders to create a flagship new build Community Health and Wellbeing Centre to replace the Wonford Sports and Community Centres. Wonford Green GP Practice are interested in working with the community and the Council and the facility could include a new primary care centre as part of a housing led mixed use development. The centre could also re-provide space for a community kitchen, gardens and café amongst a range of other community facilities.

As well as space for the re-provision of a four court sports hall as part of the facility mix, there is also the potential for squash court provision to replace those lost at Clifton Hill Sports Centre. These could be built as flexible spaces with a moveable wall to allow different activities and classes to be delivered in the space, including health related programmes. If squash is provided here it will not be required at Exeter Arena. The squash courts could also be used to deliver a mix of activities as part of broader health initiatives for target groups.

8. During the consultation phase we will work with stakeholders to produce shadow business plans for the two new centres. Ideally these would include a core mix of facilities plus variant options, for example at Exeter Arena the core facilities would include the pool, fitness and studios, athletics, indoor bowls, gymnastics and martial arts studio, with the pump track, beach volleyball and commercial leisure and community facilities as variant options.

3. Playing Fields and Pitches Needs Assessment

3.1 The Council commissioned a detailed needs assessment from Continuum Leisure, which was completed in 2018. This used the ten step approach recommended in the Sport England Playing Pitch Strategy Guidance (October 2013). It is based on data collected during 2016/7 from site visits and consultation with sports bodies, education providers and community sports clubs. This now needs updating which we will do during the consultation period.

3.2 The needs assessment:

- Identifies to what extent there is a need to continue to protect the city's overall supply of playing fields suitable for playing pitch-based outdoor sports.
- Highlights where there is a need to enhance the quality at several playing field sites as resources allow.
- Sets out an emerging need for increased provision to meet future demand as a result of planned housing growth.

3.3 The recommendations take into account council owned facilities, leases to others and those owned privately and by schools, colleges, university, clubs and Devon County Council.

3.4 The playing pitch needs forecast to 2026 based on the 2016/17 assessments are in this table:

Pitch Sport*	No of Secured Pitches	No. Required by 2026	Difference
Cricket	11	13	+2
Adult Football	25	27	+2
Youth Football	6	13 (mix of 9v9, 11v11)	+7
Mini Soccer	12	14 (mix of 5v5, 7v7)	+2
Adult/Youth Rugby	6	7/8	+1/2
Midi/Mini Rugby	3	6	+3
Hockey	8	8	0

**All hockey play takes place on Artificial Grass Pitches (AGPs). There is sufficient supply of hockey AGPs in the City (8 full size pitches) to meet forecast needs to 2026.*

*Table 3: Playing Pitch Needs Forecast
Continuum Leisure Report 2018*

3.5 The table below sets out the Continuum Leisure recommendations for capital enhancement works and/or new provision to meet identified needs to 2026

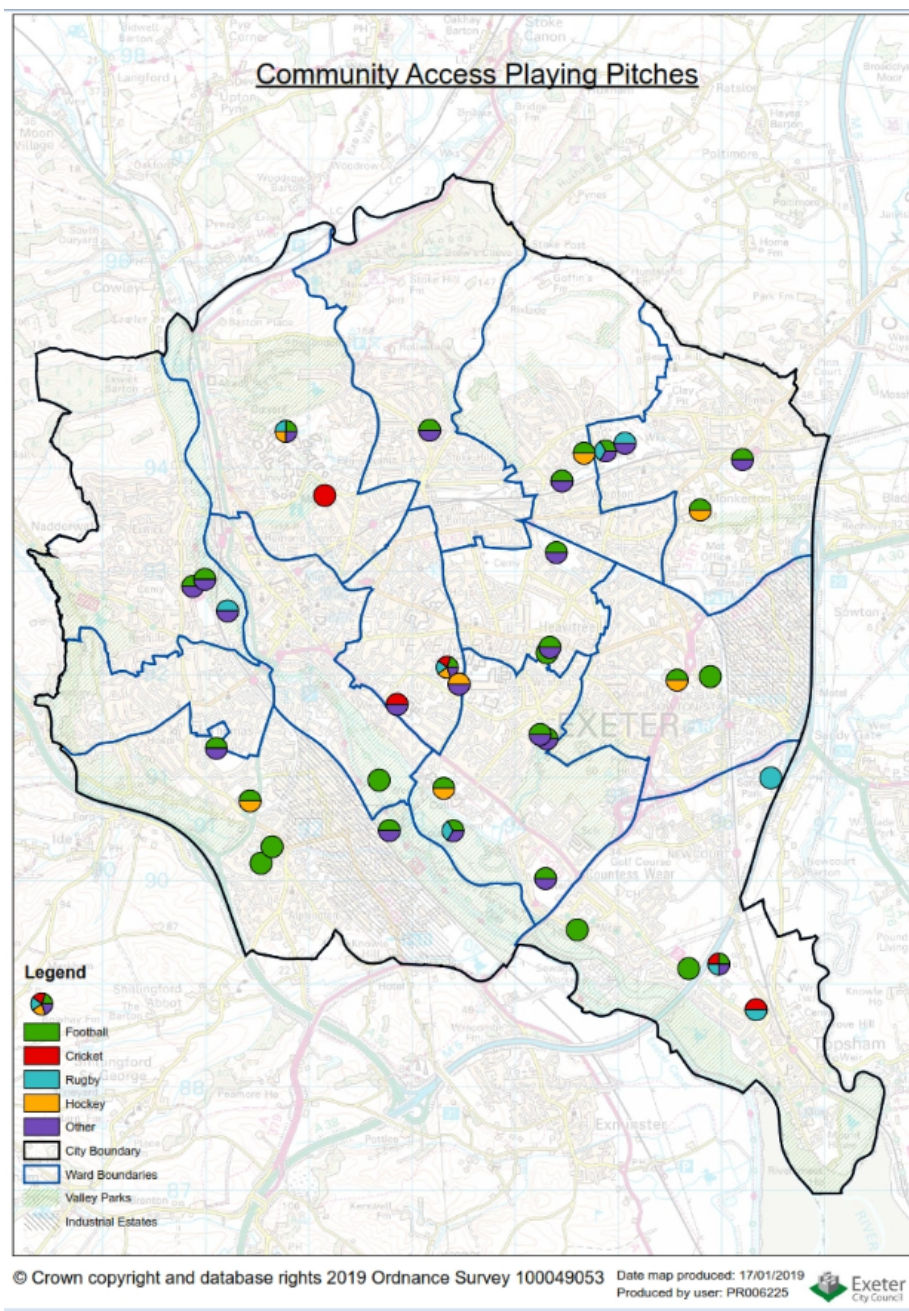
3.6 Where sites are not in City Council ownership or leased to third parties, implementation of the recommended actions will be subject to the cooperation of the owner/leaseholder. In addition, the actions will be subject to the necessary planning processes and to securing of the required funding, both for the initial capital development and ongoing cost of maintenance.

Sport	Site	Project	Lead Organisation
Cricket	Exwick Sports Hub: Exwick Playing Field	Complete reinstatement of Exwick CC pitch for 2019 season	Exeter College
Cricket	Cowick Barton, Bettysmead, KGV, & Bromhams Farm	Commission a study to assess which is suitable/the optimum for development as a Community Cricket Hub (football share)	ECB/Devon Cricket Board
Football		Enhance pitches and pavilions at these four key football sites as resources allow (to include reinstatement by EA of Bromhams Farm Playing Field as good youth pitches) and informed by the findings of the Community Cricket Hub options study (above) ECC to explore potential s106 funding support	Exeter City Council
Football	Exwick Sports Hub: former Civil Service Club	Complete provision of new 3G AGP to FA Register standard with secured community use from 2018 Reinstate youth pitch with secured community use (EA works)	Exeter College Exeter City Council
	New school - SW Exeter <i>(in Teigbridge Borough)</i>	Ensure provision of new 3G AGP is to FA Register standard with secured community use for Exeter-based football clubs	Devon County Council
	Wonford*	Reconfigure and enhance pitches as part of wider development plans for this area, including the leisure centre/sports village. Develop a master plan for the site which harmonises pitch provision with the preferred development option for Wonford Sports Centre within the Sports Facilities Strategy	Exeter City Council
	Station Road, Pinhoe	Reconfigure and enhance pitches and replace pavilion as part of wider development plans for this area	Exeter City Council
	Coronation Field, Topsham	Provide floodlights to stadium pitch (FA Step 6 standard)	Topsham FC
	Alphington Chronicles	Upgrade pavilion changing and toilet facilities	Sports & Social Club
Hockey	St Peter's; St Luke's; St James's; ISCA schools	Resurface the sand based AGP playing surfaces and replace goals as necessary	Devon County Council
Rugby	Bonfire Field Topsham	Provide additional training lights	Topsham RFC
	Exhibition Field**	Review asset transfer options, provide additional training lights	ECC/ Saracens RFC
	Topsham Sports Ground	Install floodlighting and provide new changing facilities. Subject to feasibility assessment, provide a 3G AGP to WR Register standard with community use	Exeter University/ RFU

		(potentially secured through RFU 'rugby share' investment)	
Other Pitch Sports	Grace Road	Reinstate playing field to good standard for community use for informal/unlicensed outdoor sport and recreation (EA works)	Exeter City Council
	Exwick Sports Hub: Flower Pot Playing Field	Assess feasibility of options to enhance pavilion and pitch quality for community rugby (including growth of Wessex RFC, TAG, Exeter Touch Rugby) and other sports (e.g. Ultimate)	Exeter College/ECC

* The pitches at Wonford may be impacted by options within the Sports Facilities Strategy site

**The Exhibition Field site may be impacted by the Sport Facilities Strategy, pitches could be displaced. Asset transfer could limit the ability of ECC to take up certain development options regarding a sports village



3.7 Play Pitch Priority Actions

Based on the conclusions and recommendations of the Continuum Leisure Report and initial consideration by officers, the following actions have been identified.

1. Update the Continuum Leisure Playing Pitch Report with Sport England, National Governing Bodies and local stakeholders. Convene a Playing Pitch Steering Group to meet annually to review progress and update the prioritisation of projects to reflect material changes in the picture of supply and demand and changing scenarios for playing pitches during the preceding 12 months
2. Ensure that the subsequent evidence base is used to inform planning applications that affect the use of playing fields and formal sports pitches and influence future planning policy through the developing Exeter Local Plan and Greater Exeter Strategic Plan.
3. Ensure that the subsequent evidence base is used to inform the priorities for investment from external funding agencies, and local authority budgets via Section 106 agreements and Community Infrastructure Levy (CIL).
4. Enhance the quality of playing fields as resources allow by supporting the improvement of, and investment into, outdoor pitch facilities and clubhouses/pavilions to promote multi-sport community use for a wide range of participation in activities, meetings and social events.
5. Take a Whole System Change approach to improve provision of playing pitch facilities for inactive populations in Exeter by identifying the potential for extended community use at stakeholder led sites, in particular facilities managed by schools and colleges.
6. Enhance the quality of playing of pitches by developing an annual investment plan, as resources allow, for the conversion of existing pitches into All Weather Pitches to increase community physical activity in priority target areas identified through the draft Physical Activity Strategy.
7. Review current asset management, maintenance regimes and pricing structures of all Council owned and leased pitches to promote community use and ensure alignment with other outdoor sports facilities in existing playing field sites, particularly bowls, tennis, cycling and street sports (e.g. skateboarding).
8. Develop a Community Asset Transfer policy and toolkit to support community organisations and groups to take ownership and responsibility for facilities where it makes sense to do so.
9. Develop a masterplan for key strategic sites at Wonford and Exeter Arena to ensure the formal playing pitch offer fits with the wider active environment of built leisure facility, parks & open space.

4. Community Play Areas

4.1 The Council is committed to ensuring its community play areas contribute to helping build a culture of families being active together and support children to lead happy, healthy lives. However with on-going austerity measures and reducing Council budgets we need to ensure there is a balanced portfolio of good quality play areas across the City.

4.2 In 2017 the Council commissioned an independent consultant, Bill Buckley to undertake a review to ensure that play areas can be managed effectively and are inclusive, safe and accessible for children, young people and families to enjoy playing and learning together

4.3 Community Play Areas Needs Assessment Summary

The Bill Buckley report explains that local play areas have almost doubled in the last 30 years with further increases forecast over the next 2 years and beyond. Whilst the drivers for increasing play provision in this way has some merit, most often this has been connected to new housing developments and not against any broader needs basis. In the context of council budget pressures, an increasingly ageing stock, and escalating maintenance costs, the current and continuing increase in numbers is unsustainable. The increasing requirement to safely manage and maintain such equipment, compounded by the recent move towards wood-based equipment which, particularly when mounted in the ground, has a shorter life span than that of steel equipment, places great strain on Council annual revenue budgets.

4.4 The national play categories used in Planning Guidance are based upon the Fields in Trust definitions. These are:

Local Areas for Play	aimed at very young children (not necessarily with equipment)
Locally Equipped Areas for Play	aimed at children who can go out to play independently
Neighbourhood Equipped Areas for Play	aimed at older children.

The Council uses a simplified categorisation tool:

Local Play Areas Equipment should be provided to cater for children of up to 6-7 years of age.	There should usually be an area up to 400m2 activity area, however, larger areas with limited play equipment provision can still be categorised as a Local Play Area. These areas will almost always be fenced off, a litter bin should always be provided, and in most cases seating as well.
Neighbourhood Play Areas Equipment should be provided to cater for children of up to at least 8 years old.	A minimum of 400m2 activity area must be provided. These areas must contain at least 5 types of play equipment, of which at least 2 items are individual pieces rather than part of a combined multi play unit.
Major Play Areas Equipment should be provided to cater for children of up to at least 12 years of age.	A minimum 1000m2 activity area must be provided. At least 5 items should encourage more adventurous play e.g. climbing, swinging, balancing, rotating or gliding (cableway), and at least 3 of these should be individual items and not part of combined multi play unit.

Strategic Play Areas	Strategic Play Areas will be sites within the ‘Major’ category that are of particular importance to a specific ward, an area, or the city as a whole. These sites will often have multi use games area facilities for ball games, and perhaps skate provision or other facilities for older children and teenagers.
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- 4.5 The Council currently maintains 83 equipped play areas, including other play related facilities such as water play, Multi-Use Games Areas (MUGAs), basketball hoops, kick-about goals and skate parks. These vary in size, age of equipment, and targeted age groups. The table below shows the breakdown of existing play areas in the City and those currently in the planning stages.

Exeter City Play Areas	2017	2018	2019	2020
Local Play Areas	25	27	29	32
Neighbourhood Play Areas	24	24	24	27
Major Play Areas	12	12	12	12
Strategic Play Areas	7	7	7	7
MUGA's	10	11	11	11
Skate Parks	5	5	5	5
TOTALS	83	86	88	94

*Table 3 – Breakdown of Play facilities within Exeter
Source Pay Area Report 2017*

- 4.6 The report proposed a new model based on a clear methodology for rationalisation and enhancement of play areas. Essentially this model proposes a rationalisation of play areas based on three criteria and the introduction of a new concept of the “Destination Play Park”. The proposed criteria for rationalising Play Areas are:

1. Proximity to local community, and to other play areas
2. Play value of the equipment, based on Fields in Trust criteria.
3. Designed lifespan & age groups

- 4.7 Further criteria for evaluating the play value of equipment used in the proposed model have followed guidelines from Fields in Trust and BS EN 1176 as close as reasonably possible. In coming to the recommendations for closure and enhancements each piece of equipment has been assessed against criteria including Agility, Balancing, Climbing, Dynamic Play, Educational Play, Imaginative Play, Sitting/Shelter, or Swinging etc. and each item of equipment is given a score per activity. This assessment has produced a relative score used to compare all Council play areas.

- 4.8 The report recommends introducing Destination Play Parks in the City. These provide for families with children of all age groups, encouraging family based visits, and a facility that will be more diverse in its provision of enjoyment and physical challenges. It would be suitably equipped to encourage regular usage throughout the year and offer outdoor activities which can last hours per visit. This can be further encouraged by providing facilities for parents / adults which cater for modern needs.

- 4.9 The provision of new Destination Play Parks would offer substantially improved play facilities for all ages and needs. By positioning these in locations as close as possible to the known areas of deprivation and ensuring good levels of cycle and walking

access these could act as a significant factor in changing activity behaviour patterns in the target communities set out in the draft Physical Activity Strategy.

- 4.10 Destination Play Parks also offer scope to introduce interests not normally associated with play in the traditional sense. Such as a focus on activities to help tackle childhood obesity, team sports, and springboard activities that lead into groups and team involvement and all-ability access.

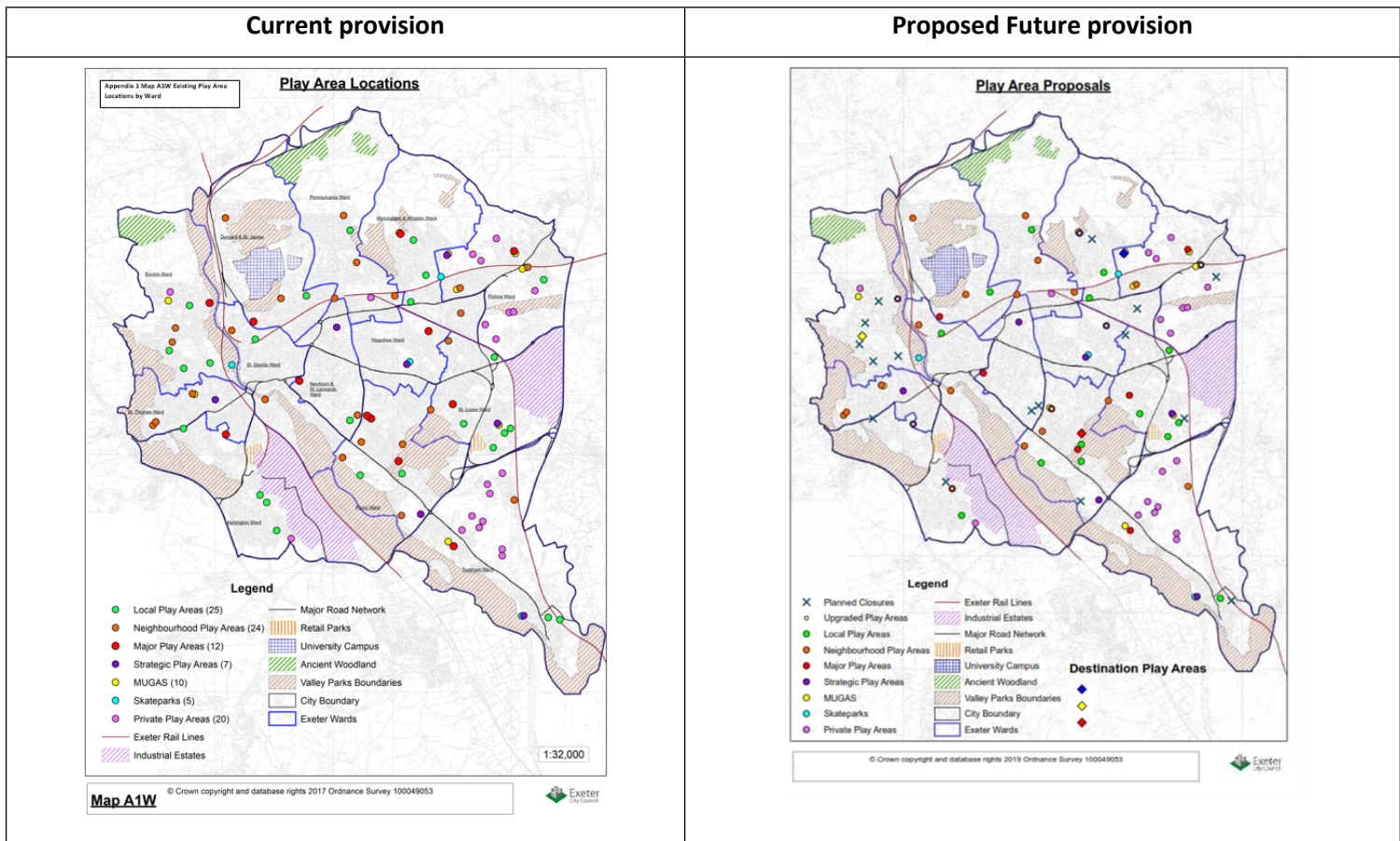


Destination Play Park Victoria Park Bath

- 4.11 The following table shows the proposed rationalisation of play areas over 5 years.

Exeter City Play Areas	2017/18	2018/19	2019/20	2020/21	2021/22
Local Play Areas	25	16	17	20	20
Neighbourhood Play Areas	24	19	20	21	21
Major Play Areas	12	8	8	8	8
Strategic Play Areas	7	13	13	12	11
MUGA's	10	11	11	12	12
Skate Parks	5	5	5	5	5
Destination Parks			1	2	3
TOTALS	83	73	75	80	80

*Table 4 – Proposed Rationalisation of Paly Areas
This takes into account additional new play areas due to be transferred to the council under existing S106 agreements
Source Pay Area Report 2017*



4.12 Play Area Priority Actions

Based on the conclusions and recommendations of the Bill Buckley Report and initial consideration by officers, the following actions have been identified.

1. Ensure that the evidence base and needs assessment is used to support future policy and practice to ensure that Local Play Areas secured by developments through Section 106 or other planning arrangements meet the long term needs of children, young people and families, with full consideration on access, location, design and sustainability within the designated development area.
2. Provide the evidence base to support future policy and practice to so that Community Infrastructure Levy (CIL) receipts are appropriately allocated to support the improvement and inclusivity of existing play areas, and the development of Destination Parks in priority areas across the city.
3. Protect and enhance the city's overall supply of community play areas suitable for play and social networking by promoting Active Design principles through the revised Exeter Local Plan and Greater Exeter Strategic Plan and subsidiary plans to promote the development of built environments that support and encourage active lifestyles.
4. Enhance the quality of community play areas as resources allow, ensuring effective and sustainable asset management programmes are in place by ensuring an evenly distributed model of play areas across the city.

5. When making changes invest in sustainable, equipment with optimal lifespan based on local community need: utilising the principles of good play design within an Exeter Play Design Guide, ensure that equipped play areas provide a significant play, social interaction and physical development outlook through the age ranges.
6. Rationalise existing provision by closing the 16 at risk play areas based on the criteria of health & safety condition and residual life expectancy recommended in the Play Area Report. These are:

Play Areas proposed for closure on	LIFE EXPECTANCY OF EQUIPMENT
Alphington Playing Field Play Area	IMMEDIATE
Greenway Play Area	IMMEDIATE
King George V Playing Field Play Area	IMMEDIATE
Lloyd's Crescent Play Area	IMMEDIATE
Tappers Close Play Area	IMMEDIATE
Addison Close Play Area	1-2 YEARS
Burrator Drive Play Area	1-2 YEARS
Gloucester Road Play Area	1-2 YEARS
Knights Crescent Play Area	1-2 YEARS
Monkerton Play Area	1-2 YEARS
Mulberry Close Play Area	1-2 YEARS
Fleming Way Play Area	2-3 YEARS
Lancelot Road Play Area	2-3 YEARS
Hacombe Close Play Area	3-5 YEARS
Gras Lawn Play Area	5-10 YEARS
Hylton Gardens Play Area	5-10 YEARS

7. Revitalise and/or upgrade 8 Local Play Areas to Strategic Play Area status based on local need. These are:
 1. Cemetery Field Play Area
 2. Cowick Barton Playing Field Play Area
 3. Exwick Station Road Play Area
 4. Georges Close Play Area
 5. Pendragon Road Play Area
 6. Pinhoe Station Road Play Area
 7. Powlesland Road Play Area
 8. Wyvern Park Play Area
8. In order to provide a balanced approach in term of:

- Equitable distribution across the city
- Close alignment to priority areas articulated in the Draft Physical Activity Strategy
- Land already owned by the council
- A suitable size for developing flagship play areas
- Strong existing and potential future walking and cycling links to enable accessibility

We propose to introduce 3 strategically located Destination Play Parks based on proximity and accessibility for communities with the greatest health needs in the following locations:

1. Arena Park (Pinhoe),
2. Wonford Playing Field (Priory),
3. Exwick/Cowick area: precise location to be determined.

When rationalising the exact number and location of play areas consideration will need to be given to matching public expectations and demands with future budgetary constraints. Where disused sites exist or evolve there is a potential for additional general public open space, which

could be offered as potential sites for development or new models of community managed use such as allotments, or community orchards.

5. Parks and Greenspaces

Public parks are in the main owned and managed by Local Authorities, providing publicly-accessible green space for recreation for the whole population. Today, as garden space for modern housing decreases, there is a greater need for recreational space for people to be outdoors and experience the positive mental and physical wellbeing benefits of parks and greenspaces. The Council's recreational greenspace land holdings have increased to around 177 Hectares. 13 acres of additional green space have been purchased by the Council in the last 18 months. This comprises of a wide range of land use definition, including formal parks, playing fields, allotments, woodlands and informal green space such as pocket parks.

5.1 Current objectives in the Exeter Local Plan (Section 7.0) are to:

- resolve any deficiencies in the quantity, quality and accessibility of sports, green spaces and recreation facilities;
- protect or enhance green space and recreation provision that is, or has the potential to be, of value to the community;
- locate green space, sports and recreation facilities where they are accessible by a choice of modes of transport and especially by foot, bicycle or public transport;
- provide good quality green space and built recreational facilities as an integral part of new or expanding communities;

5.2 In that context we wish to ensure our parks and greenspaces continue to provide a place for people to connect, enjoy the environment and lead active lifestyles through the broad range of free, informal and formal activities on offer. However the budget pressures facing the council in the short and medium term require us to look at innovative, collaborative and community led approaches to managing and developing our parks & greenspaces in the future. We have a wealth of community expertise, passion and drive within the city and some excellent current practice from which to learn and develop alternative models to improving our greenspace. Our parks and greenspaces provide a fundamental plank of our ambition to be an active city and contribute towards improved health and wellbeing of residents and communities across the city.

5.3 Our current intelligence and mapping identifies the following council owned sites:

- 12 formal parks,
- 9 playing fields,
- 26 allotment sites (1500 plots),
- 39 Hectares of woodland
- Play Areas (see above and other local greenspace)

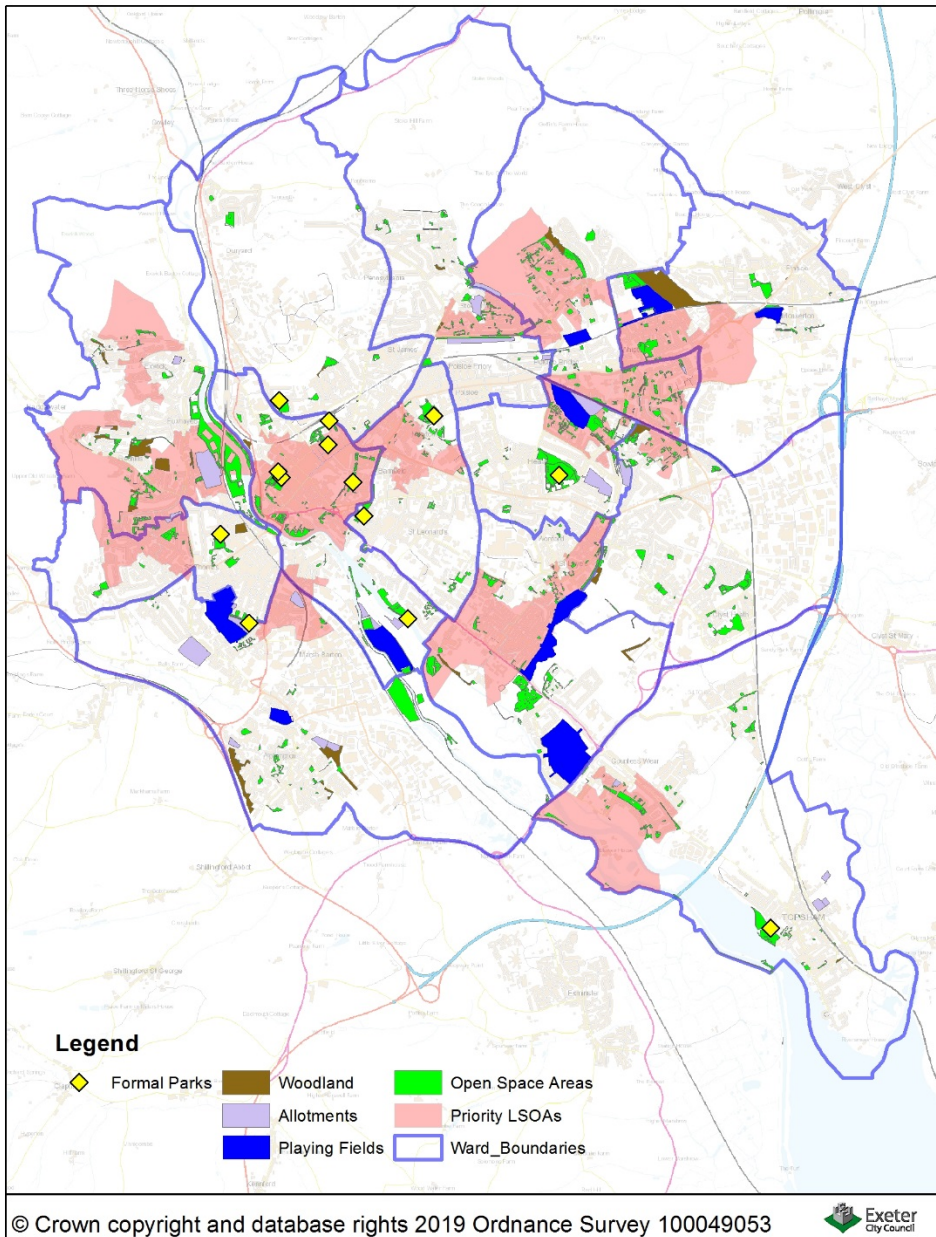
5.4 Parks and Green spaces Priority Actions

The previous Parks and Open Spaces Strategy dates back to 2005. There is now a need to renew this in consultation with communities and other stakeholders. During 2019/20 officers are recommending the following actions.

1. Through a series of community and stakeholder workshops identify priorities for the future development of Parks and Greenspace strategies and action plans.

2. Undertake a current audit and needs assessment of the City's greenspace, including those in the ownership of other bodies which have existing or potential public access, with a particular focus on the latent activity opportunities that could be developed.
3. Map and develop linkage of parks and greenspace with cycle and footpaths as part of a Green Corridor network across the city, providing safe off-road travel within communities
4. In principle, subject to resources, provide support and opportunity to "start-up" groups wishing to undertake and develop low key but valued activities and social interaction in local parks and greenspaces that promote physical activity.

Parks and Greenspace



Date: 23/01/2019

6. Asset Based Community Development and Community Sport & Physical Activity

6.1 The Council is committed to the principles of community-led development in its support for local communities. These principles are described in the Exeter Community Strategy (<http://exetercommunityforum.net/doing-3/community-strategy>) published by Exeter Community Forum and adopted by the Council in March 2016. Asset Based Community Development (ABCD) builds on the assets that are found in the community and mobilises individuals, associations, and institutions to come together to realise and develop their strengths.

6.2 ABCD approach spends time identifying the assets of individuals, associations and institutions that form the community. The identified assets from an individual are matched with people or groups who have an interest in or need for those strengths. The key is beginning to use what is already in the community. Then to work together to build on the identified assets of all involved.

6.3 Wellbeing Exeter

The Council will continue to lead and develop Wellbeing Exeter as the main mechanism to support communities to do more to help themselves. Wellbeing Exeter is a partnership of the public, voluntary and community sector working together to better people from dependence on services into increased involvement within their community and provides the foundations for individuals and communities to improve and promote their own health and wellbeing.

6.4 Wellbeing Exeter is funded by Exeter City Council, Devon County Council and NEW Devon Clinical Commissioning Group. It started in 2015 with one GP and now all 139 GP's in the 16 Exeter GP Practices and the NHS Community Rehabilitation Team refer patients who they believe will benefit to one of 17 local Community Connectors.

6.5 A Community Connector works with the person to identify what matters to them and plan a way forward. Together, they start to engage with their local community with a level of support that reflects the individuals' needs and wishes. Simultaneously, 13 Ward-based Community Builders are working with and listening to communities, identifying social resources, stimulating activity, and supporting those communities to do more together.

