



Exeter City Council

To the Chair and Members
of the Executive

Philip Bostock, Chief Executive

Bindu Arjoon, Assistant Chief Executive

Civic Centre, Paris Street, Exeter, EX1 1JN

Tel: 01392 277888 www.exeter.gov.uk

Direct dial: 01392 265110

Fax: 01392 265268

email: rowena.whiter@exeter.gov.uk

Our ref:

Your ref:

A meeting of the **EXECUTIVE** will be held in the Rennes Room, Civic Centre, Paris Street, Exeter at **5.30 pm** on **TUESDAY 15 SEPTEMBER 2009** to consider the following business. If you have an enquiry regarding any items on this agenda, please contact Rowena Whiter, Member Services Manager on **Exeter 265110**.

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

Pages

AGENDA

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

1

MINUTES

To sign the minutes of the meetings held on 16 and 29 June 2009.

2

DECLARATIONS OF INTEREST

Councillors are reminded of the need to declare personal and prejudicial interests, including the nature and extent of such interests, in relation to business on the agenda, before any discussion takes place on the item. Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

3

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

RESOLVED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of items 14 to 18 on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1, 2, 3, 4 and 6 of Part I, Schedule 12A of the Act.

4 **PROGRESS UPDATE - ENVIRONMENTAL AND CLIMATE CHANGE STRATEGIES**

To consider the report of the Head of Environmental Health Services. 1 - 14

Scrutiny Committee - Community considered the report at their meeting on 1 September 2009 and their comments will be reported. Since the Action Plans referred to in Appendices II to IV of the report have already been widely circulated, they are not included in the agenda. The documents can be viewed on the Council's website or on request to Member Services.

(Report circulated)

5 **SUPPORTING THE GREEN ACCORD INITIATIVE**

To consider the report of the Head of Contract and Direct Services. 15 - 20

(Report circulated)

6 **PROPOSED COUNCIL HOUSEBUILDING PROGRAMME 2009-11**

To consider the report of the Head of Housing Services. 21 - 28

(Report circulated)

7 **MOTION TO WITHDRAW SUNDAY CAR PARK CHARGES**

To consider the report of the Head of Parking, Engineering and Business Support. 29 - 30

Scrutiny Committee - Economy considered the report at their meeting on 3 September 2009 and their comments will be reported.

(Report circulated)

8 **USE OF BEDFORD SQUARE**

To consider the report of the Director Economy and Development and the City Centre Manager. 31 - 36

(Report circulated)

9 **LOCAL DEVELOPMENT FRAMEWORK - CORE STRATEGY CONSULTATION**

To consider the report of the Head of Planning and Building Control. 37 - 58

(Report circulated)

10 **LOCAL GOVERNMENT PENSION SCHEME - CONSULTATION PAPER**

To consider the report of the Head of Human Resources.

59 - 62

(Report circulated)

11 **HONORARY ALDERMAN**

Section 249 of the Local Government Act 1972 empowers the Council to confer the title of Honorary Alderman on persons who have, in the opinion of the Council, rendered eminent service to the Council as a past member of the Council. An Honorary Alderman is invited to participate in those Civic ceremonies which the Mayor attends In State, and to which it is usual to invite Past Mayors.

The Council resolved in 1976 to confer the title on past Members who had rendered eminent service as Past Mayors, Past Lord Mayors, Past Leaders or as Members with 12 years' service or more. Former Councillors are eligible to have the title of Honorary Alderman conferred upon them should the Council so decide.

RECOMMENDED that:-

- (1) the title of Honorary Alderman be conferred on Mrs Valerie Dixon; and
- (2) the Right Worshipful the Lord Mayor be requested to convene an Extraordinary Meeting of the Council to be held prior to the ordinary meeting on 6 December 2009, for the purpose of passing the appropriate resolution under Section 249 of the Local Government Act 1972.

12 **AFFILIATION BETWEEN THE CITY OF EXETER AND HMS DEFENDER**

To consider the report of the Head of Corporate Customer Services.

63 - 64

(Report circulated)

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

To consider the report of the Assistant Chief Executive on the appointment of representatives to serve on outside bodies.

65 - 66

(Report circulated)

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

14 **PROPOSED COUNCIL HOUSEBUILDING PROGRAMME 2009-11**

To consider financial information in respect of the proposed Council Housebuilding Programme relating to Item 6 on this agenda.

67 - 70

(Report circulated to Members)

15 **RESTRUCTURING OF CONTRACTS DEVELOPMENT AND BEST**

To consider the report of the Head of Contracts and Direct Services seeking approval to the restructuring of Contracts Development and the Building and Electrical Service Team (BEST) within Contracts and Direct Services. 71 - 84

Scrutiny Committee - Community considered the report at their meeting on 1 September 2009 and their comments will be reported.

(Report circulated to Members)

16 **LAND SECURITIES OWNERSHIPS IN EXETER**

To consider the report of the Head of Estates Services regarding proposals for future ownership arrangements for Land Securities' property holdings in Exeter. 85 - 88

(Report circulated to Members)

17 **MUSEUM ACQUISITION OF PAINTINGS UNDER THE "ACCEPTANCE IN LIEU" SCHEME**

To consider the report of the Head of Leisure and Museums regarding the acceptance of works of art under the Acceptance in Lieu scheme. 89 - 90

(Report circulated to Members)

18 **REVIEW OF RAMM DEVELOPMENT PROJECT**

To consider the report of the Head of Leisure and Museums regarding the appointment of specialist advisers. 91 - 94

(Report circulated to Members)

DATE OF NEXT MEETING

The next scheduled meeting of the Executive will be held on **Tuesday 29 September 2009** at 5.30 pm in the Civic Centre.

A statement of the executive decisions taken at this meeting will be produced and made available as soon as reasonably practicable after the meeting. It may be inspected on application to the Customer Service Centre at the Civic Centre or by direct request to the Member Services Manager on 01392 265110. Minutes of the meeting will also be published on the Council's web site as soon as possible.

***Membership -
Councillors Fullam (Chair), S Brock, Cole, Edwards, Mrs Henson, Mitchell, Mrs J Morrish, Newton and Wadham***

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 Member Services Officer on (01392) 265115 for further information.

Individual reports on this agenda can be produced in large print on request to Member Services on 01392 265111.

This page is intentionally left blank

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - COMMUNITY 1 SEPTEMBER 2009

EXECUTIVE 15 SEPTEMBER 2009

PROGRESS UPDATE - ENVIRONMENTAL & CLIMATE CHANGE STRATEGIES

1 PURPOSE OF THE REPORT

- 1.1 This report outlines the progress that has been made by the Council in terms of implementing the action plans of both the Environmental and Climate Change Strategies.

2 BACKGROUND

- 2.1 The Environmental Strategy (2007-2012) was adopted by the Council in 2007. The Strategy sets out how the Council intends to tackle the key environmental challenges facing Exeter and explores how to reduce the city's impact on the global environment. The Strategy also draws together and evaluates the effects of the Council's own policies and practices on the environment, with the aim of reducing environmental damage.
- 2.2 The Climate Change Strategy was adopted by the Council in January 2008. The Strategy sets out key proposals for how the Council, working with others, can take the lead in reducing greenhouse gas emissions within Exeter by 30% by 2020 from 1990 levels. The Strategy covers five policy areas for action: energy, transport, waste, community leadership and adapting to the effects of climate change.
- 2.3 Members will recall that in 2007 we took part in the fifth phase of the Carbon Trust's Local Authority Carbon Management Programme, to calculate and analyse our carbon footprint and explore opportunities to reduce emissions from Council buildings, vehicles and waste production. Our carbon footprint for 2006/07 was estimated as 2,880 tonnes of carbon dioxide - roughly equivalent to the emissions from about 300 homes. To achieve a significant reduction in carbon dioxide emissions the Council produced a Carbon Management Strategy and Implementation Plan, which was adopted by the Council in March 2008. This identifies key actions for the Council to take to reduce emissions by 20% by 2013, an ambitious target.

3 PROGRESS MADE

- 3.1 Examples of progress that have been made by the Council in relation to the Environmental Strategy, Climate Change Strategy and Carbon Management Strategy and Implementation Plan during 2008/09 are outlined in Appendix I to this report. These are listed under the main areas highlighted for action in the Strategies:
- Climate Change
 - Energy/water use
 - Waste/recycling
 - Sustainable purchasing
 - Sustainable transport
 - Street cleanliness

- Air/land/water quality
- Countryside/wildlife
- Sustainable construction
- Other

3.2 The current status of projects contained in the Carbon Management Strategy and Implementation Plan can be found in Appendix II, whereas progress updates for the Environmental Strategy and Climate Change Strategy are available on the intranet at <http://intranet/environmentalstrategiesupdate>.

4 REVIEW OF ACTION PLANS

4.1 The original action plan for the Climate Change Strategy covered the period to Spring 2009. For this reason a full review of the action plan has been undertaken to set out actions to be undertaken over the next 2 years. This includes further development of the ideas set out in the original plan, as well as the addition of new actions, such as the establishment of a Carbon Club for businesses and the development of a CHP plant for the Cranbrook development. The revised plan is set out in Appendix III of this report.

4.2 Due to the current economic situation it has been necessary to review projects identified in the Carbon Management Strategy and Implementation Plan to identify those projects that can be taken forward in the short-term. The implications of this review are that the target of 20% reduction by 2013 will be very difficult to achieve.

5 INDICATORS

5.1 Since 1996, the Council has monitored a set of sustainability indicators to measure progress made in meeting the Council's Local Agenda 21 objectives. Upon the adoption of the Environmental Strategy for Exeter this list of indicators was expanded to include further environmental indicators. A number of Corporate Environmental Performance Indicators are also monitored on an annual basis to assess the Council's environmental management performance. A summary of the progress made in this respect is the subject of a separate report to Scrutiny Committee Community.

5.2 A summary of the results for the environmental and sustainability indicators is provided in Appendix IV. As can be seen, improvements have been made in a number of areas, including the recycling of domestic waste, energy efficiency of housing, standard of street cleanliness and the number of complaints received about dog fouling. The indicators also enable us to identify where further work may be needed in the future, such as addressing the increase in nitrogen dioxide levels observed in some parts of the city.

6 RECOMMENDED

That Scrutiny Committee – Community support and Executive approve:

- (1) the examples of progress made to date be noted;
- (2) that the revised action plan for the Climate Change Strategy be approved for adoption;
- (3) that the Council reaffirms its commitment to manage and continually improve its own sustainability performance;

- (4) that the current status of the Council's Carbon Management Strategy and Implementation Plan is noted;
- (5) that the Council continues to work in partnership with other organisations within the City and with the community to tackle climate change and improve quality of life in the City;
- (6) that progress continues to reported to this Scrutiny Committee - Community on an annual basis.

HEAD OF ENVIRONMENTAL HEALTH SERVICES

S:PA/LP/Committee/909SCC7
19.8.09

COMMUNITY & ENVIRONMENT DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

Environmental Strategy
Climate Change Strategy

This page is intentionally left blank

**CORPORATE ENVIRONMENTAL STRATEGY AND
ENVIRONMENTAL STRATEGY FOR EXETER****PROGRESS MADE****2008/2009****1. CLIMATE CHANGE****Action within the Council**

- Work has continued to implement the Carbon Management Strategy and Implementation Plan, which identifies key actions for the Council to take to reduce carbon dioxide emissions by 20% by 2013. Targets to reduce waste, carbon dioxide emissions, paper usage and water consumption have continued to be monitored. The results are the subject of a separate report to this committee, and show real improvements in satisfying targets set.
- The Environmental Champions have spearheaded a number of successful environmental campaigns during the year. An energy campaign was undertaken in July 2008, to highlight the importance of switching off PCs, lights and office equipment when not in use. A second campaign, focusing on reducing and reusing waste was undertaken in September 2008, to raise awareness of how much paper is used within the Council and how this can be reduced. In conjunction with the introduction of new recycling schemes at 14 Council sites in February 2009, the champions ran a recycling awareness campaign to promote the benefits of recycling to staff, including tours of the Material Reclamation Facility. Follow-up audits were undertaken in April 2009 to measure the effectiveness of the campaigns. At the Civic Centre, the results showed a 40% reduction in waste levels (see Section 3), a 45% reduction in the number of staff leaving their PC monitor on overnight, a 30% reduction in printers left on and a 4% reduction in paper consumption. Similar savings were made at other sites, including a 13% reduction in electricity consumption at Oakwood House and a 39% reduction at the Underground passages.
- Environmental management continues to be promoted as part of the induction process for staff joining the Council. All new staff are invited to attend a session on carbon management within the Council, which includes a chance to see the film, 'An Inconvenient Truth', in which Al Gore sets out evidence to show that climate change is happening.

Action within the Community

- Following the adoption of the Climate Change Strategy in January 2008, work is progressing on implementing the action plan. The five climate change projects that were awarded funding through Exeter's Climate Change Parking Levy are progressing well:
 - **Warm Up Plus Exeter Grants** – free loft and cavity wall insulation was provided to households on low incomes and the over 60s. The grants proved to be very popular with homeowners.
 - **Smart Monitors for Schools Scheme** - 8 schools have now taken part in the scheme, in which children borrow a smart monitor to record and help reduce their home energy consumption. The project, which is a joint initiative between the Council (School's Green Team project) and Low Carbon Exeter will be working with 20 schools up until the end of the academic year 2010. Through the project children borrow a meter for 2 weeks to help monitor how much energy they can save by switching off lights and appliances and gain an understanding of how much electricity individual appliances use. The feedback from teachers and pupils has been very

positive, with some households reducing their energy consumption by as much as 40%.

- **Retailers' Energy Efficiency Award Scheme** – the project, a joint initiative between the Council, Global Action Plan and Low Carbon Exeter, was launched in early February, with a 'Greener Retailing' event. 25 businesses have since signed up to the scheme and will receive an audit to help identify opportunities to reduce energy, waste and carbon dioxide emissions. The savings made will be monitored and an energy efficiency award provided where sufficient savings have been made.
- **Heat Loss Survey of Exeter** - a survey was undertaken in January 2009 to identify homes and buildings in the city that are losing most heat. The survey shows that 22% of properties have a high heat loss value and so are of immediate priority in terms of needing better insulation. A further 67% of properties have a medium level of heat loss and in many cases will also benefit from improved insulation. The results have been used to encourage home owners to check that they have sufficient insulation and to insulate their property where needed. A campaign to target those properties that have a high and medium heat loss is being planned, in conjunction with the Devon Warm Zone.
- **Renewable Energy Survey** – a survey to assess the potential for renewable energy in Exeter has been completed by the Devon Association for Renewable Energy and is available on the Council's website.
- Projects that will receive funding from the Climate Change Levy in 2009/10, include continuation of the Exeter Warm Up Plus grants and provision of match-funding towards the establishment of a Carbon Club for businesses in conjunction with Global Action Plan. This will provide businesses with on-site audits, advice, training and networking opportunities to help them reduce energy, fuel and water use and identify opportunities for waste reduction.
- The University of Exeter has completed a study to assess sustainable energy options for the electrically heated homes in the off-gas area of Exwick to benefit the residents and reduce carbon dioxide emissions. The conclusions of the study are that many residents cannot afford to heat their homes adequately during the winter months due to poor levels of insulation and the high cost of electricity. Improving the energy efficiency of the homes is therefore an urgent priority. As a result a targeted campaign to promote grants for insulation is being undertaken, in conjunction with the Exwick Residents' Association and Eon Energy.
- The University of Exeter has completed a parallel study to identify potential opportunities for collaborative measures between businesses to reduce energy usage. The research has involved undertaking detailed mapping of energy use in the main industrial sites to identify patterns of energy use and explore opportunities for shared supply through decentralised (local) energy production. The study concluded that there is significant potential for exploiting the heat output from the proposed Waste to Energy Plant. The findings will also be used to deal with development applications in the area and the long term planning of expansion on the South West side of Exeter.
- An initial review of the work being undertaken within the Council to adapt to the effects of climate change has been undertaken, as a first step towards developing a project plan to take this work forward. In parallel to this, a study entitled 'Services in the River Exe Flood Plain: 2009' to identify essential infrastructure serving the city e.g. electrical sub stations, water works, sewage pumping stations that may be vulnerable to flooding has been undertaken with a view to highlighting the risk to the owners.

