

## **EXECUTIVE**

Tuesday 6 December 2011

### **Present:-**

Councillors Denham, Fullam, R M Hannaford, Mrs Henson, Martin, Mrs Morrish, Sheldon and Sutton

Chief Executive, Director Corporate Services, Director Economy and Development, Assistant Chief Executive, Head of Treasury Services, Acting Head of Estates Services and Member Services Manager

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### **CHAIR OF MEETING**

In the absence of the Chair at the Leadership Academy, Councillor Sutton, Deputy Leader took the chair for the meeting.

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### **MINUTES**

The minutes of the meetings of the Executive held on 20 September and 4 October 2011 were taken as read and signed by the Chair as a correct record.

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### **DECLARATIONS OF INTEREST**

Members declared the following personal interests:

<b>COUNCILLOR</b>	<b>INTEREST</b>
R Hannaford	112 (Exeter City Council Allotment Holder)
R Denham	117 (member of Exeter Canal and Quay Trust)

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### **CAPITAL MONITORING STATEMENT TO 30 SEPTEMBER 2011**

The report of the Head of Treasury Services was submitted, setting out the current position in respect of the Council's annual capital programme and advising Members of the anticipated variations. The Prudential Code for Capital Finance in Local Authorities required the monitoring of performance against the prudential indicator for capital expenditure and the highlighting of significant deviations from expectations.

The Head of Treasury Services reported that the capital programme for the current financial year is £23,167,730 and that it was projected that £7.3 million of the programme would need to be carried forward into future years. He identified the main variances and achievements in the programme.

Scrutiny Committee – Resources considered the report at their meeting of 23 November 2011 and their comments were noted.

**RECOMMENDED** that Council:-

- (1) notes the current position in respect of the annual capital programme; and
- (2) approves the amendments to the Council's annual capital programme outlined in Appendix 2 of the report.

(Report circulated)

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### **OVERVIEW OF GENERAL FUND REVENUE BUDGET 2011/12**

The report of the Head of Treasury Services was submitted, advising Members of the overall projected financial position of the General Fund Revenue Budget after six months, for the 2011/12 financial year.

The Head of Treasury Services outlined the main factors in relation to the underspend in the Scrutiny Committee – Community budget and the overspend in relation to the other two Scrutiny Committee budgets.

Scrutiny Committee – Resources considered the report at their meeting and their comments were noted.

**RESOLVED** to note:-

- (1) the General Fund forecast financial position for the 2011/12 financial year;
- (2) the HRA forecast financial position for the 2011/12 financial year;
- (3) the outstanding Sundry Debt position as at September 2011; and
- (4) the creditors' payments performance.

(Report circulated)

111

### **TREASURY MANAGEMENT 2011/12 - HALF YEAR UPDATE**

The report of the Head of Treasury Services was submitted, reporting on the current performance for the 2011/12 financial year and the position regarding investments and borrowings at 30 September 2011.

The Head of Treasury Services reported on the impact of the global economic position and the implications for the Council in terms of investments and interest rates. He identified the range of factors which had caused the estimated General Fund net reduction against budget.

Members were pleased to note that it was anticipated that most of the funds would be recovered following the winding up of the Icelandic banks although this could be over a period of years. They acknowledged the contribution of the Local Government Association, acting on behalf of authorities, to the achievement of this successful outcome.

Whilst noting the significant sum required to “buy” the Council out of the Housing Revenue Account subsidy system, members welcomed the perceived long term benefit of the new arrangements.

Scrutiny Committee – Resources considered the report at their meeting of 23 November 2011 and their comments were noted.

**RECOMMENDED** that Council:-

- (1) notes the Treasury Management report for the first six months of 2011/12; and
- (2) approves the amendments to the Council’s Operational Boundary and Authorised Limit to allow the Council to borrow the funds required for the HRA financing regulations.

(Report circulated)

112                    **2012-2013 BUDGET STRATEGY AND MEDIUM TERM FINANCIAL PLAN**

Councillor R Hannaford declared a personal interest in this item as an Exeter City Council allotment holder.

The report of the Head of Treasury Services was submitted, providing a strategic overview of the budgetary position for the 2012/13 financial year and beyond, including an indication of the likely level of available resources, the known demand for resources and the proposals to ensure that a balanced budget is achieved. He anticipated that the Local Government settlement was likely to be announced later that week.

Members noted that the additional funding for authorities which froze or reduced their Council Tax bills was being made available for one year only. They noted that this Council’s Council Tax was already one of the lowest in the country and felt that many residents would prefer the maintenance of good quality services to a marginally smaller Council Tax bill.

**RECOMMENDED** that Council notes the contents of the report and approves the proposals to establish a balanced revenue budget and capital programme.