6.6 Wellbeing Exeter has been nationally recognised for its good work and has been featured in recent reports by Public Health England and Office for Civil Society, Department for Digital, Culture, Media and Sport as an exemplar. In 2019, through the Sport England local Delivery Pilot further investment will go into Wellbeing Exeter to support communities and individuals to get more active.

6.7 Community Sport

Exeter has a long and successful tradition of community sport with a vast array of community organisations, charities, local clubs, informal groups offering a range of opportunities for people to access more formal sport and physical activity opportunities. Sport plays a significant part in people's choice to be active from participating in a club, attending regularly co-ordinated sessions, playing informally with friends through to becoming an elite athlete in your chosen sport.

6.8 In recent history the role of partnerships and networks in the city has helped grass roots community sport grow. Support from the Greater Exeter Strategic Sports Board,

the Exeter Health & Wellbeing Board and the Active Exeter network has helped to bring a range of organisations and expertise together to help with the aspiration of Exeter being the most active city.

- 6.9 The County Sports Partnership, Active Devon, our two professional sports club community programmes Exeter City Football Club: City Community Trust and Exeter Chiefs Community Department work alongside education, health, community & voluntary sector groups to provide a range of targeted programmes and campaigns to help more people lead active lives.
- 6.10 Recently the Get Active Exeter, Sport England funded community programme sponsored by the Exeter Health and Wellbeing Board, has enabled over 2,000 residents to join a range of physical activity and sport sessions aimed at helping less active adults to move more every week. It is collaborative programmes such as these that help bring resources, expertise and energy together in the city to engage communities, volunteers and residents to help people lead more active lifestyles.
- 6.11 The community sport landscape is underpinned by local clubs, groups and their army of hard working volunteers that provide countless hours of their time to deliver high quality sports sessions. There are hundreds of these sports clubs and groups in the city affiliated to National Governing Bodies, more informally constituted or simply a connection of people meeting on a regular basis to enjoy their favourite sport.
- 6.12 The challenges of everyday life, changing attitudes of how people choose to be active and a range of barriers to participating in sport continue to make it a tough task for voluntary clubs to administer and deliver their activities. Through the community based programmes within the Sport England Local Delivery Pilot we will identify how to SUPPORT, DEVELOP AND GROW the community physical activity and sport system by pooling together the resources, intelligence and expertise of all the professional organisations, voluntary clubs, grass roots community groups and volunteers across the city.

6.13 Asset Based Community Development and Community Sport & Physical Activity Priority Actions

During 2019/20 officers are recommending the following actions.

1. In partnership with Sport England and local GP's we will develop a physical activity based social prescribing programme within Wellbeing Exeter.
2. In partnership with Devon County Council and NEW Devon Clinical Commissioning Group we will secure long term funding for the growth and development of Wellbeing Exeter.
3. In partnership with Active Devon and Get Active Exeter Networks we will provide support, develop and grow community sports and physical groups by;
 - Identifying the workforce development requirements across the sport and physical activity network.
 - Connecting clubs and groups locally with professional support, resources and training and identify collaborative approaches within the community sport network.
 - Helping clubs & groups access existing digital communities of learning and resources to support improvement and sustainability – e.g. <https://www.sportengland.org/our-work/club-matters/>

- Helping clubs reach out to new communities and residents across Exeter, particularly those populations under-represented in community sport (disabled people, BME groups, street attached).
- Exploring alternative models for clubs and groups to become financially sustainable.

7. Investment Strategy

The Draft Physical Activity Strategy (2019) sets out the wider societal benefits of living an active lifestyle. Sport England have also highlighted the economic value of sport for Exeter, the 2017 headlines include:

- Gross Value Added for sports participation in Exeter totals £34.2 million per year - this covers subscription fees, equipment and sportswear
- Gross Value Added for non- participation related sports totals £14.9 million – this includes spectator sport and subscriptions Sports.
- Total value of the industry to Exeter totals £49.1 million employing around 1,467 people.

Source Sport England Mini Sports Profiles

7.1 The growth of Exeter provides the Council with the opportunity to generate capital funding from development that can be channelled into meeting the growing needs of the City. An investment strategy will need to be put place to support the proposed actions.

7.2 A funding strategy will need to be developed to support the proposed investments this will need to consider the issues raised in the table below:

Funding Route		Recommendations
Community Infrastructure Levy (CIL)	The current Regulation 123 List indicates that CIL may be spent on 'public realm enhancements', and a 'Destination Park' might be considered to be a 'public realm enhancement. (CIL) receipts do not have to be spent in any particular locality, and there is consequently more geographical flexibility around investment decision making.	Amend the Regulation 123 List to refer more specifically to these 'Destination Parks' and thereby communicates more clearly the intention to fund these through CIL.
Section 106 Agreements	S106 funding has been geographically linked to the development, resulting in more recent years in an abundance of play areas to the east of the city, but virtually no contributions to new or upgraded play areas to the west	Review options for improved s 106 agreements particularly in relation to play areas and pitches in context of the revised Local Plan.
Rationalising provision and reducing the number of sites	Reduced burden of outdated play areas and buildings alongside improving procurement and sustainability options will reduce revenue costs of maintenance in real terms	Re-siting of play areas and leisure facilities this may offer the release of land for development and capital receipts. The funds raised may contribute to improved facilities elsewhere in line with priorities

External funding sources-	By refocussing provision to achieve wider aims in terms of a more active and healthy lifestyle, and through partnering with community groups, stakeholders and strategic partners. There is a wealth of good practice emerging in the city with local community groups accessing significant funds through grants, trusts and other external sources.	Adopting alternative models of community ownership & management – through a future Council Community Asset Transfer model, local community groups can explore the potential of owning, managing and developing play areas themselves
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7.3 There are a number of assumptions in relation to the high level financial strategy that underpin the recommendations and action plan these are:

- 1 Capital funding from the sale of identified leisure sites: namely Northbrook Golf Course; Clifton Hill Sports Centre and Pyramids Swimming Pool and Leisure Centre.
- 2 Capital funding directly from residential development opportunities on the sites themselves is channelled directly towards new facilities at Wonford and Exeter Arena.
- 3 Designated funding from Section 106 and Community Infrastructure Levy (CIL) for developments in key communities for destination play parks, play areas and playing pitches.
- 4 Council funding to be used to attract strategic finance from external stakeholders such as Sport England and Sport National Governing Bodies.
- 5 Revenue from the provision of services on the leisure sites will need to, at a minimum generate sufficient revenue to cover the cost of capital borrowing for the developments.

7.4 The following business cases will be drawn up during the consultation process:

- Wonford Integrated Community Health and Wellbeing Centre
- Exeter Arena Sports Village
- All Weather Pitches and Pavilions
- Destination Play Parks

**REPORT TO Place Scrutiny
31st January 2019**

**REPORT TO Executive
Date of Meeting: 12th February 2019**

**REPORT TO Council
Date of Meeting: 26th February 2019**

**Report of: Jo Yelland, Director
Title: Update Report on Built Sports and Leisure Facilities**

Is this a Key Decision?

Yes

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function?

Council & Executive

1. What is the report about?

This report provides an update on the interim Built Facilities plan agreed by Council in June 2018. This included the decision to permanently close Clifton Hill Sports Centre on best value/cost grounds and sell the site thus providing a capital funding stream used to consolidate and invest in existing built sports and leisure facilities to improve and update the current offer to residents. This report also sets out the recommendation of the City Surveyor for the sale of the site of the Clifton Hill Sports Centre and the surrounding land owned by the Council.

2. Recommendations:

2.1 Executive recommends to Council to agree the following proposals:

- (a) To sell the Clifton Hill site for a mixed residential development to generate the best value capital receipt to offset the previously agreed costs of compensation, upgrades to leisure facilities and to provide investment for other Council priorities including the future development and improvement of other leisure sites.
- b) To allocate a budget of £200,000 to cover the ground investigation works, marketing and selling of the site to deliver the optimal capital receipt to the Council.
- (c) To allocate a further capital budget of £4.4 million to allow for the full replacement of the flat roof and rebuild of the floor structure surrounding the pool at the Riverside Swimming Pool and Leisure Centre

2.2 Executive RESOLVES to:

- (a) Delegate authority to the Director in consultation with the Portfolio Holder to agree the exact location and dimensions of an area of the site, (a minimum of 10% of the of the overall land area) to be retained by the Council in such a way that it does not

unreasonably negate the value of the site. This is to ensure that a public, open green space remains on the site.

- (b) Delegate authority to the City Surveyor to take the necessary steps to ensure the Clifton Hill land is not used for purpose built student accommodation.
- (c) Note the good progress on the works associated with the £3 million budget agreed for the essential enhancements to the fabric of the buildings and replacement of essential plant and mechanical systems and interior enhancements; Exeter Arena, Wonford Sports Centre and Riverside Swimming Pool Leisure Centre and on the £950,000 budget agreed in November 2017 for Pyramids Swimming Pool and Leisure Centre.
- (d) Note the need for further capital investment at the Riverside Swimming Pool and Leisure Centre.
- (e) Note that the draft Physical Activity and Built Facilities strategies, (setting out the longer term sustainability and development plans for Riverside Swimming Pool and Leisure Centre, Wonford Sports Centre; Exeter Arena and ISCA Centre; Northbrook Swimming Pool and Northbrook Golf Course) are being recommended for public consultation with final recommendations due to be presented to Council in July 2019.

3. Reasons for the recommendations:

- 3.1 In June 2018 the Council agreed to permanently close the Clifton Hill Sports Centre on cost/best value grounds and to sell the Clifton Hill Sport Centre to generate a capital receipt to offset compensation costs and provide investment for other Council priorities including the development and improvement of other leisure sites.
- 3.2 As a result of the decision to sell the site and generate a future capital receipt, Council were able to allocate an interim budget of £3 million for essential and additional enhancements at other leisure sites where facilities were at risk due to extensive backlogs in maintenance and repairs that had the potential to put these facilities at risk of unplanned closures.
- 3.3 A full programme of works has been identified with the majority of works now successfully completed. To date just under £1.9 million has been spent or committed to works in progress. Details are set out in section 8 of this report.
- 3.4 Whilst undertaking the essential fire-damage repairs at the Riverside Swimming Pool and Leisure Centre the building contractor identified previously unknown structural faults with the original conversion of the pool, prior to Council ownership, and to the load bearing capability of the original roofing structure. Further details are in section 8 of this report.
- 3.5 In August 2018 a Built Facilities Review was commissioned as part of the development of the Physical Activity strategy and this highlighted the important future role of a Swimming Pool and Leisure Centre facility on or near to the current Riverside Leisure Centre site. A summary of these findings is set out in section 8 of this report.

- 3.6 In the light of the recommendations in the above review a further independent structural survey was commissioned by the Council to identify the full extent of future refurbishment needs at the Riverside Swimming Pool and Leisure Centre to establish if the centre could be cost effectively repaired to provide a lifespan of 20/25 years.
- 3.7 An original estimate of the roof repair (now requiring a full replacement) was included in the budget agreed in June 2018. No allocation had been made for the unknown issues that were not uncovered until the final stages of the fire–damage reinstatement works. Section eight details the unforeseen works that have been identified during the course of the fire reinstatement scheme.
- 3.8 The Council's professional advice has estimated uninsured refurbishment/repair costs of some £4.72 million. However given the area over which the repairs extend it would be prudent to make allowances for any further unforeseen works and therefore a figure of £5.5 million is determined to be a suitable budget for the extent of the scheme identified to date.
- 3.9 In addition to the unforeseen works detailed in section 8, a structural survey commissioned to assess the entire building to determine any further repair requirement is underway. Should this report result in significant further works a separate request for funding will be made. It is envisaged that any minor structural work required can be funded from the £5.5 million.
- 3.10 It is expected that this investment provides the essential infrastructure for the lifespan required of the facility. In other words it will be more cost effective to repair the facility than to knock down and build a new one.
- 3.11 In addition to the sum for additional works at Riverside a budget of an estimated £100,000 is required to appoint an external Client Representative to lead on the delivery of this scheme.
- 3.12 The Director was authorised to negotiate and agree the contractual compensation payment to be paid to the Leisure Operator as a result of the closure of Clifton Hill, to be funded from a Leisure earmarked reserve. Negotiations have not concluded but they will not exceed the original estimate. A further estimated loss of income and VAT was identified in the region of £100,000 and the actual amount is £91,463.
- 3.13 The City Surveyor was authorised to identify a best value option for the disposal of the Clifton Hill site incorporating the sports centre buildings alongside all other areas of the site, including those under lease to a range of tenants and public open space with the exception of the allotments which members required to be excluded from any potential sale.
- 3.14 Members charged the City Surveyor to identify an option that would achieve best value whilst taking the steps to ensure that the land is used for residential accommodation and not used for purpose built student accommodation.
- 3.15 Based on existing remediation cost figures, valuation advice identifies the greatest financial value, in the region of £9 million, as being generated by disposal of the whole site for open market residential accommodation. Options have also been considered for a smaller part of the site in the context of the sit as a whole (that

currently occupied by the sports centre building and not contaminated), being developed for either purpose built residential rental accommodation or care accommodation; however, these return a lower total whole site value than open market residential accommodation (£8.85m & £8.8m respectively). Student accommodation has also been considered on this smaller part of the site, and whilst for this part of the site returns the greatest value, would return the lowest total site value as a whole (£8.5 million) due to the considered detrimental effect on core values of new build residential accommodation on the rest of the site. It is noted that further technical & cost information may result in different schemes being brought forward.

- 3.16 Following representation from Newtown Ward Councillors on behalf of local residents, consideration has been given to the concerns expressed about the potential loss of the informal public green space on the site. It is strongly recommended that a specific area of the site, in the vicinity of the current informal green space if possible, is retained by the Council. This size of this land should be a minimum of 10% of the total land area. The exact size and location of the site for retention by the Council will be formally agreed prior to the sale. The selection of the site to be retained should be done sensitively to protect flora, fauna and wildlife habitats and to ensure it does not impede access to the site for development and minimises devaluation of the site. There is further information in section 8.

4. What are the resource implications including non-financial resources.

- 4.1 The sale of the whole Clifton Hill site for mixed residential development (excluding student accommodation) will generate a significant capital return for the Council. Initial estimates are that this could generate a gross capital receipt in the region of £9 million. This is sufficient to cover the £3 million already spent/committed on the repair and refurbishment of other leisure sites and will meet the estimated costs of the full repair of Riverside Swimming Pool and Leisure Centre. The capital receipt would not be received until the satisfactory grant of planning permission for any redevelopment, which would likely be during the 2020 financial year.
- 4.2 The development of the site will also generate significant income for the Council from the Community Infrastructure Levy (CIL) and Section 106 receipts which can be invested in Council priorities including other leisure facilities, playing pitches and play areas as set out in the draft Physical Activity Strategy.
- 4.3 A budget in the region of £200,000 will be required to cover de-risking through obtaining further technical information for marketing purposes and marketing/selling of the site to ensure the best consideration for the Council.
- 4.4 There will be significant officer time involved in supporting the disposal of the site and in the subsequent planning process which will be met within existing resources.
- 4.5 A budget of £5.6 million is required to fund the additional works to the Riverside Leisure Centre and provide a Client Representative professional service. Due to current underspend available from other Leisure facility approved budgets totaling some £1.2 million the actual request for funding will be £4.4 million.

5. Section 151 Officer comments:

- 5.1 The financial implications are noted. The Council is able to borrow short term for the completion of capital schemes and then subsequently use a capital receipt to voluntarily repay the debt, thus ensuring no long term financial consequences arising from the investment.
- 5.2 The medium term financial plan of the Council is based upon this principle and therefore failure to deliver a capital receipt in excess of the capital expenditure will result in additional reductions to the General Fund of approximately £45,000 per million shortfall. This will be on top of the £2.4 million reductions that are anticipated to set a balanced budget in 2020-21.
- 5.3 The Riverside additional spend is noted. The proposed capital programme for 2019-21 requests an additional £3 million and the impact has been built into the medium term financial plan. The additional £1.4 million will cost around £60,000 a year and will add to the reductions required. If however the capital receipt is sufficient to cover the full cost of enhancements at the Riverside, then there will be a benefit of around £130,000 to the General Fund.
- 5.4 The capital funds, if approved, will be added to the capital programme and funded in the most financially efficient way, in order to minimise the impact of the General Fund until such time as the resources are available to offset the expenditure.
- 5.5 Going forward, members should note that there are limited capital resources available and potentially significant demand for those resources across the Council's asset portfolio. This should be borne in mind by Members when undertaking all capital investment decisions.

6. What are the legal aspects?

- 6.1 The Council has to comply with the Public Contracts Regulations 2015. As such, the additional works required at Riverside have been assessed by the Council's Corporate Procurement Unit and it has been determined that a separate call-off from the SCAPE construction framework affords both a compliant and timely procurement solution for the delivery of this scheme.
- 6.2 The Council is obliged under the Local Government Act 1972 to obtain best consideration on land disposals. In this case, this can best be demonstrated by an open marketing of the opportunity. The Council has previously resolved to restrict development of purpose built student accommodation on the site. This voluntary condition of sale has been imposed to benefit the economic, social and environmental well-being of the community. The valuation advice that we have received (as discussed above) indicates that there would be no financial detriment to the Council in the imposition of the restriction.

7. Monitoring Officer's comments:

- 7.1 The Council is free to sell its assets provided it obtains the best consideration for any such sale.

7.2 The inclusion of the proposed retention of a green space is an appropriate method to deliver the scheme without financial consequence on the sale value of the site.

8. Report details

8.1 Refurbishment Programme

8.1.1 In June 2018 Council allocated an additional budget of around £3 million to refurbish the remaining facilities at Exeter Arena and ISCA Centre, Wonford Sports Centre and Riverside Swimming Pool and Leisure Centre to minimise the risk of any further loss of facility, whilst longer term plans are made for the development of leisure provision across the City. The objective is to upgrade facilities, provide an increase in capacity and services and enable the operator to more effectively compete with budget gyms creating a higher quality, more cost effective city-wide offer to residents.

8.1.2 Table 1 below sets out the original investment plan and the actual amount spent on the essential enhancements to the fabric of the buildings and replacement of essential plant and mechanical systems by site

Table 1: Essential enhancements to the fabric of the buildings and replacement of essential plant and mechanical systems by site		Actual spent or committed)
Exeter Arena and ISCA Centre	£429,747	£233,033
Riverside Leisure Centre	£1,241,453	£516,420
Wonford Sports Centre	£335,492	£227,309
Total	£2,006,692	£976,762

8.1.3 Table 2 below sets out the overall plan and actual spend on the essential enhancements to the fabric of the buildings, replacement of essential plant and mechanical systems by site and enhancements to interiors and facilities new equipment including virtual technology systems.

Table 2: Overall costs of essential enhancements to the fabric of the buildings, replacement of essential plant and mechanical systems by site and enhancements to interiors and facilities		Actual (spent or committed)
Essential enhancements to the fabric of the buildings and replacement of essential plant and mechanical systems	£2,006,692	£976,762
Enhancements to the interiors and facilities	£880,000	£811,295
New equipment (estimated & to be operator provided)	£150,000	£132,000
Total	£3,036,692	£1,920,057

8.1.4 This investment has delivered the intended improvement and increases in facilities as shown in the table 3 below.

Table 3: Provision Following Consolidation and Investment Plan						
	Riverside	Pyramids	Wonford	Exeter Arena & ISCA Centre	Total	Change
Gym Stations	130	40	33	50	253	+20
Swimming Pool	25m	25m	No	No	2	0
Sports Hall	1	No	1	No	2	-1
Squash Courts	2	No	No	No	2	-2
Dance /Yoga Studio	3	No	1	1	5	+2
Sauna	Yes	Yes	Yes	Yes	4	0
Health Suite	Yes	No	No	No	1	0
Spin Studio	40 bikes	No	6-8 bikes	16 bikes	60-62	+60-62
Virtual Tech	Yes	No	Yes	Yes	3	+3

8.1.5 Legacy Leisure are now able to offer state of the art virtual technology ¹Les Mills Virtual Classes including Body Balance, Body Pump, Body Combat, CXWrx and Sh’bam (virtual Indoor Cycling) at Wonford Sports, Exeter Arena and Riverside. Photographs of the improvements are in appendix 1.

8.1.6 At **Wonford Sports Centre** the programme included internal decoration and refurbishment to the weights room and gym area, all new fitness equipment and a brand new virtual spin studio. It also included a complete refurbishment of the Astro turf all weather pitch and the surrounding fencing. Behind the scenes essential enhancements to the fabric of the buildings and replacement of essential plant and mechanical systems included:

- Repairing brickwork to rear elevation
- Replacing broken roof tiles as a result of vandalism
- Replacement of flat roof
- Replacement air conditioning units and boilers

8.1.7 At the ISCA Centre the refurbishment has created a new expanded gym facility along with improvements to the changing room and a new virtual spin studio has been created in the old gym area within Exeter Arena.

8.1.8 Some anticipated works at the Arena/ISCA centre have not been required resulting in efficiency savings of around £220,000.

¹ *The introduction of virtual technology means people can access classes at any time as there is no need for an instructor: this is very popular as it offer maximum choice for customers and complements the instructor led classes already programmed.*

8.2 Riverside Swimming Pool and Leisure Centre

- 8.2.1 At the **Riverside Swimming Pool and Leisure Centre** the work included refurbishment and conversion of the café, soft play and reception areas to create a new membership sales office, a yoga/ quiet workout space, a virtual technology spin studio, a virtual technology workout studio and extension of the gym area to include installation of a functional fitness rig. Further works were planned, but not fully completed include a full refurbishment of the poolside wet changing area and showers; the installation of replacement air handling units and the planned replacement of roof 1 and 2. These works have not progressed due to the unforeseen issues identified by the contractor completing the fire damage reinstatement works. The estimated value of these works is about £1million.
- 8.2.2 The fire in January 2017 caused extensive damage to surface coatings, mechanical and engineering plant areas, roof decking and structural elements, as well as smoke damage throughout the building. Although the sports hall, gym and fitness studios have since reopened, the pool and health suite have remain closed.
- 8.2.3 Contractors have been working on site for many months undertaking the repair work which has been lengthy due to the scale of fire and smoke damage and the construction of the building. The structure is complex and the pool was modified from the original wave design prior to the Council becoming responsible for the building in the early 2000's. The Council does not have access to build drawings for the facility or many of these modifications so each discovery has had to be approached from first principles. Some of the modifications made to the building were unknown until other rectification works were undertaken or parts of the building opened up at which point additional works have been identified.
- 8.2.4 Significant issues have now emerged with previously unknown structural faults to the block and beam flooring and surround of the pool and to the the integrity of the roof structure. The level of corrosion within the roof cannot be fully assessed without removing the roof covering. To undertake this safely the underneath of the entire roof area has to be supported in case the deck is not capable of supporting the contractors. To fully assess the integrity of the roof every deck panel would need to be inspected therefore it is a more effective whole life solution to replace the entire flat roof whilst access is in place.
- 8.2.5 The structural fault to the block and beam flooring and surround to the pool is thought to relate to the original conversion work in the late 2000's prior to Council ownership. The only way to remedy this design fault is to rebuild the entire pool structure.
- 8.2.6 Initial estimated uninsured refurbishment/repair costs for these works are £4.7 million and professional advice is being sought to ensure that (coupled with a timely routine maintenance programme) this investment is likely to provide the essential infrastructure for the lifespan required of the facility. In other words, before committing to these works assurance is being sought to guarantee that it will be more cost effective to repair the facility than to knock down and build a new one. The final report is due in February 2019.

8.3 Pyramids Swimming Pool and Leisure Centre

8.3.1 In November 2017 Council agreed to a refurbishment programme for the Pyramids to ensure it could stay functional until the new St Sidwell's Swimming Pool and Leisure Centre opens in 2021. Approximately £820,000 of the £950,000 has been spent. The completed works include structural repairs to the roof, refurbishment to the family changing rooms, male changing rooms and female changing room, decoration to the vending area, reception and dry changing rooms. The final element nearing completion is the installation of a new air handling unit on the roof to be completed. A decision was made to not proceed with redecoration works around the main pool area which would result in the closure of the pool. Photographs of the improvements are in appendix 1.

8.4 Recommendations for future Built Leisure Facilities

8.4.1 A review of the Council's Built Leisure Facilities was undertaken in 2018 following the difficult decision to permanently close Clifton Hill Sports Centre. With the approval for the new flagship St Sidwell's Point Leisure Complex in place the council needed to set out sustainable plans for the development of other leisure sites.

8.4.2 The review concluded that the ability of the Council to provide high quality leisure and sport facilities for communities in and across the city, in the face on-going budgetary pressures is a significant challenge. Based on the needs analysis, the advisors have concluded that, alongside the development of the St Sidwell's Point Leisure Complex to replace Pyramids, there is an opportunity to develop improved quality facilities across key sites, possibly financed by the strategic development of the current sport and leisure estate.

8.4.3 The proposals have the new leisure complex at St Sidwell's Point, at the centre. Surrounding this central flagship facility we propose to develop the following:

- a) A new Integrated Community Health and Wellbeing Centre at Wonford replacing the current Sports Centre.
- b) A new Community Sports Village at Exeter Arena and ISCA Centre – including a community swimming pool as a direct replacement of Northbrook Swimming Pool and addressing the needs of a number of dedicated sports clubs and indoor sport.
- c) Refurbished and remodelled Riverside Leisure Centre and Swimming Pool.

8.4.4 This enables the Council to improve the overall quality and offer of facilities and creates opportunities for Exeter Strategic Sports Board and other stakeholders, including local communities themselves, to collaborate to enhance the offer even further. Consultation with stakeholders on these outline proposals will be taking place as part of the overall consultation on the Draft Physical Activity Strategy due to take place between March and May 2019.

8.5 Sale of Clifton Hill Site

- 8.5.1 An initial desktop review of existing reports on site contamination at Clifton Hill and remediation cost information indicates that the whole Clifton Hill site is capable of redevelopment subject to some remediation measures including piled foundations, suspended floor slabs, gas protection measures, importing clean soil for back gardens and open space. To mitigate these costs redevelopment designs suggest that dwellings are located around the perimeter of the former clay pit, where the length of piles will be reduced, and to locate areas of open soft and hard landscaped amenity space, roadways and car parking within the central deeper landfill areas. Apartment blocks may also be located in the central deeper landfill areas where the same approximate cost of foundations will support multiple dwellings.
- 8.5.2 Additional site constraints including location of part of the site within the conservation area, and existing tenancies at the Golf Driving Range, Ski Slope, Rifle Range and Gatehouse have also been reviewed. A review of Local Authority Planning strategy documents shows the Clifton Hill site to be a sustainable location and that residential redevelopment of the site for a mix of housing types would provide a sustainable future.
- 8.5.3 Initial master planning has considered splitting the site into two phases: Phase 1 non-landfill (CHSC land); Phase 2 remainder of site including Golf Driving Range and Ski Slope and has considered alternative uses within Phase 1 such as residential, student, care or build to rent development, within only residential development in Phase 2. Initial valuation advice recommends that Clifton Hill is suitable for a mixed residential redevelopment and that the site is a viable development proposition even when a large sum for abnormal costs (circa £2million) is allowed.
- 8.5.4 To bring this site to market we now need to obtain additional detailed technical information to be included within the marketing pack to enable potential developers to better assess the constraints and development requirements for this site including a topographical survey, phase 2 intrusive geo-tech survey & report, demolition survey & costs, constraints plan, planning guidance, transport assessment, remediation & foundation strategy and the vacant possession strategy. Fee quotes have been requested from external consultants for this work.
- 8.5.5 For information there are no trees covered by Tree Preservation Orders (TPO) within the site. However, there are number of mature and semi-mature trees included within the conservation area that will be protected in the same way as a TPO. This is not a significant development constraint as it is anticipated that these are located on parts of the site where they can be retained and will not impact significantly on development layout. All considered redevelopment scenarios would retain/provide a central green space.
- 8.5.6 On receipt of this additional technical information to market the site for disposal, via informal tender.
- 8.5.7 It is recommended that the resolution of the existing tenancies for the Golf Driving Range and Ski Slope are passed to the successful developer, who will be able to provide sufficient evidence (grant of planning permission, proof of funding and intention to develop) to satisfy the requirements of Landlord & Tenant Law to obtain

vacant possession. This minimises the period during which the site has to be managed as vacant, and gives the developer the ability to phase development around these existing occupations.

8.6 Responding to Residents' Concerns

- 8.6.1 Section 11 includes a summary of the concerns raised by local residents about the permanent closure of the Clifton Hill Sports Centre and the proposed sale of the site. The priorities identified by Newtown Ward Councillors are support for active and healthy lifestyles and the retention of green space within the site for community use.
- 8.6.2 *Support for active and healthy lifestyles:* the Council already funds a Community Builder and Community Connector in the ward through the Wellbeing Exeter programme and will continue to invest in community based physical activity through its community grants programme. The Council has already provided over £450,000 of grant funding for the replacement community hut in Belmont Park due for completion in March 2019. Building work has now commenced on the new St Sidwell's Leisure Complex which is around 1 km from the Clifton Hill site and the Pyramids Swimming Pool and Leisure Centre, also close by, has had a £850,000 renovation to maintain and improve facilities in the locality until the new centre opens in 2020.
- 8.6.3 *Retention of green space within the site for community use:* the statutory planning policy will ensure all considered redevelopment scenarios would retain/provide a central green space and that the trees included within the conservation area will be protected in the same way as a TPO. This is not regarded as a significant development constraint as it is anticipated that these are located on parts of the site where they can be retained and will not impact significantly on development layout.
- 8.6.4 Belmont Park is adjacent to the Clifton Hill site as are local allotments which have already been protected. However, during the public consultation exercise residents stressed the importance of maintaining bio-diversity by protecting and conserving open green space and wildlife habitats within urban settings.
- 8.6.5 Section 11.4 provides further information about local residents concerns and petitions.
- 8.6.6 In order to respond to local residents and Ward Councillor's concerns, it is strongly recommended that a specific area of the site, in the vicinity of the current informal green space if possible, is retained by the Council. The size of this land should be a minimum of 10% of the total land area. The exact size and location of the site for retention by the Council will be formally agreed prior to the sale. The selection of the site to be retained should be done sensitively to protect flora, fauna and wildlife habitats and to ensure it does not impede access to the site for development and minimises devaluation of the site. An approximation of the area under consideration is illustrated in Appendix 2.
- 8.6.7 The Director will, (if delegated authority is given) in consultation with the Portfolio Holder, and in liaison with Ward Councillors and the City Surveyor, agree the exact location and dimensions of the area of the site to be withheld from the sale.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 The decisions will contribute to the 2018/21 Corporate Plan objectives of:

- Building Great Neighbourhoods
- Promoting Active and Healthy Lifestyles
- Providing value for money services
- Leading a well-run council

10. What risks are there and how can they be reduced?

10.1 Risk of not achieving best consideration:

It is recommended that the Clifton Hill site be sold as a single lot, although offers from consortia to be invited alongside single purchasers. This gives bidders the opportunity to joint venture with other parties to increase their competitiveness whilst keeping the form of sale relatively simple for the Council.

The retention of a part of the site to ensure it remains as an informal, open, public green space could reduce the overall value of the site. In mitigation the Director will seek advice from the City Surveyor in identifying the precise area in consultation with the Portfolio holder should delegated powers be given.

10.2 The recommended disposal method is via informal tender to maximise the sale price by encouraging competition and ensuring bidders provide sufficient information that we can use to evaluate bids. Best consideration will be obtained through a subject to planning sale. This type of contract de-risks the process for the developer, allowing them to pay a full value for the site rather than a risk-weighted price payable through an unconditional purchase.

10.3 Risk of sale process being delayed or falling through due to lack of information:

The marketing period should only commence once a full technical/marketing pack is available. The technical information pack will include for example a topographical survey, phase two intrusive ground investigation and remediation/foundation strategy, planning guidance transport assessment, demolition survey etc. The provision of this information with the general marketing material will be relied on by bidders, meaning that they will offer using the same cost inputs. This will make comparison between bids more reliable and reduce the risk of future price renegotiation or the sale process faltering.