2. ENERGY/WATER CONSUMPTION

Action within the Council

- To continue the reduction of the Council's carbon emissions further emphasis has been placed on automated meter readings by employing UX-online, who offer a host of energy monitoring services. These include bill validation and targeting energy consumption for energy efficiency programmes and benchmarking. Further investigative works are being carried out for the proposed projects for 2009/10, which include:
 - The upgrade of the Livestock Centre's lighting and energy saving transformer
 - The replacement of light fittings at King William MSCP
 - The Corn Exchange wood pellet boiler
 - The installation of an energy saving transformer at MRF
 - Energy efficiency improvements at the Guildhall

Action within the Community

- The Council has continued to promote energy efficiency grants for home-owners. During 2008/09 a total of 1,600 insulation measures (loft or cavity wall) were installed through the Warm-up Exeter Scheme, which subsidises the cost of insulation for low-income households who are just above benefit levels. Utilising funding from the Climate Change Parking Levy the scheme was extended to provide free insulation to households over 60 and on low incomes for a limited period.
- The Council, in partnership with the other 9 local authorities in Devon, continues to promote the Devon Warm Zone, in which the full range of energy efficiency grants are being actively promoted to households. So far, approximately 500 insulation measures have been installed in Exeter.
- Private landlord grants continue to be given to improve the energy efficiency of rented properties. During 2008/09, 239 insulation measures and 31 central heating systems were installed. The scheme has now been extended to all privately rented accommodation (rather than just priority groups), targeting an additional 3,000 homes.
- A further 25 cavity wall and 256 loft insulation measures were undertaken in Council owned dwellings in 2008/09. This means that 90% of Council homes have now been fitted with loft insulation, 99% with cavity wall insulation and virtually all external doors have been replaced. The Council is on track to meet its target of all homes having loft and cavity wall insulation (where feasible) by April 2011. The programme of external rendering and upgraded insulation to British Iron and Steel houses (BISF) was severely hampered by poor weather in 2008/09 but the programme is back on course to complete the remaining 16 houses in 2009/10. A new contract for the external rendering and insulation of blocks of flats is now in place and five blocks totalling, 58 homes, will be completed in 2009/10 with a further 12 blocks in the pipeline. In addition, gas condensing boilers with a SEDBUK 'A' rating have been installed into a further 100 Council homes to replace old, inefficient gas/electric systems and a further 50 properties will benefit in 2009/10.
- Following the pilot solar water heating systems installed into five Council homes in Leypark Road, a further four homes have benefited from the technology. Low-energy light bulbs are also being installed in every light fitting capable of taking them to void properties. Contractors undertaking kitchen and bathroom modernisation schemes and electrical rewires also fit the lamps wherever possible.
- A number of activities took place in Energy Week in October 2008, including 10 energy displays around the city and a low energy light bulb give away in reception and in Princesshay, where 2500 CFLs were provided to the public.

- To highlight how much energy can be saved in the home through switching off lights and appliances, a Big Switch Off campaign was undertaken in March 2009, to coincide with Earth Hour. The campaign included a range of events and displays across the city, including a Big Switch Off Day in Bedford Square, which was visited by Brigit Strawbridge's Big Green Bus. A total of 832 people signed the Big Switch Off pledge, including a number of businesses and Exeter Cathedral. During the fortnight 700 reusable green bags, 1,700 energy saving light bulbs and 150 water saving flush devices were distributed to members of the public.
- As part of the Big Switch Off campaign local schools took part in an Energy Detectives Competition, which involved them undertaking a secret energy check of the school to see how many lights and appliances were left on in classrooms at lunch time. A week later each school organised a Switch Off Day during which pupils and teachers were encouraged to switch off as many lights and appliances as possible, to see how much energy could be saved. All of the schools made a significant reduction in their energy usage, ranging from 9% to 33% and the winning school was given a mini renewable energy toolkit as a prize.
- A new smart meter loan scheme for residents was launched in March through the Exeter Visitor Information & Tickets Office. Through the scheme residents can borrow a smart meter for a 3 week period to help monitor and reduce their energy consumption. There has been a great deal of interest and positive feedback has been obtained from residents about how much energy they have saved.

3. WASTE/RECYCLING

Action within the Council

- A fundamental change to the way waste and recyclables are collected at the Civic Centre was introduced in February 2009 as part of the Environmental Champions scheme. This has greatly improved the accessibility of recycling points and as a result, waste levels have reduced significantly. A recent audit showed a 40% reduction in the amount of waste being disposed of to landfill and the amount of material being recycled has almost doubled, bringing the recycling rate for office waste up to 74%. As a result of the changes, waste levels are now 75% lower than they were when monitoring began in April 1998.
- Improvements to the recycling schemes have been made at other sites, including Oakwood House, Bradninch Offices, The Ark, Belle Isle Nursery, The Corn Exchange, Matford Centre and new recycling schemes introduced in the Car Park Offices, Rougemont House and St Nicholas Priory. Where follow-up audits have been undertaken recycling rates have increased as a result of the changes.

Action within the Community

- The Council's recycling/composting rate for domestic waste continues to increase, reaching 36% in 2008/09. The garden waste composting scheme also continues to expand and 2,118 tonnes of waste was collected in 2008/09. Activities continued to promote home composting, including 5 compost days, which resulted in the sale of 576 composters.
- To reduce contamination of materials collected through the Recycle from Home scheme, a 'Leave it loose' campaign is being undertaken to encourage people to only put loose, clean and dry items in the recycling container.
- All schools in Exeter continue to participate in the school recycling scheme, which provides schools with large bins for mixed recyclables and smaller boxes for collecting the materials in classrooms and offices. In addition, many schools and groups have continued to benefit from educational talks and workshops on waste and recycling issues with Council officers

either visiting the schools, or using hosted visits to the multimedia suite in the MRF visitors' room. During 2008/09 the recycling team hosted 181 events, including visits to the MRF, talks to community groups, fun days, school fetes, compost giveaways and events promoting re-usable bags.

- 12 schools have signed up to the Green Team project where progress on green initiatives is rewarded by the 'building of a tree'. 3 schools are on their first branch, 8 are on their 2nd and 1 school (Alphington) are on their third and final branch. Activities in schools have included paper-making and composting, recycling and prize-giving assemblies.
- A key driver for change over the next few years will be the European Landfill Directive, which requires that the amount of biodegradable municipal waste sent to landfill sites needs to be progressively reduced; to 75% of 1995 levels by 2010, 50% by 2013 and 35% by 2020. These targets apply to Devon as a whole and projections suggest that without additional treatment facilities, meeting targets will become an increasing problem from around 2010. Waste Disposal Authorities (in this case Devon County Council) can meet their targets either by investing in new collection and processing systems, buying unused landfill allowance permits from other authorities, or paying fines of up to £150 per tonne of material landfilled outside their allowances. The net effect of this new system will be to focus attention on the removal of biodegradable material from the municipal waste stream to reach these progressively more challenging targets. The proposal by DCC to build an energy from waste plant at Marsh Barton means that the remaining biodegradable fraction of the waste stream (food waste) would be diverted from landfill, fulfilling the targets and preventing the imposition of fines.
- The trade waste recycling scheme continues to be a success with the amount of material collected increasing by 17% in 2008/09. In July 2008, the service was expanded to include mixed plastics and cans and plans are underway to promote the service to further businesses this year. To raise awareness of recycling services for businesses in the Exeter area, Exeter's Industrial and Commercial Waste Minimisation and Recycling Directory has been updated and is available on the Council's website.

4. SUSTAINABLE PURCHASING

- Work is continuing to integrate sustainability issues into the Council's procurement activities. The new Sustainable Procurement and Commissioning Strategy has been adopted and demonstrates a practical commitment to promote and improve the economic, social and environmental well being of the city and surrounding area. The continued use of an electronic procurement system and increased use of the website provides environmental benefits in terms of moving towards a paperless process and encourages local contractors to work with the Council. The Council is actively working with the Federation of Small Businesses and other procurement bodies to increase their involvement in Council contracts, maximising the environmental and economical benefit to the city.
- The Green Accord, a sustainability accreditation scheme to evidence the commitment of organisations that supply or buy from the Council, continues to be a success. The scheme presently applies to building companies and their allied trades and consultants and is shortly to be extended to design and print consultants. Ultimately the scheme will extend across all Council suppliers. The Met. Office has also adopted the Green Accord and other public and private sector employers are exploring its use for their supply chains.

5. SUSTAINABLE TRANSPORT

Action within the Council

- The Green Travel Plan was introduced in July 2006 with the aim of promoting and encouraging more sustainable ways for staff to travel to work and, once at work, for going about their business travel. Staff have enthusiastically taken up the challenge, saving

themselves money, improving their health and helping the environment in the process. A full review of the Green Travel Plan was undertaken in 2008, which included a staff consultation exercise. The consultation results were published and a number of amendments made to elements of the Plan. In the last year, the following facilities were used by staff:

- 50 staff have purchased discounted annual bus tickets
 - 44 staff are now getting a discount on park and ride bus tickets
 - 35 staff are getting a discount on rail travel to work
 - the pool bikes at the Civic Centre and Exton Road were used 208 times by 21 members of staff in 2008/09
- The 'Be Active for Life Project' continues to promote cycling within the Council with additional pool bikes being provided at Oakwood House and the Ark to support the new cycle storage facilities at those sites. In addition, Be Active has been running Cyclescheme, the tax exempt cycle purchase scheme. Since the introduction of the scheme in 2006, 105 staff have purchased bicycles to be used for commuter use to and from work.
 - The Council's two pool cars are frequently used and a third vehicle has been provided for the Council's Temporary Housing Accommodation staff. All staff have access to up to five cars from the Exe Car Club, which are parked in Southernhay and other locations throughout the City. The Green Travel Plan includes a workplace parking charge for staff who bring their cars to work. The money raised from this charge is used to help finance the travel discounts available to staff. Because of the increasing number of staff cycling to work and using the pool bikes, additional secure cycle storage facilities have been provided in the staff car parking area.
 - Five of the Council's refuse vehicles are running on 50% bio-fuel, which is produced locally from recycled vegetable oil and has a significantly lower carbon footprint than conventional diesel. Monitoring of these vehicles is currently being undertaken with a view to increasing the number of vehicles running on bio-fuel if successful. The fleet also contains three Citroen Berlingo electric vans and a petrol/electric hybrid car for Planning Officers to use on site visits. In addition, fuel usage and mileage travelled is being monitored through new fleet management software, with a view to monitoring the annual mileage travelled by each vehicle. All refuse collection vehicles are being tracked in order to monitor efficiencies and reduce duplication of routes, plus all new vans will be fitted with a tracking system for the same reasons. Routes are being monitored on an ongoing basis and additional systems are being installed on a regular basis.

Action within the Community

- The County Council are progressing plans for a Park and Ride site at Ide. The County Council are currently seeking government funding and expect to submit a planning application in the near future.
- The County Council are preparing detailed proposals for a High Quality Public Transport service which will operate from the new community at Cranbrook, through the City Centre and out to Alphington. The intention is that this and other associated improvements to the bus network will deliver a major change in the quality of local bus services, thereby encouraging a switch from car-based travel.
- A series of highway improvements are being designed and implemented, which will improve priority for buses and reduce capacity constraints at key pinch points, with a view to lessening localised air quality problems. Officers of the County and City Councils are developing a framework for the long term enhancement of the Exeter/Exmouth railway and the Council has made a £15,000 contribution to the works.
- A series of enhancements to walking and cycling facilities have been implemented in the last year:

- Joint cycle/ footways at Summer Way, Pinhoe Library Field, Eastern Fields.
 - Luggs Farm - St Peters Mount to Exwick Lane
 - Lighting improvements to Haven Banks / Kings Arms
 - Strategic Signage Phase 2
 - Footpath 20/Sir Alex Walk
 - Link between Budlake Road and Alphin Brook
- The Cycling Demonstration Town programme has been extended by two years due to its significant success in funding infrastructure improvements and significantly increasing levels of cycling at secondary schools and at other key travel generators. In addition, the TravelSmart programme, providing individualised travel marketing to residents, has now reached Phase III and the evaluation of this project will be undertaken during the latter part of 2009/10.

6. STREET CLEANLINESS

- Since comprehensively reviewing the street cleaning regime and committing extra resources the Council has seen a considerable reduction in complaints from the public about the cleanliness of streets. An independent public perception survey commissioned in 2008 showed that over 90% of residents were satisfied with the cleanliness of streets in the city. In addition, the target for the national performance indicator on street and environment cleanliness (NI195) was exceeded by Exeter during 2008/09 (see Appendix III). The recent 'Place Survey' asked Exeter residents what makes the city a good place to live and 'clean streets' was the second highest factor. Concern over rubbish and litter show a sharp fall compared with the previous survey. Similarly, graffiti and fly-posting is at a significantly lower level than it was about three years ago.
- To further improve street cleanliness in the city, litter and dog patrols have continued and refuse that is put out too early for collection continues to be targeted. These activities resulted in 369 litter and 49 dog fouling tickets being issued to offenders in 2008/09. There were 61 litter and 4 dog fouling prosecutions for failing to pay the fixed penalty ticket.

7. AIR, LAND AND WATER QUALITY

- In April 2007 the five existing Air Quality Management Areas (AQMAs) were replaced by a single AQMA covering all the main routes into the city. In August 2008 the Air Quality Action Plan (AQAP) was submitted to and approved by DEFRA. Officers are working with Devon County Council Transport Officers and Exeter University to implement and monitor the impact of the Plan.
- Sites within the city with a current or historical industrial use have been identified and recorded on GIS. A database of these sites has been compiled and the sites prioritised for further investigation. Officers continue to undertake assessments of the "higher risk" sites and many sites are being dealt with through the planning process.