(Report circulated)

113                    **PROPOSED USE OF NEW HOMES BONUS**

The joint report of the Director Economy and Development and the Assistant Chief Executive was submitted, briefing Executive on the New Homes Bonus (NHB) and proposing principles for how it should be used.

The Director reported that the New Homes Bonus, originally introduced in February 2011, was a significant source of funding intended to incentivise house building. He outlined proposals to identify 50% of the Bonus for a major infrastructure fund to provide a significant capital project for the benefit of the whole city, and 30% for localised community infrastructure. He emphasised the need to be cautious in committing funding as there was no guarantee of the continuation or allocation of the fund in the long term.

Members welcomed the opportunity the fund provided for significant capital projects such as a new swimming pool and the affordable housing programme. They also welcomed additional funding for localised community infrastructure projects that would address existing deficiencies in local facilities. Whilst the creation of successful communities was partly attributable to committed individuals, the existence of a physical hub for the community such as a meeting place was also very significant. They emphasised the role of planning in this process and cited past developments which had been created without such a facility. Members were keen to ensure the even spread of funding across the city in order that funds were not concentrated just in those areas with an effective existing community association. They noted the existence of many successful community initiatives in the city and agreed that lessons could be learned from those.

Executive noted the anticipated allocation of New Homes Bonus for 2011/12 and that beyond 2012/13 there was some uncertainty about the long term funding of New Homes Bonus. They considered it prudent, therefore, to limit financial commitments to the short term, providing the opportunity to review proposals for expenditure associated with the NHB when the Government finally publishes policies and guidance for funding local government.

**RESOLVED** that New Homes Bonus be used with regard to the following principles:

- (1) that NHB funding will be used to direct benefits from new development to the Exeter community;
- (2) that, on the basis of the current assumptions about NHB, 50% of the NHB funding received will be ring fenced for major infrastructure works to meet city wide priorities, such as the provision of a new swimming pool and the revenue implications of the Council's affordable housing programme;
- (3) that in the short term 30% of the NHB funding received will be ring fenced for local community infrastructure on the basis that funding commitments can only be made against income received;
- (4) that a NHB panel shall be established to oversee the allocation of the local community infrastructure fund;
- (5) that a further report be considered by Executive on the detailed proposals for the New Homes Bonus Panel and the role of the ward member(s) in bringing forward possible proposals for funding;
- (6) that £100,000 is made available to support the production of neighbourhood plans over the next five years; and
- (7) that Executive recognises the resource implications of supporting this programme and funding will be made available for capacity building and technical studies.

(Report circulated)

The report of the Director Economy and Development was submitted, presenting the consultation and responses of the public engagement exercise with key stakeholders and seeking approval for proposed changes to the document.

The Director reported that the consultation on the Vision document had consisted of a number of events through the summer and early autumn of 2011 targeted at the public and stakeholders. It had been accompanied by a survey designed to gauge support for the broad concept of the Vision document, the 17 Principles and the four Big Moves. The detailed comments raised in relation to the Principles and Big Moves made it difficult to summarise the responses in terms of support or opposition but the consultation had indicated a broad level of support for this aspirational document.

Members welcomed the widespread consultation that had taken place and the opportunity to focus on a long term vision for the City. They recognised the range of difficult tensions which existed particularly in relation to transport issues and specifically in relation to the “conflict” between people and vehicles. They commented on a number of specific issues identified including the importance of accommodating flood defence measures in St Thomas.

**RESOLVED** that Executive notes the results of the consultation, agrees the changes proposed to the City Centre Vision, endorses the use of the document to inform decision-making by the City Council and commends the document to the Exeter Vision Partnership.

(Report circulated)

115

### **EXETER INFRASTRUCTURE DELIVERY PLAN**

The report of the Head of Planning and Building Control was submitted advising Members of the work completed to date in identifying, prioritising and costing strategic infrastructure investments that will be needed to support the development growth that is proposed for Exeter between 2006 and 2026.

Executive noted the Critical, Essential and Desirable categories of Infrastructure need set out in the Appendix, which also indicated those projects for which funding had not been identified. Members particularly welcomed forward planning in relation to the need for additional school places where new family housing developments were planned.

**RESOLVED** that:-

- (1) the Infrastructure Delivery Plan be taken forward as a compendium of evidence that is used for the following purposes:
  - (i) to support the introduction of a Community Infrastructure Levy for Exeter;
  - (ii) to help guide future infrastructure investment decisions; and
- (2) Executive receives a further report on the proposed details of an infrastructure budgeting procedure.

(Report circulated)

## **COMMUNITY INFRASTRUCTURE LEVY PRELIMINARY DRAFT CHARGING SCHEDULE**

The report of the Head of Planning and Building Control was submitted, seeking approval for the proposed Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule to be published for public consultation.