10.4 Following the decision to permanently close the Clifton Hill Sports Centre an approach was made to Historic England to have the Centre listed. Following a Heritage England assessment of the building the Secretary of State for Digital, Culture, Media and Sport decided not to add Clifton Hill Sports Centre to the List of Buildings of Special Architectural or Historic Interest. There is no further risk in relation to any potential for listing on the site.

10.5 The risk of public opposition to development of this site will be addressed in the normal way through the statutory planning process. The recommendation to remove

a part of the site from the sale to ensure it remains as an informal public green space is a significant mitigation factor to public opposition.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

- 11.1 Taking a city-wide lens the decision will positively contribute to health and wellbeing by providing much needed homes, including affordable housing in a neighbourhood with good access to range of local services including green spaces that support health and wellbeing.
- 11.2 Providing a capital receipt that could be used to underpin developments as part of the emerging Physical Activity Strategy will directly contribute to health and wellbeing by enabling the development of built leisure facilities, playing pitches and play areas that will encourage active lifestyles and reduce social isolation in key communities across the City.
- 11.3 However when viewed through the lens of local residents in the Newtown area surrounding the site there is a different perspective.
- 11.4 Two lobby groups have been established by local residents and have made their views known through emails and meetings with Councillors and officers, social media posts, questions raised in the public part of the November 2018 Place Scrutiny committee, interviews with local media and through petitions.
- 11.5 The “Association for the Protection of the Clifton Hill Green Space” group sent a report to the City Surveyor in October 2018 stating that the group “consists of eleven very active members all of whom live in Newtown and the immediate surrounding area”. The core aims of the group are to maintain the site as a green space and maintain it for community wellbeing and bio-diversity. This group has a Facebook page with 297 members registered on 3rd January 2019. The Green Space Group say that it is “*distinct from the Sports Centre campaign in that it does not directly act or object to the sale for development of built on land (i.e. the sports centre itself). The Green Space Group is opposed only to the loss of Green Space to building*”.
- 11.6 The “Save the Clifton Hill Sports Centre from permanent closure” group have a Facebook page followed by 283 people and 281 likes registered on 3rd January 2019. A petition “Save Clifton Hill Sports Centre” was emailed to Council officers on 16th October 2018 and then a hard copy was presented to the Deputy Leader Councillor Sutton by Alexander Keen on the same day. This petition had 1.802 signatures and said:

“Ensure that Clifton Hill Sports Centre, a vital community hub for the South West’s most ‘active’ city, reopens fully and is run well with minimum delay. Why is this important? I have always regarded Clifton Hill sports centre as an asset to the city and understand its importance within the community. The facility has attained excellent user numbers over the years and its closure would not be in the best interests of the city. The centre closed in March due to a roof leak and a burst pipe, but the council won’t commit to a reopening. Help the city get its much loved Clifton Hill sports centre back in service! It has left an irreplaceable void in people’s lives. It

was a real community hub used by all ages from toddlers to pensioners and all socio economic groups. Exeter is bidding to be the UK's most 'active city' and so closing the centre is insanity! Come on Exeter City Council tell us it will reopen - it was only some snow through the roof and a few burst pipes!"

- 11.7 A second petition of 506 signatures from the **Supporters of the Campaign to save the Clifton Hill Green Space**, was handed to Cllr Edwards on 13th November and stated:-

"We, the undersigned, call on you to:-

- (i) Prevent the sale of, and building on, the green space at Clifton Hill;*
- (ii) Promote its use for community outdoor activity;*
- (iii) Use the green space to enhance biodiversity and protection of wildlife".*

- 11.8 As required by Councillors, officers have taken steps to ascertain the views of local residents through an independently commissioned listening exercise.

- 11.9 Wild Zones were commissioned to help identify aspirations for Newtown Community on how to promote and develop a healthy, active neighbourhood where all members of the community feel-able to participate. During September and October 2018, Wild Zones convened and facilitated 7 conversations with groups of Newtown residents; and engaged in conversations with Community Builders, community organisations and ECC Officers and Councillors. Over 100 local residents took part in discussions.

- 11.10 Understandably the future of the Clifton Hill site was a major issue and the report detail reflects this. In relation specifically to Clifton Hill the recommendations to the Council are to consider the long term health, wellbeing and safety of residents and wildlife in decision making regarding urban infrastructure through:

Promoting Health & Wellbeing/reducing health inequalities:

- Provide opportunities for everyday physical activity and sport, including walking, play, cycling, running, dancing, skateboarding, etc.
- Protect and conserve open green space and wildlife habitats
- Promote community cohesion and emotional wellbeing through opportunities for social connection
- Include opportunities for culture and creativity
- Recognise and promote the crucial role of nature in the wellbeing of the community
- Encourage local residents to participate and take leadership in the development of their community and its resources

Sustainable Urban Planning

- Explore options for community managed green spaces with local stakeholders and residents
- Ensure indoor and outdoor public spaces are available for inclusive community use
- Recognise the contribution of the local environment to promote improved air quality and clean water
- Maintain bio-diversity by protecting wildlife habitat and corridors, trees and plant diversity
- Recognise the importance and value of diverse communities by ensuring a balance between long term and transient populations

The report also identified a number of general recommendations to help the Council in future these were summarised in the report as:

Provide clear and transparent communication by:

- Communicating and listening proactively with residents to enable participation in decisions that affect their lives.
- Using community conversations, focus groups, surveys and online tools to allow engagement in major decisions.
- Publishing the results of community conversations and explaining how they will be taken into consideration.
- Ensuring publically accessible information is available and communicated with communities to enable them to engage and discuss priorities with their elected Councillors.
- Acknowledge communication from residents and community groups.

Enhance engagement with local communities by:

- Working alongside communities to address challenges regarding infrastructure and safety, within available resources and constraints.
- Encouraging community groups to research, develop and present plans for managing community assets and initiatives.
- Enabling residents to take an active role in instigating and leading community activities.
- Engaging communities in establishing and mobilising Exeter's vision for promoting active & healthy lifestyles.
- Continuing to clarify the role of Wellbeing Exeter's Community Builders and Community Connectors and exploring building capacity and ensuring their ongoing effectiveness.
- Engaging with the University & College to raise awareness on how students' behaviour affects vulnerable people and look at strategies to reduce the impact and perceptions of negative behaviour.

Improve mobility and transport by:

- Encouraging Devon County Council the Transport Authority to assess safety of roads, car usage and shared use of busy pavements

Developing an asset based conversation by:

- Seeking input from a wide range of residents and communities on creating healthy, happy, active places to live.
- Training staff to be sensitive to all issues that affect participation, including social, environmental and physical factors.
- Establishing ongoing conversations with residents, communities and under-represented groups to generate creative ways to increase levels of activity

12. Are there any other options?

12.1 The Clifton Hill site could be divided into lots and either sold as separate lots or some parcels of land retained by the Council. Officers are not recommending either of these options on cost/best value grounds. Developing part of the site will not generate sufficient capital receipts for the Council to meet the £3 million funding commitments made in June 2018 and the additional funding needed to refurbish the Riverside Swimming Pool and Leisure Centre in 2019. Due to service and other

costs small parcels of development land on the site will generate a significantly reduced price per square metre in comparison to the site as a whole.

- 12.2 The feasibility study for the site has identified that several uses are possible on site and that a mix of uses (student accommodation, care home, build to rent and build to sell accommodation) might result in the highest land value. The advisers strongly recommend that the site is sold as a single lot but that offers from consortia are invited alongside single purchasers.
- 12.3 This gives bidders the opportunity to joint venture with other parties to increase their competitiveness whilst keeping the form of sale relatively simple for the Council. The potential for multiple land sales to different parties, given the nature of the site, would be complex requiring the Council and all the land parcel purchasers to agree on the basic form of contract, transfer, rights and responsibilities as well as timings and issues around planning submissions. This would heap a considerable amount of risk on to the project given the number of parties needed to make an agreement, all with different aims and is likely to bring in a reduced capital receipt for the Council due to considerable increase in risks and costs.
- 12.4 There is an option to reject the recommendation to retain an area of the site to protect a public open green space given the proximity of Belmont Park and the fact that this may add complexity to the sale and may reduce the capital receipt to the Council. However this has to be balanced with the feedback from local residents about the importance of an open public space to community wellbeing.
- 12.4 There is an option to permanently close the Riverside Swimming Pool and Leisure Centre. This is not being recommended as the Built Facilities Review by Max Associates (August 2018) highlighted the important future role of a Swimming Pool and Leisure Centre facility on or near to the current Riverside Leisure Centre site. Further independent advice has identified that it is likely to be more cost effective to repair the facility than to knock down and build a new one.

Director

Jo Yelland

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

Background papers used in compiling this report:-

None

Contact for enquires:
Democratic Services (Committees)
Room 2.3
01392 265275

Appendix: 1 Before and After Images of the refurbishment works

At **Wonford Sports Centre** the programme works included internal decoration and refurbishment to the weights room and gym area, all new fitness equipment and a brand new virtual spin studio.

Wonford Spin Studio



Wonford Gym



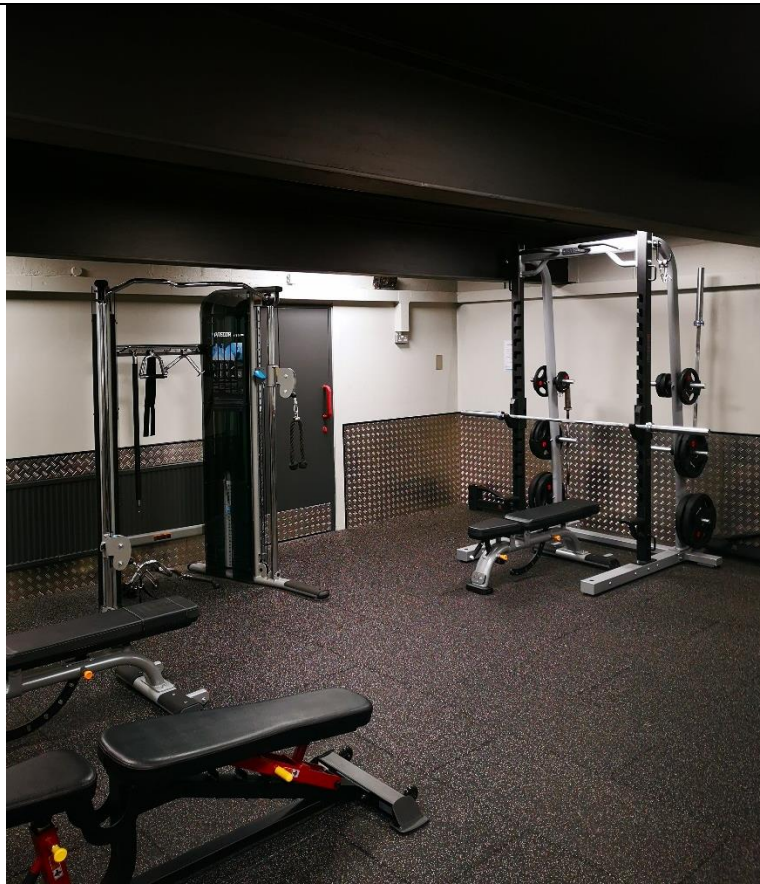
Before



After

**Wonford
Weights Room**





Wonford MUGA

At **Wonford Sports Centre** there has been a complete refurbishment of the Astro turf all weather pitch and the surrounding fencing



Before



After

At the **ISCA Centre** the refurbishment has created a new expanded gym facility along with improvements to the changing room and a new virtual spin studio has been created in the old gym area within Exeter Arena.

ISCA Centre Gym



Before





**Exeter Arena
Spin Studio**



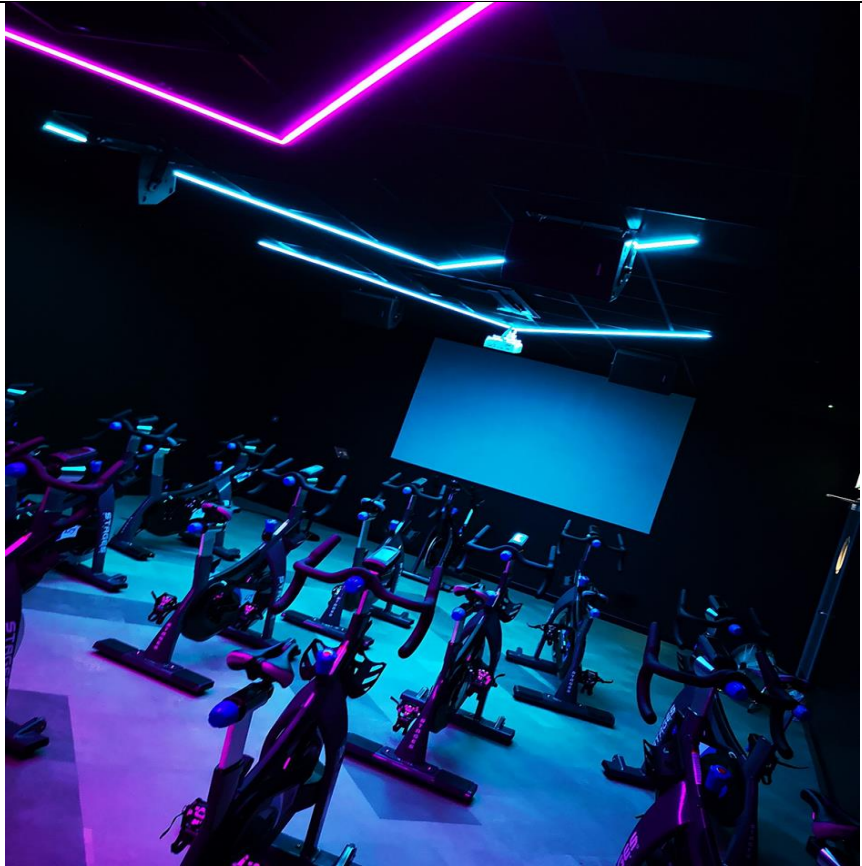
Before



After

The Riverside Swimming Pool and Leisure Centre works included the refurbishment and conversion of the café, soft play and reception areas to create a new membership sales office, a yoga / quiet workout space, a virtual technology spin studio, a virtual technology workout studio and extension of the gym area to include installation of a functional fitness rig.

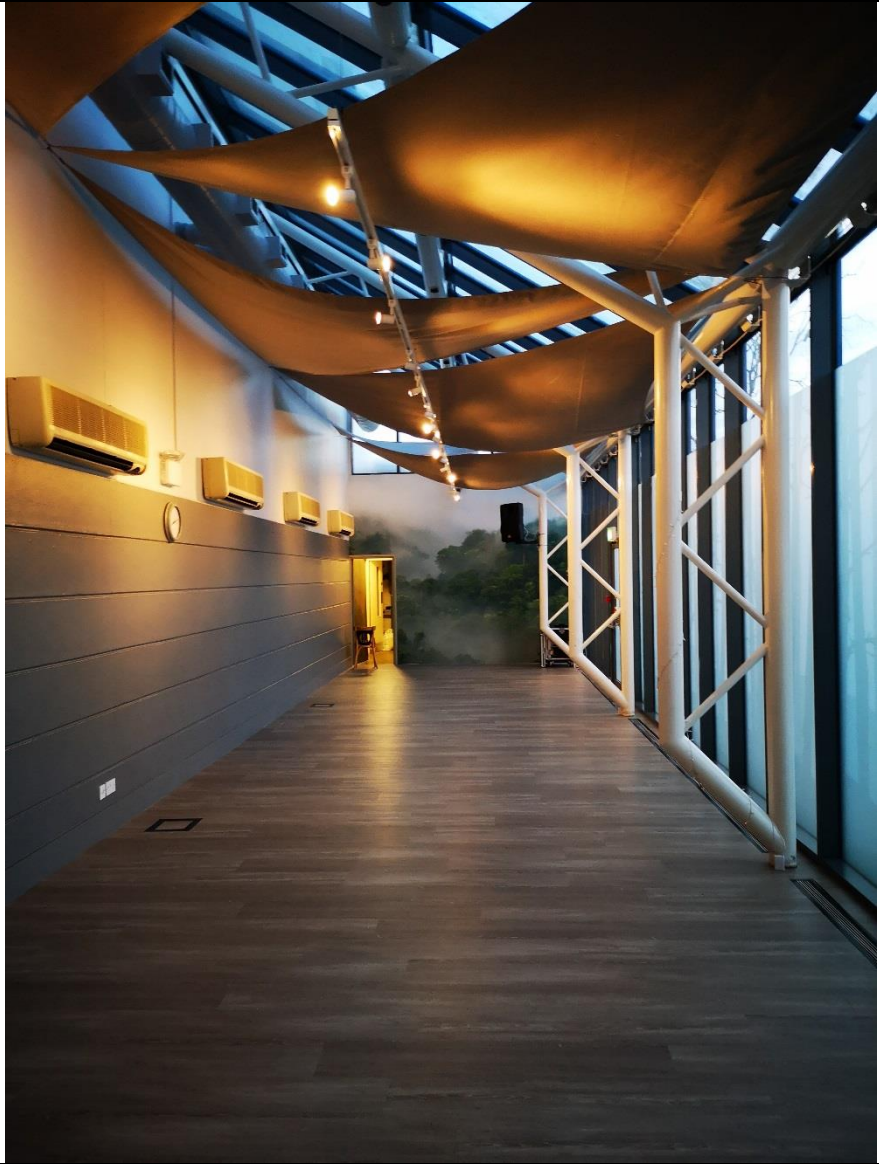
Riverside Spin Studio



Functional Fitness Rig



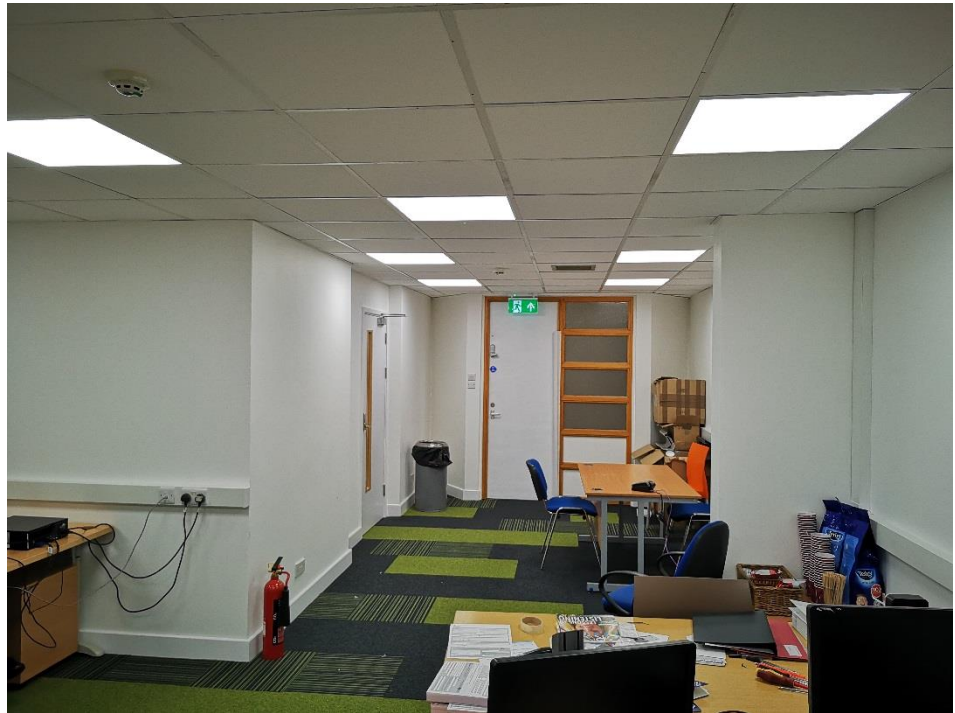
Yoga Studio



Members seating area



Membership sales office



In November 2017 Council agreed to a refurbishment programme for the Pyramids to ensure it could stay functional until the new St Sidwell's Swimming Pool and Leisure Centre opens in December 2020. The completed works include structural repairs to the roof and installation of a new AHU's, refurbishment to the family changing rooms, male changing rooms and female changing room, decoration to the vending area, reception and dry changing rooms.

Male Changing Area



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REPORT TO PLACE SCRUTINY AND EXECUTIVE

Date of Meeting: 17 January 2019 and 12 February 2019

Report of: City Surveyor

Title: Bull Meadow Recreation Ground

Is this a Key Decision?

No

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function? Executive

1. What is the report about?

This report follows the request by Exeter Homes Trust Ltd to purchase an area of Bull Meadow Park at the end of Temple Road to enable the redevelopment of the existing scheme of 12 almshouses dating from 1928 to provide 31 almshouses. The land to be purchased is shown edged and hatched black on the plans one showing the detail of the proposed turning head and one showing its location within Bull Meadow Park. All requests of this nature are handled by the Corporate Property Section who check amongst other things that there are not any strategic or operational reasons for retaining the land and that the proposed use is acceptable.

2. Recommendations:

That Place Scrutiny Committee advise and Executive decide whether, subject to planning consent, the land may be disposed of to create an extension to the highway.

3. Reasons for the recommendation:

Although disposals of non-strategic land holdings are delegated to the City Surveyor in consultation with the Chief Finance Officer it is considered in this instance, with the high volume of interest from local residents, that Members should be consulted and Executive decide on the principle of disposal.

4. What are the resource implications including non financial resources.

The only financial aspect would be a capital receipt of £25,000 for land plus £5,000 towards mitigation works being tree planting and marginal revenue saving would be made on park maintenance.

5. Section 151 Officer comments:

The report is noted. There is a small financial benefit contained in the offer, which could be used to support the funding of additional assets or used to reduce debt.

6. What are the legal aspects?

Please see the detail of S.123 of the Local Government Act set out below.

7. Monitoring Officer's comments:

The provision of S.123 of the Local Government Act 1972 are relevant and explained in paragraph 8 below. When making a decision as to whether to sell the land in question, Members must consider the detail of any objection to such sale as identified in paragraph 8 below.

8. Report details:

Exeter Homes Trust provides accommodation only for people who are aged 55 or over, have a low income which is currently limited £330 per week, have connections to the city of Exeter and are capable of independent living.

The land requested comprises 130sq metres and would be used only for highway purposes to form part of a new vehicle turning head. The transaction would only proceed if planning consent was granted for the scheme and there would be a condition requiring completion of the turning head. Approximately half of the new turning head would be constructed on land already owned by Exeter Homes Trust.

The terms provisionally agreed with Exeter Homes Trust include consideration for the land, a budget for new tree planting in the park and appropriate accommodation works.

Disposal of public open space by a local authority is governed by the Local Government Act 1972. Under this Act before disposing of any land a Council must place notice of their intention specifying the land in question to be advertised in two consecutive weeks in a local newspaper and consider any objections to the proposed disposal which may be made to them. Following this notice in the Express & Echo, 207 representations have been received plus a petition of 327 signatures.

Of the 207 replies, 191 objected to the disposal of this piece of land with 85 indicating a principle reason was increased danger resulting from an increase in traffic. 47 also mentioned additional pollution, 37 increased parking problems, 33 considered it would create a precedent to encourage further disposal, and 27 thought an alternative access should be created off Fairpark Road.

15 of the objectors thought that the proposal was to build on or sell the entire park and objected to this.

One of the replies was in favour of the scheme.

All the letters and e-mails, plus the petition, are available for inspection in the Members Room.

9. How does the decision contribute to the Council's Corporate Plan?

Members must weigh up the relative merits of retention of Public Open Space against the almshouses re-development and associated receipt.

10. What risks are there and how can they be reduced?

There are not any risks to the Council.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

The use of the park is already affected by a collapsed culverted watercourse near the subject area. This is securely fenced for safety reasons. This part of the park is therefore isolated at the moment and consequently underused. It is managed as a meadow. Exeter Homes Trust would not be doing any landscaping on the park, this corner of the park would continue to be managed as meadow with additional tree planting.

The Parks & Open Spaces Manager is agreeable to the disposal of the area coupled with the planting of new trees. The area of 130sq metres is approximately 1% of the area of the park and although the proposal would lead to a modest increase in traffic on Temple Road, a new turning head would mean that traffic can turn rather than reverse out as is currently the practice. The Waste Collections Manager has said that a turning head would be a useful improvement.

12. Are there any other options?

The other method of developing this area of land would be by taking access off Fairfield Road however verbal advice from both Exeter Homes Trust and the Planning Section was that this would be an inferior access and was dismissed at an early stage in the consideration.

**Michael Carson
City Surveyor**

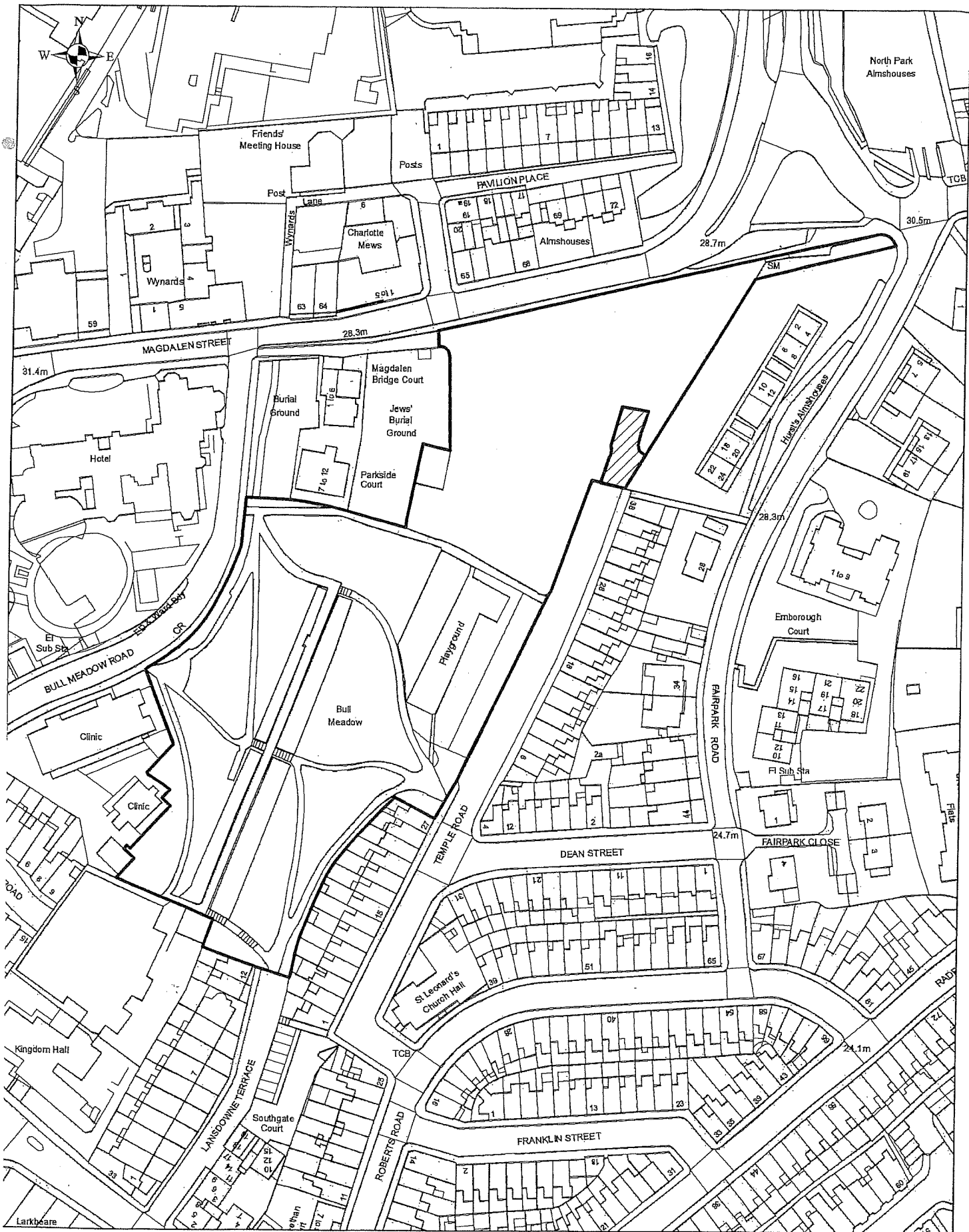
Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

Contact for enquires:
Democratic Services (Committees)
Room 2.3
01392 265275

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Bull Meadow

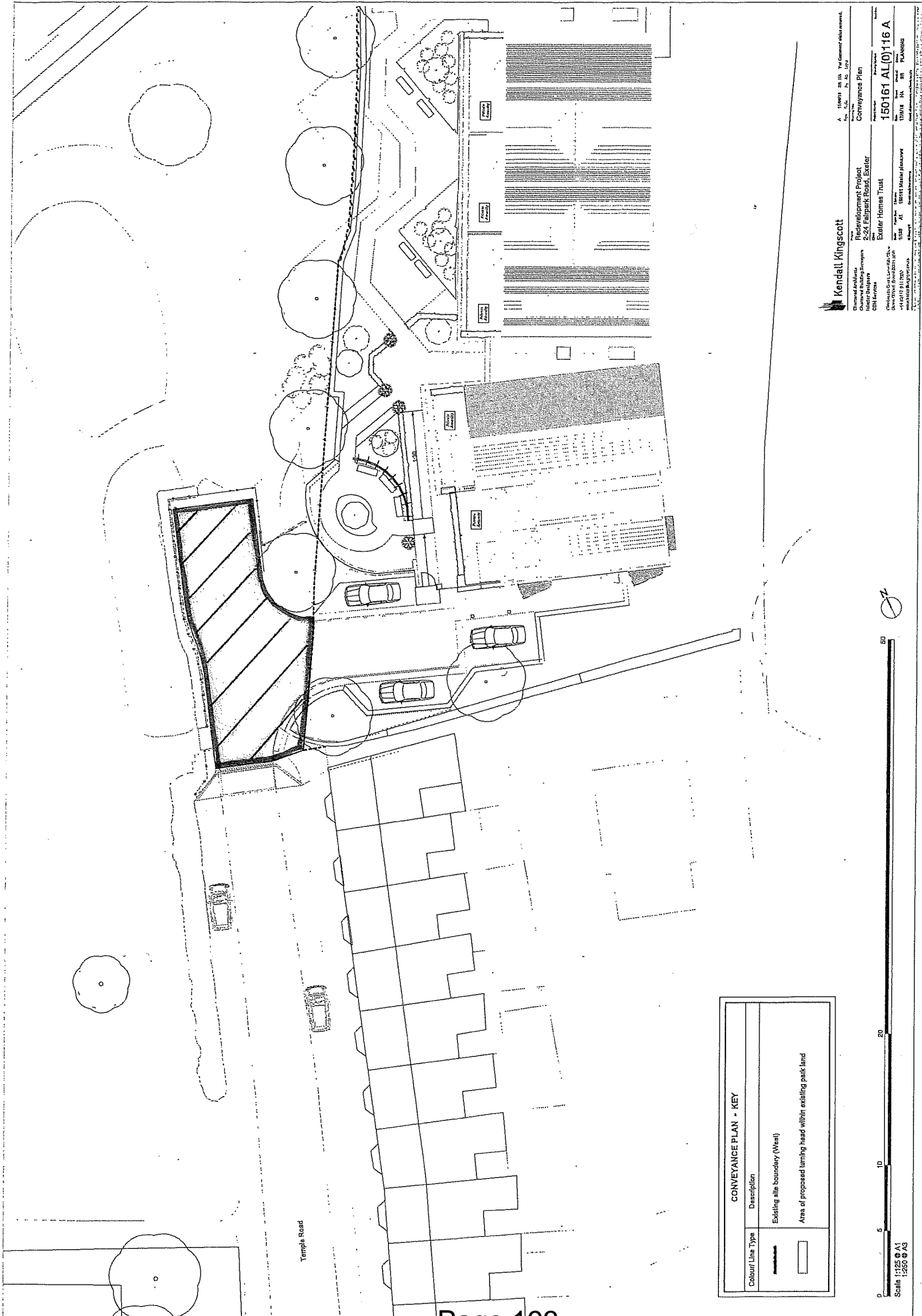
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Date: December 2018



Exeter
City Council

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Kendall Kingscott
 11400 16th St. NE, 1st Floor, Seattle, WA 98108
 Phone: 206.461.1234
 Fax: 206.461.1235
 Email: info@kendallkingscott.com

Client: Redevelopment Project
Address: 2-24 Fairpark Road, Exeter
City: Exeter - Home Trust
Project No.: 150161 AL(0)116 A
Scale: 1/8" = 1'-0"
Date: 10/15/10
Drawn by: [Name]
Checked by: [Name]

CONVEYANCE PLAN - KEY

Colour/Line Type	Description
	Existing site boundary (West)
	Area of proposed turning head within existing park land



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MAJOR GRANTS PANEL

Monday 21 January 2019

Present:-

Councillor Edwards (Chair)
Councillors Bialyk and Sutton

Also present:

Councillor Branston

Also Present:

Director (JY), Director (J-PH), Programme Manager - Communities and Assistant Democratic Services Officer

1 **MINUTES OF THE LAST MEETING**

The minutes of the meeting held on 29 November 2018 were taken as read and signed by the Chair.