8. COUNTRYSIDE AND WILDLIFE

- Exeter has many natural habitats that are considered to be of County or Regional importance. These include wild flower meadows, woodlands, wetlands and traditional farmland. The Countryside Service continues to manage and undertake projects to improve the biodiversity value of these sites. The team also organised a successful series of events in 2008/09 to help people enjoy the Valley Parks and other natural green spaces in the City.
- Following on from the success of the Riverside Valley Park Enhancements Project, a new Exe BioCorridor Project, to improve the wildlife value of the River Exe, is taking shape. It will enhance the Exe valley, as it passes through the city, so that it becomes an

even more important wildlife corridor. Key projects will include the creation of otter refuges and habitats.

- The Exeter Wild City Partnership with the Devon Wildlife Trust is progressing well. Key projects to improve the wildlife value of the City, and the ways that people can enjoy wildlife, are under development. This includes a major project, in partnership with the British Trust for Conservation Volunteers, called 'Pathways to Nature'. This will encourage citizens to take an active role in enhancing and caring for the City's natural green spaces.
- The Exeter Green Infrastructure Study is progressing well and will be invaluable in guiding how green corridors and biodiversity should be included in the new Planning Framework.
- A Tree and Woodland Strategy was adopted by the Council in January 2009, which aims to protect, care for and enhance trees, hedges and woodlands in the city. As part of the strategy, more than 20 Tree Wardens have been identified to look after the welfare of trees. The wardens are volunteers trained by the City Council and supported by the Tree Council, to undertake a range of tasks including developing local tree plans, caring for young trees while they establish, generating local interest by engaging with local groups and schools and developing ideas for tree improvement projects.

9. SUSTAINABLE CONSTRUCTION

- Work is continuing on the preparation of the Local Development Framework (LDF) for Exeter. Following adoption of the Regional Spatial Strategy, policies on sustainable construction, biodiversity, air and water quality and flood risk will be brought forward through the LDF. To provide an evidence base for the Core Strategy a Green Infrastructure Study has been completed. Phase 2 is now underway to develop a strategy and provide guidance on delivery. A draft sequential test for allocating sites for development by applying a risk-based search sequence in accordance with the Exeter Strategic Flood Risk Assessment has been submitted to the Environment Agency and is awaiting approval. A Residential Design Guide SPD is also in preparation, which will include guidance on sustainable design for new developments.
- The Council, in conjunction with The Highways Agency, Devon County Council and East Devon District Council continue to assess the transport infrastructure needed to serve development in the Exeter area. The outcome of the assessment will form the basis of transport guidance in the Core Strategy. Section 106 agreements have also been used to promote transport sustainability, including the provision of folding bicycles in student accommodation and financial contributions for car clubs at Newcourt and the former Debenhams building.
- Plans are progressing to construct 80 new affordable ecohomes on Council land across the city. The homes will be designed to meet Level 4 of the Code for Sustainable Homes, including energy saving features such as triple glazing, high levels of insulation and heat recovery ventilation and so will have very low running costs for the future residents. The homes are being developed in partnership with Sovereign Housing Association and local architects/ and planning applications should be submitted for the first two sites in June 2009 (circa 40 homes). Work is also progressing on a project to build 2 eco homes on Council-owned land in the Heavitree area of the city. A suitable design has now been worked up and a planning application is expected to be submitted in July/August 2009.

10. OTHER

- A range of events and activities were undertaken to promote Fairtrade Fortnight 2009, including a fair trade market in the city centre and a visit from Patron of the Fairtrade Foundation, George Alagiah. This included a Fairtrade Business Breakfast at the Abode Hotel, organised in conjunction with the Exeter Chamber of Commerce, and a Fairtrade

Celebration for campaigners and faith groups at the Guildhall. Considerable media coverage was obtained throughout the Fortnight, including a number of articles in the Express and Echo and radio coverage.

- Sustainability systems based auditing (SBA) control matrices have been developed by Internal Audit. The purpose of the system is to assess the Council's environmental performance. The SBA tests cover areas such as transport, procurement and waste management to check if staff are complying with the Council's policies and procedures and whether measures have been undertaken to help embed sustainability. Sustainability checks are also being built into all financial and non-financial systems that are audited. Three talks have been given about sustainability auditing for the Chartered Institute of Public Finance and Accountancy to delegates in London, York and Edinburgh. There was much interest in what Exeter has done to embed sustainability, particularly the environmental champions scheme.
- In 2009/10 the Council's procurement practices will be assessed to see how we are performing against the 'Sustainable Procurement Task Force' recommendations and performance measures.

S:CE/PA/Committee/909SCC7 Appx I

This page is intentionally left blank

EXETER CITY COUNCIL

EXECUTIVE
15 SEPTEMBER 2009

SUPPORTING THE GREEN ACCORD INITIATIVE

1. PURPOSE OF THE REPORT

- 1.1 To seek support from Executive to market the Green Accord to local authorities and private businesses thereby obtaining financial benefits for the Council from the initiative.

2. BACKGROUND

- 2.1 The Green Accord is an accreditation that drives sustainable procurement when applied to supply chains. It has been developed by officers within Contracts and Direct Services. A detailed business plan has been produced, which is available on the intranet and in the Members' Room, which indicates the Green Accord could generate income for the Council. The financial summary, Appendix B from the Business Plan, is appended to this report.
- 2.2 The Green Accord was developed in response to the government aim to become the European leader in sustainable procurement by 2009. The Sustainable Task Force in 2005 targeted the public sector to bring about the changes necessary to secure sustainable procurement benefits in that sector. The Task Force developed the Flexible Framework, with five fields to address and five levels of achievement. The government requires that all public bodies achieve at least level three by 2009. The Green Accord evolved to achieve this aim for the Council and, based on the judgement made by external advisors, Envirowise and Global Action Plan (two sponsored Government bodies) by hosting the Green Accord the Council has already done so. As such the Council is one of the few in the public sector to have done so.
- 2.3 The Green Accord was initially developed as a green assessment for the Council's contractors/suppliers/consultants in order to evidence and promote sustainable practices within our supplier base. This is a key action identified in the Council's Procurement Action plans, Corporate Plan and the Sustainable Procurement and Commissioning Strategy. The accreditation has since been developed to suit differing sizes of contracting company and also as a generic tool applicable to all types of supply chains. It was recognised that the Green Accord was potentially a marketable product from which financial income could be derived.
- 2.4 A full explanation of how the Green Accord is applied and the benefits to be derived are explained in the Business Plan. However, in short, the Green Accord is based on the principle of organisations carrying out simple practical actions to save them money whilst contributing to saving the planet. The Green Accord is free for clients; it merely requires client bodies to insist that suppliers who work for them must achieve the accreditation. This is a very attractive option for clients. Suppliers pay a fee every two years to Green Accord (to cover the cost of evaluation) to maintain their accredited status. It is set at a level that, after deducting costs, the Council receives at least half of any fee paid. Present indications from some of our Green Accord suppliers show that, by implementing these practical actions, the fee is being recovered by them many times over in the first year.

- 2.5 The financial risk to the Council is low because evaluation work is only undertaken by the Green Accord team after fees are received, although it is recognised that there will be a need for funding to pump prime the initial work. A sum of up to £15,000 has been identified in the business plan from within existing budgets. If the Green Accord does not attract the assumed level of interest this funding would be at risk but even in the current financial climate this is considered to be such a low risk that it is justifiable. It is proposed that until there is sufficient interest to justify employing external assessors, internal staff operating as casual workers will perform the assessments outside of their normal duties and hours. Once there was a sufficient and sustained interest external assessors would be trained, for a fee, to meet demand. There are a number of risks which have been identified in Business Plan. The main risk is that the opportunity to build on the current market presence, and the financial rewards that this will bring, is lost to somewhat similar but inferior competition with more extensive marketing strategies. The Met Office before signing a Memorandum of Agreement to use the Green Accord has carried out a full and detailed review of the alternatives and has recognised the undoubted value of the Green Accord. The financial model in the business case have been developed following extensive work with officers in Treasury Services and the Head of Treasury Services and Section 151 officer confirms that; *'The calculations in the business plan are based on conservative estimates and as such the Green Accord is an initiative that should be supported given the potential financial benefits that would accrue'*.
- 2.6 As part of the development of the Green Accord consideration has also been given to whether the scheme complies with the complex raft of statutory legislation that regulates such work. A thorough internal review by Legal Services of the pertinent statutory provisions has concluded that the scheme complies with the well-being provisions of the Local Government Act 2000. However, when the Green Accord turns to profit an arms length company under the control of the Council will have to be set up in order to comply with Section 95 of the Local Government Act 2003. Preparatory work is already in progress to determine the most beneficial constitution for such a company.
- 2.7 In terms of current opportunities the Met Office has already signed a Memorandum of Agreement to use the Green Accord. Bristol University has expressed similar interest and will provide the lead for Exeter University and other linked Universities and colleges to follow. West Berkshire Council, a unitary authority, has also made representations to sign the Green Accord Memorandum of Agreement to install the accreditation for their framework construction contractors.
- 2.8 In terms of contributing to reducing climate change the Green Accord is presently the lead accreditation mark because firstly, it is based on practical actions to combat climate change not just words, secondly, it seeks to treat the drivers of climate change not just measure climate change as do many of the competitors in the market. This is why Global Action Plan recognising the benefits of the Green Accord, champions, promotes and provides environmental consultancy support to the initiative as a premier accreditation mark.

3 RECOMMENDED that

- (1) Executive recognise that wider support for the Green Accord would reinforce the council's position as a lead authority in terms of supplier engagement, sustainable practices and driving environmental improvement for the benefit of the community whilst contributing to the City Council's target to reduce carbon by 20% by 2013 and meeting the requirements of the Sustainable Task Force Flexible Framework.

- (2) Executive support the team driving the Green Accord initiative by approving the necessary funding, as outlined in the business plan, thereby support the external marketing of the Green Accord to other local authorities and private businesses to achieve financial benefits for the council from the initiative, and if and when the scheme turns to profit a further report be brought so that Executive can give consideration to the setting up of a local authority controlled company.
- (3) Executive support the setting up of a separate dedicated website, linked to council web-site, for the better promotion and operation of the accreditation.

HEAD OF CONTRACTS AND DIRECT SERVICES

S:PA/LP/ Committee/909EXEC2
Date: 4.9.09

COMMUNITY & ENVIRONMENT DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:

This page is intentionally left blank

PROJECTED INCOME AND EXPENDITURE FOR FIRST 7 YEARS

	per unit	year 1	year 2	year 3	year 4	year 5	year 6	year 7	total
1 INCOME									
2 large companies									
3 no of units		200	500	1,000	1,000	1,500	1,500	2,000	7,700
4 gross income	£180	36,000	90,000	180,000	180,000	270,000	270,000	360,000	1,386,000
5 small companies									
6 no of units		50	150	250	250	250	250	250	1,450
7 gross income	£90	4,500	13,500	22,500	22,500	22,500	22,500	22,500	130,500
8 renewals									
		5,400	5,400	40,500	103,500	243,000	306,000	535,500	1,233,900
9 Total income from subscriptions		£ 40,500	£ 108,900	£ 243,000	£ 306,000	£ 535,500	£ 598,500	£ 918,000	£ 2,750,400
10 DIRECT EXPENSES									
11 Online transaction fees	1%	405	1,089	2,430	3,060	5,355	5,985	9,180	27,504
12 Accreditation audit fee									
13 initial		20,250	51,750	101,250	101,250	146,250	146,250	191,250	758,250
14 renewal		0	2,700	20,250	51,750	121,500	153,000	267,750	616,950
15 Total direct costs		20,655	55,539	123,930	156,060	273,105	305,235	468,180	1,402,704
16 Net income from activities		19,845	53,361	119,070	149,940	262,395	293,265	449,820	1,347,696

PROJECTED INCOME AND EXPENDITURE FOR FIRST 7 YEARS

	year 1	year 2	year 3	year 4	year 5	year 6	year 7	total
17 OTHER ANNUAL REVENUE COSTS								
Travel & accommodation for promotional purposes	1,000	1,000	1,000	1,000	1,000	1,000	1,000	7,000
19 Training of auditors	1,000	1,000	1,000	1,000	1,000	1,000	1,000	6,000
20 Website & database maintenance	1,000	1,000	1,050	1,100	1,150	1,200	1,300	7,800
21 Website hosting / server	1,000	1,000	1,000	1,050	1,100	1,150	1,200	7,500
22 Legal costs	500	500	500	500	500	500	500	3,500
23 Publicity	2,500	1,500	1,500	1,600	1,600	1,000	500	10,200
24 Brand development	2,000	2,000	1,600	1,200	1,000	800	600	9,200
25 Insurance	2,000	2,000	2,100	2,200	2,300	2,400	2,550	15,550
26 Administration - additional staffing costs	0	19,401	19,401	19,401	19,401	19,401	19,401	116,405
Administration - estimated apportionment of 27 existing budgets	0	8,399	25,699	56,899	58,399	60,799	63,199	273,395
28 Total revenue costs	10,000	37,800	54,850	85,950	87,450	89,250	91,250	456,550
29 Net surplus	9,845	15,561	64,220	63,990	174,945	204,015	358,570	891,146
30 CAPITAL AND SET UP COSTS								
31 IT peripherals	1,000	1,000		1,000		1,000	1,000	5,000
32 Portable display equipment	1,000			1,000			1,000	3,000
33 Brand development	3,000							3,000
34 Website & database maintenance	4,000							4,000
35 Website hosting / server	4,000							4,000
36 Companies House	50							50
37 Certification mark	1,000						1,000	2,000
38 Legal costs	9,500	7,500						17,000
39 Total capital and setup costs	23,550	8,500	0	2,000	0	1,000	3,000	38,050
40 Net cash inflow for the year	(£13,705)	£7,061	£64,220	£61,990	£174,945	£203,015	£355,570	£853,096
41 Funding:								
42 Carbon Management fund	5,000							15,000
43 Professional fees budget	10,000	5,000						273,395
Existing budget for administration & 44 staffing costs	0	8,399	25,699	56,899	58,399	60,799	63,199	273,395
45 Contribution to General Reserves	1,295	20,460	89,919	118,889	233,344	263,814	418,769	1,141,491

EXETER CITY COUNCIL

EXECUTIVE
15 SEPTEMBER 2009

PROPOSED COUNCIL HOUSEBUILDING PROGRAMME 2009-11

1 PURPOSE OF REPORT

- 1.1 To inform Members of the recent bids for funding to the Homes and Communities Agency (HCA) to build new Council housing and to consider further bids in October . In particular to consider the:
- Government's aims and how they help the Council meet its statutory responsibilities;
 - Possible sites and the homes that could be developed on them;
 - Principles: the creation of highly sustainable, low-energy social rented homes etc;
 - Financial and other risks of developing the sites, most of which are already in the Council's ownership;
 - Need to plan for further bidding rounds;
 - Practicalities of setting up, managing and procuring the programme;
 - Arrangements for securing stakeholder involvement including tenants; and
 - Recommendations to facilitate bids for the programme including finance, procurement proposals, delivery and monitoring.