The Director reported that the CIL was a new form of charge that allowed local authorities to raise funds from developers undertaking new building projects in their area. It would be applied at a fixed rate to new developments of one or more dwellings or with a floor area of more than 100 square metres. There would be some variation between the levies set by authorities due to differing land values. He emphasised the need to set the levy at an appropriate level which did not discourage potential developers.

In response to members' questions regarding the impact of CIL, the Director stated that income was likely to be similar to that collected through Section 106 Agreements in respect of big developments. The potential gain would arise from the fact that the Levy would relate to each property whereas the Council had in the past lost out where small-scale developments had delivered numbers slightly below the Section 106 threshold. There was no minimum period for the review of the CIL but, in view of practical considerations such as consultation requirements, he would recommend that it was not reviewed sooner than every three years.

Members welcomed the apparent advantages of certainty and simplicity of the CIL in comparison with Section 106 agreements which often involved lengthy and complex negotiations between the Council and developers.

**RESOLVED** that:-

- (1) the Community Infrastructure Levy Preliminary Draft Charging Schedule as set out at Appendix 1 of the report be approved and published for public consultation; and
- (2) the content of the latest CIL regulations consultation be noted.

(Report circulated)

## **EXETER CANAL BASIN REGENERATION SCHEME**

Councillor Denham declared a personal interest as a member of Exeter Canal and Quay Trust.

The report of the Acting Head of Estates Services and Director Economy and Development was submitted informing Members of progress in bringing forward the regeneration proposals for the Canal Basin area. The report reviewed the impact of the current economic climate on these proposals, sought agreement to consequent changes to the City Council's objectives and Delivery Strategy and to a revised timetable for delivery.

The Acting Head of Estates Services reported that Executive had originally adopted the Exeter Canal Basin Masterplan in July 2004 and the subsequent Delivery Plan had proposed the phased delivery of the overall scheme for the Canal Basin area, consisting of four stages over the period up to 2012. He reported on those areas which had been completed and the factors which had led to delay in other phases of the scheme including the recession and the slow and uncertain recovery.

He reported that, despite the expiry of their Exclusivity Agreement and the decision of Exeter Canal and Quay Trust not to renew it, Sutton Harbour were still keen to work with the Council and the Trust on parts of the scheme. Both the Trust and the Council were prepared to continue working with them but not in conditions of exclusivity. A joint marketing campaign was to be launched in the new year.

Members were pleased to note the completed aspects of the development and looked forward to progress on the remaining phases of the scheme.

**RESOLVED** that:-

- (1) the progress to date on the delivery of the Exeter Canal Basin Regeneration Strategy be noted;
- (2) the Acting Head of Estates Services, in consultation with the Portfolio Holder Economy and Tourism, be authorised to agree and enter into a new marketing strategy for Sites I and J in partnership with the Exeter Canal & Quay Trust (and Site B if the proposed transaction does not complete);
- (3) the City Council do not extend the Exclusivity Agreement with Sutton Harbour beyond 31 October 2011; and
- (4) the principle of considering sensitive residential uses of the upper floors of the Maclaines Warehouse be supported.

(Report circulated)

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### **PARKING TARIFFS**

The report of the Head of Operational Services and Transport and the Director Economy and Development was submitted, seeking Members' agreement to the proposals for a targeted increase in car parking tariffs set out in the report and annex.

The Director Economy and Development introduced the report, informing members that the proposed tariff changes for 2012/13 had been targeted at four specific car parks with high occupancy and that no change was proposed to others.

Councillor Baldwin attended the meeting and spoke on this item in accordance with Standing Order 44. She was concerned at the proposed significant increases in tariff at Topsham Quay and Matthews Hall Car Parks and queried why it was proposed to charge City Centre level tariffs at these two car parks which were on the edge of the City Centre. She suggested that Matthews Hall car park was more comparable with Heavitree and Cowick car parks and Topsham Quay with Exeter Cathedral and Quay car park. Half of Topsham Quay car park was used as a boat laying-up area in the winter and it served as an important car park, particularly for tourists, in the remainder of the year. She felt that this proposal was purely an income-raising measure and ignored the wider impact on retail and tourism. She was concerned that the level of the increase would exacerbate the already difficult parking situation in Topsham and considered it unreasonable, unfair and unjustifiable.

The Chair responded that the proposal would encourage greater turnover in the car parks in order to increase trade. Due to Topsham's good transport links, it appeared that the car parks were frequently used for longer term parking by commuters and for trips outside of the town. Unlike in many cities, there was no restriction on the length of stay within any car park in the City and there was a shorter charging period (9am – 5pm) in Topsham than in the City Centre. No increase was proposed in the other Topsham car parks, including Holman Way.

Councillor Mrs Henson stated that she did not feel this represented the view of many of the traders in Topsham and expressed concern that the sharp rise would discourage shoppers. Whilst she was not against a rise, she suggested that it should be introduced incrementally over a number of years.