2 **INTERIM ARRANGEMENTS FOR MAJOR GRANTS 2019/20**

The Director (JY) presented the report on the interim arrangements for Major Grants 2019/20.

Interim arrangements are required to allow time for a formal consultation process on future proposals to take place during 2019 in the context of the review that commenced in May 2018, and the subsequent reduction in general revenue funding for 2019/20 in respect of non-statutory grants. Recommendations on future policy are expected to be considered by full Council in July 2019.

The Panel noted that as part of the review, organisations had met with the Programme Manager – Communities and Arts & Events Lead on a one to one basis, to advise of the review process and potential changes/reduction to funding available.

Core and rent grants for Arts Council England National Portfolio Organisations are already subject to a four year Service Level Agreement. These are contracts for delivery of services so are not strictly a grant, and need to be funded in line with current contract terms for 2019/20 via the revenue account.

A discussion took place on the risks to organisations in the short term and other opportunities that would be available to them such as Crowdfund Exeter. This is a change in culture and it was important to promote, engage and support groups to use other funding opportunities.

Some organisations in receipt of rent grants have a break clause in their lease agreements to allow them to give notice if there is any change in rent grant. Some may decide to evoke this clause which could leave the Council with vacant premises and reductions in rental income.

Subsequent to this meeting, organisations would be informed of the recommendations to Executive on 12 February 2019, and a further communication would take place following the Executive decision. In addition, direct telephone conversations would be held with organisations to explain the situation and the context of the changes, to offer assistance, and to advise of any potential alternative support in the future.

RESOLVED to recommend to Executive that:

- (1) Living Options Devon Grant of £5,000 cease on recommendation from City Development.
- (2) Turntable Grant ceases as Housing Needs wish to place a contract for services for a similar amount for 2019/20.
- (3) Core and rent grants for the 5 Arts Council England (ACE) National Portfolio Organisations (NPO's) are already subject to a 4 year contract regime and need to be funded in line with current contract terms for 2019/20.
- (4) Community Associations that run Community Centres to continue to have existing rent grants for the full financial year 2019/20 funded through Neighbourhood CIL.
- (5) All other existing rent grants be capped at 2018/19 levels and funded for 6 months from April to September 2019.
- (6) All other existing core grants to be capped at 2018/19 levels and funded for 6 months from April to September 2019.
- (7) Grass Roots Grants (Neighbourhood CIL) process suspended for the time being.
- (8) £44,183 to be transferred from the Neighbourhood CIL to cover the full year effect of the annual rent grant of the 8 Community Associations who currently receive a rent grant.
- (9) Exeter Sports Fund grant, small arts grants, city grants and ad-hoc grant funds cease.
- (10) The decisions, as set out below be implemented in respect of the bodies indicated:

Arts Council England National Portfolio Organisations (ACE NPO's): ECC grants are linked to 4 year contracts	Recommended
Exeter Phoenix	£92,000
Exeter Northcott Theatre	£65,000
Theatre Alibi	£15,360
Libraries Unlimited	£10,000
Kaleider	£8,000

Core grants 50% of 2018/19 core grant in 2019/20	Recommended
Exeter Citizens Advice Bureau	£42,400
ExeAccess (Exeter Community Transport Association)	£8,620
Age UK Exeter	£2,500
Magic Carpet	£750
Merry Go Round Toy and Leisure Library	£500

Rent Grants for Community Associations Funded from Neighbourhood CIL for 2019/20	Recommended
Topsham Community Association – Matthews Hall	£8,750
Stoke Hill Community Association - St Katherine's Priory	£8,300
Exeter Community Initiatives - Exwick Community Centre	£6,500
Wonford Community and Learning Centre Ltd	£6,250
Alphington Community Association	£6,000
Newcourt Community Association	£6,000
Sylvania Community Facilities Association	£1,550
Stoke Hill Pre School Group	£833

All other rent grants funded at 50% of 2018/19 grant for 2019/20 with the exception of Exeter Phoenix due to ACE NPO 4 year contract	Recommended
Exeter Phoenix	£51,098
Citizens Advice Bureau	£19,664
Exeter BMX Racing Club	£9,870
Age UK Exeter	£8,700
Exeter Relate	£6,800
Exeter Cycle Speedway Club	£6,509
Barnfield Theatre	£6,053
Exeter Water Sports Association	£4,080
The Scrapstore (Hut 2 Belmont Park)	£3,100
Devon Rape Crisis Service Ltd	£2,950
Topsham Museum	£2,779
The Scrapstore (Gatehouse and 2 storage containers at CH)	£1,000

(The meeting commenced at 11.06 am and closed at 11.46 am)

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REPORT TO EXECUTIVE

Date of Meeting: 12th February 2019

Report of: Director

Title: Community and Arts Grants Review

Is this a Key Decision?

No

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

Is this an Executive or Council Function?

Executive

1. What is the report about?

1.1 This report provides an update on the progress of the Community and Arts Grants Review and sets out high level proposals for future policy.

2. Recommendations:

2.1 It is recommended that the Executive approves in principle the high level proposals for future policy and mandates the Directors, in consultation with the Portfolio Holders for Communities and Culture, to draft a draft policy for public consultation to commence in March with a final report to be presented to Council in July 2019.

3. Reasons for the recommendations:

3.1 Red Quadrant were commissioned by the Council to undertake a listening exercise and make recommendations for the Council to consider.

3.2 The Red Quadrant Report makes a series of recommendations aimed at modernising the Council's approach to community and art grants.

3.3 The budget to be approved by Council in February 2019 includes a reduction in the General Fund budget for community grants of £290,000 for 2019/20 and a further £210,000 for 2020/21.

3.4 The Major Grants Panel has made interim recommendations on grant awards for the coming year in line with the available budget for Core and Rent Grants in 2019/20 to allow time for public consultation on future policy.

3.5 Officers now need to take into account the recommendations from the Red Quadrant Report and the reduction in General Fund budget to formulate a draft policy for public consultation.

3.6 A key aim is to achieve a new policy and approach that will provide a sustainable funding pipeline for community and arts grants through the Neighbourhood Proportion of the Community Infrastructure Levy (CIL), the New Homes Bonus and funds other than General Fund.

4. What are the resource implications including non-financial resources.

- 4.1 Officer time and funding will be required to undertake a public consultation and this will be met within existing resources

5. Section 151 Officer comments:

- 5.1 The Council's Medium Term Financial Plan is reliant on substantial reductions being delivered for both the 2019/20 and 2020/21 financial years, which includes a proposed reduction in the budget for community grants of £290,000 and £210,000 in those years respectively. A modernised approach to community and arts grants is key to achieving the necessary budget reductions.
- 5.2 On the basis that the formation of a draft policy and undertaking a public consultation in respect of the modernised approach to community and arts grants can be met within existing resources, this report raises no further financial issues.

6. What are the legal aspects?

- 6.1 Please see Monitoring officer comments below.

7. Monitoring Officer's comments:

- 7.1 Section 3 of the Local Government Act 1999 imposes the general duty on local authorities to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Put simply, it sets out a duty on local authorities to keep under review at high-level its choices about how, as a matter of principle and approach, the authority goes about performing its functions.
- 7.2 The Monitoring Officer is of the view that this report sets out why the Community and Arts grants review is required leading to a consultation with those affected stakeholders in order to secure best value.

8. Report details:

- 8.1 In 2017/18 the Council awarded around £1.5 million in grants from General Fund, New Homes Bonus and Community Infrastructure Levy (CIL) funding. There are currently nine different grant programmes and the Council has dispensed over 3,336 grants over the past two years.
- 8.2 In 2018/19 the Council has a General Fund budget of £696,560 for community and arts grants. This is made up of:
1. Core Grants Budget of £314,180
 2. Rent Grant Budget of £355,080
 3. Small Arts Grant Budget of £11,300
 4. Ad Hoc Grants Budget of £16,000
- 8.3 In addition £524,858 of earmarked reserves has funded Ward Grants, Community Builders and Grass Roots Grants. Further grant awards have been made from

Section 106 funding for community buildings and it is estimated that the total community and art grant spend in 2018/19 will be in excess of £1.5 million. Many grants attract funding from external sources so the overall value of the council community and arts grants is far in excess of this amount.

8.4 The grants programme has built up over time and literally hundreds of voluntary and community sector organisations and groups have been recipients over the years. The current approach, whilst well intentioned, needs to modernise to deal with a number of issues including:

1. Lack overarching policy or investment strategy to guide developments and ensure sustainability;
2. The current system does not always make the best use of council funding;
3. An inconsistent approach to match funding;
4. The same small number of organisations receive the majority of funding;
5. There is a 'closed shop' for some of the grant funds;
6. Funding doesn't necessarily follow Council priorities, need or inequalities;
7. Internal audit report highlighted governance issues;
8. The current model can create dependency and is not aligned to ABCD approaches (asset based community development)

8.5 In April 2018 Council approved the Executive decision to commission an independent review of community and arts grants to "*consider modernisation and consolidation of the grant programmes and revised criteria linked to council priorities*". The framework for this was to

:

- Recognise the increasing pressures on Council budgets;
- Ensure that grant allocations are more strongly linked to council priorities;
- Maximize opportunities for match funding;
- Consider the consolidation of grant programmes;
- Explore opportunities to create a Strategic Exeter Community Fund for added value and sustainability; and
- Build community capacities to take action to address local priorities and build stronger communities.

8.6 In April 2018 when the review of grants was agreed no specific financial targets were set. However it was recognised that there was a need to design a more cost effective model for grants given the large sums of money relative to council operating budgets that have been available for community and arts grants.

8.7 In June 2018/ the 2018/21 Corporate Plan set out an anticipated £3.9million revenue budget reduction for 2019/20. In order to protect essential front line services, the budget to be approved by Council in February 2019 describes a range of measures including a reduction in the General Fund budget for community and arts grants of £290,000 for 2019/20 and a further £210,000 for 2020/21.

8.8 Taking into account all the feedback received through the listening exercise, as detailed in Red Quadrant Report (appendix 1) there are ten findings based on feedback that emerged through the listening exercise on a consistent basis. These are summarised below:

- Greater clarity needs to be instilled into the process. There is a large degree of confusion over the range of grants available and the relevant processes and protocols.

- Streamlining mechanisms, simplifying the application and providing reporting templates would improve accessibility
- There is a widespread perception that the current process lacks transparency from beginning to end. A consistent approach to communicating decisions and providing feedback is required
- Feedback on ward grants was positive and there was a sense that it generally works well as a process. We would, however question whether they are well publicised and known to all. Take up can also be improved in some areas of the city. There are high numbers of applications in areas considered to be more affluent than others.
- The annual application process is not a logical process for some grants which are linked to external funding grants e.g. Arts Council grants
- Communication and marketing needs to be revamped to raise awareness of the scheme across the city
- Although support is available from Council officers, consideration should be given to making it more accessible. Advice centres, an outreach officer and independent advisors were options put forward
- The role of the Exeter Community Forum needs to be clarified, particularly in relation to the decision-making process for some grants. A number of people believe that a decision on the role has been made but not clearly communicated
- The Community Builders have an important link role in enabling more people to access grant funding at grass roots level.
- An umbrella approach benefits small organisations for the application, reporting and banking processes.

8.9 Below is a summary of the Red Quadrant recommendations based on the results of the listening exercise and their research in other areas.

8.9.1 **Transparency:** Historically grant funding within the council has been delivered through very separate funding streams in different directorates, with no single view of how well that funding is working for the city. To the outsider, it is unclear what is available and how the money is spent. The listening exercise showed that there is a lack of trust and confidence in the current process. A new model needs to set out clearly:

- What is available and how
- Who the decision makers are
- What the criteria are for decisions
- What grants have been awarded and how successful the project has been

8.9.2 **A strategic approach with clarity of purpose:** Red Quadrant recommend a strategic framework for arts and community grants and a grants policy that covers all grants. This framework could align itself with other relevant strategies and, most importantly, make tangible links to the council's objectives and priority areas.

The framework can enable a balance of awarding grants, with a model around commissioning through contracts for more strategic service requirements. This would ensure that awards are made in the most appropriate manner to make positive contributions towards Exeter life and the achievement of the council's vision for the city.

8.9.3 **Community involvement:** A clear 'bottom up' approach to community development and associated grant funding in Exeter is essential to maximising the value of the

council's spending and ensuring the sustainability of community groups. It is clear that the current model creates dependency, is not aligned to ABCD approaches and is not sustainable. The precedent set by the Grassroots Grants process, where council and community decide together, is a useful model and should be built on for the new grants process. However, it has to be recognised that elected members are accountable for spending public money and delivering against council priorities and should therefore be involved.

- 8.9.4 **Adopt a commissioning approach:** To ensure fairness, due process and transparency, rent grants and core grants should be replaced by formal contractual agreements in line with the council's procurement policy. Organisations can be commissioned by the council to deliver services in line with council priorities.
- 8.9.5 **Separate out the NPOs:** National Portfolio Organisations (as defined by the Arts Council) bring substantial match funding and investment into the city. Red Quadrant feel they should be separated from the grants process, funding ring-fenced and converted to contractual agreements, again ensuring that the council's contribution is spent on council priority areas.
- 8.9.6 **Establish a single City Fund:** Red Quadrant strongly suggest that the council simplifies its grant funding process and adopts the approach used in Bristol, where all grants are held in a single fund, against clear priorities. Partners could be encouraged to invest in the fund. Different levels of funding can be administered easily and the whole process can be available from one contact point online.
- 8.9.7 **Use a digital platform:** A digital approach alongside a simplified grants process will enable a wider audience to engage. However, there were reservations during the listening exercise about whether an online approach would exclude certain elements of Exeter's communities: those who were unable to access the internet for financial or capability reasons. This must not be overlooked and support must be offered (see below) to ensure that everybody has a fair chance.
- 8.9.8 **Crowdfunding platforms** are being used by a growing number of local authorities to administer grants. There was resistance to this largely, which Red Quadrant felt, was caught up in the lack of clarity about the future of the grants process. A crowdfunding platform can simplify the grants process, make the money go further by attracting match funding and reach new audiences. The caveat in the previous paragraph about support applies equally here.
- 8.9.9 **Build capacity:** Some funds, including the CIL funding, should be used for support and capacity building in the city. The lack of a CVS has impacted on many of the groups spoken to. The listening exercise told us that support is needed for community groups to manage areas such as finance, governance, funding applications, using digital platforms, marketing and building support networks. This investment is vital for a sustainable community and voluntary sector.
- 8.9.10 **Improve communication:** Communication about available funding, both in Exeter and elsewhere is inconsistent. This is largely caused by the fragmented approach to grant funding and the lack of a joined up online presence. It is strongly suggested that moving to a single grant fund, with a digital emphasis would improve accessibility and enable much improved communication. It would also free up resource to build networks and new communication channels.

Feedback when grant applications are unsuccessful seems to be patchy and this was raised a number of times in the listening exercise. It is vital for organisations and individuals to be able to learn and improve and this must be addressed.

8.9.11 **Improve evaluation:** Simple evaluation frameworks could be built in the beginning of a project, so that communities can easily evidence the impact of their work. The Heritage Lottery Fund has a good example.

8.10 Officers will now work with the Portfolio Holders for Communities and Culture to take these recommendations into consideration in the drafting of a new policy for public consultation.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 The draft policy will contribute to the 2018/21 Corporate Plan objectives of

1. Promoting active & healthy lifestyles
2. Building great neighbourhoods
3. Providing value for money services
4. Leading a well-run Council

10. What risks are there and how can they be reduced?

10.1 The Voluntary and Community sector have also been affected by long term austerity with some of the larger service provider charities in particular having experienced reductions in contracts for services from a range of sources. Some organisations have reduced service provision and some have folded. There are risks locally that, in this context, some organisations may have become reliant on council grants (despite the annual nature of the awards). Some organisations may decide to stop or change service provision which could be a loss to service users and the local community.

10.2 The long term austerity issues have led to major transformation and reform in parts of the sector resulting in the development of more sustainable models of social finance such as Social Impact Bonds, Crowd Funding and digital platforms with a much greater emphasis on collaboration and new models of delivery. Some of these changes can be seen in Exeter with CoLab and Wellbeing Exeter as prime examples, but there is much more that the sector can do. The recommendations in the Red Quadrant report include the introduction of digital platforms and sector led support. Following the Council decision in July these could be in place within this financial year and will help to provide sustainable support to the sector locally.

10.3 An impact assessment will be presented to Council alongside future policy recommendation in July 2019

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

11.1 There is the potential for short term negative impacts should an organisation make changes to its current service delivery as a consequence of less than anticipated grant from the Council.

12. Are there any other options?

12.1 The listening exercise conducted by Red Quadrant has taken into account a wide range of views and made recommendations on models of best practice and these will be taken into account in preparing the draft policy for consultation.

Director

Jo Yelland

Local Government (Access to Information) Act 1972 (as amended)
Background papers used in compiling this report:-

Exeter Grants Review Report, Red Quadrant

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Appendix 1

Exeter Grants Review Report, Red Quadrant

Review of Community and Arts Grants
Exeter City Council



Report from RedQuadrant

October 2018

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1. Introduction

RedQuadrant were commissioned by Exeter City Council to undertake a listening and consultation programme with residents, community organisations and other key stakeholders as part of the Review of the Community and Arts Grants Programme.

This report sets out the results of that work and makes recommendations for a future model.

Contents

1. Introduction.....	2
2. Background to the review	4
The review.....	4
Issues to be addressed by the review	4
3 . Strategic context and what others have done.....	6
Grant funding in 2018: the need to build capacity.....	6
Local authority grant funding: aligning funding with priorities.....	6
Matched funding.....	7
Asset Based Community Development	7
Social Value and Civil Society	7
Local strategies and plans	8
4. The current grants process	11
Grant streams	11
5. The Listening Exercise – summary of findings	12
Focus groups	12
Stakeholder Interviews	15
The survey.....	18
Community Builders.....	22
Councillors.....	23

Major grant holders	24
Key findings of the listening exercise.....	24
6. Recommendations	26

2. Background to the review

The review

In April 2018, Exeter City Council agreed to undertake a review of the current grants programme to help them develop future policy that would:

- Ensure best use is made of council funding;
- Implement a consistent approach to match funding;
- Encourage and embed sustainable ABCD (Asset Based Community Development) approaches supporting people and communities to create community solutions to local issues; and
- Better link grant funds to deliver city council priorities of:
 - Addressing Inequalities;
 - Improving Health and Wellbeing and getting people active;
 - Finding creative community based solutions to locally defined problems; and
 - Developing of community buildings, assets and green spaces to enhance our city.

Issues to be addressed by the review

Exeter City Council currently awards approximately £1.5m pa of council funding through 10 different grant programmes, dispensing in excess of 3336 grants over two years.

The council stated that the review of community and arts grants needed to address the following issues:

- Whilst the council has a community grants programme it doesn't have an overarching grants policy, which will help the council to shape policy going forward;
- The current system does not make the best use of council funding;
- There is an inconsistent approach to match funding;
- The same small number of organisations receive the majority of funding;
- It operates as a 'closed shop' for some of the grant funds;
- Funding doesn't necessarily follow need or inequalities;
- A recent internal audit highlights a number of governance issues;
- The current model creates dependency and is not aligned to ABCD approaches (asset based community development) and is not sustainable; and
- The council currently doesn't have a clearly defined approach to the Social Value Act or a clear link to how community grants can make a positive contribution towards the Social Value act.

We have looked at these issues identified by the council, and tested them with grant recipients, stakeholders, councillors and community groups. In addition, we have found examples of best practise elsewhere to inform our recommendations.

3 . Strategic context and what others have done

This section puts the review into the context of national developments and the wider priorities of Exeter City Council.

Grant funding in 2018: the need to build capacity

Grants enable voluntary and community organisations to provide services or activities. They are ideal for supporting research and development, building capacity or for new activities which over time could become self-financing. They are also widely used for projects and to cover the core operating costs of voluntary and community organisations such as salaries and overheads.

There are over 4,000 grant funders in the UK, including government and local authorities, and the process is now highly competitive. The total amount of grant funding received by the voluntary and community sector has fallen in recent years and is likely to fall further. In addition, with the current economic climate, there are now many more organisations looking for funding.

Building capacity in community and voluntary organisations is crucial for a number of reasons:

- Most grant funding is one-off or short term and this can create issues of sustainability if a project has a longer-term ambition;
- Many funders have specific priorities for types of activity they want to fund;
- Grant applications are time consuming - submitting an application and receiving a response takes, on average, from two to six months (depending on the funder and the scale of the grant).
- Grants funders generally do not fund day-to-day running costs and it can be hard to secure the true costs of running a project from a grant-giver.¹

Local authority grant funding: aligning funding with priorities

With substantial reductions in local authority funding nationwide, councils are naturally looking to ensure that what money there is can be targeted towards priority areas. Community and arts grants are no exception to this and many authorities have reviewed their grants systems to ensure that best use is made of the money available, reducing duplication and bringing more transparency and clarity to the process. Appendix 1 contains detail of Bristol City Council's Impact Fund, bringing grants funding streams under one banner, creating a clear process and awarding grants to VCS organisations that reflects the City's priority areas of:

¹ <https://mycommunity.org.uk/funding-options/raising-finance-options/grants/>

- Giving the right help at the right time
- Helping people to help themselves and each other
- Building on the strengths of people and communities
- Connecting people and organisations within and across communities

Matched funding

There is an increased emphasis on matched funding and making what money there is work harder. ²For example, Angus Council, in Scotland, has changed the way it distributes grants. Their new arrangement reduces the maximum grant to community organisations from £5,000 to £1,000 and applicants will have to match any figure they apply for. The process will also be transferred to a partnership with Crowdfunder. Exeter City Council are now piloting a similar scheme together with other authorities in Devon.

Asset Based Community Development

The paucity of available funding has also forced local authorities and others to question whether current grant processes are having the maximum impact and reaching the right people. Concurrently, more holistic methods of community development have emerged, such as Asset Based Community Development (ABCD) that builds on the assets that are found in the community and mobilizes individuals, associations, and institutions to come together to realise and develop their strengths. Wellbeing Exeter is an excellent example of this approach (see Appendix 1).

Social Value and Civil Society

In August 2018, the Department for Culture Media and Sport (DCMS) published its Civil Society Strategy³ and stated:

The government believes that social value flows from thriving communities. These are communities with strong financial, physical and natural resources, and strong connections between people. This includes public funding, private investment, buildings, and other spaces for a community to use. It also includes trust and goodwill, and the organisations and partnerships that bring people together. To help communities thrive, the government believes we need to look at five foundations of social value: people, places, the social sector, the private sector, and the public sector.

² In Appendix 1 we highlight Devon Community Foundation's claim that every £1 donated generates £6 for people in need

³

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/732764/Executive_summary_-_Civil_Society_Strategy.pdf

Local strategies and plans

It is vital that any new model for arts and community grants in Exeter is set into the context of local plans and strategies, to ensure a joined up approach and maximum impact.

Local Exeter City Council Corporate Strategy 2018-21

The strategy states that the council will:

- Help deliver the emerging Exeter Vision 2040, by providing services and developments that build on Exeter’s growth and success and meet local communities’ aspirations

Focus on three strategic programmes that address the current, major challenges facing the city:

- Tackling congestion and accessibility
 - Promoting active and healthy lifestyles
 - Building great neighbourhoods
- Provide value-for-money services despite continuing central government budget reductions
 - Lead a well-run council

The emerging vision for 2040 is also set out in the strategy: *“By the time they are an adult, a child born in Exeter today will live in a city that is inclusive, healthy and sustainable – a city where the opportunities and benefits of prosperity are shared and all citizens are able to participate fully in the city’s economic, social, cultural and civic life.”*⁴

Sport England Local Delivery Pilot

In December 2017, Sport England confirmed Exeter and the East Devon new town of Cranbrook as one of twelve places selected to work on a ground-breaking new approach to tackle inactivity. Through its ‘Towards an Active Nation’ strategy, Sport England aims to build healthier, happier communities and to discover a blueprint for tackling inactivity.

Funding will be invested in Exeter and the new town of Cranbrook over four years to make it easier for people in these communities to access sport and physical activity. The ambitious outcomes of the programme are:

- Narrowing of stubborn health inequalities
- Improved inclusivity and sense of community connectivity
- Reductions in congestion and improved air quality
- Embedded analytical approach using integrated data

Cultural Strategy

⁴ <https://exeter.gov.uk/media/4213/ecc-corporate-plan.pdf>

A new place-based Arts and Cultural Strategy has been commissioned by Exeter Culture, in partnership with Exeter City Council

The Community Strategy

Developed by the Exeter Community Forum, the community strategy aims to empower local communities, so that:

- people can be active as citizens, through their community groups, organisations and networks, and
- Institutions and agencies (public, private and non-governmental) can work in dialogue with citizens to shape and determine change in their communities.

The strategy's approach reflects four ambitions:

- That the strategy should be community-led throughout its life, and change as the city, and the people and communities within it, change. To ensure this happens, it will be important that there is a mechanism to ensure communication between organisations in communities across the city. The Exeter Community Forum has been established for this purpose, and it is recommended that the Forum continue to operate to enable it to oversee progress on, and propose changes to, the strategy as they are needed.
- To increase the confidence and capacity of community organisations to develop their own activities, and secure funding for them beyond any grant made under one of the programmes in this strategy.
- To complement other investment taking place across the city, either directly, by providing match funding for key initiatives that help to achieve the strategy aims, or indirectly, by supporting a complementary initiative. An example of this is supporting community organising; the organisers who are recruited may well help people access initiatives supported by other investment streams in the city
- To stimulate joint commitment. Part of this comes from encouraging dialogue and joint activity between organisations and agencies working within each community, sometimes in the same building.

Community Builders

Alongside the social prescribing model of Wellbeing Exeter led by Devon Community Foundation on behalf of the funders (Exeter City Council, Devon County Council and NEW Devon Clinical Commissioning Group) (see Appendix 1) there is the parallel development of community resilience within the city. A team of Wellbeing Exeter Community Builders, managed and mentored by Exeter Community Initiatives, are active throughout the city. The builders take an ABCD approach, using local strengths, organisations and passions as a starting point for enabling greater connection, activity, and collective support. Within the Wellbeing Exeter model the aim of their role is:

- To build confident, more connected communities.

- To identify and map community assets and resources.
- To encourage and support individuals and build community resilience through spending plenty of time on the ground, out and about in 'their' neighbourhood.
- Learning about and mapping existing community 'assets' – buildings, events, groups and organisations, and active individuals.
- Listening to local people describing their experience of the community, what they see as its strengths, and what could be improved, to build up a picture of how each neighbourhood works, and how it differs from others.
- Improving links between formal service provision, the connectors, and community activity.
- Enabling increased community activity.

4. The current grants process

Grant streams

Appendix 2 sets out the detail of the community and arts grants distributed by Exeter City Council. Below is a summary:

There are nine grant streams currently available to applicants, including crowdfunding which has recently been introduced in place of Strategic Board grants. There are clear distinctions between the grants but these are not immediately apparent in some cases. In addition, we found the information on the council's website difficult to navigate. Streamlining the range of grants and the application and approval processes may reduce complexity and encourage new applicants.

- Ward grants of £300 each are awarded by ward councillors; their purpose is to encourage volunteering and community activities.
- City grants up to a maximum of £2k each are awarded by a city-wide Community grants panel; their purpose is to encourage activities across more than one ward
- Core grants have variable values and are awarded by the Major Grants Panel. They assist seven community organisations and seven arts organisations with their day to day running costs
- Major Rent grants have variable values; they are administered by Democratic Services and then awarded by the Major Grants Panel. They partly or fully fund rent charges for Council buildings for 22 city community and arts organisations.
- Grass Roots grants (Neighbourhood CIL) have variable values and are assessed by the Grass Roots Grants panel; the panel includes three Exeter Community Forum members and three councillors. Recommendations are made from the panel to the Executive and Council who make the award. The grant supports community groups to develop capital projects, resources and community projects to help address local needs
- Major Arts grants range from £5k to £10k each and are awarded by the Major Grants Panel. They are intended to support National Portfolio Organisations that have already received funding from Arts Council England on the basis of continued Council funding.
- Small Arts grants to a maximum value of £1k are officer approved and confirmed by the Major Grants Panel. They fund small projects and events within the EX1 to EX4 postcode areas
- Annual Arts Project grants vary in value from £1.5k to £8k. They are officer assessed and agreed by the portfolio holder, in line with the objectives of the Exeter Cultural Action Plan
- Crowdfunding grants up to a value of £2.5k are available for projects that tie in with corporate priorities and that already have 25% of total funding in place. Proposals will be approved by the Exeter Strategic Board funding panel to fund one off community projects. This is a pilot project and replaces the Exeter e Strategic Board grant stream for the 2018/19 financial year.

5. The Listening Exercise – summary of findings

Throughout the listening exercise, so that people felt comfortable to speak frankly, we committed to anonymity of views and opinions. An atmosphere of trust was built and we had some valuable conversations with people involved in all aspects of the grants processes.

During August and September 2018, we:

- Ran focus groups of grant recipients and community groups;
- Had structured interviews with key stakeholders;
- Ran an online survey;
- Met with City councillors;
- Met with Community Builders; and
- Attended a meeting of Exeter Community Forum;

Our remit was:

- To explore and contextualise attitudes, perceptions and ideas as part of the review of the Community and Arts grants programmes;
- To engage with stakeholders to capture and collate their feedback;
- To create an atmosphere of trust by emphasising the independent, anonymised and non-biased nature of the conversations and agreeing rules of engagement;
- To use the results of the listening exercise to inform the next stage of the review process.

Focus groups

We held four focus groups, each with a mixture of participants from large and small organisations who had been involved or would like to be involved in the grants process. All four meetings were lively, with strong feelings expressed. There are obviously very active and committed arts and community sectors in Exeter and their commitment to making Exeter a better place should be applauded.

The questions below formed guidelines for the group discussions, although naturally the conversations were varied and strayed into other areas:

- What works well about the current grants process, what do you like about it?
- How could the process be improved or made easier?
- What can be done to get people more involved with their local communities?
- What do you think stops people from being active in their community?
- Do you have any suggestions for types of support that could be provide to increase participation?
- Do you have any other thoughts on the Community Grants scheme?

What the focus groups said

There was a **strong consensus** across all four focus groups on the following points of view:

Inclusivity is a crucial consideration to ensure a successful and fair grants process, within reach of as many people as possible
Transparency is essential at all stages and improvement is required as a matter of urgency: from the initial application process through to the decision, notification and feedback stages
Clear communication channels and protocol need to be implemented to raise awareness, provide clarity and ensure fairness. There is a general lack of clarity in relation to the current process
Community, ward and rent grants currently have relatively simple application processes, but are dependent on the involvement of ward councillors in some cases
Application processes for all other grants are viewed as being onerous and lacking a consistency of approach: simple and clear terminology should apply in all instances
Delays in notifying applicants causes planning and budget setting issues
Community expertise can be built up and community groups empowered if a designated Council officer post is created as a gateway to the grants process
A community hub approach can be developed through the setting up of umbrella groups. This would be of great assistance in the case of banking arrangements for small organisations

There was **significant, but not unanimous, agreement** on the following points of view:

Community builders have an important role to play at grass roots level. Some success stories to date but there is also a lack of clarity about their role in some parts of the city.
The role of the Exeter Community Forum is unclear and its remit needs to be clarified and reaffirmed.
There needs to be significant input in the decision-making process from the Forum and from Community Builders: this will provide a greater connection between the community and the Council
There is a currently a lack of consistency in the knowledge of grants awards across the ward councillors. Support from councillors is integral to achieving success.