2 BACKGROUND

Housing Need

- 2.1 There is a compelling need to build new Council properties as part of an overall strategy to increase the supply of affordable rented housing in the city. During 2008/09 only 529 social rented properties were let through Exeter Home Choice whereas, currently there are 5,700 households registered on the housing register. Of these around 1,500 households are in the highest level of need (i.e. red and amber bands). This level of need, together with long average waiting times, means that more family housing is urgently required. The Exeter and Torbay Housing Market Assessment Study 2007 (ETHMA) emphasised this unmet need. The study concluded that of the 5,000 new homes required to balance the housing market over the period 2007-2012, 3,000 properties needed to be affordable. Given current build rates across all tenures mean these figures are unlikely to be met.
- 2.2 The Government's Department of Communities and Local Government (CLG) has also set the Council some demanding targets, including a 50% reduction in homelessness acceptances by 2015 and a 50% reduction in the use of temporary accommodation by 2010. In addition, the Council has statutory responsibilities to house certain homeless people with priority needs. It must also give "reasonable preference", in the allocation of accommodation, to households on the register with children, medical needs, those who are overcrowded and who are living in other poor housing conditions.
- 2.3 All these needs are described in the Council's Housing Strategy and underpin the case to build more affordable accommodation, especially for social rent.

Completions

- 2.4 Over the past three years, 232 new affordable homes for social rent have been provided in partnership with housing associations, developers and the voluntary sector. This number has been declining with the current recession and the Council has therefore had to look to other initiatives to provide more homes. Critically, during 2008-09, no affordable homes were completed on sites secured through Section 106 Planning Agreements. To compensate for the anticipated decline, in April 2007, the Council resorted to a “leaving no stone unturned” approach (the ADDLETS plan) that, in 2008-09, produced 88 homes for social rent and sale on small sites and a further 88 through lettings secured in the private rented sector through leasing arrangements - the ExtraLet scheme and the Let Start scheme. Given our strategy for pursuing all options to increase supply, building new Council homes is a natural extension to the ADDLETS approach.

The National Affordable Housing Agenda

- 2.5 In the 2009 Budget, the Chancellor announced that £100m would be made available for local authorities to deliver up to 900 new council homes for social rent. With the need for new affordable housing so great this opportunity is a chance for the Council to not only attract additional Government funding into the city but also a chance to increase our stock of Council housing and demonstrate our ability to be a dynamic and innovative local authority. The available funding will provide Social Housing Grant (SHG) in the same way that this is given to Housing Associations and also allows for the consequential prudential borrowing serviced by rental income from the homes built. The national fund consists of £50m capital grant (SHG) and £50m in prudential borrowing approvals.
- 2.6 The funding is available over two years - £30m in 2009-10 and £70m in 2010-11. The HCA expect that a significant proportion of the homes funded will start on site in 2009-10 and all of the homes funded through this process will be completed by the end of 2010-11. Councils are expected to contribute their land at nil value. Grant would be payable in two tranches: 60% at start on site and 40% on completion.
- 2.7 Subject to providing good value for money, the HCA is also encouraging Councils who bid to create schemes which showcase high levels of environmental performance. Any homes would need to meet a minimum of level 3 of the Code for Sustainable Homes (CSH).

Bidding Deadlines

- 2.8 There are two bidding rounds; the deadline for the first was Friday 31 July 2009. With the successful bids being announced in September 2009, the expectation is that these schemes would start on site by 31 March 2010. The deadline for the second round is Friday 30 October 2009, with the successful bids announced in December 2009. Start on site for these homes will be expected by 30 June 2010.

Additional Bidding

- 2.9 Since the initial bidding announcement, on the 30 June 2009 John Healey, Minister for Housing and Planning, announced that the Government will be looking to local authorities to deliver even more homes. He has set aside at least a further £300m nationally bringing the overall programme to £400m. He expects up to 3,000 of the 20,000 new affordable housing starts over the next two years to be Council houses.

This builds on steps being taken by Government to reduce the barriers to local authorities providing new council homes, including plans announced on 30 June to reform the council housing finance system and move to a system of self-financing. There will also be provisions for Councils to keep all the rents received on new homes rather than paying some to the Government through the housing revenue account subsidy system. The minister announced that this latter provision will apply immediately to any new housing built through this current programme.

- 2.10 An opportunity therefore exists to mount a programme of Council house building for social rent. This is particularly so because the Council has a number of infill sites on its existing Council estates that it could develop, and plans and layouts for them are at a well-advanced stage.

3 PROPOSALS

- 3.1 Given the above the Council submitted two bids in the first round (by the 31 July) to build 21 homes on two existing in-fill sites. These are:

3.1.1 The **Merlin Crescent Garage site** is located on a council estate in Beacon Heath and is expected to provide 18 downsizing flats (12x2 beds & 6x1 beds). Architects have started work on the detailed design and planning officers have given detailed comments on the proposed scheme. A planning application will be submitted within the next few months.

3.1.2 The **Sivell Place, Heavitree site** is located just off of Fore Street and the site can accommodate 3 general needs flats (2x1 beds & 1x2 beds). The detailed design work has been carried out and comments sought from planning officers. A planning application will be submitted imminently.

- 3.2 Because of the tight timescales involved, authority for these bids had to be given via the Delegated Powers process and signed off by the Portfolio Holders for Housing and Community Involvement and Resources. It was also signed by the Head of Housing Services and the Head of Treasury Services. A copy of the Delegated Powers request was circulated to all political party leaders and the chairs of each Scrutiny Committee for information.

- 3.3 The Council is now working on a number of other potential council own-build schemes at sites within the city. We are undertaking detailed investigations into these sites and creating a number of draft designs for each. Discussions are on-going with the planning team and a number of other specialist officers from across the Council are feeding information into the scheme design process. The potential sites are located at:

3.3.1 The **Rennes House Car Park site** is in Vaughan Road just off Pinhoe Road in Whipton Barton. It previously had a planning consent for redevelopment as housing in the 1990's which has now lapsed. The current feasibility sketches show 18-20 flats, most of which are 2 bed flats. There have been detailed discussions with planning officers and the detailed design has commenced.

3.3.2 **Whipton Methodist Church, Brookway site** is owned by the Church in Whipton Barton and offers the opportunity to convert an existing church building with some new build elements. Depending on the scheme appraisal the Council will consider bidding to buy this site to secure the affordable housing. The initial feasibility work shows at least 12 x 2 bed flats are possible on this site.

- 3.3.3 **Newport Road site** located at the far end of Countess Weir, behind a garage block. The garage site will be used for access only due to the overhead power lines. The feasibility work is underway and we expect the site to yield 12-16 homes.
- 3.3.4 The **Legion Way site**, is a small green space located in Alphington. The detailed design work is underway and some of the green space will be retained and enhanced as public open space in response to the consultation exercise held at the site. The proposed development is likely to comprise 1 x 3 bed mobility home and 1 x 1 bed flat above.
- 3.3.5 **Chestnut Avenue** – this site contains a number of existing Council flats that are currently experiencing subsidence and will require substantial investment in the medium term. Given the construction of these flats it is unlikely the issue can be resolved without demolishing the existing properties and rebuilding.
- 3.4 The above sites could produce between 55–65 new Council properties depending on the final design. It is therefore intended to continue with the scheme design work and place bids on those sites that are deemed viable and that are achievable within the timescales set by central government.
- 3.5 All bids are being formally evaluated using specialist scheme evaluation software, (a system called PROVAL) before the bids are submitted. This software enables us to fully appraise each scheme taking account of the overall developments costs and the total income to ensure it is viable.

4. Principles of Development

- 4.1 In accordance with the bidding guidance all the homes built will be for social rent to HCA formula rents and be let on secure tenancies. They will be built to very high sustainability principles and achieve at least Code Level 4 of the Code for Sustainable Homes. They will be designed to meet Lifetime Home standards and most will be targeted towards downsizing over-55 year olds, with the designs including a lift to all floors. This will release family-sized accommodation to be re-let to people on the Exeter Home Choice register.
- 4.2 It is proposed that the chosen contractor building these homes will have an element of local labour within the work force and that they can demonstrate the use of apprenticeships.
- 4.3 This new generation of council housing should be seen as exemplar: a prototype that is sustainable, low-maintenance and which offers tenants a comfortable, low-rent, low outgoings home.
- 4.4 The programme seeks to raise the capacity and quality of affordable housing in Exeter. There are many benefits of building houses in Exeter to good value for money standards including:
- low energy use buildings to minimise carbon emission and pollution to the local and global environment;
 - low running costs so that the dwellings are affordable to run for the tenants ;

- low maintenance costs by selecting materials and components for their robustness, longevity and low maintenance cycle
- the provision of affordable thermal comfort and the elimination of condensation and mould in buildings;
- healthy buildings that provide quality healthy living conditions; and
- buildings that are easy to use for the occupants.

5. RESOURCE IMPLICATIONS

5.1 The development and construction of building new Council homes involves considerable investigation and a thorough analysis of the processes, practicalities, resources and risks involved. These are as follows:

Procurement and Practicalities

5.2 Three methods of procurement and project management were considered as appropriate for the delivery of these homes. These were:

1. Council in-house model with the Council acting as the developer
2. Council partnership with a RSL acting as our development agent
3. Signing a development agreement with a RSL to act as a developer on our behalf

The strengths and weaknesses of each have been considered and it is recommended that the Council adopt the procurement route that enables it to act as the developer (option1). This form of procurement has been selected for the following reasons:

- It is the suggested route given by the HCA;
- It is the most cost effective as it would remove the need for a Development Agent and the associated additional costs;
- It enables the Council to closely control and manage the procurement process utilising as appropriate in-house expertise; and
- It allows the Council to prescribe its contract conditions, select the consultancy team (internal and external) and learn from the process for future Council housing development opportunities.

Legislative Requirements

5.3 To carry out the development, the Council is using its powers under Part II of the Housing Act 1985 (Section 9).

5.4 For the Council to adopt the role of developer, it will be designated as the employer under the recommended form of contract to be used. The employer will be subject to the same relevant legislation as it is currently obligated to for other Council building and maintenance contracts. The Council will be classified as the Client under the CDM Regulations 2007 and its duties will need to be adhered to.

5.5 The new homes will also conform to Planning and Building Control legislation and meet all British Standards, Recommended Codes of Practices, Building Regulations or other Statutory Requirements.

Type of Construction

- 5.6 The Council has adopted a positive policy in respect of constructing sustainable homes. All the developments proposed for will meet Code Level 4 as a minimum standard and many are likely to meet Code Level 5. However, it will depend on the level of investment that the HCA are prepared to put in as to what level we finally adopt. On our calculations there is a difference of £10,000 per unit between building to Code level 4 and building to Code level 5.
- 5.7 The HCA has stipulated that developments which can achieve Level 4 or higher are “strongly encouraged” and will be advantaged as part of the bid assessment, subject to providing good value for money.
- 5.8 The form of construction of these new homes is not traditional for the UK although it has been tried and tested on the Continent. The construction consists of heavyweight blockwork with external wall insulation and a whole house mechanical ventilation system, with heat recovery, there is no traditional heating system.
- 5.9 This specification has been developed during a number of technical workshops with the scheme architect, quantity surveyor, mechanical engineers, Council enabling staff, as well as RSL development and maintenance staff. This followed a resident consultation of 600 questionnaires and 2 focus groups.
- 5.10 One of the principal drivers for selecting the recommended form of construction is the advantages it provides in respect of low running and maintenance costs for tenants. The proposed services to these homes offer considerable savings to prospective tenants; this will assist in addressing the fuel poverty many households suffer.

Resources and Management

- 5.11 The in-house development model proposed above will use the extensive experience and qualifications that exist within the Council and help to reduce overall development costs. This expertise can be used early on in the development process to ensure essential due diligence is undertaken to maximise the development potential and minimise any risk.
- 5.12 Due to the specialist nature of the sustainable housing design, external architects have been appointed. It is the intention to select and retain a team of specialist external consultants who can be transferred from one development to the next to assist in streamlining the development process and minimising costs.

Risk Assessment

- 5.13 Detailed risk assessments are being drawn up for each of the proposed developments that have been designed beyond the initial feasibility study.
- 5.14 The management and control of risk takes priority during all stages of the development process from site due diligence to completion and handover. An active risk register will be maintained and updated frequently for all the proposed developments.
- 5.15 Should bids for any of these sites be unsuccessful the design work and site investigations already undertaken will not be wasted. This information will be used to progress these sites for rented housing through our existing partnership with

Sovereign Housing Association who will submit their own bids through the HCA's National Affordable Housing Programme.

6. FINANCIAL IMPLICATIONS

- 6.1 Appendix 1 to this report sets out the total financial costs for the round one bids as submitted to the HCA. The appendix contains commercially sensitive information and has therefore been placed in part two of the agenda. Similar detailed assessments are also being undertaken for each of the round two sites to determine their viability.
- 6.2 To finance these schemes and demonstrate our commitment to enabling new Council rented homes to be built in the future we have also ring-fenced a total of £1.35 million of capital investment within the existing Housing capital programme. A breakdown of this capital investment is also contained in Appendix 1.

7. S151 OFFICER STATEMENT

- 7.1 The Head of Treasury Services as the S151 officer is reasonably assured that all the financial implications as set out in this report are accurate and that if the bid is successful it can be delivered within all the currently available financial resources.

8. RECOMMENDED that the Executive approves:

- 1) the policy of building new Council properties where Government funding exists to enable such a programme provided the schemes are financially viable and can be delivered within the timescales stated.

HEAD OF HOUSING SERVICES

S:PA/LP/ Committee/909EXEC1
4.9.09

COMMUNITY & ENVIRONMENT DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:

This page is intentionally left blank

EXETER CITY COUNCIL

SCRUTINY COMMITTEE – ECONOMY 3 SEPTEMBER 2009

EXECUTIVE 15 SEPTEMBER 2009

MOTION TO WITHDRAW SUNDAY CAR PARK CHARGES

1.0 PURPOSE OF REPORT

- 1.1 To seek Members' views on a motion to withdraw Sunday charges in all City Council car parks.

2.0 BACKGROUND

- 2.1 At its meeting on 14 July 2009, Council received a motion from Councillor Newby, Ward Member for Topsham, calling for the withdrawal of Sunday charges in all City Council car parks in order to help combat the effects of the recession on the local economy. Council referred this motion to Scrutiny Committee – Economy for consideration.
- 2.2 While the withdrawal of Sunday parking charges would be welcomed by many, it would raise serious issues for the Council by exacerbating the financial challenges the authority is already facing and undermining the commitment to tackle climate change (by incentivising car use). It is also far from clear that it would have any meaningful impact on the local economy: there is growing research evidence which indicates that parking charges are not a major factor in determining whether or not people will choose to visit a particular location; of far more significance is the perception of the quality and choice of shops and attractions on offer.
- 2.3 Sunday parking charges are already lower than charges for the rest of the week, in order to provide support for the 'Sunday economy', and in recent years Executive has extended Sunday charging to all car parks on the basis that it is no longer appropriate to provide free parking. Officers believe this continues to be a sound charging policy, which balances support for local businesses against the Council's wider financial and climate change objectives, and would strongly recommend against the withdrawal of Sunday charging.
- 2.4 Members are asked to give their views on Councillor Newby's motion. It should be noted that were this Committee to support the motion, this would need to be referred to Executive for a final decision.

3.0 FINANCIAL IMPLICATIONS

- 3.1 Parking income is one of the Council's most important revenue streams and is itself under pressure as a result of the current economic climate. Sunday parking charges account for approximately £150,000 in income each year. Were charges to be withdrawn, proposals would need to be brought forward for making good this income from elsewhere or cutting budgets to meet the shortfall.