Another Councillor was concerned about the displacement of the longer term car park users to other areas of the town and considered that the increase should be introduced gradually in order to give more opportunity for transitional arrangements to be put in place.

In response to a question regarding the reason for the 4.5% decline in car park projected income, the Portfolio Holder Economy and Development stated that there was no clear correlation with those car parks where prices had increased. The proposal had been made following analysis of occupation levels and on the basis of which car parks could sustain an increase in charges. The Director reported that the four car parks targeted for an increase displayed a high occupancy rate. He reported that the national economic situation was certainly a factor decreasing the number of shopping visits made.

Other Councillors felt that the comparison with Heavitree car park was inappropriate since car parks users visited these areas for practical purposes whereas Topsham had a significant tourism/leisure appeal. Heavitree had a lower occupancy rate and income had declined in the previous year.

Councillor Mrs Henson, seconded by Councillor Fullam, moved that further consideration was given to the proposed increase in tariffs at Topsham Quay and Matthews Hall, including further consultation with local traders. The motion was put to the vote and lost.

The Chair moved a further recommendation to re-designate Topsham Quay and Matthews Hall as short stay car parks and this was approved.

**RESOLVED** that:-

- (1) notice of intention be given to make a Parking Places Amendment Order to revise the City of Exeter (Civil Enforcement Off Street Parking Places) Order 2008 to enable the changes proposed in this report and Annex A to come into effect on 30 January 2012;
- (2) Matthews Hall, Topsham and Topsham Quay be redesignated as Short Stay Pay and Display Car Parks;
- (3) authority to consider any objections be delegated to the Director Economy and Development in consultation with the Leader of the Council and the Portfolio Holder for Sustainable Development and Transport; and
- (4) subject to consideration of any objections, the order be made and sealed.

(Report circulated)



119            **APPOINTMENT OF REPRESENTATIVES TO SERVE ON OUTSIDE BODIES**

The schedule of representatives on outside bodies was circulated.

**RECOMMENDED** that:-

- (1) an appointment to replace Alderman NWF Long on Exeter Municipal Charities (General List) be made by Council; and
- (2) the appreciation of the Council be conveyed to Alderman Long for the significant and long term contribution he had made as the Council's representative on this body.

(Schedule circulated)

120            **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 3 and 6 of Part 1 of Schedule 12A of the Act.

121            **REGENERATION OF THE EXETER BUS AND COACH STATION SITE**

The joint report of the Director Economy and Development and the Acting Head of Estates Services was submitted, advising Members of progress on the preparatory work necessary for the regeneration of the Bus and Coach Station Site. The report reviewed the economic situation as it affects city centre property development in Exeter.

The Acting Head of Estates Services introduced the report and outlined a provisional way forward and timetable together with the associated resourcing implications. He reported that the significant work undertaken in securing the John Lewis store for the city had necessitated a delay in working up the Master Plan for the Bus and Coach Station site. An extension to the exclusivity agreement with Land Securities and the Crown Estate was recommended.

Members welcomed progress on the preparatory work for the site and emphasised the confidence in Exeter displayed by the arrival of the John Lewis Partnership stores in the city. They acknowledged the benefits of an incremental approach to the development to ensure that any adverse impact of the national economic situation and retail patterns were reflected in the nature of the development. Members also supported the proposal for a mix of uses, rather than solely retail outlets, for the site.

**RESOLVED** that:-

- (1) the extension of an Exclusivity Agreement with Land Securities/The Crown Estate until the end of May 2013 be agreed;
- (2) officers be authorised to continue to work up the master planning principles for the bus and coach station site with a view to going out to public consultation early in the new year;

- (3) officers be authorised to seek to agree terms with Land Securities/The Crown Estate for a sequential delivery strategy as discussed in this report;
- (4) the Acting Head of Estates Services, in consultation with the Portfolio Holder Economy and Tourism, be authorised to agree terms for an option to acquire an alternative site to facilitate bus depot relocation; and
- (5) a budget of £75,000 on 2012/13 be set up to procure legal and property advice associated with the project.

(Report circulated to Members)

122

### **EXETER AND HEART OF DEVON GROWTH BOARD MINUTES**

The minutes of the Exeter and Heart of Devon Growth Board meeting held on 31 October 2011 were circulated.

The Director Economy and Development reported that it had been agreed that Devon County Council would chair the meeting for the next 12 months, after which the Chair would rotate between East Devon District Council and Exeter City Council.

**RESOLVED** that the minutes of the Exeter and Heart of Devon Growth Board of 31 October 2011 be noted.

(Minutes circulated)

(The meeting commenced at 5.30 pm and closed at 8.00 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 13 December 2011.**