Council priorities need to be stated more explicitly, and made more accessible online, in the context of grant applications
There is patchwork coverage across the city in terms of support facilities for community organisations;
Crowdfunding may not be a feasible approach for everyone due to a lack of time and knowledge
Council officers provide good support and advice on the application process; although not always in a timely manner in the case of notifications and detailed feedback
A mechanism for providing independent advice on bid writing should be initiated
A year on year process is too short in some instances. For example, Arts Council grants can run for up to four years. This should be taken into account as part of the review
There is a need to break down silo approaches where they still exist

The following points of view were raised by a **minimum of two or three individuals** over the four sessions:

The current process relies heavily on the goodwill and enthusiasm of individuals, particularly in small organisations. Affluent areas have an advantage in this respect
There is currently a piecemeal approach from the Council towards community centres and associations
Grant recipients should represent city demographics
Portfolio holders and ward councillors should be role models for the grants process
Council officers encourage applicants to speak with ward councillors in advance of submitting applications
The current process benefits the more deprived areas of the city
Arts funding shouldn't be automatically protected and applicants should clearly demonstrate the benefits to the community
Community and Arts grants should be combined into one administrative process
Some application templates would benefit from an open text template, or could be based on the Big Lottery template
Clearer criteria need to be provided on match and double funding

Set up funding is relatively easy to obtain but these can lead to sustainability issues

The following points were made by **individuals**:

The core grant process requires urgent review

The lead in time for applications is too lengthy in some instances – up to fifteen months in one case

The Council should review its income streams. For example, more revenue could be collected from students and from the university

Brexit implications and the rise of hate crime can be offset by the award of community grants

Funding for the Museum should be taken into account in the context of budget allocation

The emphasis should be on the community, rather on the grant

Local initiatives such as the Pinhoe Press (set up by a Community Builder) can help to spread the word

The process shouldn't be overly dependent on councillors as this can lead to cronyism

Stakeholder Interviews

Stakeholder Interviews were held between July and September 2018 with (13) representatives from:

- Community Safety Partnership, Devon and Cornwall Police
- Health and Social Care, Royal Devon and Exeter NHS Foundation Trust
- Exeter Culture
- NEW Devon Clinical Commissioning Group,
- Arts Council England
- University of Exeter
- Devon Community Foundation
- Devon County Council, Communities directorate
- Big Lottery Fund (local office)
- Exeter Community Football

- Exeter Community Forum

The results of the conversations have been arranged thematically

Communications

All stakeholders spoke of the importance of excellent communications to build trust in grant giving. It is important to communicate really clearly who gets grants and how much they receive in order to dispel unhelpful myths.

Suggested communications channels mentioned included:

- Putting on events (also important for participation and for listening to people's needs)
- Word of mouth via volunteers
- Word of mouth via councillors
- Social media
- Digital platform for information sharing
- Trust: clarity, transparency and openness

Several stakeholders spoke of a lack of trust in the current grants system.

"The system needs to be absolutely robust and people shouldn't be able to by-pass it" There was a feeling amongst some that people lobby officers and members. This erodes trust in the system. Similarly, some feel that councillors have "pet projects and organisations".

One person said they felt that members were not clear about their role on Exeter Board. There was a suggestion that decisions had been made before meetings.

"There needs to be clarity on the types of grants on offer, the application process, the criteria and how decisions are made".

Who makes decisions on grants?

Several stakeholders recognised the need to delegate funds and decision making to the community. Decision-making needs to include people who are involved in operational work with people in communities. "If there was a way that social workers, nurses and therapists who work in the community could be involved in decision-making (and it could not be too onerous), that would be positive".

Quick decisions on small grants (currently this is the ward grants) that make a real difference to people are generally welcomed by stakeholders. This is with the caveat that communications around these grants should be more open and transparent.

An alternative view was expressed: that decisions on small grants should be made by an 'independent advisory body' rather than one officer in order to increase transparency, openness and a sense of fairness. (In fact, grants awards are never made by officers).

A systems approach

A number of stakeholders spoke of the importance of taking a systems approach to grant-giving. This would look strategically/longer term at making a difference to people and communities.

Partnerships and pooling resources

Some thought that Exeter City Council and Devon County Council could create a shared approach, a 'joined up strategy' There is a precedent for this: they worked together to create Wellbeing Exeter This worked well for two years and has recently been extended.

Where could stakeholders make a real difference by pooling resources? Ideas included

- A 'funders' forum'
- Employ an analyst for 2-3 months to increase knowledge of all stakeholders about the needs and any resources which could be pooled to meet them.

The emerging place-based approach could result in co-location of services. E.g. the Community Safety Partnership has a limited budget which could be pooled with other sources of local funding where its priorities would be met.

There was a feeling that strategies and priorities from different agencies and organisations across the city needed to be aligned, such as the Cultural strategy, Wellbeing Exeter and the Community Safety Partnership priorities.

Exeter City Council's support for the arts was recognised. All the stakeholders involved in the arts spoke of the importance of the ability to 'think internationally' in order to bring in funding from outside the City – especially from abroad. "Exeter Culture will continue to be important".

Stakeholders involved in arts grants spoke of working well in partnership with cultural organisations. "So much can be achieved by actively working to bring the two closer together (ACE and ECC) – but we are doing that already".

ECC support for the arts draws in funding from abroad. Similarly, one stakeholder mentioned the funds awarded to ECC by Sport England and was keen to 'sit alongside' the council to shape plans for how this funding could make the biggest difference.

City Councillors all need to be more aware of partner organisations and links between organisations which would deliver outcomes for people.

Participation (engaging communities)

Most stakeholders were aware of the community builders and felt they were working well to engage with people and build participation in community.

"Different parts of the city have different needs. Devon Health and Social Care's emerging place-based model will allow staff to know their communities better and potentially enable greater participation".

Some stakeholders were aware of crowdfunding – though felt that their organisations didn't necessarily have the skills to do it. "The major advantage of crowdfunding is that it engages the community early on in any fundraising".

The application process

Suggestions included:

- Application forms need to be straightforward to complete
- A more complex system (possibly a two stage application process) may be suitable for larger grants for organisations where there are salaried staff.
- Processes could be similar to other grant schemes to enable paperwork to be 'repurposed'. E.g. Bristol have made their form for larger grants similar to the ACE NPO form

Miscellaneous comments

Demographics: Exeter is a growing city and it's a challenge to keep up with changes in need and in what's available.

Some organisations receive multiple grants e.g. rent grants and arts grants. These need to be clearly identified as grants and form part of an organisation's overall grant. A holistic approach is needed.

Perhaps the various arts grants could be called 'Culture Grants' which would imply a wider range of types of applicant such as libraries, performance, fine art, craft etc.

One person questioned the need for City Grants as going against the strategy of being closer to communities with differing needs

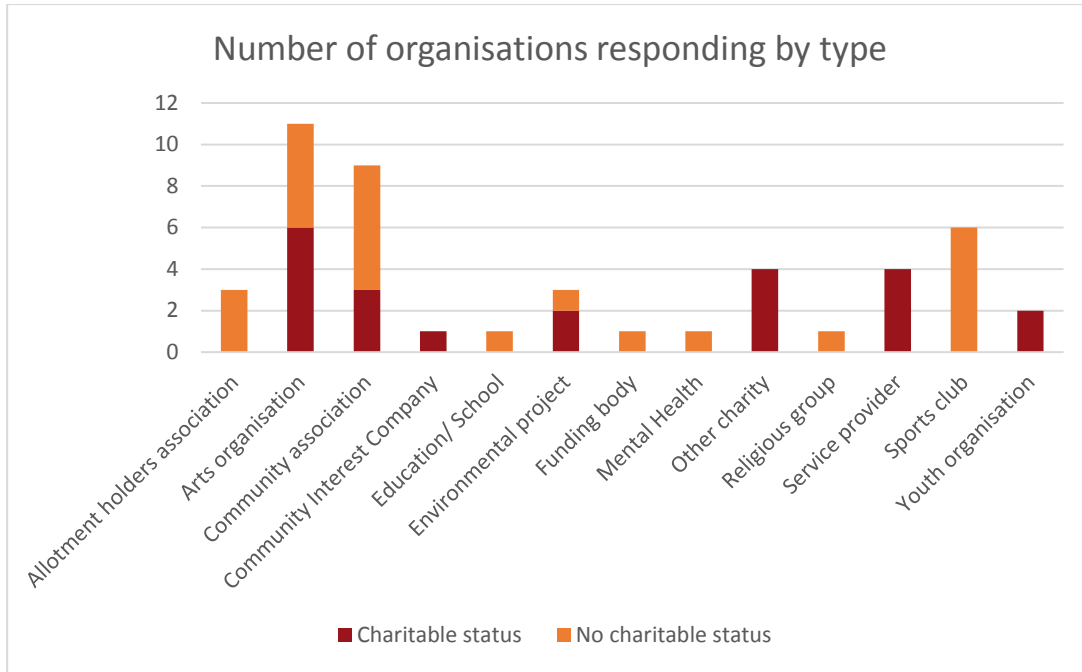
Several stakeholders raised the importance of evaluating how the money is spent and were aware that the process (for certain grants) needs to be better.

The survey

We ran an online survey in August and September 2018 to collect the views of individuals and organisations. We sought information and views on Exeter's Community and Arts Grants programme, and the factors which motivated and impeded involvement in community organisations. The survey was open to anyone to respond, but some questions were targeted at individuals and others at organisations. A full list of the questions can be found at Appendix 3

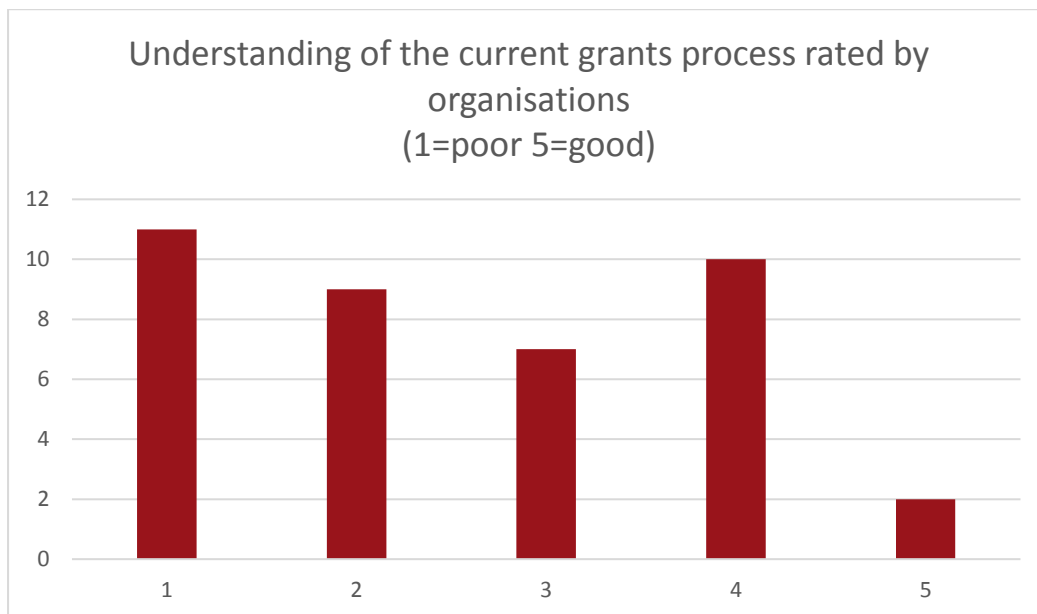
Altogether there were 176 responses to the survey – 55 from organisations or groups and 121 from individuals.

The full survey analysis is at Appendix 4 below are some of the key findings

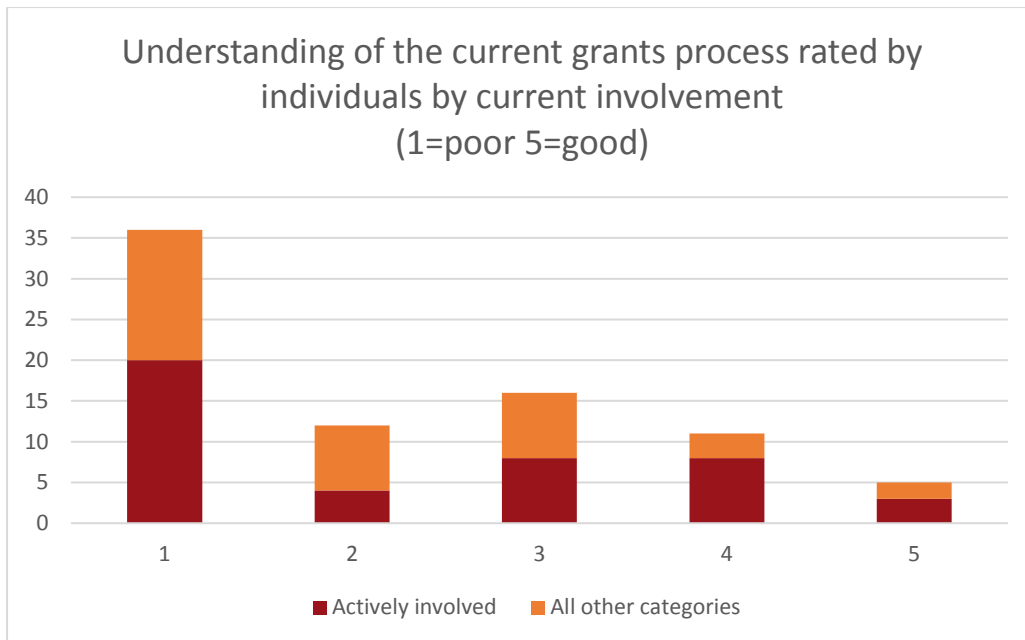


Understanding of the grants process

We asked respondents to rate their understanding of the way that the Council sets its priorities for the current grants programme. The results are shown in the chart below.



We asked the same question to individuals and, additionally, measured the answer against their stated level of involvement in community or arts activity.

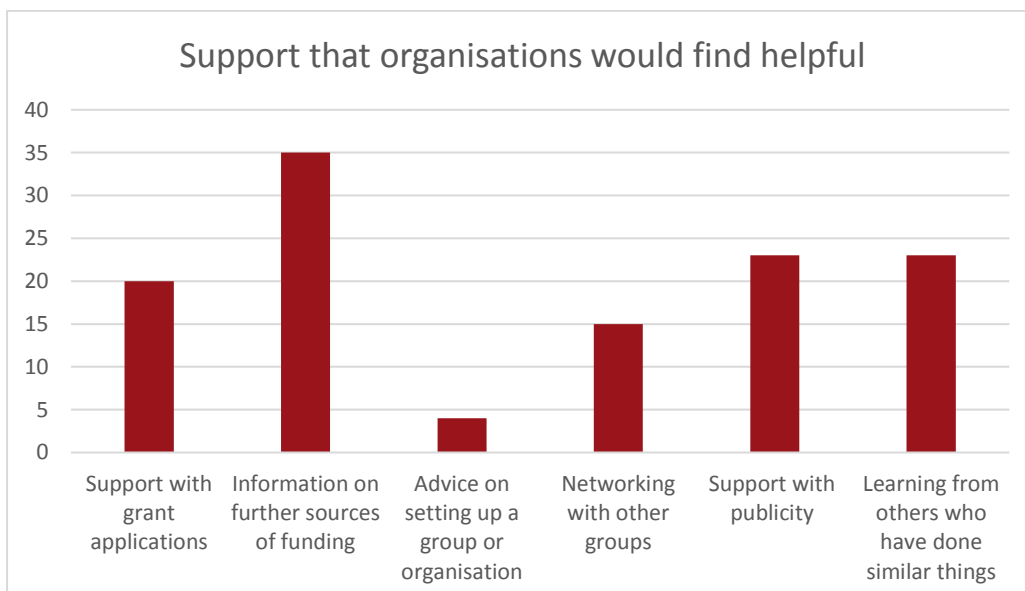


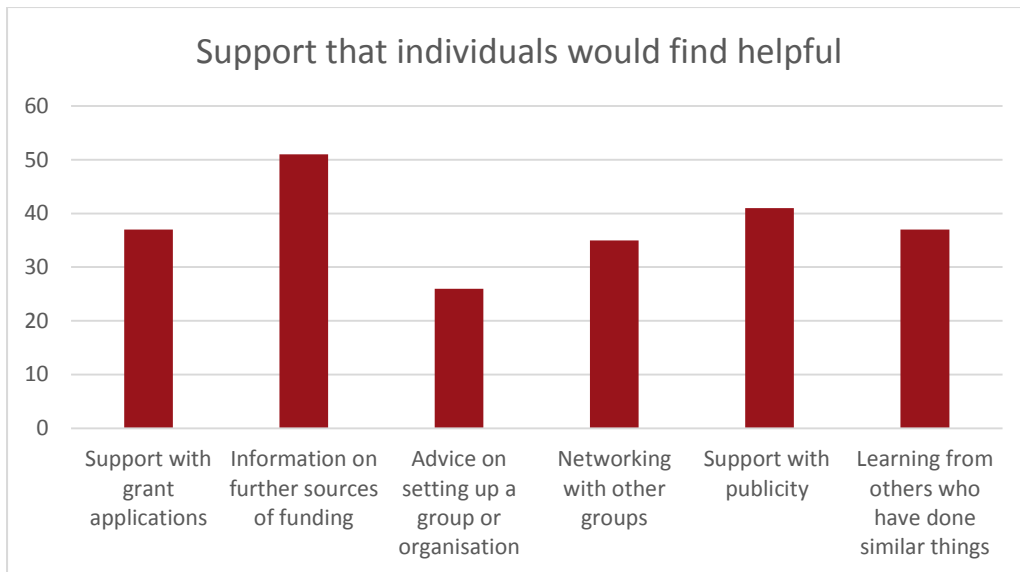
Both results show that there is work to be done in communicating the process.

Support in applying for grants

There was a strong response to the idea that support might be provided to assist organisations or individuals to apply for grants.

Respondents were then asked to say what types of support might be applicable to them.





This demonstrates a clear desire from many of the respondents to develop the network of funders beyond the City Council and to work together with other organisations. There is also a desire for more assistance with completing grant applications (which could presumably be for grants outside the City funding) and for publicity.

Although, like the organisations, individuals wanted information on further sources of funding more than anything else, there was a notable increase in the number of responses wanting advice on setting up a group.

When asked what one thing the Council could do to support organisations, there were 50 responses 31 of which were from people actively involved. They can be grouped into a number of themes:

- 11 responses related to the continuation or initiation of funding, including a suggestion that the Council move away from annual grants to longer term programmes, and a distinction between capital and revenue grants. Some of these were quite specific as to what the organisation required funding for.
- 9 responses related to better communication with the Council including transparency of the process of allocating grants, the criteria against which grants are judged and general information. Some organisations felt that responses from the Council to communication were slow...
- 6 responses related to support for publicity including promotion in the Council's newsletter.
- 5 respondents wanted the council to provide more advice, including information about available grants, and also liaison with the business community in Exeter and with other council departments. This also related to 3 responses which asked for an easier process for applying for grants as well as assistance in applying for permissions for events such as road closures.
- 1 respondent would like more training for organisations in, for example, budget and financial planning.

The responses from individuals were on similar themes:

- There were 8 responses asking for more information or a simpler process for grant applications, and information on decision making.
- There were 6 responses asking for better communication with the Council and for promotion of the organisation through an improved arts website
- There were 9 responses mainly asking for a continuation or increase in grant funding, with one plea to continue funding for the Citizens' Advice Bureau and one for more funding for mental health issues
- There were 4 responses relating to partnership including shared resources for groups, a forum for publicity and better communication through ECF. One respondent stated that "If one organisation acts as a banker for other groups that don't have a bank account, the councillors say that hosting organisation is potentially being awarded too many grants. The council needs to recognise the role those hosting organisations are playing, as some small groups of residents who want to make a difference to their community, don't necessarily want to constitute a formal organisation in order to open a bank account".
- There were 9 responses that broadly fell into the area of policy. There was a suggestion that the Council should develop a more cohesive strategy with regard to the arts and culture so that it is integrated into planning and day to day business of the City. One respondent suggested that the grants policy should be to support the most vulnerable. The idea of funding a portfolio of projects rather than one off grants was suggested. Three respondents suggested that the current selection process for funding may not be open or fair, especially for larger grants.
- 4 responses suggested that the Council could do more to provide affordable space or to reduce business rates for organisations.
- 5 respondents wanted additional support from the Council in terms of advice.

Community Builders

There was a general consensus amongst the group on all of the following points:

- The role of the Exeter Community Forum in the decision-making process requires clarification. It has developed well over a period of years but its future role seems unclear
- There is a perception in the community that the current process lacks transparency and accountability
- There is a sense that it's always the same people who apply for grants and that this is partly due to demographic and geographical splits
- An umbrella model would help to make grants more accessible to more people, including writing applications and bank account arrangements

- The possibility of creating a paid role which sits outside the Council should be explored. The post holder would support community groups with the application writing process
- Options should be explored for creating an organisation with a CVS role
- The profile of the Community Builders would be raised considerably if a pop up shop arrangement were to be implemented, preferably on the high street

Councillors

There was general agreement on the following points across both meetings:

- There needs to be greater clarity for the award of grants with a clear link to Council priorities
- The application process and templates should be reviewed to ensure that they are accessible and appropriate. “Form filling is a middle-class hobby” and this is part of the reason why more people don’t apply for grants
- Affluent areas tend to benefit from grant money more than less affluent areas. Ward councillors are addressing these issues but it can be difficult to engage with hard to reach groups, particularly where there is a shortage of community organisations
- It is sometimes a challenge to fully allocate ward grants in some areas but this far from the case in more affluent wards
- There is a danger that bigger organisations can swamp the application process to the detriment of smaller groups
- Consideration should be given to putting a ceiling on multiple applications
- Diversity implications are a key consideration for improving accessibility to the grants programme e.g. BME groups and people with disabilities
- Community Builders are key to the future success of the grants programme: the eyes and the ears on the ground
- Bank account arrangements for small groups are problematic: a mechanism to assist with this issue should be implemented. An umbrella approach should be considered
- There are too many layers to the current process: one point of contact should be established for potential applicants
- The role of the Exeter Community Forum requires clarification
- Consideration should be given to how the CVS function operates under the COLAB arrangement

Major grant holders

There was a parallel exercise to our review where holders of major grants had one to one interviews. There were useful comments about the grants process, which we have set out below:

- The application process is overly complex and time consuming
- There needs to be a contact point for community organisations and to provide links to charity funding opportunities
- Council officers have offered good support over the years; more timely responses for information and feedback would be appreciated
- Council priorities should be articulated more clearly and communicated more widely
- Marketing and communication of grants opportunities should be reviewed in order to reach out to the wider community
- The Council can support arts organisations to engage in a business environment

Key findings of the listening exercise

Taking into account all the feedback received through the listening exercise, as detailed in this section of this report, our key findings are summarised below. These ten findings are based on feedback that emerged through the listening exercise on a consistent basis.

- Greater clarity needs to be instilled into the process. There is a large degree of confusion over the range of grants available and the relevant processes and protocols.
- Streamlining mechanisms, simplifying the application and providing reporting templates would improve accessibility
- There is a widespread perception that the current process lacks transparency from beginning to end. A consistent approach to communicating decisions and providing feedback is required
- Feedback on ward grants was positive and there was a sense that it generally works well as a process. We would, however question whether they are well publicised and known to all. Take up can also be improved in some areas of the city. There are high numbers of applications in areas considered to be more affluent than others.
- The annual application process is not a logical process for some grants which are linked to external funding grants e.g. Arts Council grants
- Communication and marketing needs to be revamped to raise awareness of the scheme across the city

- Although support is available from Council officers, consideration should be given to making it more accessible. Advice centres, an outreach officer and independent advisors were options put forward
- The role of the Exeter Community Forum needs to be clarified, particularly in relation to the decision-making process for some grants. A number of people believe that a decision on the role has been made but not clearly communicated
- The Community Builders have an important link role in enabling more people to access grant funding at grass roots level.
- An umbrella approach benefits small organisations for the application, reporting and banking processes.

6. Recommendations

Below are our recommendations based on the results of the listening exercise and our research into what happens elsewhere.

Transparency

Historically grant funding within the council has been delivered through very separate funding streams in different directorates, with no single view of how well that funding is working for the city. To the outsider, it is unclear what is available and how the money is spent. The listening exercise showed that there is a lack of trust and confidence in the current process. A new model needs to set out clearly

- What is available and how
- Who the decision makers are
- What the criteria are for decisions
- What grants have been awarded and how successful the project has been

A strategic approach with clarity of purpose

We would recommend a strategic framework for arts and community grants and a grants policy that covers all grants, community and arts (and potentially physical activity/sports)⁵. This framework could align itself with other relevant strategies (as set out in section 4) and, most importantly, make tangible links to the council's objectives and priority areas.

The framework can enable a balance of awarding grants, with a model around commissioning through contracts for more strategic service requirements.

This would ensure that awards are made in the most appropriate manner to make positive contributions towards Exeter life and the achievement of the council's vision for the city.

Community involvement

A clear 'bottom up' approach to community development and associated grant funding in Exeter is essential to maximising the value of the council's spending and ensuring the sustainability of community groups. It is clear that the current model creates dependency, is not aligned to ABCD approaches and is not sustainable. The precedent set by the Grassroots Grants process, where council and community decide together, is a useful model and should be built on for the new grants process. However, it has to be recognised that elected members are accountable for spending public money and delivering against council priorities and should therefore be involved.

Adopt a commissioning approach

To ensure fairness, due process and transparency, rent grants and core grants should be replaced by formal contractual agreements in line with the council's procurement policy.

⁵ With the exception of the arts organisations that are National Portfolio Organisations, see point below

Organisation can be commissioned by the council to deliver services in line with council priorities.

Separate out the NPOs

National Portfolio Organisations (as defined by the Arts Council) bring substantial match funding and investment into the city. We feel they should be separated from the grants process, funding ring-fenced and converted to contractual agreements, again ensuring that the council's contribution is spent on council priority areas.

Establish a single City Fund

We would strongly suggest that the council simplifies its grant funding process and adopts the approach used in Bristol (see Appendix 1), where all grants are held in a single fund, against clear priorities. Partners could be encouraged to invest in the fund. Different levels of funding can be administered easily and the whole process can be available from one contact point online.

Use a digital platform

A digital approach alongside a simplified grants process will enable a wider audience to engage, there is no doubt in our minds.

However, there were reservations during the listening exercise about whether an online approach would exclude certain elements of Exeter's communities: those who were unable to access the internet for financial or capability reasons. This must not be overlooked and support must be offered (see below) to ensure that everybody has a fair chance.

Crowdfunding platforms are being used by a growing number of local authorities to administer community and arts grants. There was resistance to this largely, we felt, caught up in the lack of clarity about the future of the grants process. A crowdfunding platform can simplify the grants process, make the money go further by attracting match funding and reach new audiences. The caveat in the previous paragraph about support applies equally here.

Build capacity

Some funds, including the CIL funding, should be used for support and capacity building in the city. The lack of a CVS has impacted on many of the groups we spoke to. The listening exercise told us that support is needed for community groups to manage areas such as finance, governance, funding applications, using digital platforms, marketing and building support networks. This investment is vital for a sustainable community and voluntary sector in Exeter.

Improve communication

Communication about available funding, both in Exeter and elsewhere is inconsistent. This is largely caused by the fragmented approach to grant funding and the lack of a joined up online presence. We would strongly suggest that moving to a single grant fund, with a digital emphasis would improve accessibility and enable much improved communication. It would also free up resource to build networks and new communication channels.

Feedback when grant applications are unsuccessful seems to be patchy and this was raised a number of times in the listening exercise. It is vital for organisations and individuals to be able to learn and improve and this must be addressed.

Improve evaluation

Simple evaluation frameworks could be built in the beginning of a project, so that communities can easily evidence the impact of their work. The Heritage Lottery Fund has a good example.

Appendix 1: What works elsewhere?

Below are some examples of best practise that we think are relevant to this review and to grants funding in Exeter.

One community fund: Bristol City Council

In Bristol, all council grant funds were brought together in 2017 to form a new Bristol Impact Fund. The fund supports 70 voluntary and community organisations to deliver 49 different projects to reduce disadvantage in the city. Info [here](#) about current and past grant funding.

The process is clearly set out in the prospectus that outlines the process, the criteria and what the city council is trying to achieve.

‘Historically grant funding within the council has been delivered through very separate funding streams in different directorates, with no single view of how well that funding is working for the city. By aligning our grant streams through this prospectus, we can focus on key priorities and challenges and be very clear about what we are trying to achieve with this funding’

They have a number of baseline standards that applicants have to address to safeguard authority’s investment and provide good quality services. Link [here](#)

The Bristol Impact Fund has been used as case study by Institute for Voluntary Action Research to develop a framework for [place-based funding approaches](#).

<https://www.bristol.gov.uk/people-communities/grants-for-voluntary-and-community-organisations>

Prospectus:

<https://www.bristol.gov.uk/documents/20182/32598/Grant+funding+prospectus+colour+version/dd221a43-98c0-4fa4-bbde-d2316c1f9742>

The Impact Fund does not include arts and culture funding, this is dealt with separately by the Cultural Investment Programme. The programme has its own prospectus that, again, clearly sets out the purpose, conditions and application process.

The key aims of the Cultural Investment Programme are to:

- Develop Bristol’s reputation as one of the UK’s leading cultural cities
- Advance diversity and equality in arts and culture
- Support the delivery of Bristol City Council’s Corporate Strategy

Commissioning: London Borough of Camden

Camden have completely reformed their grant funding in recent years and now have a programme that is competitively commissioned around neighbourhoods and priority equalities groups.

The neighbourhood commissioned grant approach aims to support strategic partners in balancing the use of community assets (community centres etc) to generate income and supporting local social action.

£1.6 million has been allocated to a community impact fund for the council to commission local voluntary and community organisations to tackle some of the most complex social issues in Camden:

- Youth offending
- Rough sleeping
- Emotional health and wellbeing
- Supporting people in the community

Camden operates the Funder Plus model, where the funder supports their grantees in a range of different ways according to their need. This might be through the provision of additional funding so the grantee organisation can commission an evaluation, support in strategic planning, or so that they can access capacity building training from an appropriate provider.

<https://www.camden.gov.uk/ccm/content/community-and-living/voluntary-organisations-and-funding/camden-community-impacts-scheme/>

Crowdfunding: Plymouth City Council

<https://www.crowdfunder.co.uk/crowdfund-plymouth>

Crowdfund Plymouth is set up to support community groups, start-up businesses, charities and individuals across the city. Some of the benefits for the council of using a crowdfunding platform for distributing money this way are:

- Increased public participation.
- Increased transparency.
- Increased visibility for the Fund.
- Increased advertisement of the relationship between development and infrastructure, and the benefit that the growth of the City has for existing residents
- Increased buy-in for projects.
- Guaranteed match funding for the money that they distribute
- Lower administration costs than running a 'traditional' grant application process.
- They see projects that would not normally apply for grants or who don't know that the fund is applicable
- Campaigns increase skills, capacity and resilience in the community.

- They state that some of the benefits for communities using crowdfunding include:
- The projects themselves benefit from ‘proving’ their concept, advertising and increased customer base.
- Testing out their ideas with communities
- More control of their own success
- Supports their entrepreneurial and business skills.
- Develops a set of supporters and backers
- Raises awareness of their project leading to better use of and uptake of projects once up and running
- Develops a different skill set that supports groups to be more sustainable.
- Unlocks resources – financial and community

Asset based community development: London Borough of Croydon

Following the riots in 2011, Croydon have adopted an ABCD approach to community development and believe that community grants are enablers of ABCD.

At the heart of the approach are the ‘six stepping stones’

- Walkabout - find local Community Connectors
- Asset Mapping – identify local skills, talents, groups and organisations
- Find and connect passions – Connectors find out what local people care enough about to act on
- From passion to action – hold an ideas fair to agree what can be done to make the community better
- Match Funds - funds and other external resources can oil the cogs of activity already started
- Celebrate - the shared vision should be celebrated and disseminated widely

<https://www.croydon.gov.uk/community/advice/abcommunity-dev>

<https://www.croydon.gov.uk/sites/default/files/articles/downloads/abcdinfo.pdf>

Asset based approach to prevention: East Sussex

As part of the whole system health and care transformation programmes East Sussex Better Together and Connecting for You, East Sussex County Council has developed a system wide asset-based approach to prevention and early intervention with a view to making sustainable change at scale and pace.

<https://www.local.gov.uk/east-sussex-county-council-community-asset-based-transformation-programme>

Prospective grantees have to have a plan agreed before grants awarded.

Success evaluation criteria are set at the beginning of a project- a logic model and evaluation plan are created. This is a model followed by major funders such as the Heritage Lottery Fund.

The evaluation looks at

- Inclusion of community members
- What was the community benefit – are original goals achieved
- Return on investment for health and care
- Impact on local economy
- Extent to which local voices are heard and included
- Alignment of other funding with objectives to increase whole funding impact

The grants programme for health improvement initiatives has been successful in engaging and empowering a wide range of settings, including those in deprived areas, in developing creative strategies that suit their specific context and population groups.

Local Good Practice

Wellbeing Exeter

Wellbeing Exeter is a partnership of public, voluntary and community sector organisations who have come together to explore better ways of supporting the 40% of patients who visit their GP with socially based rather than medical problems.

Wellbeing Exeter is funded by Devon County Council through the Better Care Fund and Exeter City Council through the neighbourhood proportion of the Community Infrastructure Levy

The partnership is piloting a particular approach to [social prescribing](#), in combination with [asset-based community development](#) to provide firm foundations to enable individuals and communities to improve and promote their own health and wellbeing.

- Exeter GP practices refer patients they believe would benefit from increased social activity to their trusted Community Connector.
- The Connector works with the individual to identify what matters to them, and plan a way forward. Together, they start to engage with the local community. The Connector might introduce people to activities and organisations within their neighbourhoods, and may accompany them initially. On average individuals work for around 6 weeks with their Connectors but this varies depending on individual needs and wishes. This process is known as [Social Prescribing](#).
- Simultaneously, [Community Builders](#) are working within communities, identifying social resources, stimulating activity, and helping those communities to thrive and develop. This builds communities' capacity to offer opportunities to residents for connection and interdependence. Community Builders are a great resource for Community Connectors to help discover what might be on offer for participating individuals.

Devon Community Foundation

Established in 1996, Devon Community Foundation brings together donors and philanthropists with charities and community groups. They use their knowledge of local needs and the voluntary sector to manage high impact distribution of funds designed to achieve sustainable outcomes. The Foundation provides a flexible and personal way for individuals and organisations to invest in local projects, helping to ensure Devon's communities thrive.

Grants are made across nine Thriving Communities themes:

- Assist families in need
- Bring people together
- Develop life skills
- Enable disabled people
- Encourage safety and resilience
- Help people to find and keep a home
- Keep people safe and well
- Offer training and work opportunities
- Promote access to arts, culture and nature



Crowdfund Exeter (pilot)

Exeter City and Devon County Councils are offering a £80,000 Crowdfund Exeter Fund to help support healthier, active, happier, greener, more connected communities.

Projects must be delivered in Exeter and are eligible for up to 50% funding, up to the maximum value of £2,500.

Campaigns launching as part of CrowdfundDevon could be eligible for a contribution from the Communities Together Fund from Exeter City Council and Devon County Council, also supported by Sport England. The contribution could be up to 50% funding targets, up to the maximum value of £2,500.

Projects must tie in with one or more of Exeter's corporate strategy themes

- Improve health & wellbeing and getting people active
- Improve where we live (community buildings and green spaces)
- Support volunteering
- Addresses local needs
- Projects must benefit people in Exeter

To qualify for support, an organisation or individual must

- Run a community project that benefits people in Exeter.
- Help support healthier, active, happier, greener, more connected communities.
- Demonstrate added benefit for the city, for example using local providers or developing the skills of local people.
- Run an all-or-nothing crowdfund on Crowdfunder and raise 25% of their target before being considered eligible for extra funding.
- Reach 100% of their funding target to unlock the extra funding

Appendix 2: Community and Arts Grants matrix

Grant stream	Application process and criteria	Conditions	Approval process	Monitoring process	Funding limit	Total amount of fund
<p>Small arts grant For projects and events taking place in Ex1 to EX4 postcodes</p>	Application form with supporting documents	Event must be completed within the financial year when the grant was awarded. A gap of one year is required after a successful application before another can be submitted Organisation cannot be in receipt of other council funding for the same project	Small Arts Grants are assessed by the City Arts & Events Officer and approved by the City Arts & Events Manager. Major grants Committee confirms funding of entire programme for future financial year, and receives reports from officers on awards in the current financial year	Simple events form completed and returned to Council after completion of project or event	£1,000	£10,000
<p>Major arts grants Intended to support NPOs which have already received ACE funding on the basis of continued ECC funding. This will be until 2022. Also open to new applications, but on an annual basis and with much less funding</p>	Application form with supporting documents. based on the four objectives within the Exeter Cultural Action Plan	Demonstration of contribution to aims of City's Cultural Action Plan	Assessed by the City Arts & Events Manager and an independent external assessor. These are then referred to the Director of Communications and Marketing and the Portfolio Holder Economy and Culture for their input before being referred to the Major Grant Committee for approval. In the years when it is only Annual funding (£15,000 until 2022) the initial assessment is carried out by the Arts and Events Manager and then passed to Portfolio Holder for Economy and Culture and	A service agreement with each core funded organisations is sent out after Executive in March together with a grant notification letter. The Service Agreement is a legal agreement and is comprised of four sections: <ul style="list-style-type: none"> • Agreement Regulating the Conditions of Grant Monies 	Already agreed with NPOs £5,000 - £10,000 (new organisations only)	2018- 2022: NPO support available £200,860 £28,000 for new applications

<p>available for this stream</p>			<p>the Director of Communications for a second assessment. The final agreed amounts/organisations are then reported to the Major Grants Panel.</p>	<ul style="list-style-type: none"> • Schedule 1: Artistic Programme/Activities • Schedule 2: Monitoring and Assessment (attached to this is the agreed Service plan for each organisation as above) • Schedule 3: Provision for Termination <p>The Agreement Regulating the Conditions of the Grant Monies needs to be signed by both the Head of Service and also the Director of the funded Organisation – send out two copies of this, one to be returned for file, together with schedules and copy of Service</p>		
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				plan to the organisations together with Baseline Standards checklist for signature to be returned with the Agreement.		
<p>Annual Arts Project Funding</p> <p>Annual application on open application basis Exeter Respect Festival has been funded on a three year basis ending in 2018/19</p>	<p>Application form with supporting documents. Based on the four objectives within the Exeter Cultural Action Plan but also with some annual local targets</p>	<p>Demonstration of contribution to aims of City’s Cultural Action Plan City of Exeter only</p>	<p>Initial assessment carried out by the Arts and Events Manager. That assessment goes to Portfolio Holder for Economy and Culture and the Director of Communications for second assessment.</p>	<p>Activity report form</p>	<p>£1500 - £8000</p>	<p>£43,350</p>
<p>Exeter Strategic Board Grants</p> <p>These grants are designated to fund one-off capital or</p>	<p>From 18/19 Board grants. are only available through the crowdfund Devon pilot</p>	<p>Limited to charities/ community organisations with a bank account. Must go through Exeter Crowdfunder https://www.crowdfunder.co.uk/funds/crowdfund-exeter</p>	<p>Panel is sub-group from the Exeter Strategic board members.</p>	<p>Monitoring form</p>	<p>£2,500</p>	<p>£60,000 from ESB, £20,000 from Sport England.</p>

<p>revenue projects. Co-ordination and administration by Exeter City Council, but partnership is primarily with Devon County Council. Funding: £1 per elector from DCC, 10p per elector from ECC. £ 97,875.80 in 2018/19.</p>	<p>See https://exeter.gov.uk/people-and-communities/grants/community-grants/crowdfund-exeter/ Funded from Devon communities Together funding from DCC and ECC</p>					<p>Remaining funds held back to support strategically significant projects for the city at the discretion of ESB members.</p>
<p>Major rent grants</p> <p>There are 22 City organisations who rent property from the council. These grants are to assist with rent and</p>	<p>Only open to organisations already in receipt of rent grant</p>	<p>Limited to organisations which rent from ECC</p>	<p>Administered by Democratic Services. Completed application forms are sent to individual Officers for completion of a summary form approving the grant or not, which is presented to Major Grants Panel.</p>	<p>Monitoring form</p>	<p>Variable</p>	<p>£297,106</p>

Appendix 2: Community and Arts Grants matrix

either part or fully fund the organisation's rent						
Core grants There are 9 organisations that receive core funding from the council the purpose of which is to assist them in their day-to-day running costs.	As above re core grant		As above Agreed by the Major Grants Panel and then ratified at Executive		Variable	£140,690
City and ward grants Small grants to build communities	By application form	Initiatives must encourage and support residents and community groups working to build a stronger community and encourage greater involvement in community activities.	Ward Grants are awarded by the respective Ward Councillors though all successful applications must be supported by the majority of Cllrs in that ward City Grants will be decided by the Community Grants City-wide panel which comprises the lead Communities Champion and a politically balanced panel.	Monitoring form	£300 per ward grant maximum of £2000 for City grants	£3,000 each ward x 13 = £39,000. City grants £10,000 plus any c/f of unspent ward grants from previous year.
Crowdfunding	Online application	Projects must tie in with one or more of Exeter's corporate strategy themes:	If projects meet criteria, officer will circulate project proposal to Strategic Board	Monitoring forms	£2,500	£80,000

Appendix 2: Community and Arts Grants matrix

		<ul style="list-style-type: none"> • Improve health & wellbeing and getting people active • Improve where we live (community buildings and green spaces) • Support volunteering • Addresses local needs <p>Project must have at least 25% of funding in place before award can be made</p>	<p>funding group panel members to ask if they want to support proposal. If yes, pledge is made once project raises their first 25% of their target.</p> <p>Funding only paid if the project reaches 100% of their target.</p>			
<p>Grass Roots Grants/ Neighbourhood CIL</p>	<p>Application process</p> <p>https://exeter.gov.uk/people-and-communities/grants/grassroots-grants-cil/</p>	<p>See website</p>	<p>Grass Roots Grants panel made up of 3 elected members from Exeter Community Forum and 3 Councillors – PH community, Sports, champion Communities, and chair of Scrutiny panel.</p>	<p>Monitoring forms, Peer review</p>	<p>Different limits according to rounds.</p>	<p>£3.75M OVER 10 YEARS</p>

Welcome to Our Survey

We want to know what you think about the way the City Council issues grants and their impact. The review of community and arts grants will help us to ensure we make best use of council funding to support and encourage communities to do more to help themselves.

We are keen to understand the needs of our communities, the experiences of local organisations and the skills, creativity, knowledge and enthusiasm which could make Exeter an even better place to live. Please help us to do this by completing this short survey. The survey is open to everyone but we are particularly keen to hear from local residents, and from organisations that deliver community and arts projects in Exeter.

All returns will be treated confidentially and we will share anonymised results. Your views will help us to improve the way we issue grants and ensure that they meet local needs. Thank you for participating in our survey. Your feedback is important.

1. Are you responding as:

- An individual
- An organisation

About your organisation

2. What is the name of your organisation?

3. Please tick the boxes that best describe your organisations work

- | | |
|---|---|
| <input type="checkbox"/> Allotment holder association | <input type="checkbox"/> Education or training |
| <input type="checkbox"/> Arts organisation | <input type="checkbox"/> Religious group |
| <input type="checkbox"/> Charity | <input type="checkbox"/> School |
| <input type="checkbox"/> Children's centre | <input type="checkbox"/> Social group |
| <input type="checkbox"/> Community association | <input type="checkbox"/> Special interest group |
| <input type="checkbox"/> Environmental project | <input type="checkbox"/> Sports club |
| <input type="checkbox"/> Youth organisation | <input type="checkbox"/> Service provider |
| <input type="checkbox"/> Other (please specify) | |

4. What is the size and annual turnover of your organisation?

- | | |
|--|--|
| <input type="radio"/> Micro: less than £10,000 | <input type="radio"/> Large: £1 million to £10 million |
| <input type="radio"/> Small: £10,000 to £100,000 | <input type="radio"/> Major: over £10 million |
| <input type="radio"/> Medium: £100,000 to £1 million | |

5. What geographical area does your organisation serve?

- Nationwide or regional
- The whole of Exeter and surrounding areas
- City only
- A part of Exeter– please specify below
- Alphington
- Duryard and St James
- Ewick
- Heavitree
- Mincinglake and Whipton
- Newtown and St Leonards
- Pennsylvania
- Pinhoe
- Priory
- St David's
- St Thomas
- St Loyes
- Topsham

6. Are you involved in any community or arts activities at present? Please tick the box that most accurately describes your involvement

- I am actively involved in organising or delivering community or arts activities, for example as a coordinator, committee member, fundraiser or volunteer
- I attend community run and arts activities but do not participate
- I regularly participate in community run or arts activities
- I do not attend or participate in community run or arts activities
- I occasionally participate in community run or arts activities
- I used to attend or participate in community run or arts activities but have now stopped

7. What motivates you, or would motivate you to be involved in your community or the arts? Please tick all the boxes that apply to you

- I want to give something back to society
- I want to make Exeter a better place
- I enjoy the activity that I am involved with
- I want to improve the lives of others
- I like meeting and working with people
- I have special knowledge or skills suitable for this activity
- Other (please specify)

8. Do any of the factors below stop you from becoming more involved in your community or with the arts? Please tick all the boxes that apply to you

- I don't have enough time
- I have been unsuccessful in applying for funding for my activity
- I don't have the right knowledge or skills
- I don't know how to get funding for my activity
- I don't know of any group that does the things I could help with
- None of the above
- Other (please specify)

Grants

9. Have you or your organisation ever applied for a grant from Exeter City Council?

Yes

No

10. Why have you never applied for a grant from the council? Please choose one of the following:

- I am not involved in any community or arts activity at the moment
- I am involved in community or arts activities but I am not responsible for applying for grants
- I/we don't need a grant to carry out our activity
- The grants application process is too difficult or too much work
- I wasn't aware that there are grants from the council
- There are more appropriate grants from other bodies to apply for
- I am not eligible for a grant

11. Were you successful in your application?

Yes

No

12. How much did you receive in the last financial year (April 2017 to March 2018)?

- | | |
|---------------------------------------|---|
| <input type="radio"/> Less than £300 | <input type="radio"/> Less than £5,000 |
| <input type="radio"/> £300 - £500 | <input type="radio"/> £5,000-£10,000 |
| <input type="radio"/> £500 - £1,000 | <input type="radio"/> £10,000 - £50,000 |
| <input type="radio"/> £1,000 - £2,000 | <input type="radio"/> More than £50,000 |
| <input type="radio"/> £2,000 - £5,000 | |

13. How often have you received this grant?

- | | |
|---|--|
| <input type="radio"/> One off | <input type="radio"/> Less than 5 years |
| <input type="radio"/> Annually | <input type="radio"/> Less than 10 years |
| <input type="radio"/> Less than 3 years | <input type="radio"/> 10 years plus |

14. Did the award of a Council grant help you to draw in match or additional funding from other sources?

- Yes
- No

15. Approximately how much match or additional funding did you receive as a result of your grant from the City Council?

- | | |
|---|--|
| <input type="radio"/> Less than £1,000 | <input type="radio"/> £10,000-£50,000 |
| <input type="radio"/> Less than £5,000 | <input type="radio"/> More than £50,000 |
| <input type="radio"/> Less than £10,000 | <input type="radio"/> Not able to provide this |

16. On a scale of 1-5, how well do you understand how the council sets its priorities for awarding grants?

Not well at all

Very well



17. The council is running an on-line crowdfunding pilot to support groups seeking funding for a local project.

On a scale of 1-5, how well do you think this would work in your community or arts activity?

Not well at all

Very well



18. On a scale of 1-5, would you welcome support in applying for grants in the future?

Not at all

Very much



19. What other support would you find helpful?

Support with grant applications

Networking with other groups

Information about further sources of funding

Support with publicising your group or activity

Advice on setting up a group or organisation

Learning from others who have done similar things

Other (please specify)

20. If the council could do one thing to support you/your organisation, what would this be?

About you

It helps us to know a bit more about you so that we can plan for the future. However, if you feel uncomfortable about giving any of the information requested, then please leave the question blank

21. What is your age?

- | | |
|-----------------------------|-------------------------------|
| <input type="radio"/> 0-15 | <input type="radio"/> 46-55 |
| <input type="radio"/> 16-25 | <input type="radio"/> 56-65 |
| <input type="radio"/> 26-35 | <input type="radio"/> Over 65 |
| <input type="radio"/> 36-45 | |

22. What is your gender?

- Female
- Male
- Other/non binary
- Prefer not to say

23. What is your ethnicity?

- | | |
|--|---|
| <input type="radio"/> White | <input type="radio"/> Mixed ethnic background |
| <input type="radio"/> Asian or Asian British | <input type="radio"/> Other ethnic background |
| <input type="radio"/> Black or Black British | <input type="radio"/> Prefer not to say |

24. Do you have a disability?

- | | |
|--------------------------------------|---|
| <input type="radio"/> No | <input type="radio"/> Yes - learning difficulty |
| <input type="radio"/> Yes - mobility | <input type="radio"/> Yes - multiple disability |
| <input type="radio"/> Yes - eyesight | <input type="radio"/> Yes - other |
| <input type="radio"/> Yes - hearing | <input type="radio"/> Prefer not to say |
| <input type="radio"/> Yes - mental | |

25. What is your employment status?

- | | |
|--|---|
| <input type="radio"/> Student | <input type="radio"/> Looking after family/home |
| <input type="radio"/> Full time employed | <input type="radio"/> Unable to work |
| <input type="radio"/> Part time employed | <input type="radio"/> Retired |
| <input type="radio"/> Self employed | <input type="radio"/> Prefer not to say |
| <input type="radio"/> On a government scheme for employment training | |
| <input type="radio"/> Other (please specify) | |

26. What is your postcode?

27. Would like us to keep in touch with you about the results of the grants review?

- Yes
- No

28. Please leave your email address

Thank you for completing the survey

Appendix 4 Survey report

What people think – results from the public survey

We ran an online survey to collect the views of individuals and organisations. We sought information and views on Exeter's Community and Arts Grants programme, and the factors which motivated and impeded involvement in community organisations. The survey was open to anyone to respond, but some questions were targeted at individuals and others at organisations. A full list of the questions can be found at appendix xx.

Altogether there were 179 responses to the survey – 55 from organisations¹ or groups and 121 from individuals. There was some crossover between the two groups - for example, 43 of the individuals responding had applied for a community or arts grant from the City Council. Some respondents did not answer every applicable question, and in some cases a number of answers to the same question were valid; in these cases, respondents were able to choose more than one answer. Where the figures given below do not add up to the total number of responses in the appropriate category, this is either because no answer was given to the question on some survey returns, or that the question allowed for multiple responses.

Although 179 returns is a good level of response for a survey of this type, it does mean that some of the results are subject to statistical error because of the small numbers involved, especially where multiple choice questions were asked. This does not mean that the survey does not provide an indication of the views of the community, but the results should be interpreted with some caution.

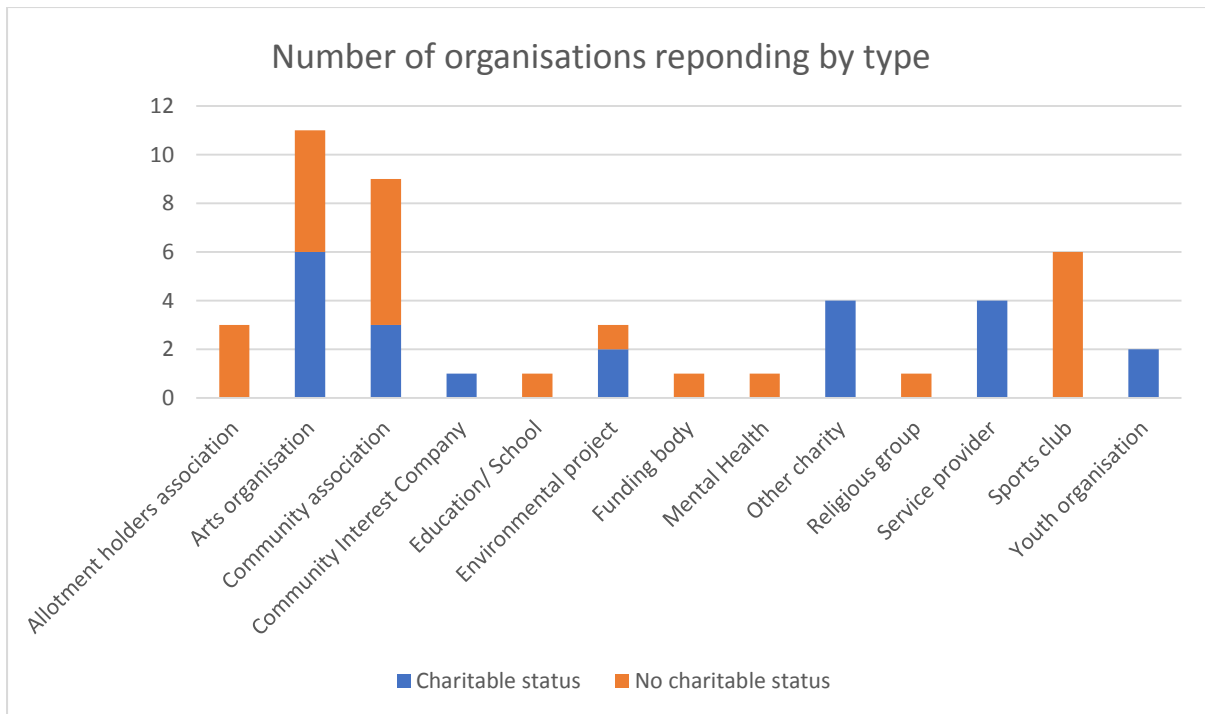
Responses from organisations and groups

We had responses from 55 organisations ranging from very small community led bodies to large concerns with multi million pound budgets.

Respondents were asked to name their organisation, and all but 8 did so. 7 of those which did not give a name provided no further information in the survey and 1 said that it was a large organisation with a budget over £1M.

We also asked each organisation to define the work that they carried out. Some groups fell into more than one category; where this is the case, we have shown the most relevant in the chart below.

¹ Two responses from organisations appeared to have been completed in order to test that the survey worked correctly; these have been excluded from the result.

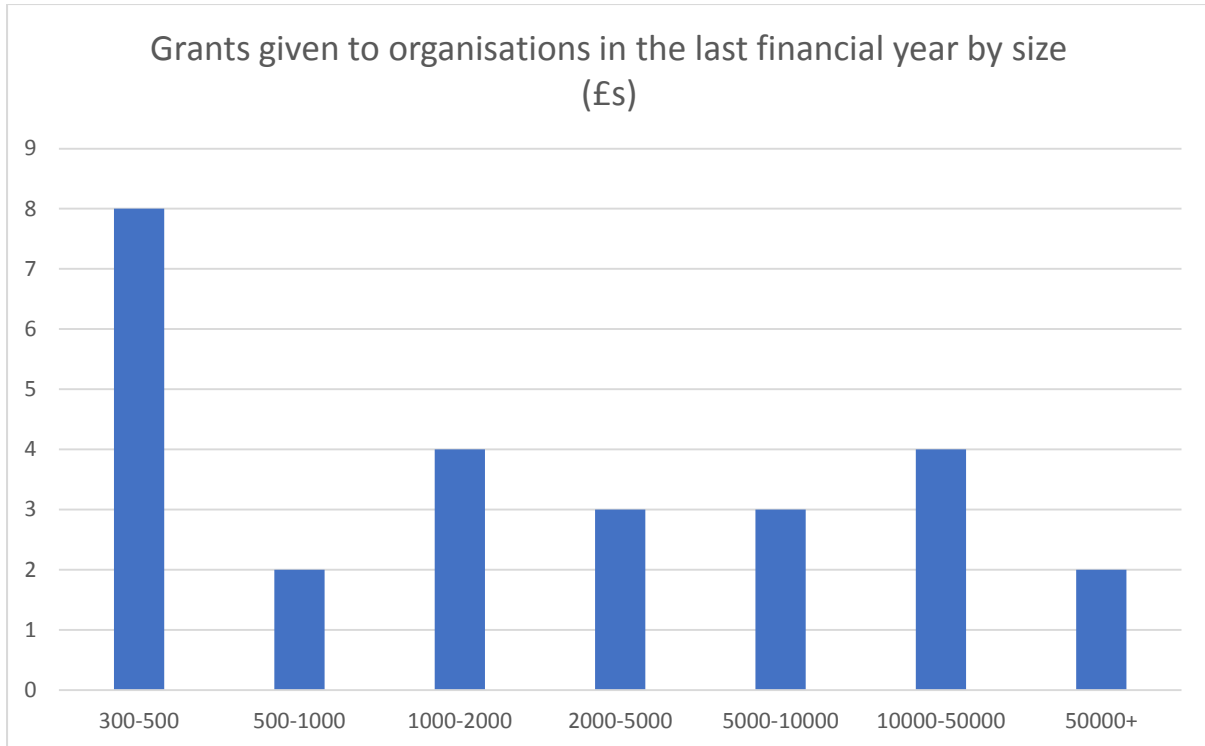


22 of the responding organisations had annual budgets of less than £10K; 16 had budgets between £10K and £100K; 4 between £100K and £1million, and 5 of more than £1million (although one of these did not provide a name).

Whilst some groups had a regional or national presence, others served either the whole of the city or parts of it. 5 stated that they served a nationwide audience, although the scale of the organisations varied considerably between Age UK and the Haldon Tug of War. 21 served Exeter and the surrounding area, and a further 5 the city only. Amongst the 13 organisations focussed on a particular part of the city, all wards were served except for Duryard & St James, Heavitree and St David's.

35 organisations stated that they had applied for funding through the Community and Arts Grant programme of which all but 1 had been successful. Of those that had not applied, 3 organisations said that they were not aware of the programme and 2 said the process was too complex. All of these respondents had budgets of less than £10K.

26 organisations said that they had received a grant from the City Council in the last financial year. The scale of these grants is shown in the chart below:

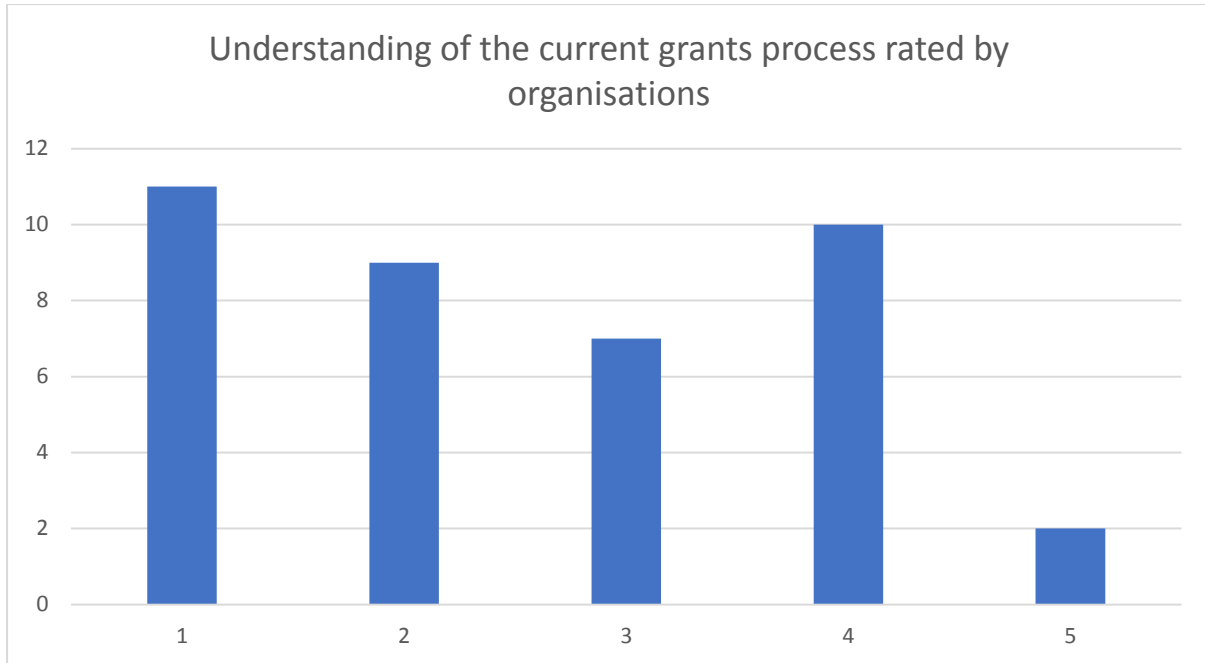


The recipients of the largest grants were Age UK, Citizens Advice Exeter, Exeter Phoenix, Theatre Alibi and an organisation which did not supply a name.

14 organisations had received a one-off grant, and a further 10 for periods of up to 10 years. 9 organisations received an annual grant.

We also asked whether the grant from the City had enabled them to draw in additional or match funding. 15 organisations stated that the grant had enabled them to draw in additional or match funding, whilst 10 replied that it had not. Of the 13 that gave a figure for the additional grant obtained, 6 reported generating less than £1000, but 2 were between £10000 and £50000, and 5 were for more than £50000. Not all of these were from organisations with a large turnover – 2 had budgets of less than £100000. The level of grant from the City Council for those generating additional funds was not always high with one organisation receiving less than £10K and 3 more less than £50K.

We asked respondents to rate their understanding of the way that the Council sets its priorities for the current grants programme on a scale of 1 to 5, where 1 indicates a very poor understanding. The results are shown in the chart below.



Although few organisations said that they had a good understanding, there is a fairly even spread over the other responses. Of the 20 organisations which had a very poor or poor understanding, 11 have an annual turnover of less than £10K and only one had a turnover of more than £1M². Nevertheless, 13 within this group had successfully applied for a City grant.

Organisations were asked to rate how crowdfunding might work in their community or arts activity, using the same scales as above. The results are shown in the chart below.



The results are skewed towards a feeling that crowdfunding would not work well, using the same ratings as before. Of those that rated this 1 or 2, all but 5 have budgets of less than £100K, and 12

² This was a school, which is not currently involved in providing community or arts activities within the scope of this report

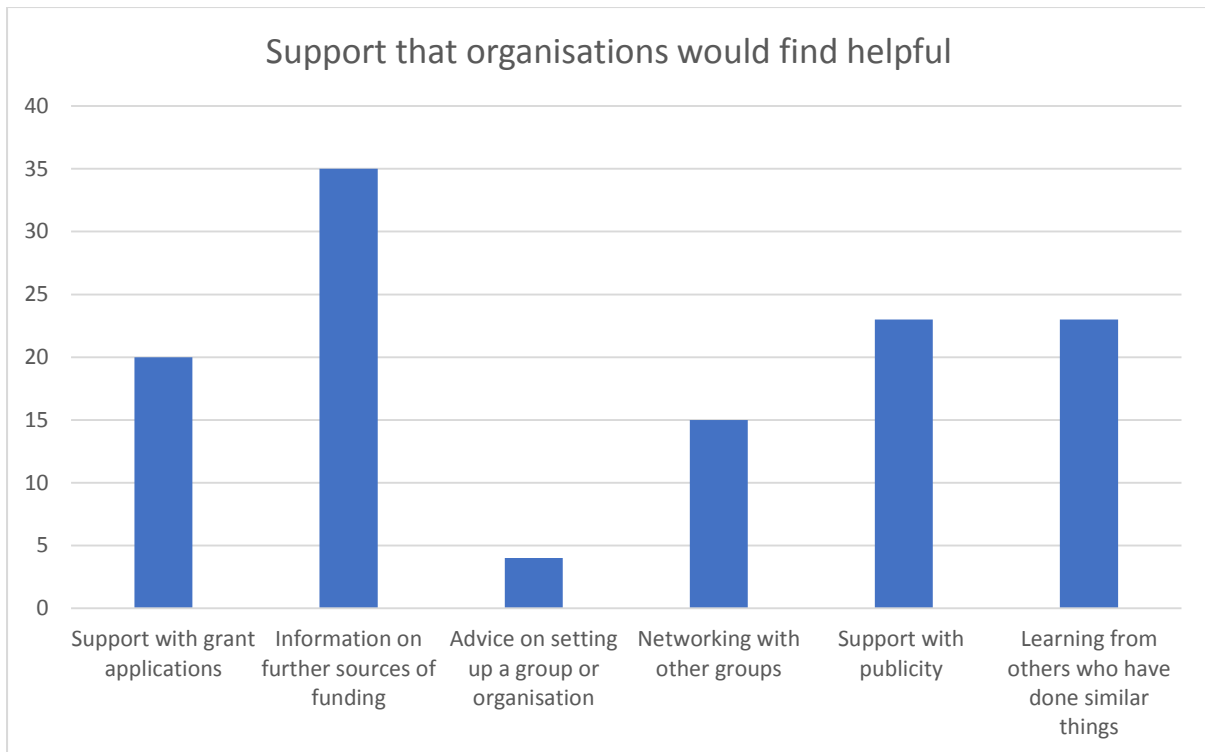
are have charitable status. All but one of the 5 organisations that did feel crowdfunding would be successful had a budget of less than £10K.

If there was only limited support for crowdfunding, there was a strong response to the idea that support might be provided to assist organisations to apply for grants. Using the same rating of 1 – 5, the results of the survey are shown in the chart below.



There was some correlation between the size of the organisation and the degree of welcome for support; of the 4 organisations giving a 1 or 2 rating, 2 had a budget of less than £10K and 1 of over £1M, but of the 26 organisations giving a rating of 4 or 5, 14 had a budget of less than £10K.

Respondents were then asked to say what types of support might be applicable to them. They could select more than one response. The number of responses are shown in the chart below.



This demonstrates a clear desire from many of the respondents to develop the network of funders beyond the City Council and to work together with other organisations. There is also a desire for more assistance with completing grant applications (which could presumably be for grants outside the City funding) and for publicity.

As part of this question, we also asked if there were other areas of support that the organisation would find helpful. The answers to this question overlapped with the answers to the next – if the council could do one thing to support you/your organisation, what would this be? The responses to the two questions are therefore considered together. A number of themes emerged.

11 responses related to the continuation or initiation of funding, including a suggestion that the Council move away from annual grants to longer term programmes, and a distinction between capital and revenue grants. Some of these were quite specific as to what the organisation required funding for.

9 responses related to better communication with the Council including transparency of the process of allocating grants, the criteria against which grants are judged and general information. Some organisations felt that responses from the Council to communication were slow. One respondent wanted to continue with the Community Hub meetings.

6 responses related to support for publicity including promotion in the Council’s newsletter.

5 respondents wanted the council to provide more advice, including information about available grants, and also liaison with the business community in Exeter and with other council departments. This also related to 3 responses which asked for an easier process for applying for grants as well as assistance in applying for permissions for events such as road closures.

1 respondent would like more training for organisations in, for example, budget and financial planning.

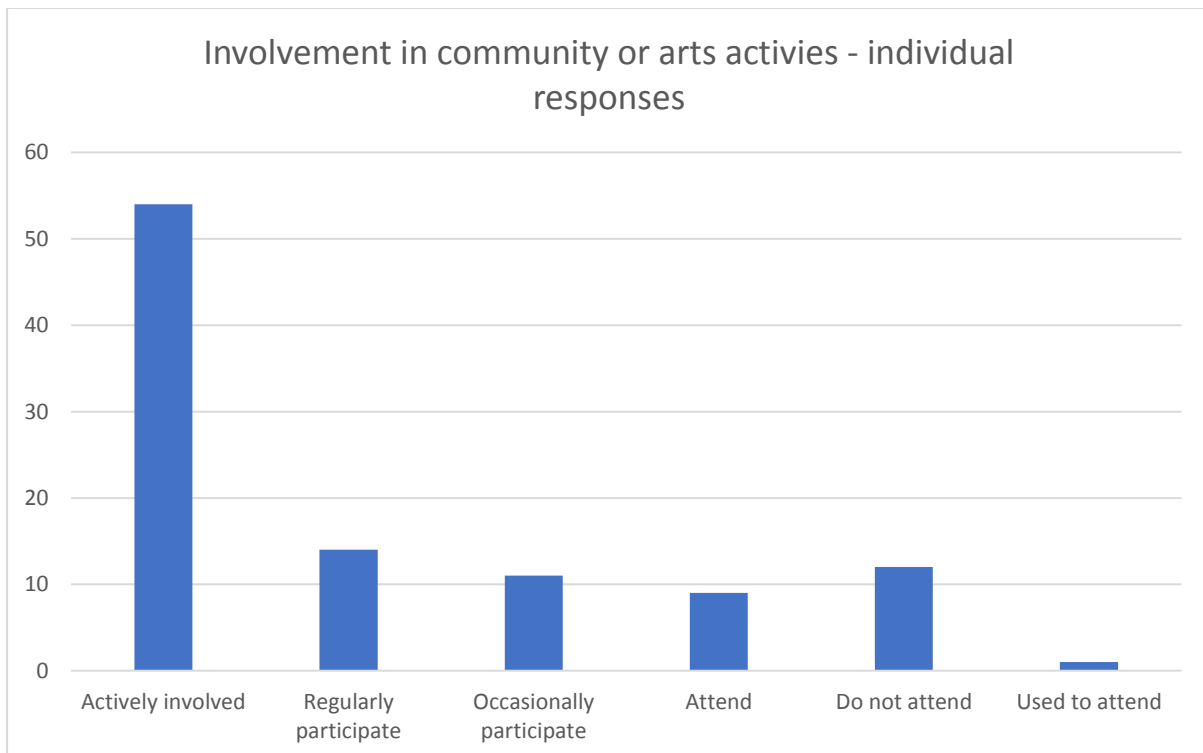
Responses from individuals

More than two thirds of the people completing the survey did so as individuals, although almost half of the individuals responding said that they are actively involved in organising or delivering community or arts activities, for example as a coordinator, committee member, fundraiser or volunteer.

Individual respondents were asked what level of activity best described them. The choices were

- I am actively involved in organising or delivering community or arts activities, for example as a coordinator, committee member, fundraiser or volunteer]
- I regularly participate in community run or arts activities
- I occasionally participate in community run or arts activities
- I attend community run or arts activities but do not participate
- I do not attend or participate in community run or arts activities
- I do not attend or participate in community run or arts activities

The breakdown of the degree of involvement in community or arts activities is shown in the chart below:



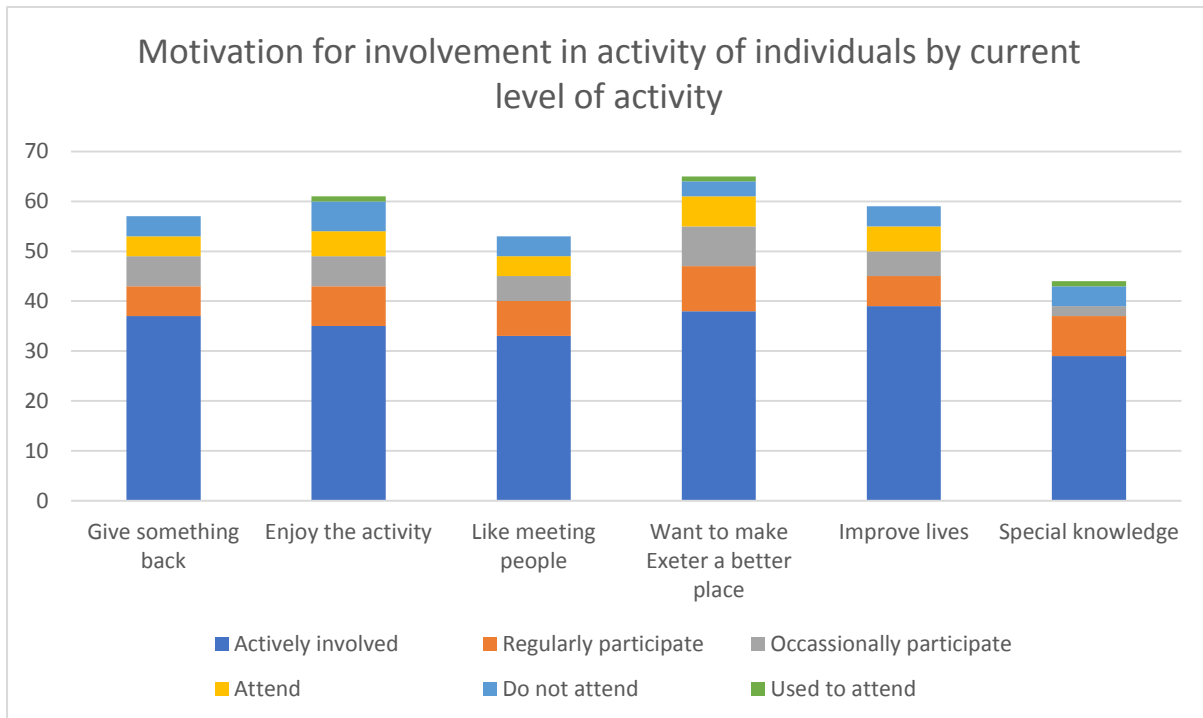
The fact that there is such an emphasis on active involvement is not surprising in such a survey but does mean that we should not accept the survey results as an indication of the views of the general public.

Individuals were also asked what motivates them, or what would motivate them, to become more involved in community or arts activities. A range of choices was given, as well as an opportunity to specify; respondents could choose more than one. The options were:

- I want to give something back to society
- I enjoy the activity that I am involved with

- I like meeting and working with people
- I want to make Exeter a better place
- I want to improve the lives of others
- I have special knowledge or skills for this activity

The results of this question are shown in the chart below, broken down by the level of activity of the respondent:



This shows that although wanting to make Exeter a better place is the highest motivating factor, there is also a strong degree of support for the other reasons. It is interesting to note that there are a number of responses from people with special knowledge who are not currently actively involved in community or arts activities.

Some respondents specified another reason. These were:

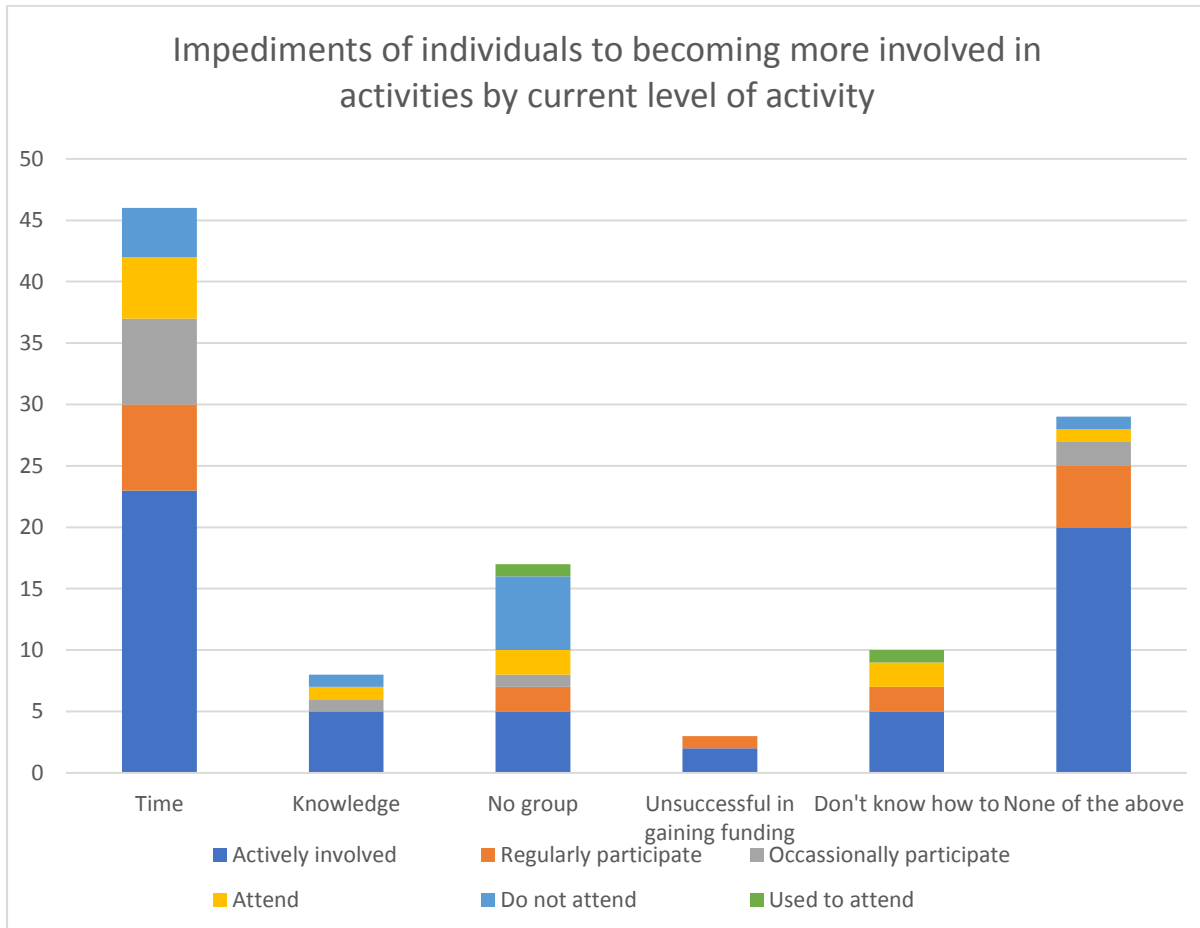
- I consider myself a community artist (respondent actively involved)
- Professional development as an emerging arts education practitioner (respondent actively involved)
- I want to help offer diversity (respondent actively involved)
- I believe that the arts inspires and transforms people and communities (respondent actively involved)
- Being part of my community (respondent attends events but does not participate)
- The unique environment for the arts in Exeter (respondent actively involved)
- Wouldn't get involved (respondent does not attend or participate)
- I teach an arts subject at the University of Exeter (respondent regularly participates)
- I joined a youth theatre group as a teenager to meet girls and really it just went from there (respondent actively involved)

The last reason reminds us of the important social function that activities fulfil, and that there are a number of approaches to recruitment!

The survey then asked about factors that prevented the respondent from becoming more involved with their community or the arts. Again, a range of choices was given, as well as an opportunity to specify; respondents could choose more than one. The options were:

- I don't have enough time
- I don't have the right knowledge or skills
- I don't know of any group that does the things I could help with
- I have been unsuccessful in applying for funds for my activity
- None of the above

The results of this question are shown in the chart below, broken down by the level of activity of the respondent:



Time is, predictably, the greatest impediment to more involvement. This is true for those who actively participate but, taking into account the smaller proportion of respondents who are not active participants, is a greater pressure on those individuals. Lack of funding is much less of a barrier than might be expected, although 29 responses indicated that there was a lack of knowledge about how to get funding. This, coupled with the 17 responses that they were not aware of any suitable group, does suggest that more information sharing could be a significant benefit.

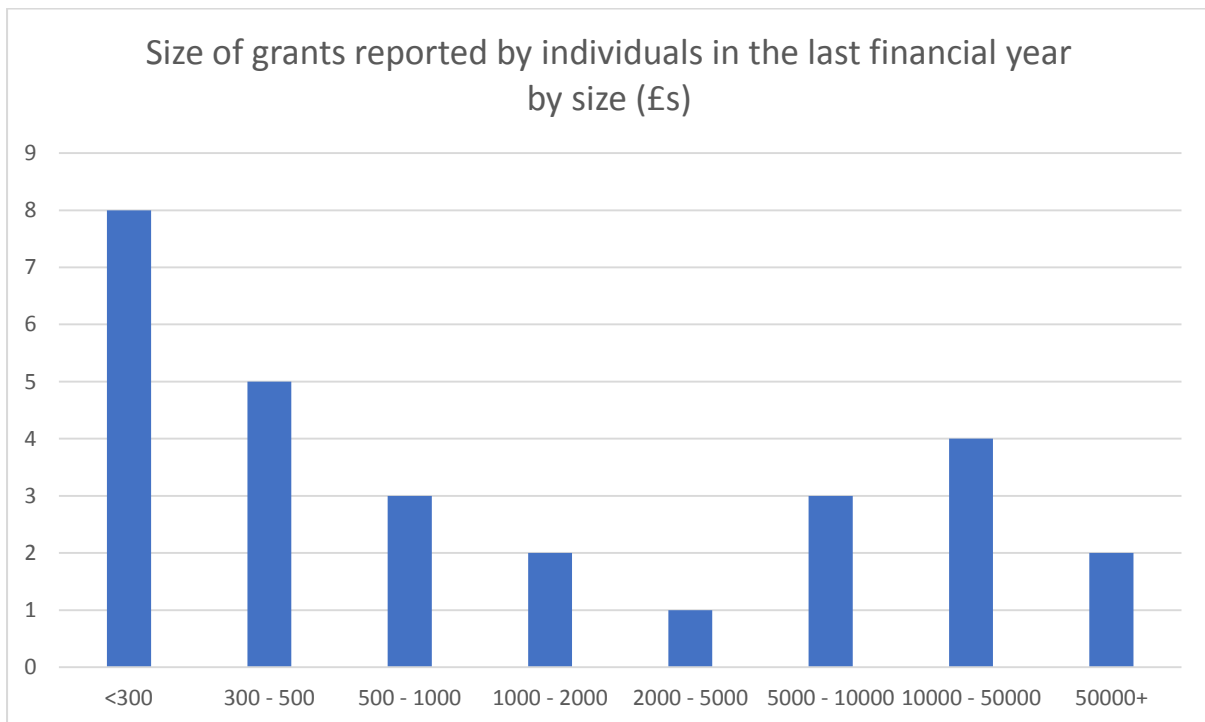
For those that specified another reason, the responses were:

- Age or disability (in the latter case, a lack of suitable parking or access)
- Lack of information on ECC grants (one respondent had successfully applied to Arts Council England on several occasions, and one found it difficult to find out who manages different projects and how to get involved in a meaningful way)
- A reduction in the amount of available grants
- The lack of visual arts organisations to work with in partnership, and the effect of the closure of Spacex

Individuals were also asked if they had ever applied for a grant from the City. 43 said yes and 58 said no. Of those that had applied, all but one had been successful.

Of those individuals who had not received a grant, 8 said that they were not responsible for the applications, 18 were not involved in community or arts activity, 8 did not need a grant, 12 were not aware of the grants that the City offers, 2 found the application process too complex and 2 felt they were ineligible. Of those that were not aware of the grants, 5 were actively involved in organising or delivering activities.

For those that had received a grant, the size of grant is shown in the chart below:

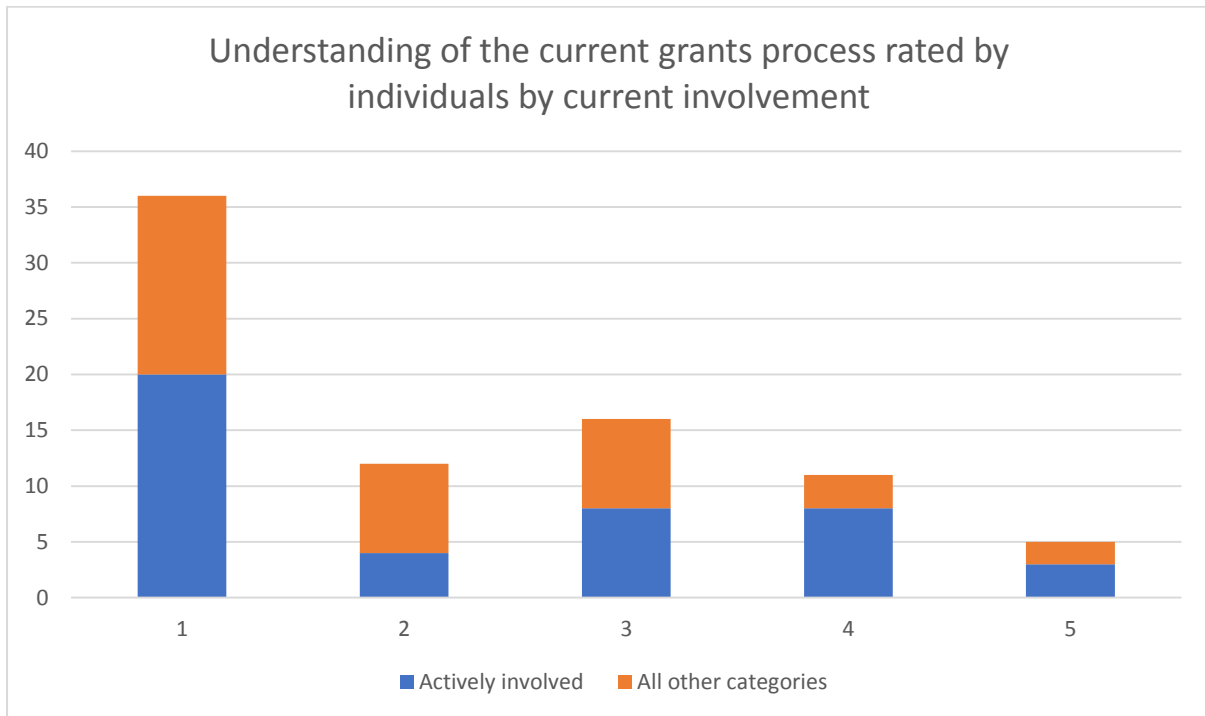


Clearly, although the responses to the survey have been submitted by individuals, at least the larger grants must have been conferred on organisations. Also not all respondents who stated that they had received a grant gave an indication of the size of the grant. There could therefore be a degree of overlap with the results already reported in the section on organisations. Interestingly, and perhaps confusingly, 7 of the respondents who had received a grant were not in the actively involved category, and one (who received a grant of less than £300), said that they did not attend or participate in community run or arts activities. One respondent who regularly participated but was not actively involved had received a grant of over £50K.

14 of the individuals that stated they had received a grant had one off funding, 9 for periods of up to 10 years, 9 an annual grant, and 1 for more than 10 years.

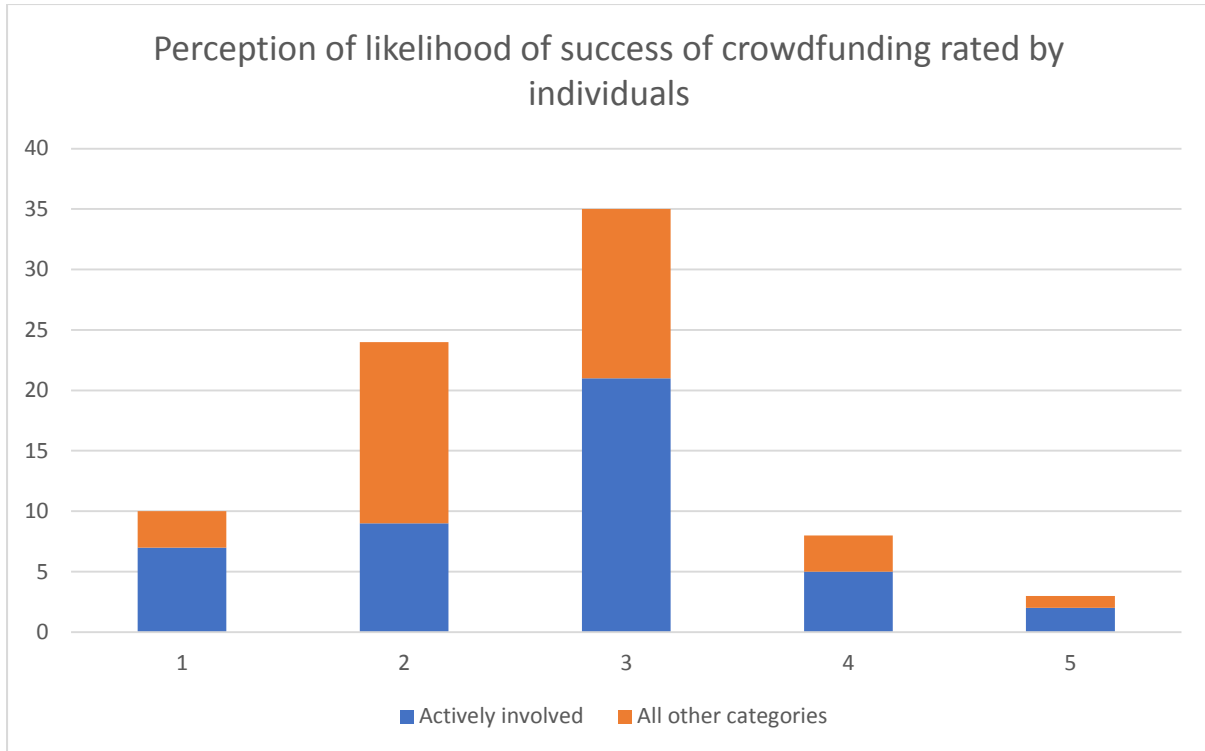
As with the organisations, we asked individuals whether the grant from the City had enabled them to draw in additional or match funding. 17 said yes and 14 no. 14 of those who said yes were actively involved. 4 of those who said yes had generated more than £50K of additional funding; of these, 1 had received less than £10K funding from the City in the last financial year, and only 1 had received more than £50K from the City.

When we asked about the degree of understanding of the way that the Council sets its priorities for the current grants programme on a scale of 1 to 5, where 1 indicates a very poor understanding, the results were in contrast to replies from organisations to the same question. The results are shown in the chart below, indicating whether the respondent is actively involved or not.



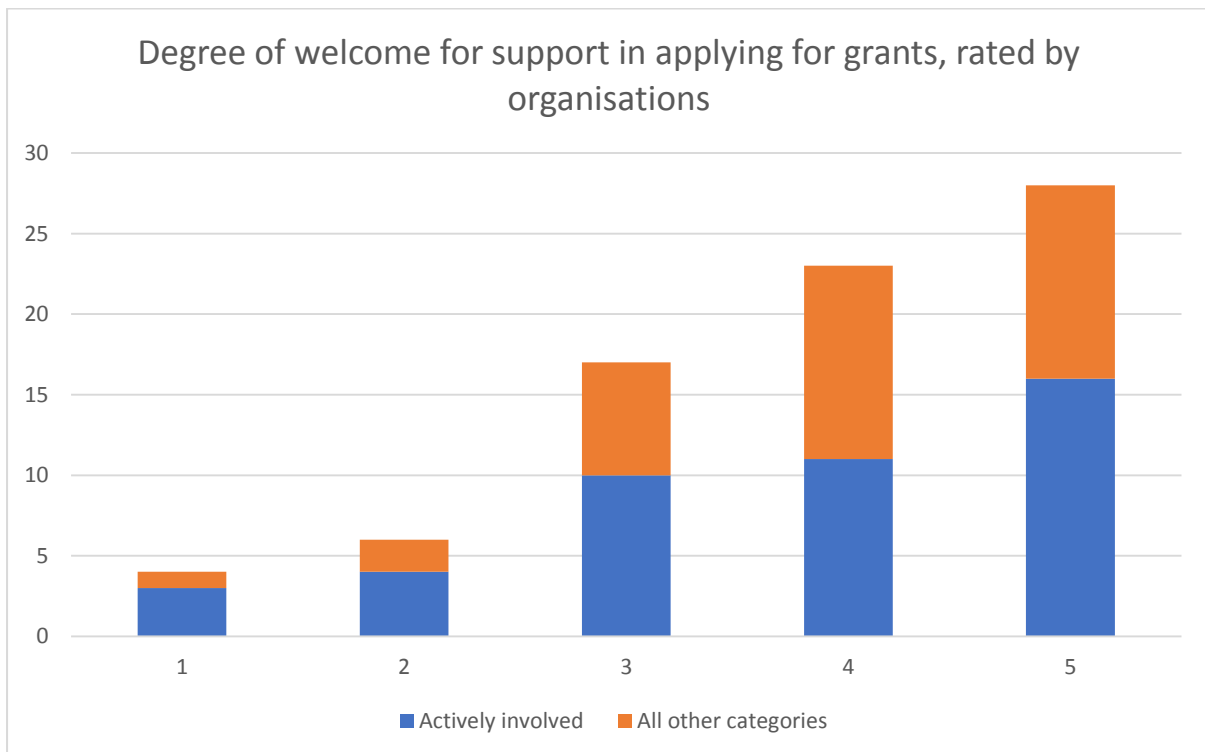
It is clear that amongst individuals there is a low level of understanding of the way the council sets its priorities for the grants programme, and that this is just as true for those who are actively involved in community and arts activities.

We also asked individuals to rate how crowdfunding might work in their community or arts activity, using the same scales as above. The results are shown in the chart below, indicating whether the respondent is actively involved or not.



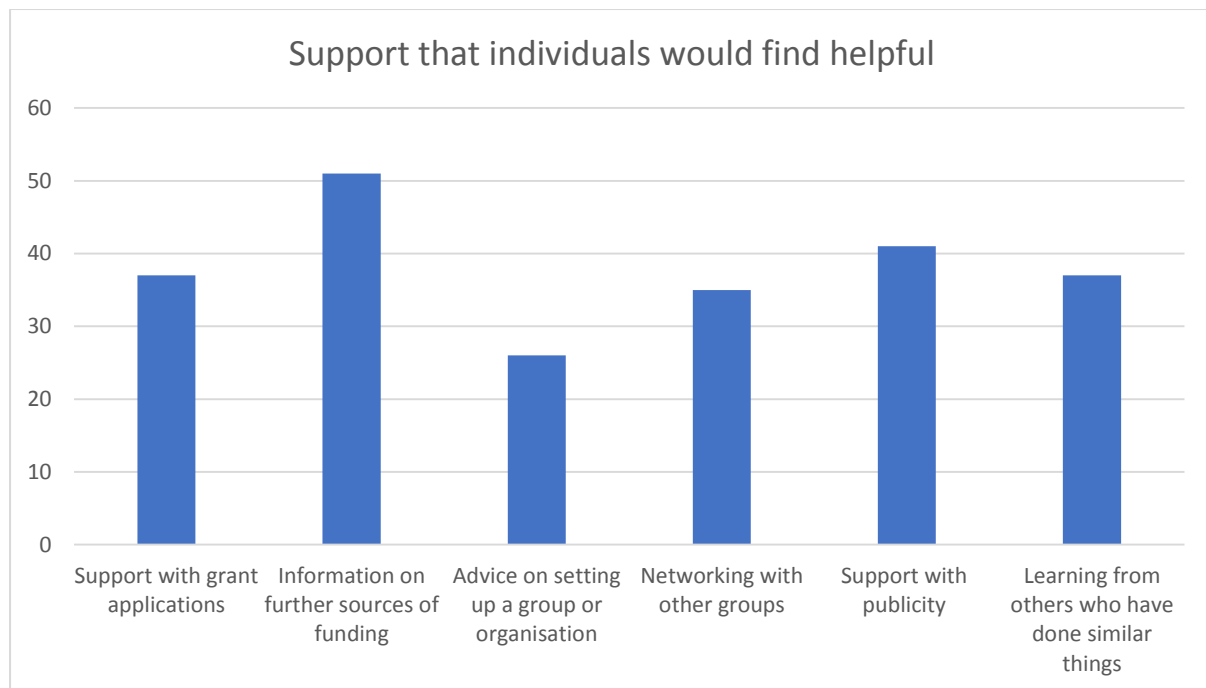
The results show a slightly more optimistic view than those of the organisations, although the paucity of responses in scales 4 or 5 suggests that respondents did not think crowdfunding is a complete solution to funding issues.

The majority of individual respondents welcomed the concept of support in applying, as shown in the chart below:



This mirrors the results from organisations. Of the 28 individuals who strongly welcomed support, 13 had been successful in gaining a grant in the past.

When asked what support they would find useful, there was a very high response rate from individuals. Respondents could choose from a list or add their own. The results of this question are shown in the chart below:



Although, like the organisations, individuals wanted information on further sources of funding more than anything else, there was a notable increase in the number of responses wanting advice on setting up a group. 11 of these 26 responses were from people already actively involved in community or arts activities.

For those that specified another area of support the responses were:

- N/a to me, although I participate in community and heritage events I'm not an organiser of them
- All of the above, and a clearer sense of where to apply for cross-over money - not just arts projects, but socially engaged projects with arts components. The Exeter Arts Council's disbursement of very small community level grants to projects was seed money or tiny support that made projects happen. Very small scale grants of this kind worked well. A key part of its success was the expertise that it gathered - formal subsidised venues and arts organisations represented on the panel were connected with community level volunteer activity and offered networks of support to individual artists who connected. It was an important mesh that hopefully Exeter Culture can sustain- but can it reach the very grassroots groups?
- Knowing what the criteria are - e.g. is a sports club a community organisation?
- More face to face contact with funders

When asked what one thing the Council could do to support organisations, there were 50 responses, 31 of which were from people actively involved. They can be grouped into a number of themes:

Clarity: There were 8 responses asking for more information or a simpler process for grant applications, and information on decision making.

Communication and publicity: there were 6 responses asking for better communication with the Council and for promotion of the organisation through an improved arts website

Funding: there were 9 responses mainly asking for a continuation or increase in grant funding, with one plea to continue funding for the Citizens' Advice Bureau and one for more funding for mental health issues

Partnership: There were 4 responses relating to partnership including shared resources for groups, a forum for publicity and better communication through ECF. One respondent stated that "If one organisation acts as a banker for other groups that don't have a bank account, the councillors say that hosting organisation is potentially being awarded too many grants. The council needs to recognise the role those hosting organisations are playing, as some small groups of residents who want to make a difference to their community, don't necessarily want to constitute a formal organisation in order to open a bank account".

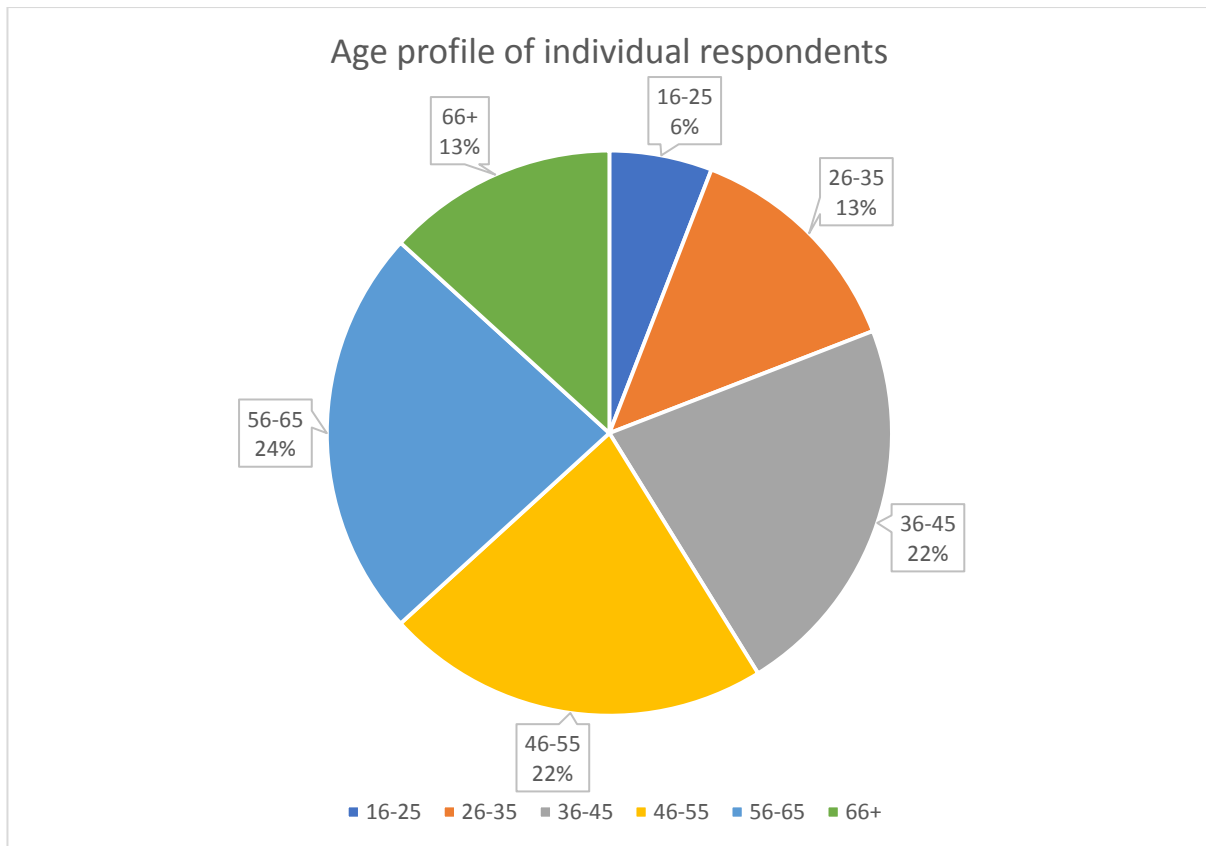
Policy: There were 9 responses that broadly fell into the area of policy. There was a suggestion that the Council should develop a more cohesive strategy with regard to the arts and culture so that it is integrated into planning and day to day business of the City. One respondent suggested that the grants policy should be to support the most vulnerable. The idea of funding a portfolio of projects rather than one off grants was suggested. Three respondents suggested that the current selection process for funding may not be open or fair, especially for larger grants.

Space: 4 responses suggested that the Council could do more to provide affordable space or to reduce business rates for organisations.

Support: 5 respondents wanted additional support from the Council in terms of advice.

Other: there were suggestions that communication to groups was best done by elected members rather than officers, that paths and bridleways should be maintained and that a free theatre ticket should be distributed with council tax bills.

The age profile of individual respondents is shown in the chart below:

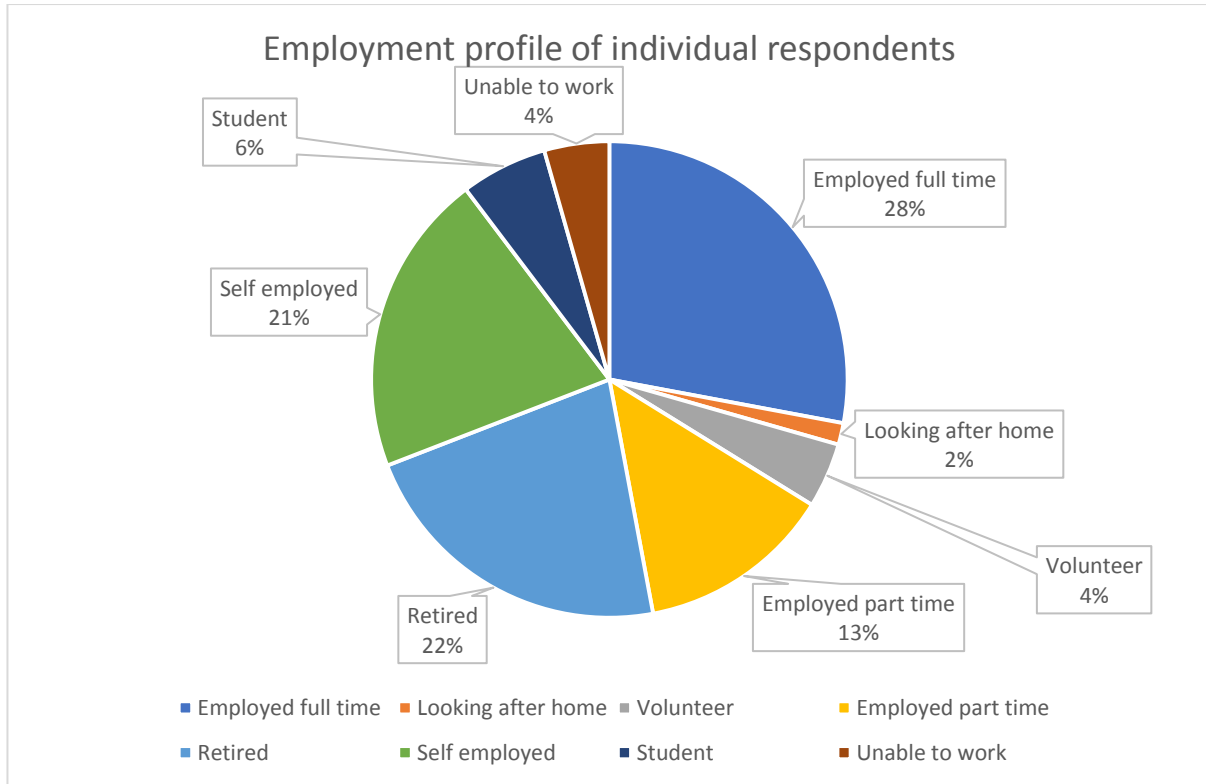


Although those aged below 35 are under-represented, this is to be expected in an area where many are giving their time and those in older age brackets may have fewer immediate family commitments.

23 respondents were male (33%), 45 were female (66%) and 1 was non-binary (1%). The 2018 population of Exeter is roughly equally divided between males and females, so males are under-represented in the survey. No data is available for the non-binary population of Exeter.

The ethnic profile of individual respondents showed an overwhelming majority of white respondents – 59 of the 65 people who answered this question were white. No respondent identified themselves as black. In 2011, 93% of the population of Exeter was white, so given the small number of responses and the resultant degree of error, it cannot be concluded that ethnic minorities were under-represented in the survey respondents.

The employment profile of individual respondents is shown in the chart below:



This shows an under representation of employed and self employed people and students when compared to the economic profile of the working age population³, but an over-representation of the retired. This is not unexpected given the age profile of respondents and the nature of the survey.

³ http://www.devon.gov.uk/census_profile-exeter.pdf

Review of Community and Arts Grants

Executive Summary

Background

RedQuadrant were commissioned by Exeter City Council to undertake a listening and consultation programme with residents, community organisations and other key stakeholders as part of the Review of the Community and Arts Grants Programme. This report sets out the results of that work and makes recommendations for a future model.

The review addresses the following issues:

- Whilst the council has a community grants programme it doesn't have an overarching grants policy, which will help the council to shape policy going forward;
- The current system does not make the best use of council funding;
- There is an inconsistent approach to match funding;
- The same small number of organisations receive the majority of funding;
- It operates as a 'closed shop' for some of the grant funds;
- Funding doesn't necessarily follow need or inequalities;
- A recent internal audit highlights a number of governance issues;
- The current model creates dependency and is not aligned to ABCD approaches (asset based community development) and is not sustainable; and
- The council currently doesn't have a clearly defined approach to the Social Value Act or a clear link to how community grants can make a positive contribution towards it.

Strategic Drivers

- Building capacity in community and voluntary organisations
- Aligning grant funding with Council priorities
- Exeter City Council's Corporate, Community and Cultural strategies
- Sport England Local Delivery pilot scheme

Current Grants Process

There are nine grant streams but distinctions are not immediately apparent in some cases.

- Ward grants of £300 each are awarded by ward councillors; their purpose is to encourage volunteering and community activities.
- City grants up to a maximum of £2k each are awarded by a city-wide Community grants panel; their purpose is to encourage activities across more than one ward
- Core grants have variable values and are awarded by the Major Grants Panel. They assist seven community organisations and seven arts organisations with their day to day running costs
- Major Rent grants have variable values; they are administered by Democratic Services and then awarded by the Major Grants Panel. They partly or fully fund rent charges for Council buildings for 22 city community and arts organisations.
- Grass Roots grants (Neighbourhood CIL) have variable values and are assessed by the Grass Roots Grants panel; the panel includes three Exeter Community Forum members and three councillors. Recommendations are made from the panel to the Executive and Council who make the award. The grant supports community groups to develop capital and community projects to help address local needs
- Major Arts grants range from £5k to £10k each and are awarded by the Major Grants Panel. They support National Portfolio Organisations that have already received funding from Arts Council England on the basis of continued Council funding.
- Small Arts grants to a maximum value of £1k are officer approved and confirmed by the Major Grants Panel. They fund small projects and events within the EX1 to EX4 postcode areas
- Annual Arts Project grants vary from £1.5k to £8k. They are officer assessed and agreed by the portfolio holder, in line with the objectives of the Cultural Action Plan
- Crowdfunding grants up to a value of £2.5k are available for projects that tie in with corporate priorities and that already have 25% of total funding in place. Proposals are approved by the Exeter Strategic Board funding panel to fund one off community projects. This is a pilot project and replaces the Exeter Strategic Board grant stream for the 2018/19 financial year.

The Listening Exercise methodology

Throughout the listening exercise we committed to anonymity of views and opinions to build an atmosphere of trust. During August and September 2018, we:

- Ran focus groups of grant recipients and community groups
- Had structured interviews with key stakeholders
- Ran an online survey
- Met with City councillors;
- Met with Community Builders; and
- Attended a meeting of Exeter Community Forum.

Key findings of the listening exercise

Taking into account all the feedback received through the listening exercise, as detailed in this section of this report, our key findings are summarised below. These ten findings are based on feedback that emerged through the listening exercise on a consistent basis.

- Greater clarity needs to be instilled into the process. There is a large degree of confusion over the range of grants available and the relevant processes and protocols.
- Streamlining mechanisms, simplifying the application and providing reporting templates would improve accessibility
- There is a widespread perception that the current process lacks transparency from beginning to end. A consistent approach to communicating decisions and providing feedback is required
- Feedback on ward grants was positive and there was a sense that it generally works well as a process. We would, however question whether they are well publicised and known to all. Take up can also be improved in some areas of the city. There are high numbers of applications in areas considered to be more affluent than others.
- The annual application process is not a logical process for some grants which are linked to external funding grants e.g. Arts Council grants
- Communication and marketing needs to be revamped to raise awareness of the scheme across the city
- Although support is available from Council officers, consideration should be given to making it more accessible. Advice centres, an outreach officer and independent advisors were options put forward
- The role of the Exeter Community Forum needs to be clarified, particularly in relation to the decision-making process for some grants. A number of people believe that a decision on the role has been made but not clearly communicated
- The Community Builders have an important link role in enabling more people to access grant funding at grass roots level.
- An umbrella approach benefits small organisations for the application, reporting and banking processes.

Recommendations

Below are our recommendations based on the results of the listening exercise and our research into what happens elsewhere.

Transparency

Historically grant funding within the council has been delivered through very separate funding streams in different directorates, with no single view of how well that funding is working for the city. To the outsider, it is unclear what is available and how the money is spent. The listening exercise showed that there is a lack of trust and confidence in the current process. A new model needs to set out clearly

- What is available and how
- Who the decision makers are
- What the criteria are for decisions
- What grants have been awarded and how successful the project has been

A strategic approach with clarity of purpose

We would recommend a strategic framework for arts and community grants and a grants policy that covers all grants, community and arts (and potentially physical activity/sports)¹. This framework could align itself with other relevant strategies (as set out in section 4) and, most importantly, make tangible links to the council's objectives and priority areas.

The framework can enable a balance of awarding grants, with a model around commissioning through contracts for more strategic service requirements. This would ensure that awards are made in the most appropriate manner to make positive contributions towards Exeter life and the achievement of the council's vision for the city.

Community involvement

A clear 'bottom up' approach to community development and associated grant funding in Exeter is essential to maximising the value of the council's spending and ensuring the sustainability of community groups. It is clear that the current model creates dependency, is not aligned to ABCD approaches and is not sustainable. The precedent set by the Grassroots Grants process, where council and community decide together, is a useful model and should be built on for the new grants process. However, it has to be recognised that elected members are accountable for spending public money and delivering against council priorities and should therefore be involved.

Adopt a commissioning approach

To ensure fairness, due process and transparency, rent grants and core grants should be replaced by formal contractual agreements in line with the council's procurement policy. Organisation can be commissioned by the council to deliver services in line with council priorities.

Separate out the NPOs

National Portfolio Organisations (as defined by the Arts Council) bring substantial match funding and investment into the city. We feel they should be separated from the grants process, funding ring-fenced and converted to contractual agreements, again ensuring that the council's contribution is spent on council priority areas.

Establish a single City Fund

We would strongly suggest that the council simplifies its grant funding process and adopts the approach used in Bristol (see Appendix 1), where all grants are held in a single fund,

¹ With the exception of the arts organisations that are National Portfolio Organisations, see point below

against clear priorities. Partners could be encouraged to invest in the fund. Different levels of funding can be administered easily and the whole process can be available from one contact point online.

Use a digital platform

A digital approach alongside a simplified grants process will enable a wider audience to engage, there is no doubt in our minds. However, there were reservations during the listening exercise about whether an online approach would exclude certain elements of Exeter's communities: those who were unable to access the internet for financial or capability reasons. This must not be overlooked and support must be offered (see below) to ensure that everybody has a fair chance.

Crowdfunding platforms are being used by a growing number of local authorities to administer grants. There was resistance to this largely, we felt, caught up in the lack of clarity about the future of the grants process. A crowdfunding platform can simplify the grants process, make the money go further by attracting match funding and reach new audiences. The caveat in the previous paragraph about support applies equally here.

Build capacity

Some funds, including the CIL funding, should be used for support and capacity building in the city. The lack of a CVS has impacted on many of the groups we spoke to. The listening exercise told us that support is needed for community groups to manage areas such as finance, governance, funding applications, using digital platforms, marketing and building support networks. This investment is vital for a sustainable community and voluntary sector.

Improve communication

Communication about available funding, both in Exeter and elsewhere is inconsistent. This is largely caused by the fragmented approach to grant funding and the lack of a joined up online presence. We would strongly suggest that moving to a single grant fund, with a digital emphasis would improve accessibility and enable much improved communication. It would also free up resource to build networks and new communication channels.

Feedback when grant applications are unsuccessful seems to be patchy and this was raised a number of times in the listening exercise. It is vital for organisations and individuals to be able to learn and improve and this must be addressed.

Improve evaluation

Simple evaluation frameworks could be built in the beginning of a project, so that communities can easily evidence the impact of their work. The Heritage Lottery Fund has a good example.

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REPORT TO: CORPORATE SCRUTINY COMMITTEE, EXECUTIVE AND COUNCIL

Date of Meeting: Scrutiny Committee Resources - 24 January 2019
Executive - 12 February 2019
Council - 26 February 2019

Report of: City Solicitor & Head of HR
Title: Annual Pay Policy Statement

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

To set out the council's annual Pay Policy Statement 2019/20 which must be approved by Full Council each financial year in line with legislation.

2. Recommendations:

It is recommended that Corporate Scrutiny Committee notes and Executive recommends to Council to approve:

- (i) The attached Policy, Report and Appendix be adopted and published in accordance with the legislation.
- (ii) Delegated authority be given to the City Solicitor & HR to make necessary amendments to the pay policy statement following any changes in legislation or subsequent increases in pay.

3. Reasons for the recommendation:

Section 38 (1) of the Localism Act 2011 requires English and Welsh Authorities to produce a statutory Pay Policy Statement each financial year commencing in 2012/13 and thereafter each subsequent financial year. The Secretary of State for Communities and Local Government issued further guidance in early 2013. The Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017

4. What are the resource implications including non-financial resources:

There are no new resource implications created as a result of the revisions to the Pay Policy Statement.

5. Section 151 Officer comments:

There are no financial implications arising from adoption of this policy. The salaries are already budgeted for.

6. What are the legal aspects?

(a) Local Authorities are required by Section 38 (1) of the Localism Act 2011 to set out a written statement each financial year relating to:

- The remuneration of chief officers
- The remuneration of its lowest paid employees

- The relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers

(b) The Equality Act 2010 (Specific Duties and Public Authorities) regulations 2017 requires local authorities who employ over 250 or more employees to produce a gender pay gap report.

- Compare the difference in pay between females and males.

7. Monitoring officer Comments

This report raises no issues for the Monitoring Officer.

8. Report Details:

In line with statutory requirements, the Council's Pay Policy Statement has been reviewed and updated for 2019/20 for approval by full Council prior to publishing on the Council's website.

The revised policy and appendix take into account the following changes:

- The increase in the nationally determined living wage (Grades 1 and 2) in November 2018 which comes into effect at Exeter City Council on 1 April 2019 (paragraph 3.2)
- Implementation of the nationally agreed pay award for 2019/20 for employees on Spinal Column Points 12-59 inclusive (Appendix 1)
- Implementation of the nationally negotiated 2019/20 pay award for Chief Officers and Chief Executives (Appendix 1)

9 How does the decision contribute to the Council's Corporate Plan?

The attached Statement supports a well-run Council and our compliance with statute.

10 What risks are there and how can they be reduced?

There are no new implications arising from the recommendations.

11 What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, Economy safety and the environment?

Consideration has been given to the impact upon differing groups and a full assessment is not required.

12 Are there any other options?

No.

City Solicitor & HR

Originator: David Knight, HR Transactional Services Manager

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) 265115

Exeter City Council

Pay Policy Statement 2019/20

1 Purpose and scope of the Policy

- 1.1 Section 38 (1) of the Localism Act 2011 (Part 1, Chapter 8, Sections 38 to 43) requires English and Welsh local authorities to produce a statutory pay policy statement each financial year.
- 1.2 The Act requires that a relevant authority must approve, through Full Council, a pay policy statement for the following financial year and this must set out the authority's policies for the financial year relating to:
 - (a) the remuneration of its chief officers, (see Appendix 1)
 - (b) the remuneration of its lowest-paid employees (see Section 4 and Appendix 1), and
 - (c) the relationship between:
 - (i) the remuneration of its chief officers (Section 4 and Appendix 1), and
 - (ii) the remuneration of its employees who are not chief officers (see Section 4 and Appendix 1)
- 1.3 The statement must state:
 - (a) the definition of "lowest-paid employees" adopted by the authority for the purposes of the statement, and (see Section 3)
 - (b) the authority's reasons for adopting that definition. (see Section 3)
- 1.4 The statement must include the authority's policies relating to:
 - (a) the elements of remuneration for each chief officer, (see Section 2 and 5 and Appendix 1)
 - (b) remuneration of chief officers on recruitment, (see Section 5 and Appendix 1)
 - (c) increases and additions to remuneration for each chief officer, (see Section 5)
 - (d) the use of performance-related pay for chief officers, (see Section 5)
 - (e) the use of bonuses for chief officers, (see Section 5)
 - (f) the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and (see Section 5)
 - (g) the remuneration of chief officers who return to local authority employment (See Section 5)

- (h) the publication of and access to information relating to remuneration of chief officers. (see Section 6)
- 1.5 This policy also takes into account “Openness and accountability in local pay: Guidance under section 40 of the Localism Act February 2012” and the letter from the Secretary of State to leaders of local authorities and chairs of fire and rescue authorities of 20 February 2013 which advocate:
- (a) Publishing the ratio between the highest paid employee and the median average earnings across an organisation (Section 4, Appendix 1)
 - (b) Explaining the approach to the setting and publication of fees for chief officers in respect of local election duties (Section 5)
 - (c) Setting out the policy for the remuneration of chief officers who return to Local Authority employment where the chief officer was a previously employed chief officer who left with a severance payment and applies to come back as a chief officer under an employment contract or contract for services (Section 5)
 - (d) Setting out the policy in respect of the employment of individuals and Chief Officers in receipt of a Local Government Pension Scheme pension, including pension abatement arrangements (Section 5)
 - (e) Full Council having the opportunity to approve salary packages and the cost of severance packages of £100,000 or more (Section 5)
- 1.6 In the context of managing scarce public resources, remuneration at all levels within the Council needs to be adequate to secure and retain high-quality employees dedicated to the service of the public, but at the same time providing value for money to the residents of Exeter.
- 1.7 Exeter City Council already works within a pay and reward framework which seeks to ensure that its pay and reward processes and procedures facilitate the retention and recruitment of employees with the right skills and capabilities to meet the needs of the Council now and in the future. The framework also takes account of regional and national variations, local market factors and is open and transparent and complies with equal pay legislation.
- 1.8 This Statement complies with the requirements of the Localism Act 2011 and the statutory guidance issued by Communities and Local Government in ‘Openness and accountability in local pay: Guidance under section 40 of the Localism Act’ which was issued on 17 February 2012.

2 Definition of Chief Officers

- 2.1 The posts which are defined as ‘Chief Officers’ for the purposes of this Statement are those scheduled in the Local Government and Housing Act 1989 under sections 4(1), 5(1), 2(6, 7 and 8) together with other members of the councils Strategic & Senior Management. For Exeter City Council this term includes:

- Chief Executive and Growth Director (Head of Paid Service Section 4(1))
- Directors x4 (Non-Statutory Officers Section 2 (7a))
- Chief Finance Officer (Section 151 Officer (Statutory Officer Section 2 (6d))
- City Solicitor & HR (The Council's Monitoring Officer)
- Corporate Managers x3

2.2 The post of Chief Executive & Growth Director is made on terms and conditions of employment agreed by the Joint National Council for Chief Executives and supplemented by local terms and conditions of employment agreed by Exeter City Council.

2.3 All the remaining posts are made on the terms and conditions of employment agreed by the Joint National Council for Chief Officers and supplemented by terms and conditions of employment agreed by Exeter City Council.

2.4 With the exception of the Chief Executive and Growth Director all Chief Officer posts as defined in this Statement are subject to job evaluation using HAY. The remuneration of the Council's Chief Officers is set out in Appendix 1.

3 Definition & Remuneration of Lowest Paid

3.1 All posts which are not designated as Chief Officers in accordance with this Statement, and with the exception of apprentice roles, are subject to job evaluation using the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service.

3.2 The Council has adapted the National Local Government Pay Scale to include locally agreed spinal column points. With effect from 1 January 2014, the Council adopted the Living Wage as its minimum spinal column point, and the Living Wage of £9.00 / hour from 1 April 2019 equates to Grade 1 and Grade 2 of the Council's pay scale. The Living Wage is determined nationally in or around November each year. The Council applies any uplift to the living wage from 1 April in the year following the increase.

3.3 The Council therefore defines its lowest paid employees as those on Grade 1 of the Council's pay scale. The Council has adopted this definition as it can be easily understood.

3.4 The Council has 16 grades (excluding Apprentice) on its existing pay scale for employees not designated as Chief Officer in this Statement. With the exception of Grades 1 and 2, each Grade provides for incremental progression of between 1 and 3 scale points subject to satisfactory service. Increments are applied on the 1 April each year (or on the 6 month anniversary of the employee's appointment if the appointment falls between October and March inclusive, with subsequent increments applying from 1 April each year) until the postholder reaches the maximum of the grade.

4 Relationship between Remuneration

- 4.1 The Hutton Review of Fair Pay in the Public Sector outlined that the most appropriate metric for pay dispersion is the multiple of Chief Executive to median earnings. Whilst not a requirement of this Statement, tracking this multiple as recommended in the Code of Recommended Practice for Local Authorities on Data Transparency will ensure public service organisations are accountable for the relationship between the pay of their executives and the wider workforce.
- 4.2 The Council also publishes as part of this Statement the relationship between its Chief Executive and lowest paid employee. Both of these pay multiples are set out in Appendix 1.
- 4.3 Through this policy the pay multiple of the Chief Executive and Growth Director will be monitored annually. Should the multiplier between the annual salary paid to a full time employee on the lowest spinal column point and the annual full time salary payable to the Chief Executive and Growth Director be greater than 10, this will be reported to full Council for consideration.

5 Chief Officer Remuneration

- 5.1 The Joint Negotiating Committee has previously emphasised that ‘it is good governance that local authorities can demonstrate that decisions on pay and reward packages for chief executives and chief officers have been made in an open and accountable way.’
- 5.2 Salaries for chief officers operate on the basis of fixed pay points and are therefore not subject to a salary scale providing for incremental progression. New appointments will be made to the appropriate pay point in force at the time of the appointment. These fixed pay points will be agreed through an accountable and transparent process. Salary levels will be consistent with similar organisations which aim to pay according to median salaries. There will be due regard to balance the need to ensure value for money but enable Exeter City Council to recruit and retain high quality chief officers in the context of national, regional and local labour markets.
- 5.3 In determining any future changes to the remuneration package for appointments to Chief Officer posts as defined in this Statement, the Leader of the Council will take independent pay advice. The Leader will then, in consultation with the Chief Executive and Growth Director, except in relation to the pay of the Chief Executive and Growth Director, make recommendations which will be subject to the approval of full Council.
- 5.4 The Leader of the Council, in consultation with the Chief Executive and Growth Director, except in relation to the remuneration package of the Chief Executive and Growth Director, may recommend to full Council changes to the remuneration package following an annual review. Any changes to the remuneration packages will be subject to full Council approval.

- 5.5 Salary increases for Chief Officers defined in this Statement in relation to cost of living will be made in line with increases agreed by the Joint National Council's for Chief Officers and Chief Executives as appropriate.
- 5.6 At present, there are no additional payments made to chief officers in relation to performance related pay or the use of bonuses.
- 5.7 Any termination payments to chief officers on ceasing office will comply with Exeter City Council's Organisational Change and Local Government Pension Scheme Employer Discretions Policies which are subject to the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, as amended and in force at the time. All such payments are equally applicable to all employees.
- 5.8 The Employer Discretions Policy and severance payments (which include redundancy / efficiency compensation, pension strain and pay in lieu of notice) in excess of £100,000 are subject to approval at Full Council. No additional payments will be made to Chief Officers without express approval by Full Council.
- 5.9 A chief officer appointment (under an employment contract or contract for services) will not be offered to any former chief officer in receipt of a severance payment, except in circumstances where they left employment as a result of being made redundant from their previous Chief Officer role, without the approval of Full Council.
- 5.10 Exeter City Council will not enter into employment or service contracts with any persons in receipt of a local government pension within 12 months of the termination date of their previous employment without the approval of Full Council. Employees of the Council who are also in receipt of a local government pension may have their pension abated in accordance with legislation / policy as enacted / determined by the relevant pension administrator.
- 5.11 The Council's Policy on Market Supplements applies to all posts at the Council, including Chief Officers. Evidence based market supplements will be subject to periodic review to ensure they continue to be justifiable. No Chief Officer is currently in receipt of a Market Supplement.
- 5.12 Additional payments are made by Central Government to officers (including the Returning Officer) carrying out additional duties at Parliamentary, European and other national elections and referendums. These payments are set nationally and are not within the scope of this Statement. Payments to the Returning Officer and other officials for duties in relation to City Council elections are linked proportionately to these national rates.

6 Transparency & Publication of Data

- 6.1 This Statement aims to ensure that the process for setting pay at a senior level is transparent fair and consistent. This policy will be reviewed annually to track the relationship of chief officer pay with the rest of the workforce.
- 6.2 The Council will publish its Pay Policy Statement on the Exeter City Council website alongside information related to the Council's management structure. Further information relating to the remuneration of Chief Officers is published in the Council's annual Statement of Accounts.

7 Equality Impact Considerations

- 7.1 The principles of equal pay are integral to this policy and applied consistently within the pay and reward frameworks adopted by Exeter City Council. The definition of Equal Pay is:
- Like work where the woman and the man are doing the same job
 - Work rated as equivalent where the 2 jobs are different but have been evaluated by the employer's job evaluation scheme at the same level/grade
 - Work of equal value where the jobs are different but an argument is made that both jobs should be regarded as being of equal value or worth.

8 Related Policies/Strategies, Procedures and Legislation

- 8.1 Exeter City Council pay and reward policies and procedures are operated within the framework of JNC and NJC terms as nationally negotiated and agreed and supplemented by local agreements. The Council applies the national framework for job evaluation and works within equality and equal pay legislation in order to apply all pay related issues in a fair, consistent and transparent way.
- 8.2 Key policies/procedures/strategies and legislation include:
- Exeter City Council Pay and Reward Policies, frameworks and local agreements
 - Equal Pay Legislation
 - Equality Act 2010
 - Localism Act 2011
 - Openness and accountability in local pay: Guidance under section 40 of the Localism Act February 2012
 - Local Government Act 1972
 - Local Government & Housing Act 1989

1. Levels and elements of remuneration for each chief officer role as at April 2019

Post title	Full time Remuneration
Chief Executive and Growth Director	£116,744
Directors x4 Chief finance officer City Solicitor & Head of HR	£72,828 - £83,232
Corporate Manager x 3	£60,622

2. The FT remuneration of the lowest paid employee

Post title	Full time Remuneration
MRF Operative	£17,364

3. The multiplier of the remuneration of the chief officer based upon taxable earnings:

Post Title	Full time Remuneration
Annual median pay of all employees	£21,166
Pay multiple of Chief Executive and Growth Director to median	5.52
Pay multiple of Chief Executive and Growth Director to lowest paid FT employee	6.72

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