4.0 RECOMMENDATION

- (i) That Members note the motion and give their views in light of officer comments.

ROGER COOMBES
HEAD OF PARKING, ENGINEERING AND BUSINESS SUPPORT
ECONOMY & DEVELOPMENT DIRECTORATE

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

Background papers used in compiling this report:-

None

EXETER CITY COUNCIL

EXECUTIVE
15 SEPTEMBER 2009

USE OF BEDFORD SQUARE

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval from Members on revised guidelines for the use of Bedford Square

2.0 INFORMATION – BACKGROUND

- 2.1 Guidelines for the use of Bedford Square post the opening of Princesshay were approved by Executive on 18 March 2008.
- 2.2 A further report was considered by Executive at its meeting on 16 June 2009, seeking guidance on the use of Bedford Square by political organisations.
- 2.3 At its meeting on 16 June, Members agreed on the profound importance of freedom of speech as one of the overriding principles of democracy. However distasteful the views of certain political parties may be considered, Members felt that it was important for society to hear, rather than suppress, such views. Members acknowledged that many charities now have lobbying roles, with the term 'political organisations' increasingly difficult to define.
- 2.4 As its meeting on 16 June, Executive resolved that:
- (a) Political organisations be permitted to use Bedford Square
 - (b) The advice of the police be sought on bookings where there was considered to be any threat to public order, the final decision to be made by the Chief Executive in consultation with the Leader of the Council;
 - (c) The Bedford Square usage guidelines be amended to clarify that proposed changes to the guidelines would be approved by the City Centre Management Partnership Board.
- 2.5 The Bedford Square guidelines have now been revised and are attached at Appendix 1.
- 2.6 The revised guidelines were approved by the City Centre Management Partnership Board at its meeting on 3 September 2009.

3 RECOMMENDATION

3.1 Members are asked to approve the revised Bedford Square guidelines.

**JOHN RIGBY
DIRECTOR ECONOMY AND DEVELOPMENT**

**JOHN HARVEY
CITY CENTRE MANAGER**

ECONOMY AND DEVELOPMENT DIRECTORATE

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

Background papers used in compiling this report:-

None

BEDFORD SQUARE – USAGE GUIDELINES

1. INTRODUCTION

- 1.1 The objective of Exeter City Centre Management is to deliver a vibrant City Centre, with a 'sense of place'. Physical City Centre development and changes over recent years have created quality public spaces. The objective now is to ensure, through good management, that best use is made of City Centre public spaces – with the spaces being used for a range of events and community activities.
- 1.2 Bedford Square is a key City Centre public space (between Russell & Bromley/Nationwide and Vodafone/Barclays). These brief guidelines provide the framework for use of Bedford Square for events, activities and entertainment. They are written within the context of Princesshay access guidelines and management/maintenance documentation.
- 1.3 Although these guidelines deal with use of (and booking of) Bedford Square, they also relate to the wider City Centre and Princesshay events and activities programme and to the Princesshay licensed buskers scheme.
- 1.4 The objective of the framework provided by these guidelines is to facilitate events and activities that enliven Bedford Square and that provide a focus for community activities. Commercialisation of Bedford Square is not proposed (*paragraph 2.5 also refers*)

2. BEDFORD SQUARE/PRINCESSHAY SQUARE

Criteria

- 2.1 Events should meet the broad criteria set out in paragraph 1.4 above. In addition, events will only be authorised if they:
- Create more interest for city centre users;
 - Do not raise any health and safety concerns;
 - Ensure adequate provision for pedestrian movement through and around the space being used;
 - Have a satisfactory relationship with individual retail frontages;
 - Are unlikely to cause offence to city centre users, residents and businesses;
 - Do not raise public order concerns.
- 2.2 It is recognised that Bedford Square has fulfilled an important community role over a number of years, with the space having been booked by a wide range of community groups, political groups and charities. Use of Bedford Square by such groups will be encouraged as part of recognising the benefits of 'active citizenship'. Such uses will only be authorised by the City Centre Manager (*paragraph 2.8 also refers*) subject to them complying with the specific points in set out in paragraph 2.1 above.
- 2.3 The City Centre Manager will notify the Police of any potentially sensitive bookings. If the Police express concerns about specific bookings, the City Council's Chief Executive/Leader will take a final decision on whether to allow a specific booking to go ahead

- 2.4 Any individuals or groups seeking to organise an event who are unhappy with the decision of the City Centre Manager have recourse to the City Council's complaints procedure.
- 2.5 Straight 'commercial events/presentations' will not be permitted in Bedford Square or other areas of public highways within the Princesshay development area, but retailer-led events and activities that relate to the promotion of Exeter and Heart of Devon tourism (that add value to the customer experience) will be considered on an individual basis. Sign-off will need to be given by the City Centre Manager (*paragraph 2.8 also refers*).

Management Responsibility

- 2.6 Bedford Square comprises public highway in its entirety, but the interface between this 'public' area and those areas for which management control rests with Princesshay Centre Management is such that there needs to be close liaison between the City Centre Management and Princesshay Centre Management teams on the delivery of events and activities in Bedford Square.
- 2.7 All events in Bedford Square (and in the remainder of Bedford Street and Catherine Street) need the advance sign-off of the City Centre Manager, acting on behalf of Exeter City Council and Devon County Council, the highway authority.

Diary

- 2.8 The diary for **Bedford Square** will be kept in the City Centre Management office. All bookings must be authorised by the City Centre Manager (*paragraph 2.2 also refers*).
- 2.9 Diary bookings must contain full details of the individual/organisation that has made the booking (contact name, address, mobile telephone number and e-mail address).
- 2.10 All diary bookings will specify event start and finish time.

Access/Event Set-Up

- 2.11 The framework for event set-up is provided by the Bedford Street access guidelines/Princesshay pedestrianisation order.
- 2.12 Any vehicles needing to access the Square in association with event set-up/break down must have left the site by 10:00 and cannot be on-site again prior to 18:00. Vehicle access to Bedford Square **is via High Street**
- 2.13 Sign off is required by City Centre Management for any vehicles to be left on site between 10:00 and 18:00. An access route must be maintained through Bedford Street at all times for emergency vehicles and between 18:00 and 10:00 for delivery vehicles.

3. BEDFORD STREET/CATHERINE STREET

- 3.1 On occasion, events will also be held in Bedford Street/Catherine Street outside the areas of Bedford Square. Use of and booking of such events will follow the broad framework provided in section 2 above.

4. BUSKING

4.1 7 licensed pitches for buskers/street entertainers have been provided in Bedford Street and Princesshay. Guidelines for busking/street entertainment pitches are set out in the separate Busking Code of Conduct. Pitches are as follows:

- Bedford Street (outside Barclays)
- Catherine Street (Almshouses)
- Princesshay Square *
- Bedford Street (opposite La Tasca/outside Debenhams) *
- Bedford Street (opposite Neal's Yard/junction with Roman Walk)
- Roman Walk – opposite Chandos
- Blue Boy Square – by City Wall 'Bastion'

Only one of the pitches marked with a * can be used at any one time.

5. REVIEW

5.1 These guidelines will be reviewed by the City Centre Manager in consultation with City and County Council Officers and the Princesshay Centre Management Team on an annual basis. Approval for any proposed changes to the Bedford Square guidelines will be sought from the City Council's Executive and City Centre Management Partnership Board.

JOHN HARVEY
CITY CENTRE MANAGER

This page is intentionally left blank

EXETER CITY COUNCIL

PLANNING MEMBER WORKING GROUP 8 SEPTEMBER 2009

EXECUTIVE 15 SEPTEMBER 2009

LOCAL DEVELOPMENT FRAMEWORK CORE STRATEGY CONSULTATION

1 PURPOSE OF REPORT

- 1.1 To consider the content of a report on the City Council's Core Strategy for public consultation.

2 BACKGROUND

- 2.1 Members will be aware that the development plan system has been changed to require local authorities to prepare planning guidance on the future of the area through a Local Development Framework (LDF) instead of a Local Plan. The policies contained in the Adopted Exeter Local Plan First Review are "saved", i.e. remain part of the development plan for development management purposes, until they are replaced by policies in the LDF. The preparation of a Core Strategy is the first and most important stage in the preparation of the LDF.
- 2.2 The Core Strategy has been subject to consultation at Issues and Options and at Preferred Options stages but the submission of the Core Strategy to the Secretary of State has been delayed because of the desire for reasonable certainty on the scale of development likely to be required by the Regional Spatial Strategy (RSS) on adoption. As reported to Executive on 30 September 2008, the Secretary of State has increased the number of houses to be built in Exeter from the 12,000 recommended by the Panel who held the Examination in Public of the RSS, to 15,000 in the Proposed Changes. Although the RSS supports the approach in the emerging Core Strategy to focus any expansion of the City to the east and south west, Executive resolved that representations should be made to the Proposed Changes that the increase in the number of houses to be provided within the City is not soundly based on evidence of capacity.
- 2.3 The intention is to publish the Submission Core Strategy early next year, to which representations will be invited, followed by submission to the Secretary of State and public examination by a Planning Inspector. This programme is, however, dependent on clarification of the housing target to be set by the RSS. The latest delay in adoption of the RSS has been due to a legal challenge to the East of England RSS which may have implications for the South West RSS. Advice from the Government Office for the South West on the likely extent of the delay has been promised but is not yet available. If by the end of the year adoption still seems to be a long way off, the City Council will have to take a view on whether to proceed with publication of the Submission Core Strategy and, if so, on what basis, or to continue to wait.

- 2.4 Notwithstanding the above, the Government Office for the South West has advised that there should first be an additional consultation carried out to deal with new issues that have arisen. In particular, this includes the potential increase in housing numbers arising from the RSS and revised government guidance which allows the Core Strategy to allocate sites that are considered to be central to the achievement of the strategy.

3 WAY FORWARD

- 3.1 Despite the City Council's significant reservations about the scale of development proposed there are strong reasons in favour of at least carrying out this additional consultation whilst waiting for the RSS. Members will be aware that the Government requires local authorities to be able to demonstrate a five year supply of housing land. If not, there is a presumption in favour of granting planning permission for housing development. As reported to Planning Committee in December 2008, a five year supply was only just achieved last year. If new allocations are not brought forward the Council will have great difficulty in resisting unsatisfactory housing proposals even if they are in areas protected by policies in the adopted Local Plan.
- 3.2 It is, therefore, important that the Core Strategy is able to make progress towards Submission to the Secretary of State as soon as the RSS is adopted. It would be unfortunate if, at that time, the additional consultation had still to be carried out. To achieve this, it is suggested that the Council could consult on the 12,000 dwellings target whilst also considering how, if required, the additional 3,000 dwellings may be achieved.
- 3.3 It is proposed that, following approval by Executive, this additional consultation should be carried out in October and November. Should the RSS be adopted before the consultation, the report would be amended to deal solely with the adopted target. Should adoption of the RSS appear imminent, the consultation would be delayed accordingly.

4 CONTENT OF THE REPORT

12,000 Dwellings

- 4.1 The attached consultation paper outlines how the 12,000 target may be met through recent completions (2006-2009), current planning permissions, sites on previously developed land within the urban area, regeneration areas (Water Lane and the Grecian Quarter) and urban extensions on greenfield land at Newcourt, Monkerton/Hill Barton and Alphington (see Plans 1-3 of the consultation report). It is proposed that the urban extensions are identified as strategic allocations so that greater certainty on the planning framework in these areas is in place.
- 4.2 The report also sets out broad guidance on the infrastructure required, and the means of delivering that infrastructure, to enable the development proposed for the City as a whole to come forward.

15,000 Dwellings

- 4.3 To meet the additional 3,000 dwellings will require a reliance on windfalls but other areas will also have to be brought forward that are subject to current constraints or policy objection. These include Pinhoe Quarry, part of the

Devon & Cornwall Police HQ at Middlemoor, and land between Topsham and the M5.

- 4.4 The report explains that these areas will only be required towards the end of the plan period. In respect of land to the west of Topsham, the report emphasises that the development of this area is opposed because of coalescence and will only be brought forward if the 15,000 target is imposed. Even then, the proposal will be reviewed over the plan period to determine whether, as a result of completions and land availability elsewhere in the City, the release of this land is needed.
- 4.5 If these proposals are not considered acceptable, or windfalls are judged unlikely to achieve the capacity indicated, the only alternatives would be to build on the hills to the north and west of the City and/or on the valley parks, which would not accord with the strategy set out in the RSS, or to increase densities still further.
- 4.6 The capacity of the proposed urban extensions has been assessed at an average of 50 dwellings per hectare, as applied to the net developable area, in accordance with guidance in the RSS. Completions in the City over the last five years have achieved around this density overall. Increasing the average density is not recommended in view of Members' repeated expressions of concern over the potential impact on living conditions and environmental quality.
- 4.7 The attached report, therefore, explains that if an additional 3,000 dwellings have to be delivered, this should be achieved through windfalls and additional allocations, including development to the west of Topsham, rather than by building on the hills and valley parks or increasing densities.

5 ADVICE SOUGHT

- 5.1 Members' views are requested on the content of the consultation report and on the proposal that the required additional consultation should be carried out in order to be able to make progress towards Submission as soon as the RSS is adopted, but only on the basis that the 12,000 dwellings target is demanding but achievable whilst the 15,000 target is a last resort.

**RICHARD SHORT
HEAD OF PLANNING AND BUILDING CONTROL**

ECONOMY AND DEVELOPMENT DIRECTORATE

This page is intentionally left blank

EXETER CORE STRATEGY
CONSULTATION DOCUMENT

1 INTRODUCTION

1.1 This is a further stage of consultation in the preparation of a new development plan for Exeter. Exeter City Council consulted on its Core Strategy Preferred Options report in October 2006. That report set out guidance on the spatial development of the City up to 2021. The City Council is now seeking views on some significant matters that have arisen since the earlier report. These are:

- extension of the plan period to 2026 in order to respond to guidance and development requirements set out in the South West Regional Spatial Strategy (RSS);
- advice in the RSS that more houses should be built in Exeter up to 2026 than previously envisaged; and,
- new government guidance that Core Strategies:
 - (i) may allocate those sites that are considered central to the achievement of the strategy and;
 - (ii) should outline the infrastructure needed to support the amount of development proposed for the area.

1.2 This document considers how the increase in the housing numbers may be achieved, identifies the areas to be allocated as strategic sites, and provides a broad outline of the infrastructure that will be needed to deliver the level of growth now proposed.

2 PROVISION FOR HOUSING TO 2026

Housing Targets

2.1 The draft RSS proposed 11,000 dwellings in Exeter between 2006-2026. The Panel who held the Examination In Public of the RSS recommended, in December 2007, a limited increase from 11,000 to 12,000 dwellings. Proposals to meet this dwelling requirement are set out in section 3.

2.2 The “Proposed Changes”, published by the Secretary of State in July 2008, further increase the target for the City to 15,000 dwellings, to be met within the urban area and to the east and south west. This would represent a rise from the 600 dwellings per annum required by the RSS Panel Report to 750 dwellings per annum. The City Council objected to this increase on the basis that it was not soundly based on evidence of capacity.

2.3 Adoption of the RSS has been delayed. Section 4 considers the implications if the final South West RSS confirms the dwelling requirement in the Proposed Changes, or a similar target.

Proposed Strategy

- 2.4 To meet development requirements the Core Strategy Preferred Options report proposed a spatial strategy for the development of the City based on:
- making full and effective use of land within the urban area, particularly in the City Centre;
 - delivering further growth to the east and south west of the City where existing infrastructure is, or can be made, available;
 - protecting the hills to the north and north west from development because of their importance in providing the strategic landscape setting for the City and because of the difficulty in achieving sustainable development in these areas that is served with adequate infrastructure; and
 - in all cases, taking a precautionary approach to flood risk that avoids higher risk, where possible, and manages that risk elsewhere.
- 2.5 In response to the new housing target, the City Council do not intend to deviate from the spatial strategy outlined above. It remains the only acceptable means of delivering the required development in a sustainable manner. Key to the delivery of the strategy will be the emphasis on the delivery of infrastructure, mitigating and adapting to climate change and cutting carbon emissions.
- 2.6 Inevitably the consequence of the increased RSS housing target is that the pressure on the urban area and on the east and south west of the City is increased.

Evidence Base

- 2.7 In order to effectively assess the housing capacity of the City, and in accordance with Government requirements, the City Council has prepared a Strategic Housing Land Availability Assessment (SHLAA).
- 2.8 The main purpose of the SHLAA is to show whether or not there is a sufficient potential supply of land for housing in Exeter to meet the RSS strategic requirements to 2026.
- 2.9 The SHLAA has been prepared in accordance with national guidance and a methodology produced by the Council and neighbouring local authorities. A careful assessment of site suitability has ensured that development constraints are recognised and environmental assets protected. A panel of key stakeholders with sound knowledge of the local housing development industry has also been involved in its preparation, to ensure that conclusions are as robust as possible.
- 2.10 The assessment identifies a range of opportunities on previously developed land within the urban area, such as Istock Brickworks, Exmouth Junction and St Loyes College (see 3.2), and includes potential 'Regeneration Areas' such as the Grecian Quarter and Water Lane (see 3.3 to 3.4). It also identifies significant capacity, in accordance with the spatial strategy outlined in 2.4

above, through urban extensions to the east of the urban area at Newcourt and Monkerton/Hill Barton, and to the south west of the urban area at Alphington. Other areas, defined in the SHLAA as 'Broad Locations' that may be available towards the end of the plan period (see 4.3 to 4.6) are also identified. The findings of the SHLAA have informed this consultation document.

3 MEETING THE REQUIREMENT FOR 12,000 DWELLINGS

- 3.1 The Newcourt, Monkerton/Hill Barton and Alphington areas were proposed for development in the Core Strategy Preferred Options. These areas are considered in section 5 as potential strategic allocations. Proposals for previously developed land (Identified sites within the urban area) and the Regeneration Areas are discussed below:

Identified sites within the urban area

- 3.2 There are a number of previously developed sites dispersed around the urban area that will contribute to meeting the dwelling requirement. These sites become available when land is no longer required for its original use, such as Exmouth Junction railway sidings, or Ibstock Brickworks or where the existing occupier chooses to relocate, such as the land at St Loyes. The sites identified have been carefully assessed to determine their suitability for residential development and have the potential to deliver around 1500 dwellings.

Regeneration Areas

- 3.3 The Water Lane area, located just south of the City Centre and adjacent to the River Exe, is previously developed and largely in employment use. The area is identified for comprehensive mixed-use redevelopment in the Exeter Local Plan First Review. Although the Exeter Employment Land Review 2009 concludes that this area offers a poor quality location for employment use, it would provide a highly sustainable location for residential development. Subject to addressing issues of flood risk, the area has the potential to deliver around 800 additional dwellings.
- 3.4 The Grecian Quarter comprises an area of previously developed land in the City Centre, bounded by Sidwell Street, Western Way and Paris Street. It currently incorporates a variety of uses, including the City's bus and coach station, employment, retail, leisure, car parking and a small amount of housing. The southern part of the area (including the bus and coach station) is allocated in the Exeter Local Plan First Review for comprehensive mixed-use redevelopment. The area as a whole is highly sustainable and offers the opportunity to deliver significant regeneration benefits to the City as a whole. The Grecian Quarter has the potential to deliver around 300 additional dwellings.

Summary

- 3.5 In summary, taking into account the proposed strategic allocations discussed in section 5, the City Council believe that the RSS 'Panel' requirement to provide 12,000 dwellings between 2006 and 2026 could be achieved as follows (as at 1 April 2009):

Completions 2006-2009	1817
Planning Permissions	1668
Permissions subject to Section 106 agreement	880
Newcourt	2500
Monkerton/Hill Barton	2300
Alphington	600
Identified sites within the urban area	1500
Regeneration Areas	1100
Total	12,365

4 MEETING THE REQUIREMENT FOR 15,000 DWELLINGS

- 4.1 As stated in paragraph 2.2 above, the adopted RSS could confirm a 15,000 dwelling requirement. The provision of an extra 3,000 dwellings would mean that towards the end of the plan period there would have to be a reliance on windfalls and other areas would have to be brought forward for development (see below).

Windfalls

- 4.2 Past trends suggest that around 290 dwellings a year may be delivered through windfalls. The Council's Urban Capacity Study indicates significant potential in Exeter through conversions/living over the shop and infill. However, national planning guidance indicates that an allowance for windfalls should not be made in the first 10 years of the plan period. The inclusion of 2,000 windfall dwellings in the period from 2019 (year 11 onwards) is, therefore, considered robust, particularly as windfalls that are completed in the earlier years of the plan will, in due course, be counted against the 15,000 target through monitoring.

Potential Broad Locations towards the end of the plan period

- 4.3 Pinhoe Quarry is a large previously developed site on the north-eastern edge of the City. The quarry and adjoining land are currently safeguarded as a Minerals Consultation Area but quarrying is no longer taking place and the associated brickworks has closed. This previously developed land is considered to have the potential to deliver around 200 dwellings by the end of the plan period.
- 4.4 Land at Middlemoor, under the ownership of Devon and Cornwall Police, is within the existing urban area to the east side of Exeter. Around two thirds of the area comprises previously developed land in institutional use, whilst the remainder is open space/playing fields. Over the plan period, it is likely that part of the site may become surplus to requirements. The land at Middlemoor is in a sustainable location, on a transport corridor, and may have the potential to deliver around 100 dwellings.

- 4.5 The land between Topsham and the M5 is largely greenfield, including open fields and public open space, with ribbon development along the roads. This area forms part of the green wedge that separates Topsham and Exeter that has been protected by successive Local Plans. Whilst the potential for housing development on this land was subject to consultation through the Core Strategy Issues and Options Report, the area was not proposed for development in the Preferred Options Report as it was not required to meet the housing target, as it stood at that time, for the period up to 2021. If development of this area was required, its location in the eastern sector of the City, would enable it to be served by enhanced infrastructure and there would be opportunities to provide affordable housing for local people. Nevertheless, due to the importance of maintaining the green wedge, the area will only be identified for development if the 15,000 target is imposed. Furthermore, it will be phased towards the end of the plan period and only brought forward if monitoring of completions and land availability elsewhere in the City dictates that the release of this land is essential.
- 4.6 Together these areas have the potential to meet the additional dwelling requirement of around 700 dwellings to 2026. As noted above, there may be other sites or areas, of which the Council is not yet aware, that come forward for development over the plan period. Completions from these sources will be carefully monitored, and the release of additional sites managed, to ensure that a five year supply is maintained.

Summary

- 4.7 In summary, the RSS target of 15,000 dwellings between 2006 and 2026, if imposed, is likely to require the following (as at 1 April 2009):

Completions 2006-2009	1817
Planning Permissions	1668
Permissions subject to S106 agreement	880
Newcourt	2500
Monkerton/Hill Barton	2300
Alphington	600
Identified sites within the urban area	1500
Regeneration Areas	1100
Potential Broad Locations	700
Windfalls	2000
Total	15,065

5 STRATEGIC ALLOCATIONS

- 5.1 The Preferred Options report specifically identified the potential for achieving significant development at Newcourt, Monkerton/Hill Barton and Alphington. The development of these sites is considered central to the achievement of the development strategy in response to the RSS. The aim is, therefore, to allocate these areas in the Core Strategy so that work to deliver the sites can move forward with some certainty. Plans 1-3 identify the boundaries of these strategic allocations.

- 5.2 It will only be by achieving well planned and comprehensive development that the potential for these urban extensions to contribute to creating more sustainable development can be maximised. The sections below identify some of the features that will be important in creating strong, safe and prosperous communities, together with the key infrastructure requirements to ensure delivery.

Newcourt (see Plan 1)

- 5.3 The Newcourt area will deliver a mix of residential, employment and community uses together with open spaces, green corridors and essential infrastructure. Around 3,700 dwellings (including 1,176 dwellings with planning permission) and around 20 hectares of employment land (including an allowance for 12.4 hectares already allocated) should be provided. The new community must work well with surrounding development and form a sustainable urban extension to Exeter.
- 5.4 The proposals for residential development must fully integrate with the existing permissions and create distinctive new neighbourhoods. At the heart of the development a local centre, positioned to the south of Old Rydon Lane, should provide local shops and community facilities. Two local primary schools will also be required in the area to meet educational needs up to 2026. Newcourt House, which is an attractive grade two listed building, could extend its existing role as an administrative centre for Devon PCT to include GP services and a health centre/polyclinic. Contributions towards the improvement of other educational, social and community facilities, for example Topsham Library, will also be sought where no new facility is required on-site.
- 5.5 Residential densities should reflect proposed locations with the highest density located centrally and along public transport corridors and lowest densities on the least accessible parts of the site. Average housing densities of at least 50 dwellings per hectare will be encouraged. The development must also provide affordable housing in accordance with adopted policy, and site provision for Gypsies and Travellers made in accordance with the site search criteria identified in the Core Strategy.
- 5.6 The most appropriate locations for employment land are likely to be to the south of the A379 and along the M5 motorway. Employment development must be well integrated into surrounding development with direct links to the local centre. It should have good access onto the strategic road network and benefit from high quality telecommunications infrastructure.
- 5.7 The development of the Newcourt area will have a strong regard to the principles of good urban design so as to ensure an attractive and locally distinctive environment. High quality strategic landscaping will be expected and existing trees and important landscape features will be retained. A green infrastructure framework, comprising green corridors linking formal and informal open spaces, will enhance biodiversity, meet local sporting and recreational needs, and provide a sustainable movement network.
- 5.8 In order to maximise sustainability it will be important to encourage people to switch from using the car to walking, cycling and using public transport. At the heart of this urban extension there should be a transport hub. This should,

ideally, focus on a new rail halt on the Exeter to Exmouth line, a site for which has been safeguarded in the existing permission, and should include a bus and rail interchange allowing direct links to the City and wider area. Section 106 contributions will be sought to ensure the delivery of this and other transport infrastructure improvements discussed below.

- 5.9 Good permeability must be achieved throughout the development area and links to the surrounding urban area established. The sustainable movement network will radiate from the local centre and will provide convenient and safe walking and cycling routes to link existing and proposed housing, employment and community areas to each other and provide access to existing facilities beyond the development area. The potential for a bus route along Old Rydon Lane and a High Quality Public Transport (HQPT) route, and provision of a park and ride site, will be fully explored. Proposals for development in the area must not preclude these options. Further bus priority along Topsham Road is also being investigated. A new highway access onto the A379 has consent and is required to serve existing development proposals. Improvements to the strategic road network may also be required, particularly at junction 30 of the M5 and at Countess Wear roundabout.
- 5.10 Sustainable Urban Drainage Systems (SUDS) will be required to ensure the risk of flooding is minimised. At least 10% of the energy needs of the development should be provided through decentralised and renewable or low-carbon energy production methods. The potential to achieve exemplary sustainable development, for example by setting up an Energy Services Company (ESCO) to serve the area, should be fully explored.
- 5.11 The Newcourt area is the subject of various constraints all of which must be considered in bringing development forward. In particular, areas of high flood risk must be avoided, sources of noise and pollution taken into account and biodiversity and landscape features protected.
- 5.12 The development of this area should follow guidance in the Newcourt Masterplanning Study.

Monkerton/Hill Barton (see Plan 2)

- 5.13 The Monkerton/Hill Barton area will accommodate around 2,300 dwellings and about 5 hectares of employment land set within a green infrastructure framework. The residential development must be closely integrated with adjoining housing and be within convenient walking distance of a local centre comprising a primary school, a doctors surgery/polyclinic, local shops, and other appropriate facilities to meet skills, special educational and community needs. Contributions towards the improvement of existing educational, social and community facilities will also be sought where on site provision is not required. Contributions may be sought for the expansion of St Luke's Secondary School and Pinhoe Library. The employment land should have good road links to the M5 junction 29 which do not pass through residential areas. The green infrastructure framework will comprise green corridors linking formal and informal open areas, that will meet local sporting and recreational needs; keep development away from sensitive natural habitats, areas of high flood risk and important landscape features; and screen housing from the motorway, busy roads and employment areas.

- 5.14 The green infrastructure framework will also provide a sustainable movement network for travel by foot or by cycle. This should link existing and proposed housing and employment areas to each other; to the proposed local centre, and to existing schools, shops, public transport connections, employment opportunities and community facilities in adjoining areas. A link to the major developments proposed to the east of the City and to open countryside will be provided via a proposed pedestrian/cycle bridge over the motorway.
- 5.15 New development will also need to facilitate, and contribute towards, the improvement of transport infrastructure in the area. All dwellings should be within easy walking distance of frequent public transport services linking the neighbourhood to local facilities and employment; to the City Centre; and to existing and proposed residential and employment areas to the south and east. The route of a new road link from Cumberland Way to the motorway (which leads on to the A30 to the east) must be safeguarded. A proposed High Quality Public Transport service linking the City with new development in East Devon could also follow this route. Improvements to the motorway crossing would be required to accommodate the resulting additional traffic. Land for a rail halt on the Exmouth line should also be safeguarded.
- 5.16 Average housing densities of at least 50 dwellings per hectare will be encouraged with highest densities most applicable close to the new local centre, existing facilities and along public transport corridors. Affordable housing must be provided in accordance with adopted policy, and site provision made for Gypsies and Travellers in appropriate locations in accordance with the site search criteria identified in the Core Strategy. Development should follow the principles of good urban design to ensure that the resulting development is both attractive and locally distinctive.
- 5.17 Sustainable Urban Drainage Systems (SUDS) will be required to ensure the risk of flooding is minimised. At least 10% of the energy needs of the development should be provided through decentralised and renewable or low-carbon energy production methods. The potential to achieve exemplary sustainable development, for example by setting up an ESCO to serve the area, should be fully explored.
- 5.18 The development of this area should follow guidance in the Monkerton/Hill Barton Masterplanning Study.
- Alphington (see Plan 3)
- 5.19 South of Alphington, between the urban area and the City boundary, there is capacity for around 600 dwellings to be delivered through a compact urban extension with associated infrastructure, open space and community facilities. This must include affordable housing provided in accordance with adopted policy.
- 5.20 The area consists of a number of fields with mature boundary hedges that rise gently to the south to a ridge. This prominent ridge forms the City's administrative boundary and proposals should respond sensitively to this feature.
- 5.21 The development form would be expected to relate well to the adjoining housing. Average densities of 50 dwellings per hectare would be encouraged, provided that the amenity of existing residents is protected.

Principles of good urban design should be followed to ensure that the resulting development is both attractive and locally distinctive.

- 5.22 There must be good permeability for pedestrians and cyclists throughout the development with links to surrounding areas and contributions would be expected to enhanced transport infrastructure. Improvements to the Alphington Road Corridor will be required, a proposed High Quality Public Transport service could link this development to the City Centre, and a new Park and Ride is proposed at the A30 junction.
- 5.23 The development would result in significant additional pressure on existing facilities. Contributions towards the improvement of existing educational, social and community facilities will be sought where on site provision is not required.
- 5.24 Whilst the capacity of the land within the City is for around 600 dwellings, the Regional Spatial Strategy Proposed Changes propose an urban extension to the south west of the City of around 2,500 dwellings that would include the dwellings within the City and approximately 2,000 dwellings in Teignbridge.
- 5.25 The prospect of a larger urban extension offers both challenges and potential opportunities. At this scale, the urban extension could support it's own local centre, on site community facilities, including new primary schools, a new secondary school and a new GP or polyclinic, provision for park and ride, significant green infrastructure, and an extensive pedestrian and cycle network giving access to the City and surrounding countryside. Teignbridge and Exeter will work closely together to ensure a comprehensive masterplan guides development of the area.

6 INFRASTRUCTURE

- 6.1 The successful delivery of a strategy that accommodates significant new residential and employment development will be dependent upon the necessary infrastructure being provided in the right place and at the right time. Existing infrastructure will not always be able to cope with the additional demands arising from new development. Acting as a 'ring-master', the local authority must ensure that the necessary infrastructure is put in place.
- 6.2 In order to facilitate this delivery the City Council is working closely with infrastructure partners to identify, as far as possible:
- Infrastructure Needs
 - Responsibilities for delivery
 - Costs
 - Funding Sources
 - Timetable for provision
 - Risk Assessment and mitigation measures
- 6.3 This work has already established, in broad terms, the key infrastructure requirements for the proposed strategic allocations referred to in the preceding section.

Transport Infrastructure – to be updated on completion of New Growth Point Transport Assessment (Phase 3) – expected by end of September.

- 6.4 Exeter currently experiences traffic congestion at peak periods in and around the City Centre at some key junctions. Transport infrastructure will, therefore, be a priority in successfully accommodating the levels of development envisaged by the RSS for the City.
- 6.5 The Local Transport Plan proposes improvements through its Principal Urban Area Scheme to improve the modal share of public transport. The objective of the Scheme is to improve the functioning of major radial routes in the City, in particular reducing evening peak congestion and improving bus performance, without encouraging additional commuting into the City. This includes proposals for new park and ride schemes to the east of the M5 and to the west of the City to pick up the A30 approach; bus priority schemes on radial routes into Exeter; and highway capacity improvements on the orbital route to the east and south of the City.
- 6.6 The Exeter High Quality Public Transport Scheme is seeking to achieve a significant enhancement in public transport provision aligned to demand management measures. The scheme proposes the introduction of high quality buses enjoying substantial priority that will link major development uses to the east and south west of the City, through the City Centre. The Devon Metro scheme looks at the potential for enhancement of the local train network including consideration of increased frequencies on the Exmouth to Exeter Line and the potential to provide new railway stations.
- 6.7 Improvements to increase capacity are already in progress at Junction 30 of the M5 and funding has also been secured for improvement works at Junction 29.

Other Infrastructure Requirements

- 6.8 The ongoing work suggests that, in addition to the infrastructure needed to support the urban extensions, the following will also be infrastructure priorities to ensure successful delivery of development throughout the City and within the wider Exeter area:
- Education – including enhancement and/or expansion of primary or secondary schools;
 - Flood Risk Mitigation – including improvement in the environmental and flood risk management performance of existing flood defence systems in Exeter;
 - Public Services – including provision of a new central library, and a new police station and custody facility;
 - Utilities and Waste – including investment to improve the capacity of existing sewage treatment works and electricity sub-stations, and a new recycling centre to the east of Exeter;
 - Health – including the need for enhanced availability of Acute services, new or expanded GP practices or polyclinic, and new or extended

dental practices;

- Sport and Recreation – including the need for new sports facilities and the improvement of existing facilities;
- Green Infrastructure – including investment in the Exe Valley Park;
- Affordable housing – to be provided in accordance with adopted policy.

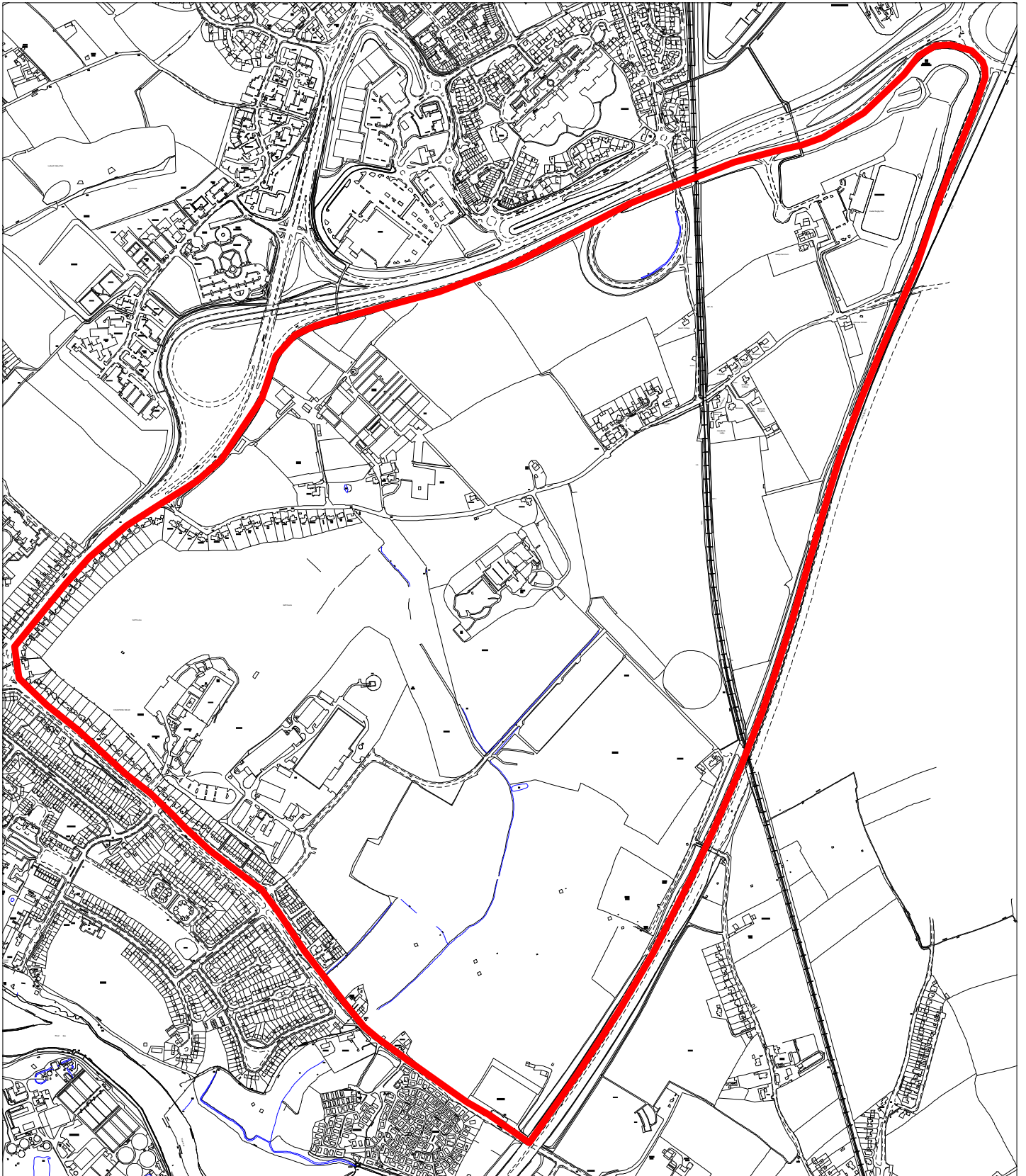
- 6.9 Many of the detailed requirements will be informed by a Social and Community Infrastructure Study, currently underway, that has been commissioned by the Exeter and East Devon New Growth Point Team.
- 6.10 It is only by working closely with neighbouring authorities that infrastructure requirements can be identified and delivered. In particular, the major developments on the fringes of the City, such as Cranbrook, Skypark, and the Science Park in East Devon and the proposed Alphington urban extension in Teignbridge, have significant transport infrastructure requirements which will need to be brought forward in a collaborative and coordinated manner.
- 6.11 On completion, the results of the infrastructure planning process will form an evidence base document to support the Submission Core Strategy and later Development Plan Documents.

7 YOUR VIEWS

- 7.1 This consultation document focuses on the following matters:
- The Core Strategy plan period extended to 2026;
 - Provision for the 15,000 dwellings required by the RSS;
 - Allocation of strategic sites; and
 - Infrastructure needed to support delivery.
- 7.2 We are keen to gain your views on these matters and in particular:
1. Are there other more sustainable and appropriate sites that should be considered for development?
 2. Are there other issues that are important in successfully developing the strategic sites (Newcourt, Monkerton /Hill Barton and Alphington)?
 3. Are there other key infrastructure requirements that should be identified in the Core Strategy?
- 7.3 We would also like to receive any other comments you have on the matters discussed in this Document. Comments should be made in writing to Forward Planning, Planning Services, Civic Centre, Paris Street, Exeter, EX1 1NN or by email LDF@exeter.gov.uk

The consultation period will run for six weeks to xxxxx 2009.

This page is intentionally left blank



Scale 1:14,000



© Crown copyright Exeter City Council 100025345

23/01/2009

Plan 1: Newcourt Strategic Allocation

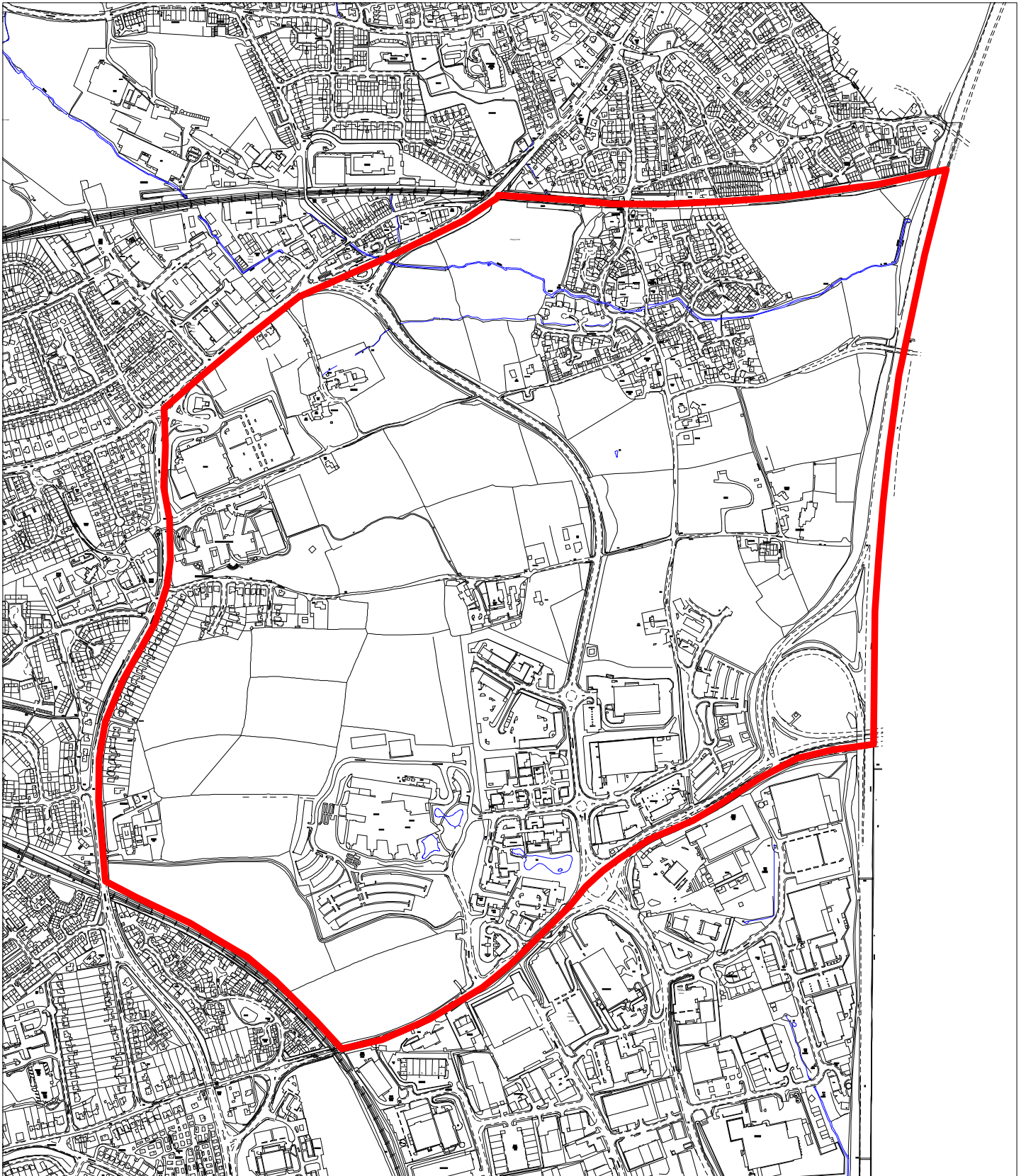
Planning Services & Building Control, Exeter City Council, Civic Centre, Paris Street, Exeter, EX1 1NN

Based upon the Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office (c) Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or Civil proceedings.



Exeter City Council

This page is intentionally left blank



Scale 1:10,000



© Crown copyright Exeter City Council 100025345

23/01/2009

Plan 2: Monkerton Strategic Allocation

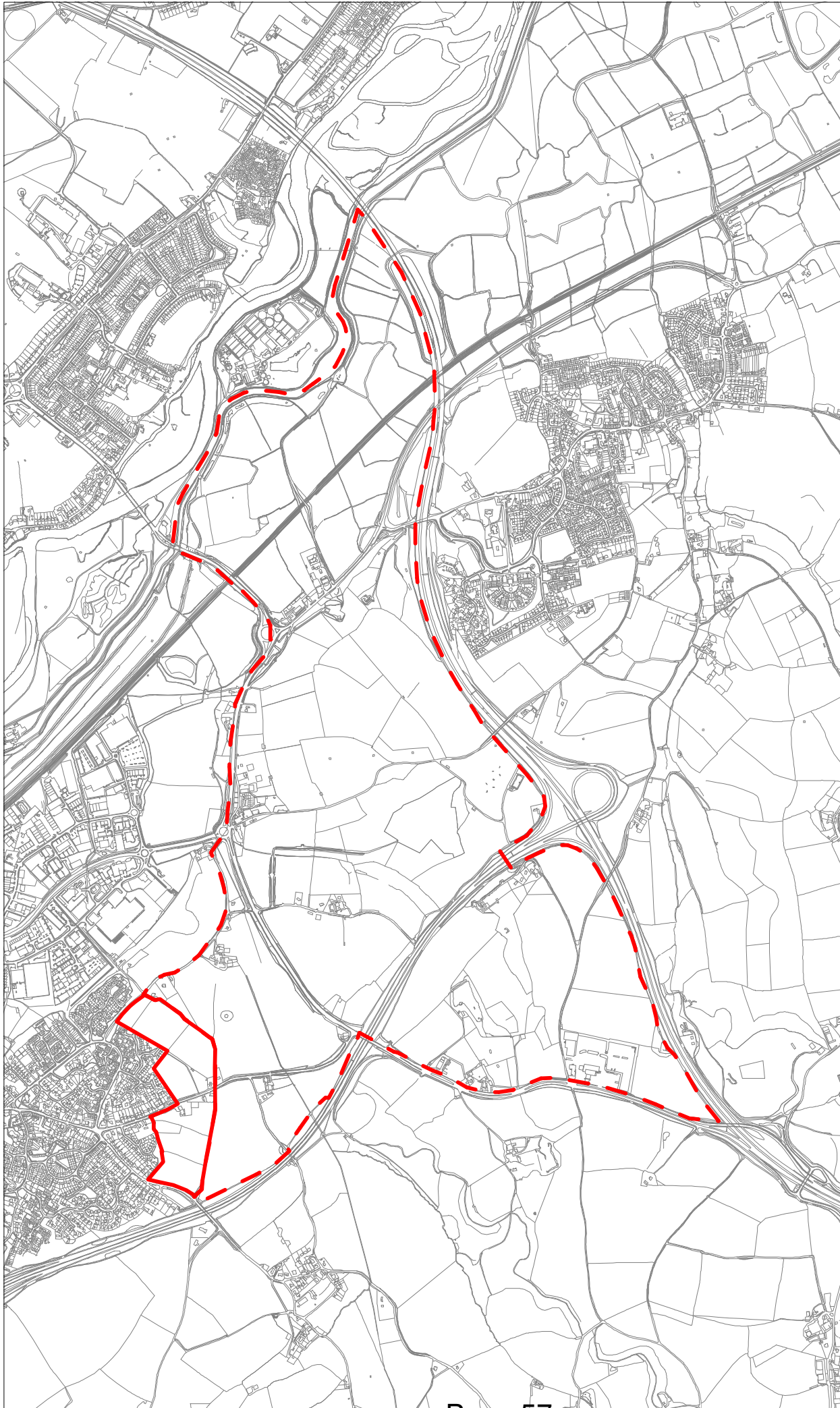
Planning Services & Building Control, Exeter City Council, Civic Centre, Paris Street, Exeter, EX1 1NN

Based upon the Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office (c) Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or Civil proceedings.



Exeter City Council

This page is intentionally left blank



Scale 1:20,000 ↑

© Crown copyright Exeter City Council 100025345

19/08/2009

Plan 3: Alington Strategic Allocation

— Strategic Allocation within Exeter
 - - - Area of Search within Teignbridge



Exeter City Council

Planning Services & Building Control, Exeter City Council, Civic Centre, Paris Street, Exeter, EX1 1NN

Based upon the Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationary Office (c) Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or Civil proceedings.

This page is intentionally left blank

EXETER CITY COUNCIL

EXECUTIVE
15 SEPTEMBER 2009

LOCAL GOVERNMENT PENSION SCHEME – DELIVERING AFFORDABILITY, VIABILITY AND FAIRNESS – CONSULTATION PAPER

1. PURPOSE OF REPORT

- 1.1 To inform the Executive Committee of the details of the Local Government Pension Scheme (LGPS) consultation paper and agree feedback to the consultation as appropriate.

2. BACKGROUND

- 2.1 The LGPS, as provided in England and Wales, is a statutory, public service, funded, occupational pension scheme which provides guaranteed pension benefits to local authority employees, and to employees of related and admitted employers.
- 2.2 The Scheme's local administering authorities (Devon County Council for Exeter employees) pay benefits and manage its pension funds within the terms set out in secondary legislation under the Superannuation Act 1974.
- 2.3 At the 31 March 2007 triennial actuarial valuation, funds' total assets were valued at £132 billion with liabilities totalling £159 billion giving a shortfall between assets and liabilities of £27 billion, or a scheme-wide funding level of 83% (up from 74% in 2004).
- 2.4 A major scheme reform saw the introduction from 1 April 2008 of a new-look LGPS including revised benefit terms. The Scheme's accrual rate was improved from 1/80ths to 1/60ths with the normal retirement age of 65 years being retained and new ill health provisions and other benefit adjustments within a fixed, agreed cost-envelope. Employees currently contribute between 5.5% and 7.5% of their pay on a set tariff, which yields about 6.4% of total payroll.
- 2.5 Employers' contributions, fixed until 31 March 2011, are adjusted following the triennial valuation of individual LGPS pension funds. Each individual pension fund authority is required to set an employers' level of contribution to ensure its fund is solvent and able to meet its existing and future liabilities.
- 2.6 Consultees are invited to respond to this informal consultation exercise no later than 30 September 2009.

3. SCOPE OF THE CONSULTATION

- 3.1 The consultation sets out initial suggestions for stakeholders to consider as feasible and balanced response to the current stock market impacts on LGPS pension fund liabilities likely to be identified in the forthcoming 2010 valuation exercise. The propositions principally focus on the important regulatory and operational relationship between the actuarial valuation exercise and the requirement on each LGPS administering authority to produce and maintain a Funding Strategy Statement.
- 3.2 In addition, and alongside the introduction of the new LGPS cost-sharing regime, this is also an opportunity to consider a realignment of the employee member pension contribution tariff, and particularly the proportion of pensionable pay being contributed by higher paid members towards their pension benefits.

4. ACTUAL VALUATIONS AND FUNDING STRATEGY STATEMENTS

- 4.1 The next LGPS actuarial valuation exercise in England and Wales, required by legislation, takes place as at 31 March 2010. This will determine the new rates of employer contributions from 1 April 2011 until 31 March 2014.
- 4.2 Many stakeholders believe that unless some adjustments are made to stabilise the treatment of scheme liabilities at the 2010 valuation, and so mitigate any short-term adverse impacts of the current economic recession on the Scheme, the effect on members, employers and taxpayers could be disproportionately significant in terms of increased costs.
- 4.3 Regulation 36 (6)(b) of the LGPS Administration Regulations 2008 requires that contribution increases for employers in general, following each valuation exercise, should be set. The following paragraphs explore steps to stabilise future scheme costs arising from the 2010 valuation exercise. Liaison will continue with the interested parties over the coming months, particularly on the details of actual proposals and any necessary guidance, including the involvement of the LGPS Policy Review Group.
- 4.4 Consultees are invited to comment on a proposition involving an amendment to the Scheme regulations, which already includes a specific (but undefined) solvency requirement (Regulation 36(5) of the 2008 Administration Regulations), and modify it with a provision which requires each fund's actuary, first to take full account of the affordability of employers' liabilities to pay pensions and to meet liabilities when undertaking three-yearly fund actuarial valuations and, second, to ensure consistency with an administering authority's funding objectives as set out in its Funding Strategy Statement.
- 4.5 In practice, this will result in new employer contribution rates being set at each valuation at such a level as to ensure that, over time, sufficient monies are available as required to meet all employers' liabilities.
- 4.6 Stakeholders have mentioned in recent discussions that a uniform 100% funding target can become artificial and impose significant short term cost pressures on employers during times of economic downturn and falling investment returns. It fails also to take into account the effect on employers' who have to meet cost increases up front, and over the short term, when in every case this is far from justified.
- 4.7 Although liquidity is a measure of the ability to pay pensions as they become due, solvency is concerned with the capacity and status of scheme employers to meet the pensions promise. That means having sufficient assets to meet all future pension liabilities. At present, this test often becomes a target of 100% funding but, given the strong liquidity of the Scheme, the constitutional permanence of local government and a strong employers' covenant, it is questionable whether fund authorities need to build up what, in effect, amounts to a financial reserve in the process of achieving that solvency level.

5. FINANCING PLANS & LOCAL FUNDING TARGETS

- 5.1 The first approach would mean that, instead of fund authorities coming forward with full (100%) funding recovery plans to make good all past service deficits, it is suggested that, integral to the preparation of their Funding Strategy Statements, each LGPS administering authority could additionally prepare and maintain a Financing Plan to demonstrate how over the short, medium and then long term, they will fund pension liabilities for their fund and for each of its employer bodies.
- 5.2 An alternative approach could involve essentially retaining the existing Scheme funding regime but additionally would allow an LGPS administering authority to adopt a long-term

funding target which would not necessarily always be set at 100%, provided this could be sustained and transparently justified by the pension fund administering authority within its published Funding Strategy Statement.

- 5.3 Consultees are invited to comment on both how a proposed financing plan approach could apply, when read in conjunction with the existing Statements of Investment Principles and Funding Strategy Statements, also how to ensure that fund authorities are able to adopt favourable short term positions consistent with their long term pensions liabilities. Alternatively, consultees are invited to comment on whether there is merit in the other approach involving locally selected funding targets, also within the framework established by existing Funding Strategy Statements and Statements of Investment Principles.

6. A REVISED EMPLOYEE CONTRIBUTION TARIFF

- 6.1 A proposition is also being considered to amend the existing LGPS tariff which set the level of employee contributions linked to their pensionable pay, with new, higher tariffs for members who annually earn in excess of £75,000, together with an extension of the lower rate of contributions for the lower paid.
- 6.2 The new LGPS Scheme introduced on 1st April 2008 included a new banded contribution arrangement with a top level of 7.5% of pensionable pay for those whose earnings are in excess £75,000.
- 6.3 An example of the scope of a possible future regulatory amendment is illustrated below. Under this example, members earning over £110,000 per year could pay a contribution rate of 10% of pay, and those below in the next band (earning over £75,000) a rate of 8.5%. Meanwhile, many members earning less than £22,001p.a. would benefit from a lower rate. The table is illustrative at this time and does not represent any firm commitments by Ministers.

Band	Proposed Pay Range (pay per year)	Proposed Contribution Rate	Current Pay Range	Current Contribution Rate
1	£0 - £15,000	5.5%	Up to £12,600	5.5%
2a	£15,001 - £18,000	6.0%	£12,601 to £14,700	5.8%
2b	£18,001 to £22,000	6.0%	£14,701 to £18,900	5.9%
3	£22,001 to £30,000	6.5%	£18,901 to £31,500	6.5%
4	£30,001 to £40,000	7.0%	£31,501 to £42,000	6.8%
5	£40,001 to £75,000	7.5%	£42,001 to £78,700	7.2%
6	£75,001 to £110,000	8.5%	More than £78,700	7.5%
7	£110,001	10.0%	-	-
Yield = 6.42% of payroll			-	-

7. FEEDBACK FROM EMPLOYEE LIAISON FORUM

- 7.1 The consultation proposals were presented to the Council's Employee Liaison Forum on 31 July 2009 for feedback from staff side. The comments received from the Staff Side are that they see continued investment in pension schemes as essential for reducing pensioner poverty and supporting the wider economy. They also reiterated their view that final salary pension benefits should continue for existing and new employees.

8. RECOMMENDATIONS

- 8.1 That the Executive note the consultation paper and agrees the principle of seeking measures that both ensure that the LGPS fund has the capacity to meet its full benefit liabilities, whilst mitigating significant short-term fluctuations in employer contributions.
- 8.2 That the proposals to amend the employee contributions as proposed, be supported.

HEAD OF HUMAN RESOURCES

CORPORATE SERVICES DIRECTORATE

**Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:**

1. None

EXETER CITY COUNCIL

EXECUTIVE
15 SEPTEMBER 2009

AFFILIATION BETWEEN THE CITY OF EXETER AND HMS DEFENDER

1. Purpose of Report

- 1.1 To consider an opportunity to be one of only two affiliated Cities to HMS Defender, one of the Royal Navy's latest Type 45 class destroyers.

2. Background

- 2.1 The City of Exeter has had a long history associated with its affiliation to HMS Exeter which ended with the ship's decommissioning in May of this year. This affiliation was also much appreciated by the Royal Navy itself which is evidenced by the gifting of one of HMS Exeter's nameplate to the City. The ship's Company also extended their right to the Freedom of the City on many occasions, lastly on 25 October 2008 to coincide with Trafalgar Day.
- 2.2 With this in mind, the City has been approached by the Royal Navy offering it the opportunity to continue its close relationship between the two organisations by becoming one of only two cities that will be affiliated with HMS Defender – the other City being Glasgow.
- 2.3 HMS Defender will be one of only six type 45 destroyers which will be the largest and most powerful destroyers ever operated by the Royal Navy and the largest general purpose warships (excluding aircraft carriers and amphibious ships) to join its fleet since World War Two cruisers.
- 2.4 This is considered to be a great honour and recognises the close interest and support given by the City to the Royal Navy. In the words of the offer letter from The First Sea Lord "The Royal Navy values greatly the close interest and support afforded to your previous affiliated ship HMS Exeter; these bonds were developed and wonderfully maintained throughout her life. I attach great importance to the continuation of the close relationship between the City of Exeter and the Royal Navy."
- 2.5 The ship is currently under construction at Glasgow and is due to be launched on 21 October 2009. The Lord Mayor has been invited to this launch, so as to forge the links between City and ship at the earliest possible opportunity.

3. RECOMMENDATION

That the Council be RECOMMENDED that-

- 3.1 The City Council accept the offer of the Royal Navy to be affiliated with its new Type 45 destroyer HMS Defender.

HEAD OF CORPORATE CUSTOMER SERVICES

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

None

This page is intentionally left blank

EXETER CITY COUNCIL

EXECUTIVE

15 SEPTEMBER 2009

APPOINTMENT OF REPRESENTATIVES TO SERVE ON OUTSIDE BODIES

<u>BODY AND TERM OF OFFICE</u>	<u>REPRESENTATIVES AND EXPIRY OF APPOINTMENT</u>	<u>NUMBER OF MEETINGS PER ANNUM</u>	<u>TERMS OF REFERENCE</u>
St. Leonard's with Holy Trinity Charities 4	Mrs A Lloyd - 17.10.2009 Mr D Orchard - 30.11.2009	2	To provide assistance to individuals or groups of people in financial need who are residents of St Leonards, priority being given to those who regularly attend church services in the parish.
St Sidwell's Parish lands and Other Charities 4	Cllr Shepherd -18.10.2009	2	Provide and maintain the St Sidwell's Almshouses and provide funds to assist in the education of children in the parishes of St. Sidwell's, St. Matthew's and St. James.

ASSISTANT CHIEF EXECUTIVE

4 September 2009

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 4 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 6 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 6 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank