



## Exeter City Council

To the Chair and Members  
of the Executive

**Please ask for:** Rowena Whiter  
**Direct Dial:** 01392 265110  
**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 4 DECEMBER 2012** 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 **APOLOGIES**

To receive apologies for absence from Committee members.

2 **DECLARATIONS OF INTEREST**

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

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

It is considered that the Committee would be unlikely to exclude the press and public during consideration of any of the items on the agenda, but if it should wish to do so, the following resolution should be passed:-

**RECOMMENDED** that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the particular item(s) on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs of Part 1, Schedule 12A of the Act.

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4 **MAJOR GRANTS AND NEW HOMES BONUS PANEL**

To receive and adopt the minutes of the meeting held on 22 November 2012.

(Minutes to follow)

5 **CAPITAL MONITORING STATEMENT 2013/14**

To consider the report of the Assistant Director Finance. 1 - 20

Scrutiny Committee – Resources considered the report at its meeting on 21 November 2012 and comments will be reported.

(Report circulated)

6 **OVERVIEW OF GENERAL FUND REVENUE BUDGET 2012/13**

To consider the report of the Assistant Director Finance. 21 - 28

Scrutiny Committee – Resources considered the report at its meeting on 21 November 2012 and comments will be reported.

(Report circulated)

7 **TREASURY MANAGEMENT HALF YEARLY UPDATE**

To consider the report of the Assistant Director Finance. 29 - 32

Scrutiny Committee – Resources considered the report at its meeting on 21 November 2012 and comments will be reported.

(Report circulated)

8 **2013-2014 BUDGET STRATEGY AND MEDIUM TERM FINANCIAL PLAN**

To consider the report of the Assistant Director Finance. 33 - 46

(Report circulated)

9 **CITY DEALS**

To consider the report of the Strategic Director, Assistant Director Economy and Corporate Manager Policy Communications and Community Engagement. 47 - 50

(Report circulated)

- 10            **PLAN TEIGNBRIDGE: CONSULTATION ON DRAFT SUBMISSION DOCUMENT**
- To consider the report of the Assistant Director City Development.            51 - 66
- (Report circulated)
- 11            **PUBLIC ENQUIRY - APPLICATION TO REGISTER A VILLAGE GREEN - SUPPLEMENTARY BUDGET ESTIMATE**
- To consider the report of the Strategic Director.            67 - 68
- (Report circulated)
- 12            **PURCHASE OF AFFORDABLE HOUSING UNITS AT ROYAL NAVAL STORES DEPOT**
- To consider the report of the Assistant Director Housing and Contracts.            69 - 74
- (Report circulated)
- 13            **CIVIC CENTRE SUSTAINABLE DEVELOPMENT PROPOSAL**
- To consider the report of the Assistant Director Housing and Contracts and Corporate Manager Democratic and Civic Support.            75 - 76
- (Report circulated)
- 14            **FREEDOM OF THE CITY - HMS DEFENDER**
- To consider the report of the Corporate Manager Democratic and Civic Support.            77 - 78
- (Report circulated)
- 15            **UPDATE ON THE COUNCIL'S TRANSFORMATION PLAN**
- To consider the report of the Assistant Director Business Transformation.            79 - 86
- (Report circulated)

**DATE OF NEXT MEETING**

The next scheduled meeting of the Executive will be held on **Tuesday 22 January 2013** 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 Edwards (Chair), Denham, Fullam, Hannaford, Mrs Henson, Martin, Sheldon and Sutton

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.**

## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE – RESOURCES 21 NOVEMBER 2012

EXECUTIVE  
4 DECEMBER 2012

COUNCIL  
11 DECEMBER 2012

#### OVERVIEW OF CAPITAL EXPENDITURE TO 30 SEPTEMBER 2012

#### 1. PURPOSE OF THE REPORT

##### 1.1

To report the current position in respect of the Council's revised annual capital programme and to advise Members of the anticipated level of deferred expenditure into future years.

##### 1.2

The report seeks Member approval to amend the annual capital programme, in order to reflect the reported variations.

#### 2. BACKGROUND

##### 2.1

Local authorities are requested to estimate the total of capital expenditure that they plan to incur during the financial year when it sets the prudential indicators of the capital expenditure. This shows that its asset management and capital investment strategies are affordable, prudent and sustainable.

##### 2.2

Capital expenditure is a significant source of risk and uncertainty since cost variations, delays and changing specifications are often features of large and complex capital projects.

##### 2.3

In order to manage the risks associated with capital programming the annual capital programme is updated every six months, to reflect any cost variations, slippage or acceleration of projects.

##### 2.4

It is considered timely for the capital programme to be amended mid-year to reflect the variations to individual projects, so that the impact of changes between financial years can be incorporated into the capital programme for 2012/13 and beyond and presented to Members as part of the annual budget process.

### 3. REVISIONS TO THE CAPITAL PROGRAMME

- 3.1 The 2012/13 Capital Programme, including commitments brought forward from 2011/12, was last reported to Scrutiny Committee – Resources on 19 September 2012. Since that meeting the following changes have been made that have increased the programme:

Description	£	Approval/Funding (%)
<b>Capital Programme, as at 19 September 2012</b>	<b>19,756,800</b>	
<b>GENERAL FUND</b>		
RAMM Redevelopment	2,200,000	Council 16 October 2012 – Borrowing
E-FIMS Upgrade	30,000	Borrowing
Parks Improvements – Cowick Barton Cycle Path	25,000	Devon CC Contribution
Parks Improvements – Matthews Hall Cycle Path	1,100	Devon CC Contribution
Disabled Facilities Grants	2,500	Capital Contribution from Housing Associations
<b>HRA</b>		
Replacement Smoke Detectors	200,000	Major Repairs Reserve
Additional HRA works	1,987,550	Executive 18 September 2012 – revenue contribution to capital
Purchase of 9 Stoke Hill Crescent and 4 Gareth Crescent	275,730	Delegated Authority - Usable Capital Receipts
LAINGS Refurbishments	5,000	Executive 3 July 2012 - Major Repairs Reserve
<b>Revised Capital Programme</b>	<b>24,483,680</b>	

### 4. REQUEST FOR ADDITIONAL FUNDING

#### 4.1 No 6 Greenhouse Belle Isle Nursery

There are Health & Safety concerns about the continued use of the largest store at Belle Isle Nursery. This, although known as No 6 Greenhouse, is used for storage of machinery and materials, whilst in the winter months provides a workshop for Parks Bench Refurbishment. It is primarily of Aluminium/Glass construction with a concrete floor. Last winter the weight of snow on the glass roof caused the supporting Aluminium Roof to become distorted and twisted resulting in a number of the aluminium supporting struts popping their rivets and glass sheets falling into the workshop. During July 2012 Capricorn Engineering repaired the roof structure at a cost of £580.00 net.

It is proposed that additional funding of £17,500 is set aside to replace the existing glass sheets with 4mm polycarbonate. This would greatly reduce the possibility of further damage this winter and would allow continued usage of the area as a workshop, removing the threat of glass sheets fracturing and falling on the operators.

#### 4.2 **City Centre Enhancements and King William Street Car Park**

Works on the London Square element of the scheme have been completed by the end of October 2012. Due to additional work to deal with utilities and delays caused by the interactions with the John Lewis contractor, this scheme will exceed the budget. The final expenditure will be agreed with the contractor by the end of November. Members will be aware of the extremely tight timetable for completing the external works in preparation for the opening of the store on 12 October. Much of the overspend will be shared 50:50 with Devon County Council.

Although the Council will be seeking to recover part of this overspend, an additional budget of £254,000 is requested as a worst case scenario for the Council.

### 5. **PERFORMANCE (Appendix 1)**

5.1 The revised capital programme for the current financial year is £24.484 million. During the first six months of the year the Council spent £6.515 million on the programme, which equates to 26.60% of the revised programme. This compares with £5.516 million (23.80%) being spent in the first six months of 2011/12.

5.2 The current programme is detailed in Appendix 1. The Appendix shows a total forecast spend for 2012/13 of £19.665 million with £1.400 million of the programme potentially deferred to 2013/14. A further £3.609 million worth of General Fund schemes are being proposed for deletion from the programme (see 5.3 below).

5.3 Based upon the forecasts after six months, Appendix 2 sets out the desired changes to the capital programme, including the proposed deletions, for the Executive to consider for approval.

### 6. **VARIANCES AND ACHIEVEMENTS**

6.1 The main variances, achievements and issues concerning expenditure in 2012/13, and that which may be deferred to 2013/14, are as follows:

#### 6.1.1 **Community & Environment**

##### ***Cultural City***

- **Parks improvements (Budget £52,760)**

A capital receipt for the completion of a cycle path will offset the overspend of £25,000.

- **RAMM Redevelopment (Budget £2,200,000)**

This additional budget was approved at Council in October 2012 to cover any outstanding liabilities in respect of the redevelopment.

***Everyone has a home***

- **22 St David's Hill Conversion (Budget £100,000)**

Negotiations are ongoing with NHS Devon and other statutory bodies to co-locate relevant rough sleeper services. This will be subject to planning consent and statutory agency commitment but it is intended that subject to planning; the agreement and therefore reconfiguration of the building will start before April 2013.

**6.1.2 Economy & Development**

***Accessible City***

- **Well Oak Footpath/Cycleway (Budget £80,150)**

The path will be completed to tie in the adjacent development. It is anticipated that this will take place in spring 2013. A budget carry forward of £40,000 will be needed in order that this work can be completed.

***Cared for Environment***

- **City Centre Enhancements (Budget £473,840)**

Please see section 4.2 above.

- **Cowick Street Environmental Works (Budget £200,000)**

The first phase of the works has been completed. Various elements of the street works are to be completed in March or April 2013. A partial budget carry forward is required for these works.

- **Exhibition Way Bridge Maintenance (Budget £45,000)**

An order has been raised for a detailed inspection of the bridge structure which should enable the full extent of the necessary repairs to be identified. It is likely that the works themselves will not take place until 2013/14. This will mean a budget carry forward in the region of £37,000 will be required.

- **Princesshay Artwork (Budget £40,000)**

It is anticipated that the artwork will be installed by Christmas 2012 with the cost being within the allocated budget.

- **Central Station Environmental Works (Budget £185,000)**

Following approval by Planning Member Working Group in July and by Devon County Council Cabinet in September of this year negotiations are in progress about lease arrangements. The detailed design stage continues to progress. Tenders for materials have been received by DCC and expenditure is anticipated in the next quarter. It is expected that contract work on the site will start in spring 2013.



### ***Excellence in Public Services***

- **Verney House (Budget £45,000)**

Works to roof covering, window surrounds and edge protection are now complete. A saving of £40,640 has been made on this project due in part to not decorating the windows as it was felt that it would not add to the energy efficiency of the building.

### ***Prosperous City***

- **Canal Basin and Quayside (Budget £406,850)**

The new Haven Road Outdoor Education Centre is currently under construction by DCC. ECQT are remarketing the listed buildings and site at the head of the Basin. ECC are looking to carry out a tree planting and seating scheme for Haven Banks and to bring forward some walkway works around the Basin in 2012/13. Works are underway to install coping stones to the walls in the Haven Road car park.

The expenditure on this scheme in 2012/13 is anticipated to be in the region of £90,000; the budget remaining will be carried forward to 2013/14 in order that the scheme can be completed.

- **Science Park (Budget £735,990)**

The main site infrastructure is nearly complete and marketing activity will now step up. Applications are being made to fund the first building and an offer of funding of £4.5million from the Local Enterprise Partnership is currently the subject of negotiation. Planning approval has been secured for the first two buildings.

## **6.1.3 Resources**

### ***Electronic City***

- **Authentication Module (Budget £64,000)**

Advice is being received from the Government on improving the authentication checks on on-line systems but it is likely that the budget will need to be carried forward until next year.

## **6.1.4 Housing Revenue Account**

### ***Everyone Has a Home***

- **Programmed Re-roofing (Budget £300,000)**

In order to save reactive repair costs the roofs of four properties have been replaced in order to resolve problems with multiple leaks. These properties were not included in the programmed re-roofing works for 2012-13 and have therefore been accelerated. This has resulted in a forecast overspend of £20,000, but will result in future savings in the cost of programmed works.

- **Energy Conservation (Budget £133,240)**  
 Significant further spend of this budget is pending the outcomes of a pilot to super insulate properties and identification of suitable energy efficient measures to council dwellings. It is projected that £80,000 of this budget may need to be carried forward into 2013-14 to allow time for a plan of works to be formulated.
- **Re-pointing (Budget £73,850)**  
 This budget provides for reactive re-pointing works to council dwellings in order to alleviate problems with water ingress and damp. It is anticipated that £30,000 of this budget may need to be carried forward into 2013-14, due to a lower than budgeted level of properties identified as requiring re-pointing works by the Technical Officers.
- **Communal Areas (Budget £198,110)**  
 This budget is intended to be spent on improvements to communal areas of flats including the provision of new flooring. Specifications are currently being prepared so that the tender process can commence. It is currently projected that £50,000 of the budget may need to be deferred into next financial year.
- **Structural Repairs (Budget £71,490)**  
 Major structural repairs at 13 West View Terrace are planned to be undertaken this financial year. The uncommitted balance of the budget will therefore be carried forward into future financial years to provide for major repairs to council dwellings as and when they are identified.
- **Fire Alarms at Sheltered Accommodation (Budget £140,000)**  
 The specification and tender documents are currently being prepared for fire alarms to be installed at ten sheltered accommodation sites. It is hoped that the appointed contractor will start work on site early in the new year. However, it is projected that £80,000 of this budget will need to be deferred into next financial year.
- **Rennes House Heating Replacement (Budget nil)**  
 A minor overspend will occur in 2012-13 in respect of the heating replacement at Rennes House. However, a compensating saving will be made from the Other Works budget.
- **Other Works (Budget £133,540)**  
 Additional works associated with the demolition of properties at Chestnut Avenue have been carried out and treated as revenue expenditure; as such works do not qualify as capital expenditure. The saving shown against this budget reflects the transfer of these costs to revenue plus the saving required relating to heating at Rennes House.

### **Council Own Build Capital Programme**

Following the successful completion of the Council Own Build (COB) sites at Rowan House and Knights Place, the Council now has a COB Capital Programme for developing Phase 2 and Phase 3 sites.

The options available to the Council for delivering new council housing and regeneration are currently being assessed following the introduction of self-financing. The £300,000 budget approved for the acquisition of land for the development of affordable housing is therefore unlikely to be spent until the options appraisal has been undertaken and the preferred delivery model/s identified.

## **7. RECOMMENDATION**

- 7.1 It is recommended that Scrutiny Committee – Resources, and the Executive, notes and Council notes and approves the current position in respect of the annual capital programme
- 7.2 It is recommended that Executive approve an additional budget of £17,500 in the 2012-13 General Fund Capital Programme for the replacement of the glass panes in No. 6 greenhouse, Belle Isle Nursery.
- 7.3 It is recommended that Executive approve an additional budget of £254,000 in the 2012-13 General Fund Capital Programme for the additional works in London Inn Square.
- 7.4 It is recommended that Executive approves the amendments to the Council's annual capital programme outlined in Appendix 2.

ASSISTANT DIRECTOR FINANCE

STRATEGIC DIRECTOR

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

- 1. None

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**2012/13  
CAPITAL MONITORING TO 30 SEPTEMBER 2012**

	2012/13 Capital Programme	2012/13 Spend	2012/13 Forecast Spend	2012/13 Budget to be Carried Forward to Future Years	2012/13 Programme Variances Under/(Over)
	£	£	£	£	£
<b>COMMUNITY &amp; ENVIRONMENT</b>					
<b>CULTURAL CITY</b>					
Play Area Refurbishments	301,640	6,903	301,640		0
Sports Facilities Refurbishment	175,330	0	67,000	108,330	0
Parks Improvements	77,760	53,201	77,760		0
Contribution to RAMM Re HLF Parks Bid	65,200	39,107	65,200		0
Exwick Community Centre	20,880	0	20,880		0
RAMM Redevelopment	2,200,000	0	2,200,000		0
RAMM Off Site Store	40,740	0	40,740		0
Neighbourhood Parks & Local Open Spaces	34,630	11,647	34,630		0
Allotments - Toilet Replacement	23,440	84	23,440		0
Replacement of Flowerpot Skate Park	250,000	5,228	250,000		0
Refurbishment and Upgrade of Paddling Pools	200,000	62,777	200,000		0
					0
<b>CARED FOR ENVIRONMENT</b>					
Public Toilet Refurbishment	990	0	990		0
Local Authority Carbon Management Programme	107,910	40,015	107,910		0
Improvements to Cemetery Roads & Pathways	11,950	0	0		(11,950)
Cemeteries & Churches Storage Improvements	26,330	0	0		(26,330)
Midi Recycling Banks	10,000	0	0		(10,000)
					0
<b>EXCELLENCE IN PUBLIC SERVICES</b>					
New Technology for Cleansing	14,190	7,270	14,190		0
Belle Isle Depot - Secure Equipment Storage	11,820	11,919	11,919		99
Vehicle Replacement Programme	400,000	246,962	400,000		0
					0
<b>HEALTHY &amp; ACTIVE PEOPLE</b>					
Disabled Facility Grants	302,280	167,812	302,280		0

**2012/13  
CAPITAL MONITORING TO 30 SEPTEMBER 2012**

	2012/13 Capital Programme	2012/13 Spend	2012/13 Forecast Spend	2012/13 Budget to be Carried Forward to Future Years	2012/13 Programme Variances Under/(Over)
	£	£	£	£	£
<b>EVERYONE HAS A HOME</b>					
Warm Up Exeter/PLEA Scheme	325,540	52	100,000		(225,540)
5 Year House Condition Survey	50,000	0	0		(50,000)
Renovation Grants	126,140	0	50,000		(76,140)
Wessex Loan Scheme	784,380	648,883	784,380		0
Glencoe Capital Works	5,670	0	5,670		0
St Loyes Design Fees	69,110	0	20,000	49,110	0
Private Sector Renewal Scheme	349,180	70,430	150,000		(199,180)
WHIL Empty Properties	200,000	200,000	200,000		0
HCA Empty Properties	100,000	0	0	100,000	0
The Haven	250,000	0	250,000		0
Social Housing Grants	1,707,630	0	0		(1,707,630)
St Paul's Church PC	100,000	0	0	0	(100,000)
Exwick & Foxhayes School SOS	300,000	0	0	0	(300,000)
Steps Acquisitions	50,000	0	50,000		0
Laings	50,000	0	0		(50,000)
11-13 Stepcote Hill	60,000	0	60,000		0
22 St Davids Hill Conversion	100,000	0	50,000	50,000	0
Hennis Project St Sidwells	32,340	0	0		(32,340)
Other Temp Accom Improvement	50,000	0	0		(50,000)
Temporary Accom Purchase	170,000	0	170,000		0
Conversion 23 Longbrook Terrace	25,000	0	0		(25,000)
Wheelchair Homes in RNSD Depot	250,000	0	0		(250,000)
Sprinklers	141,000	0	0		(141,000)
Coronation Road / Wonford Street	50,000	0	0		(50,000)
Infill Sites	350,000	0	350,000		0
Sovereign Infill - Shakespeare Road	375,000	375,000	375,000		0
Sovereign Infill - Leypark Road	135,000	135,000	135,000		0
Sovereign Infill - Residue	255,000	0	0		(255,000)
<b>SAFE CITY</b>					
Replace Digital Recording Equipment at Control Centre	48,000	0	0		(48,000)
<b>COMMUNITY &amp; ENVIRONMENT TOTAL</b>	<b>10,784,080</b>	<b>2,082,289</b>	<b>6,868,629</b>	<b>307,440</b>	<b>(3,608,011)</b>

**2012/13  
CAPITAL MONITORING TO 30 SEPTEMBER 2012**

	2012/13 Capital Programme	2012/13 Spend	2012/13 Forecast Spend	2012/13 Budget to be Carried Forward to Future Years	2012/13 Programme Variances Under/(Over)
	£	£	£	£	£
<b>ECONOMY &amp; DEVELOPMENT</b>					
<b>ACCESSIBLE CITY</b>					
National Cycle Network	30,030	26,984	30,030	0	0
Signage / Pedestrian Interpretation	31,600	30,000	31,600	0	0
Well Oak Footpath/Cycleway	80,150	1,845	40,000	40,150	0
King William Street Car Park Refurb Stage 1	197,330	195,000	197,330	0	0
King William Street Car Park Refurb Stage 2	858,260	840,166	888,260	0	30,000
<b>CULTURAL CITY</b>					
18 North Street Panelling	870	0	870	0	0
Corn Exchange Enhancements	5,110	154	5,110	0	0
Floodlighting	1,120	0	0	0	(1,120)
St Katherine's Priory Re-Roofing	74,650	470	74,650	0	0
<b>CARED FOR ENVIRONMENT</b>					
City Centre Enhancements	473,840	416,743	697,640	0	223,800
Mincinglake/Northbrook Study	11,820	9,058	11,820	0	0
Ibstock Environmental Improvements	3,240	0	3,240	0	0
Planting Improvements in Riverside Valley Park	14,320	0	0	14,320	0
Cowick Street Environmental Works	200,000	11,036	140,000	60,000	0
Exhibition Way Bridge Maintenance	45,000	0	7,500	37,500	0
Central Station Environmental Works	185,000	0	185,000	0	0
Princesshay Artwork	40,000	40,000	40,000	0	0
<b>EXCELLENCE IN PUBLIC SERVICES</b>					
Verney House	45,000	4,355	4,360	0	(40,640)
<b>LEARNING CITY</b>					
Improvements to Quay House Visitor Centre	1,470	1,084	1,470	0	0

**2012/13  
CAPITAL MONITORING TO 30 SEPTEMBER 2012**

	2012/13 Capital Programme	2012/13 Spend	2012/13 Forecast Spend	2012/13 Budget to be Carried Forward to Future Years	2012/13 Programme Variances Under/(Over)
	£	£	£	£	£
<b>PROSPEROUS CITY</b>					
Canal Basin and Quayside	406,850	0	90,000	316,850	0
Science Park	735,990	0	735,990	0	0
137 Cowick Street	33,850	29,705	33,850	0	0
<b>SAFE CITY</b>					
Security Measures for Riverside Valley Park	1,900	0	1,900	0	0
<b>ECONOMY &amp; DEVELOPMENT TOTAL</b>	<b>3,477,400</b>	<b>1,606,600</b>	<b>3,220,620</b>	<b>468,820</b>	<b>212,040</b>
<b>CORPORATE SERVICES</b>					
<b>ELECTRONIC CITY</b>					
Electronic Document Management	1,880	0	1,880	0	0
Server and Storage Strategy	39,930	23,190	39,930	0	0
Authentication Module	64,000	0	0	64,000	0
IT Development Time	37,500	15,800	37,500	0	0
PC & Mobile Devices Replacement Programme	178,010	52,410	178,010	0	0
Corporate Network Infrastructure	25,000	25,460	25,000	0	0
E-FIMS Upgrade	30,000	0	30,000	0	0
<b>EXCELLENCE IN PUBLIC SERVICES</b>					
Capitalised Staff Costs	261,000	0	261,000	0	0
<b>CORPORATE SERVICES TOTAL</b>	<b>637,320</b>	<b>116,860</b>	<b>537,520</b>	<b>64,000</b>	<b>0</b>



**2012/13  
CAPITAL MONITORING TO 30 SEPTEMBER 2012**

	2012/13 Capital Programme	2012/13 Spend	2012/13 Forecast Spend	2012/13 Budget to be Carried Forward to Future Years	2012/13 Programme Variances Under/(Over)
	£	£	£	£	£
<b>HRA CAPITAL</b>					
<b>EVERYONE HAS A HOME</b>					
Sheltered Accommodation	0		0		0
Adaptations	450,000	169,584	450,000		0
Defective Properties - British Steel	0		0		0
D/PS British Steel Properties	0		0		0
Rendering of Council Dwellings	260,000	63,002	260,000		0
Low Maint & Painting - Houses	0		0		0
MRA Fees	350,720	0	350,720		0
Environmental Improvements - Fencing	0		0		0
Communal Door Entry System	14,740	3,740	14,740		0
Environmental Improvements - General	55,060	10,531	55,060		0
Programmed Re-roofing	300,000	263,298	320,000	80,000	20,000
Energy Conservation	133,240	11,579	53,240		0
Asbestos Survey	180,000	44,717	180,000		0
Council House Extensions	0		0		0
External Walls	0		0		0
External Walls	0		0		0
Plastic Windows & Doors	20,000	6,573	20,000		0
Smoke Detector Replacements	200,000		200,000		0
LAINGS Refurbishments	5,000	0	5,000		0
Kitchen Replacements	2,663,260	438,071	2,663,260		0
Bathroom Replacements - Reactive	0		0		0
Asbestos Removal Works	325,000	131,626	325,000		0
Bathroom Replacements - Programmed	887,350	174,883	887,350		0
Development of HRA Land	0		0		0
Rennes / Farrady Fire Doors	0		0		0
Weirfield House Refurbishment	0		0		0
Other Works	133,540	6,430	125,530		(8,010)
Repainting	73,850	13,303	43,850	30,000	0
Fire Precautionary Works to Flats	331,050	148,675	331,050		0
Communal Areas	198,110	5,230	148,110	50,000	0
Structural Repairs	71,490	0	51,490	20,000	0
Fire Alarms at Sheltered Accommodation	140,000	2,491	60,000	80,000	0
Replacement Concrete Canopies	243,150	44,405	243,150		0
Rennes House Heating Replacement	0	1,670	1,670		1,670
472 Topsham Road Adaptations	55,000	54,634	54,634		(366)
Acquisition of 16 Chanter Court	75,000	75,000	75,000		0
Acquisition of Social Housing	488,280	274,380	488,280		0

**2012/13  
CAPITAL MONITORING TO 30 SEPTEMBER 2012**

Programme	2012/13 Capital	2012/13 Spend	2012/13 Forecast Spend	2012/13 Budget to be Carried Forward to Future Years	2012/13 Programme Variances Under/(Over)
	£	£	£	£	£
Programmed Electrical Re-wiring	510,000	221,587	510,000		0
Programmed Housing electrical Testing	0		0		0
Programmed Housing Electrical Testing	0		0		0
Central Heating Programme	705,940	366,973	705,940		0
Boiler Replacement Programme	260,000	144,365	260,000		0
HRA Self-Financing Payments	0				0
<b>HOUSING REVENUE ACCOUNT TOTAL</b>	<b>9,129,780</b>	<b>2,676,749</b>	<b>8,883,074</b>	<b>260,000</b>	<b>13,294</b>
<b>COUNCIL OWN BUILD CAPITAL</b>					
Phase 3 Professional Fees	135,300	27,447	135,300		0
Phase 2 St Andrews Road	19,800	4,633	19,800		0
Land Purchase	300,000	0		300,000	0
<b>COUNCIL OWN BUILD TOTAL</b>	<b>455,100</b>	<b>32,080</b>	<b>155,100</b>	<b>300,000</b>	<b>0</b>
<b>CAPITAL AND PROJECT EXPENDITURE TOTAL</b>	<b>24,483,680</b>	<b>6,514,577</b>	<b>19,664,943</b>	<b>1,400,260</b>	<b>(3,382,677)</b>

**2012/13  
CAPITAL MONITORING TO 30 SEPTEMBER 2012**

	£	£	£	£	£	£	£
	2012/13 Capital Programme	2012/13 Budget to be Carried Forward to Future Years	Proposed Deletion of scheme	Additional Budget Requirement	Saving Reported	2012/13 Revised Capital Programme	£
<b>COMMUNITY &amp; ENVIRONMENT</b>							
<b>CULTURAL CITY</b>							
Play Area Refurbishments	301,640					301,640	
Sports Facilities Refurbishment	175,330	108,330				67,000	
Parks Improvements	77,760					77,760	
Contribution to RAMM Re HLF Parks Bid	65,200					65,200	
Exwick Community Centre	20,880					20,880	
RAMM Redevelopment	2,200,000					2,200,000	
RAMM Off Site Store	40,740					40,740	
Neighbourhood Parks & Local Open Spaces	34,630					34,630	
Allotments - Toilet Replacement	23,440					23,440	
Replacement of Flowerpot Skate Park	250,000					250,000	
Refurbishment and Upgrade of Paddling Pools	200,000					200,000	
<b>CARED FOR ENVIRONMENT</b>							
Public Toilet Refurbishment	990					990	
Local Authority Carbon Management Programme	107,910					107,910	
Improvements to Cemetery Roads & Pathways	11,950		(11,950)			0	
Cemeteries & Churches Storage Improvements	26,330		(26,330)			0	
Midi Recycling Banks	10,000		(10,000)			0	
<b>EXCELLENCE IN PUBLIC SERVICES</b>							
New Technology for Cleansing	14,190					14,190	
Belle Isle Depot - Secure Equipment Storage	11,820					11,820	
Vehicle Replacement Programme	400,000					400,000	
No. 6 Greenhouse Belle Isle	0			17,500		17,500	
<b>HEALTHY &amp; ACTIVE PEOPLE</b>							
Disabled Facility Grants	302,280					302,280	

**2012/13  
CAPITAL MONITORING TO 30 SEPTEMBER 2012**

	2012/13 Capital Programme	2012/13 Budget to be Carried Forward to Future Years	Proposed Deletion of scheme	Additional Budget Requirement	Saving Reported	2012/13 Revised Capital Programme
	£	£	£	£	£	£
<b>EVERYONE HAS A HOME</b>						
Warm Up Exeter/PLEA Scheme	325,540		(225,540)			100,000
5 Year House Condition Survey	50,000		(50,000)			0
Renovation Grants	126,140		(76,140)			50,000
Wessex Loan Scheme	784,380					784,380
Glencoe Capital Works	5,670					5,670
St Loyes Design Fees	69,110	49,110				20,000
Private Sector Renewal Scheme	349,180		(199,180)			150,000
WHIL Empty Properties	200,000					200,000
HCA Empty Properties	100,000	100,000				0
The Haven	250,000					250,000
Social Housing Grants	1,707,630		(1,707,630)			0
St Paul's Church PC	100,000		(100,000)			0
Exwick & Foxhayes School SOS	300,000		(300,000)			0
Steps Acquisitions	50,000					50,000
Laings	50,000		(50,000)			0
11-13 Stepcoote Hill	60,000					60,000
22 St Davids Hill Conversion	100,000	50,000				50,000
Hennis Project St Sidwells	32,340		(32,340)			0
Other Temp Accom Improvement	50,000		(50,000)			0
Temporary Accom Purchase	170,000					170,000
Conversion 23 Longbrook Terrace	25,000		(25,000)			0
Wheelchair Homes in RNSD Depot	250,000		(250,000)			0
Sprinklers	141,000		(141,000)			0
Coronation Road / Wonford Street	50,000		(50,000)			0
Infill Sites	350,000					350,000
Sovereign Infill - Shakespeare Road	375,000					375,000
Sovereign Infill - Leypark Road	135,000					135,000
Sovereign Infill - Residue	255,000		(255,000)			0
<b>SAFE CITY</b>						
Replace Digital Recording Equipment at Control Centre	48,000		(48,000)			0
<b>COMMUNITY &amp; ENVIRONMENT TOTAL</b>	<b>10,784,080</b>	<b>307,440</b>	<b>(3,608,110)</b>	<b>17,500</b>	<b>0</b>	<b>6,886,030</b>

**2012/13  
CAPITAL MONITORING TO 30 SEPTEMBER 2012**

	2012/13 Capital Programme	2012/13 Budget to be Carried Forward to Future Years	Proposed Deletion of scheme	Additional Budget Requirement	Saving Reported	2012/13 Revised Capital Programme
	£	£	£	£	£	£
<b>ECONOMY &amp; DEVELOPMENT</b>						
<b>ACCESSIBLE CITY</b>						
National Cycle Network	30,030					30,030
Signage / Pedestrian Interpretation	31,600					31,600
Well Oak Footpath/Cycleway	80,150	40,150				40,000
King William Street Car Park Refurb Stage 1	197,330					197,330
King William Street Car Park Refurb Stage 2	858,260			30,000		888,260
<b>CULTURAL CITY</b>						
18 North Street Panelling	870					870
Corn Exchange Enhancements	5,110					5,110
Floodlighting	1,120		(1,120)			0
St Katherine's Priory Re-Roofing	74,650					74,650
<b>CARED FOR ENVIRONMENT</b>						
City Centre Enhancements	473,840			224,000		697,840
Mincinglake/Northbrook Study	11,820					11,820
Ibstock Environmental Improvements	3,240					3,240
Planting Improvements in Riverside Valley Park	14,320	14,320				0
Cowick Street Environmental Works	200,000	60,000				140,000
Exhibition Way Bridge Maintenance	45,000	37,500				7,500
Central Station Environmental Works	185,000					185,000
Princesshay Artwork	40,000					40,000
<b>EXCELLENCE IN PUBLIC SERVICES</b>						
Verney House	45,000				(40,640)	4,360
<b>LEARNING CITY</b>						
Improvements to Quay House Visitor Centre	1,470					1,470
<b>PROSPEROUS CITY</b>						
Canal Basin and Quayside	406,850	316,850				90,000
Science Park	735,990					735,990
137 Cowick Street	33,850					33,850
<b>SAFE CITY</b>						
Security Measures for Riverside Valley Park	1,900					1,900
<b>ECONOMY &amp; DEVELOPMENT TOTAL</b>	<b>3,477,400</b>	<b>468,820</b>	<b>(1,120)</b>			<b>3,220,820</b>

**2012/13  
CAPITAL MONITORING TO 30 SEPTEMBER 2012**

	2012/13 Capital Programme	2012/13 Budget to be Carried Forward to Future Years	Proposed Deletion of scheme	Additional Budget Requirement	Saving Reported	2012/13 Revised Capital Programme
	£	£	£	£	£	£
<b>CORPORATE SERVICES</b>						
<b>ELECTRONIC CITY</b>						
Electronic Document Management Server and Storage Strategy	1,880					1,880
Authentication Module	39,930					39,930
IT Development Time	64,000	64,000				0
PC & Mobile Devices Replacement Programme	37,500					37,500
Corporate Network Infrastructure	178,010					178,010
E-FIMS Upgrade	25,000					25,000
	30,000					30,000
	0					0
	0					0
<b>EXCELLENCE IN PUBLIC SERVICES</b>						
Capitalised Staff Costs	261,000					261,000
<b>CORPORATE SERVICES TOTAL</b>	<b>637,320</b>	<b>64,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>573,320</b>

**2012/13  
CAPITAL MONITORING TO 30 SEPTEMBER 2012**

	2012/13 Capital Programme	2012/13 Budget to be Carried Forward to Future Years	Proposed Deletion of scheme	Additional Budget Requirement	Saving Reported	2012/13 Revised Capital Programme
	£	£	£	£	£	£
<b>HRA CAPITAL</b>						
<b>EVERYONE HAS A HOME</b>						
Sheltered Accommodation	0					0
Adaptations	450,000					450,000
Defective Properties - British Steel	0					0
D/PS British Steel Properties	0					0
Rendering of Council Dwellings	260,000					260,000
Low Maint & Painting - Houses	0					0
MRA Fees	350,720					350,720
Environmental Improvements - Fencing	0					0
Communal Door Entry System	14,740					14,740
Environmental Improvements - General	55,060					55,060
Programmed Re-roofing	300,000					300,000
Energy Conservation	133,240	80,000				53,240
Asbestos Survey	180,000					180,000
Council House Extensions	0					0
External Walls	0					0
External Walls	0					0
Plastic Windows & Doors	20,000					20,000
Smoke Detector Replacements	200,000					200,000
LAINGS Refurbishments	5,000					5,000
Kitchen Replacements	2,663,260					2,663,260
Bathroom Replacements - Reactive	0					0
Asbestos Removal Works	325,000					325,000
Bathroom Replacements - Programmed	887,350					887,350
Development of HRA Land	0					0
Rennes / Fairady Fire Doors	0					0
Weirfield House Refurbishment	0					0
Other Works	133,540					133,540
Repointing	73,850					43,850
Fire Precautionary Works to Flats	331,050	30,000				331,050
Communal Areas	198,110	50,000				148,110
Structural Repairs	71,490	20,000				51,490
Fire Alarms at Sheltered Accommodation	140,000	80,000				60,000
Replacement Concrete Canopies	243,150					243,150
Rennes House Heating Replacement	0					0
472 Topsham Road Adaptations	55,000					55,000

**2012/13  
CAPITAL MONITORING TO 30 SEPTEMBER 2012**

	2012/13 Capital Programme	2012/13 Budget to be Carried Forward to Future Years	Proposed Deletion of scheme	Additional Budget Requirement	Saving Reported	2012/13 Revised Capital Programme
	£	£	£	£	£	£
Acquisition of 16 Charter Court	75,000					75,000
Acquisition of Social Housing	488,280					488,280
Programmed Electrical Re-wiring	510,000					510,000
Programmed Housing electrical Testing	0					0
Programmed Housing Electrical Testing	0					0
Central Heating Programme	705,940					705,940
Boiler Replacement Programme	260,000					260,000
HRA Self-Financing Payments	0					0
<b>HOUSING REVENUE ACCOUNT TOTAL</b>	<b>9,129,780</b>	<b>260,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,869,780</b>
<b>COUNCIL OWN BUILD CAPITAL</b>						
Phase 3 Professional Fees	135,300					135,300
Phase 2 St Andrews Road	19,800					19,800
Land Purchase	300,000	300,000				0
<b>COUNCIL OWN BUILD TOTAL</b>	<b>455,100</b>	<b>300,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>155,100</b>
<b>CAPITAL AND PROJECT EXPENDITURE TOTAL</b>	<b>24,483,680</b>	<b>1,400,260</b>	<b>(3,609,230)</b>	<b>0</b>	<b>0</b>	<b>19,705,050</b>



# Agenda Item 6

## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE - RESOURCES 21 NOVEMBER 2012

EXECUTIVE  
4 DECEMBER 2012

COUNCIL  
11 DECEMBER 2012

#### OVERVIEW OF GENERAL FUND REVENUE BUDGET 2012/13

#### 1. PURPOSE OF THE REPORT

- 1.1 To advise Members of the overall projected financial position of the General Fund Revenue Budget and Housing Revenue Account after six months, for the 2012/13 financial year.

#### 2. REVENUE POSITION – EXECUTIVE SUMMARY

FUND	Latest Approved Budget	Stewardship Variance September 2012	Outturn Forecast 2012/13
	£	£	£
General Fund	13,116,075	(302,096)	12,813,979
HRA*	(2,320,270)	1,906,070	(414,200)
Council own Build Houses*	(17,570)	(31,570)	(49,140)
* (surplus) / deficit			

#### GENERAL FUND – Appendix A

- 2.1 The Service Committee budgets shows a forecast underspend of £258,260 (1.9%) against a revised Service Committee Net Expenditure budget of £13,718,210 and an overall underspend of £302,096 against General Fund Expenditure including investment interest and funds set aside for the repayment of debt.
- 2.2 Details of the variances are being disclosed in stewardship reports to individual Scrutiny Committees during the current cycle of meetings. All areas have made a saving resulting from a lower pay award than the Council budgeted for. However the main variances across the Council are as follows:
- 2.3 **Scrutiny Committee Community – (An overspend of £177,000)**

Cleansing Services is anticipated to overspend by £109,500 as a result of increased waste disposal costs and the delayed implementation of the revised garden waste collection procedure.

Within the Museums Service there will be an anticipated overspend of £115,500 due to higher anticipated costs for utilities and Non Domestic Rates. The Council is currently appealing the Non Domestic Rates valuation which could eventually result in a reduction.

Other variances within the Committee result in a net underspend of £48,000, leaving an anticipated total overspend for the Committee of £177,000.

## 2.4 Scrutiny Committee Economy – (An underspend of £437,810)

Car parking income is expected to exceed the estimate and has contributed to a projected £51,310 underspend.

Income from planning fees is currently 76% above budget. It is therefore anticipated that planning fee income will exceed the budget resulting in an underspend of £246,430.

Additional income is expected in respect of the Matford Centre and Corn Exchange, contributing to an estimated underspend on Markets and Halls of £90,620.

Other variances within the Committee result in a net underspend of £49,450, leaving an anticipated total underspend for the Committee of £437,810.

## 2.5 Scrutiny Committee Resources – (An underspend of £247,450)

As a result of the change in subsidy in respect of Non HRA Rent Allowances, it is estimated that there will be a small increase in subsidy for 2012/13 resulting in an additional saving in cost of £65,200 on Housing Benefits.

The retail unit attached to Guildhall was vacant until August 2012 with a subsequent loss of rental income and the payment of void rates; the unit has now been successfully let. However there is an anticipated overspend of £68,700 on Civic Ceremonials.

The approved cost of pension fund contributions following redundancies has caused an overspend of £55,440 on unapportionable overheads. Individual services throughout the Council have been charged the actual cost of redundancies to reflect where the subsequent savings will be made.

Other variations caused by the senior management restructure and further, ongoing restructures have caused an additional underspend of £306,390, leaving a total underspend of £247,450 for the Committee.

## 3. OTHER FINANCIAL VARIATIONS

- 3.1 There is a net transfer to Earmarked Reserves of £1,021,572, a reduction of £192,986 from budget. The variance is to cover voluntary redundancies included within the Service Committee totals.
- 3.2 After the completion of the final accounts for 2011/12, the provision for the repayment of debt has been calculated and is £31,164 higher than the estimate. It is anticipated that net interest paid will be £75,000 lower than anticipated owing to continuing low interest rates for funds borrowed from other Local Authorities.
- 3.3 The overall net transfer from the General Fund Working Balance is estimated to be £558,965 at 31 March 2013 after accounting for July approved supplementary budgets of £138,260. This represents a reduction of £502,493 against budget and would leave the General Fund Working Balance at £3,726,460 at the end of the year.

## 4. HOUSING REVENUE ACCOUNT (HRA) (APPENDIX B)

- 4.1 During this period the total budget variances indicate that there will be a net surplus of £414,200 in 2012-13 which will be transferred to the HRA working balance. This represents a decrease of £1,906,070 compared to the budgeted transfer to the working balance of £2,320,270. This reduction is predominantly due to an approved increase to the kitchen and bathroom replacement programmes, which is explained in more detail below. It is estimated that the working balance will stand at £6,178,623 at 31 March 2013.

4.2 In respect of the Council Own Build sites (COB), the total budget variances indicate that there will be a net surplus of £49,140 achieved in 2012-2013, which will be transferred to the COB working balance. This represents an increase of £31,570 compared to the budgeted transfer to the working balance of £17,570. It is estimated that the working balance will stand at £77,346 at 31 March 2013.

## 5. OUTSTANDING SUNDRY DEBT

5.1 The Council issues invoices for a range of sundry debts, including :-

- Commercial rent
- Trade waste
- Service charge and ground rent for leasehold flat owners
- Home call alarms
- Housing benefit overpayments
- A range of other services such as room rental.

This does not include housing rent, council tax or business rate debt.

5.2 An aged debt analysis of the Council's sundry debts is shown in the table below. Debt over 30 days old has decreased over the year from £1.884m to £1.769m – a reduction of £115,000. Debts over 5 years old relate in the main to two services, Housing Benefit overpayments (£140,000) and Housing (£11,839).

Age of Debt	September 2011	September 2012
Up to 29 days (current)	£1,050,653	£731,756
30 days – 1 Year	£862,928	£855,102
1 – 2 years	£405,545	£314,153
2 –3 years	£214,130	£241,261
3 – 4 years	£141,298	£110,201
4 – 5 years	£79,561	£92,804
5 + years	£180,376	£155,276
<b>Total</b>	<b>£2,934,491</b>	<b>£2,500,553</b>

5.3 Of the outstanding debt, the table below sets out the main services and debts owing:

	Outstanding Debt – 30 September 2012
	£
▪ Commercial rent	675,397
▪ Markets & Halls	22,825
▪ Trade waste	111,397
▪ Service charges and ground rent	59,732
▪ Home call alarms	5,772
▪ Housing benefit overpayments*	1,136,219
▪ Recycling	116,664
▪ Leisure / Museums	41,201
▪ AFU	14,786
▪ Economy & Tourism	49,212
▪ HRA	93,978
▪ General Fund Housing	59,510
▪ River & Canal	22,580

- These overpayments occur largely due to claimants' change of circumstances which leads to a lower benefit entitlement once a reassessment is made. This figure represents about 2.3% of the total annual benefits paid and more than 90% of these amounts are usually recovered.

## 6. DEBT WRITE-OFFS

6.1 The following amounts have been written-off during the first six months of 2012/13:

• Council Tax	£ 79,633
• Business Rates*	£ 0
• Sundry Debt	£ 17,853
• Housing Rents	£ 67

\* Business Rates write-offs are considered during March 2013.

## 7. CREDITOR PAYMENTS PERFORMANCE

7.1 During the first six months of 2012/13, the percentage of invoices paid within 30 days was 95.6%, which is marginally lower than the 2011/12 performance of 96.6%.

## 8. CONCLUSION

- 8.1 The forecast reduction in Service Committee net expenditure for 2012/13 totals £258,260 including the supplementary budgets of £138,260. This together with transfers from Earmarked Reserves, net interest paid, the New Homes Bonus and provision for the repayment of debt will result in a transfer of £558,965 from the General Fund Working Balance.
- 8.2 The forecast General Fund Working Balance at 31 March 2013 is £3,726,460 and equates to 28.1% of the General Fund net expenditure.
- 8.3 It is estimated that the HRA working balance will be £6,178,623 and the Council's Own Build Balance will stand at £77,346 at 31 March 2013.
- 8.4 The creditors' payment performance has dropped slightly and is currently 95.6%.

## 9. RECOMMENDATION

- 9.1 That Scrutiny Resources Committee notes and Executive recommend that the Council approve:
- The General Fund forecast financial position for the 2012/13 financial year
  - The HRA forecast financial position for 2012/13 financial year
  - The outstanding Sundry Debt position as at June 2012
  - The creditors' payments performance

ASSISTANT DIRECTOR FINANCE

STRATEGIC DIRECTOR

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

**Background papers used in compiling the report:**

None

APPENDIX A

GENERAL FUND  
2012/13 REVENUE ESTIMATES - SUMMARY  
as at 30 September 2012

	Annual Budget £	Supplementary Budgets £	Revised Annual Budget £	Year End Forecast £	Variance to Budget £
SCRUTINY - COMMUNITY	13,552,090	55,200	13,607,290	13,784,290	177,000
SCRUTINY - ECONOMY	(2,537,130)	71,060	(2,466,070)	(2,903,880)	(437,810)
SCRUTINY - RESOURCES	6,094,780	12,000	6,106,780	5,859,330	(247,450)
Senior Management Restructure	(500,000)		(500,000)	(250,000)	250,000
less Notional capital charges	(3,029,790)		(3,029,790)	(3,029,790)	0
<b><u>Service Committee Net Expenditure</u></b>	<b>13,579,950</b>	<b>138,260</b>	<b>13,718,210</b>	<b>13,459,950</b>	<b>(258,260)</b>
Net Interest	150,000		150,000	75,000	(75,000)
Local Services Support Grant	(505,470)		(505,470)	(505,470)	0
New Homes Bonus	(1,322,665)		(1,322,665)	(1,322,665)	0
Minimum Revenue Provision	1,076,000		1,076,000	1,107,164	31,164
<b><u>General Fund Expenditure</u></b>	<b>12,977,815</b>	<b>138,260</b>	<b>13,116,075</b>	<b>12,813,979</b>	<b>(302,096)</b>
Transfer To/From(-) Working Balance	(923,198)	(138,260)	(1,061,458)	(558,965)	502,493
Transfer To/From(-) Earmarked Reserves	1,197,065		1,197,065	997,155	(199,910)
<b><u>General Fund Net Expenditure</u></b>	<b>13,251,682</b>	<b>0</b>	<b>13,251,682</b>	<b>13,252,169</b>	<b>487</b>
Formula Grant	(8,257,807)		(8,257,807)	(8,257,807)	0
Council Tax Freeze Grant	(237,283)		(237,283)	(237,770)	(487)
<b><u>Council Tax Net Expenditure</u></b>	<b>4,756,592</b>	<b>0</b>	<b>4,756,592</b>	<b>4,756,592</b>	<b>0</b>
<b>Working Balance</b>	<b>March 2012</b>	<b>£ 4,285,425</b>		<b>£ 3,726,460</b>	<b>March 2013</b>

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**APPENDIX B**

**HOUSING REVENUE ACCOUNT  
2012/13 REVENUE ESTIMATES - SUMMARY  
as at 30 September 2012**

Code	Approved Annual Budget	Current Outturn Forecast	Variance To Budget
	£	£	£
85A1 Management	2,992,070	2,907,650	(84,420)
85A3 Sundry Lands Maintenance	262,170	262,170	0
85A4 Repairs Fund Contribution	9,924,020	12,011,570	2,087,550
85A6 Capital Charges	0	0	0
85A8 Rents	(17,387,550)	(17,541,350)	(153,800)
85B2 Interest	1,889,020	1,945,760	56,740
85B4 Variance in Working Balance	2,320,270	414,200	(1,906,070)
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Working Balance</b>	<b>1 April 2012</b>	<b>31 March 2013</b>	<b>£ 6,178,623</b>
	£ 5,764,423		

**COUNCIL OWN BUILD SITES**

Code	Approved Annual Budget	Current Outturn Forecast	Variance To Budget
	£	£	£
H006 Rowan House	(6,450)	(6,630)	(180)
H007 Knights Place	(36,400)	(52,510)	(16,110)
H008 Capital Financing	15,000	10,000	(5,000)
H009 Capital Charges	10,280	0	(10,280)
<b>Variance in Working Balance</b>	<b>17,570</b>	<b>49,140</b>	<b>31,570</b>
<b>Working Balance</b>	<b>1 April 2012</b>	<b>31 March 2013</b>	<b>£ 77,346</b>
	£ 28,206		

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## EXETER CITY COUNCIL

### SCRUTINY COMMITTEE – RESOURCES 21 NOVEMBER 2012

#### EXECUTIVE 4 DECEMBER 2012

#### TREASURY MANAGEMENT – 2012/13 – HALF YEAR UPDATE

##### 1. PURPOSE OF REPORT

- 1.1 To report on the current performance for the 2012/13 financial year and the position regarding investments and borrowings at 30 September 2012.

##### 2. TREASURY MANAGEMENT STRATEGY

- 2.1 The Council approved the 2012/13 treasury management strategy at its meeting on 21 February 2012. The Council's stated investment strategy was to continue to hold only small surplus funds and to use the Government's Debt Management Office, Local Authorities and to pursue the opening of a Money Market Fund. The Council's stated borrowing strategy was to maintain short-term borrowing as long as rates remained low. The Council is currently borrowing over 1 year periods.
- 2.2 The Assistant Director Finance is pleased to report that all treasury management activity undertaken during the period complied with the approved strategy, the *CIPFA Code of Practice*, and the relevant legislative provisions.

##### 3. ECONOMIC REVIEW

- 3.1 The first half of the financial year saw continuing volatility across the world as the Eurozone crisis and slowing demand continued to take effect. The UK's recession continued, primarily down to the additional Bank Holiday, but also reduced demand for exports from the Eurozone had a greater impact.
- 3.2 Many Western developed nations, including the UK, continue to implement policies to reduce public budget deficits, which curb domestic demand. On a positive note inflation has come down towards target over the last few months, although recent announcements of energy price rises may have an impact on the future direction of inflation.
- 3.3 The Bank of England, however, continues to be more concerned about the economic recovery, and has maintained Bank Rate at 0.5%, and embarked on further rounds of quantitative easing, bringing its asset purchases up to £375 billion by the end of November.

#### 4. Interest Rate Prospects

- 4.1 The August Inflation Report showed that the Bank expects little economic growth this year and a gradual recovery in 2013. The weakness in demand is projected to place downward pressure on inflation, maintaining it around target for the next few years. The recent downward trend in the CPI inflation rate allied with the global downturn has pushed market expectations for a rise in interest rates out to at least 2014. Although previously discounted by the Monetary Policy Committee (MPC), there is now also the marginal possibility of a cut in Bank Rate to 0.25%. Further asset purchases also seem likely later this year. The latest central forecast from the Council's treasury management advisers is shown below. The risks to the forecast remain heavily to the downside, (i.e. it could take longer for rates to start to rise) arising largely from the impact of the Eurozone sovereign debt crisis on UK business and household confidence.

Period	Bank Rate	3 month LIBOR	12 month LIBOR	25-year PWLB rate
Q3 2012	0.50	0.65	1.40	4.10
Q4 2012	0.50	0.65	1.20	4.15
Q1 2013	0.50	0.65	1.30	4.20
Q2 2013	0.50	0.70	1.40	4.25
Q3 2013	0.50	0.80	1.45	4.35
Q4 2013	0.75	0.95	1.50	4.50
H1 2014	1.00	1.20	1.80	4.85
H2 2014	1.50	1.70	2.30	5.10
H1 2015	2.00	2.20	2.80	5.25
H2 2015	2.50	2.75	3.30	5.50

#### 5. NET INTEREST POSITION

- 5.1 The General Fund shows an estimated net reduction in interest payable compared to the budget, the position is:

	Estimate	Sept 12	Estimated Outturn	Variation
	£	£	£	£
<b>Interest paid</b>	125,000	14,930	60,000	(65,000)
<b>Interest earned</b>				
Temporary investment interest	(36,000)	(10,842)	(20,000)	16,000
Other interest earned	(1,750)	(330)	(660)	1,090
Less				
Interest to HRA	52,500	15,000	30,000	(22,500)
Interest to s106 agreements	8,000	2,938	4,620	(3,380)
Interest to Trust Funds	2,250	630	1,260	(990)
Lord Mayors Charity	0	250	500	500
GF interest (received) / paid out	<u>25,000</u>	<u>7,646</u>	<u>15,720</u>	<u>(9,280)</u>
Net interest	<u>150,000</u>	<u>22,576</u>	<u>75,720</u>	<u>(74,280)</u>

- 5.2 The other interest earned relates principally to car loan repayments.
- 5.3 The improvement against budget has been caused by a number of factors. Please see section 6 for a detailed explanation.

## **6. INVESTMENT INTEREST**

- 6.1 The Council is utilising the Government's Debt Management Office account in line with the treasury management strategy whenever there is surplus cash for investment. This pays an interest rate of 0.25%, which means much lower returns. However, it also means much lower borrowing costs for the Council resulting in a better overall position for the General Fund.
- 6.2 The HRA interest is calculated according to statute, and has changed to reflect the lower returns. Whilst this is disappointing for the HRA, Trust Funds and section 106 agreements, chasing higher rates of return would place all the risk on the General Fund, whilst the additional interest would be enjoyed by the other Funds.
- 6.3 In respect of the Icelandic investments, further repayments have been made by Landsbanki meaning that £1.506 million has now been received back by the Council. Further repayments will be made as and when assets are sold. In respect of Glitnir, no further information has been forthcoming regarding the £380,000 held in escrow on our behalf in Iceland.

## **7. BORROWINGS**

- 7.1 The Council has reduced its temporary borrowing over the first six months of the year and now has only £5 million of borrowing down from £8 million at the start of the year. It is anticipated that the £5 million borrowing will be renewed and that a small amount of further borrowing may be required over the next six months, in order to maintain a positive cashflow. The borrowing will be taken over 364 days as interest rates remain very low.
- 7.2 Long-term borrowing of £56.884m has been taken over 50 years to cover the payment required to introduce self-financing in the HRA. This attracts annual interest of £1.980 million, payable by the HRA.

## **8. TREASURY MANAGEMENT ADVISERS**

- 8.1 For several years the Council has used Sterling Consultancy Services as our Treasury Management advisers. Sterling Consultancy Services have been purchased by Arlingclose, an independent treasury management advisory company. The staff have transferred and the contract terms and conditions remain the same. The Council will monitor the transition to ensure that the level of service remains of a high standard. The Council only has to give three months' notice to end the contract if it was to prove of a lower standard.

## **9. FUTURE POSITION**

- 9.1 As interest rates remain very low the Council will continue to use short term borrowing to manage its cash flow.
- 9.2 Short term investment opportunities remain limited and the Council is therefore minimising the amount of cash available to invest and continuing to keep its borrowing costs low. This has an ongoing impact on returns but maximises the security of our cash.

**10. RECOMMENDATION**

10.1 That the Treasury Management report for the first six months of 2012/13 be noted.

ASSISTANT DIRECTOR FINANCE

STRATEGIC DIRECTOR

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

**Background papers used in compiling the report:**

None

## EXETER CITY COUNCIL

EXECUTIVE  
4 DECEMBER 2012

COUNCIL  
11 DECEMBER 2012

### 2013/14 BUDGET STRATEGY AND MEDIUM TERM FINANCIAL PLAN

#### 1. PURPOSE OF THE REPORT

- 1.1 To provide a strategic overview of the budgetary position for the 2013/14 financial year and beyond including an indication of the likely level of available resources and the known demand for resources and the proposals to ensure that a balanced budget is achieved.

#### 2. BACKGROUND

- 2.1 Exeter City Council, like all other local authorities and public sector bodies, faces unprecedented reductions in its financial support from Government. The Comprehensive Spending Review 2010 (CSR 10) set out the likely scale of cuts to local authority funding and has subsequently translated in the Local Government Finance Settlement for 2011/12 and 2012/13. For Exeter this has meant a reduction in formula grant of almost 23% between 2010/11 and 2012/13 with expectations of further cuts in grant beyond that.
- 2.2 The Council's budget proposals for 2012/13 included a package of measures to save some £1.048 million which resulted in an overall reduction of the revenue budget requirement from £14.135 million in 2011/12 to £13.252 million for the current year.
- 2.3 Next year will see significant changes affecting Council finances being introduced by Government. These include the following:
- Local Government Resources Review including Local Business Rate Retention
  - Pooling Arrangements for Business Rates
  - Universal Credits and Welfare Reforms
  - Localising support for Council Tax Benefit
  - Technical Reforms to Council Tax

#### 3. LOCAL GOVERNMENT FINANCE SETTLEMENT

- 3.1 Last year's Local Government Finance settlement included notification of our formula grant for both 2011/12 and 2012/13. It is currently anticipated that the Draft Local Government Finance Report setting out the revenue funding for next year is not expected to be announced until at least 20 December 2012. At this stage therefore, the Medium Term Financial Strategy is based upon our best estimate of all the changes using both external advice and early release of some data by the Government.

#### 4. COUNCIL TAX

- 4.1 On 8 October 2012, the Chancellor of the Exchequer announced an £450 million fund for local authorities who decide to freeze council tax next year. If they do, councils, police and fire authorities will stand to receive £225 million of funding in both financial years 2013/14 and 2014/15, equivalent to raising their 2012/13 council tax by one per cent. In addition, in 2013/14 the Government will propose to lower the local authority tax referendum threshold to two per cent. After freezing its council tax for the last 2 years, the budget strategy for next year assumes that council tax will increase by 2%, which will raise an extra £96,000.

## 5. NEW HOMES BONUS

- 5.1 The New Homes Bonus is designed to create an effective fiscal incentive to encourage local authorities to facilitate housing growth. The scheme provides local authorities with a New Homes Bonus grant, equal to the national average for the council tax band on each additional property and paid for the following six years as an unringfenced grant. There is also an enhancement for affordable homes. Whereas previously DCLG has allocated additional funding for the scheme in 2011/12 and 2012/13, this is no longer the case from 2013/14 onwards with funding for the scheme being 'top-sliced' from mainstream grant funding.
- 5.2 To date the Council has received New Homes Bonus of £389,165 in 2011/12, £1,322,664 in 2012/13 and is expecting to receive a further £2.3 million in 2013/14. The Executive has previously determined how the New Homes Bonus funding will be allocated, with 30% and 50% of the funding going towards community projects and major infrastructure respectively after a top slice for capacity building and neighbourhood planning. Based upon this allocation and using future estimates of funding the New Homes Bonus would be allocated as set out in the table below:-

Year	Top Slice £000's	Community Projects £000's	Major Infrastructure £000's	Unallocated £000's	Total £000's
2011/12	-	-	-	389	389
2012/13	120	361	601	241	1,323
2013/14	120	652	1,087	435	2,294
2014/15	120	847	1,412	564	2,943
2015/16	120	1,042	1,736	694	3,592
2016/17	120	1,236	2,061	824	4,241
2017/18	120	1,314	2,190	876	4,500
<b>Total</b>	<b>720</b>	<b>5,452</b>	<b>9,087</b>	<b>4,023</b>	<b>19,282</b>

- 5.3 The table above indicates that by using the current allocation some £5.5 million New Homes Bonus funding would go towards funding community projects. However, by taking into account the Council's desire to deliver its proposed new swimming pool scheme and other major infrastructure projects there is an opportunity to consider the current allocation of New Homes Bonus Funding in the future. If the funding for community projects was set at a maximum level of £250,000 per annum from 2013/14 onwards, the revised allocation would be as set out in the following table:-

Year	Top Slice £000's	Community Projects £000's	Major Infrastructure £000's	Unallocated £000's	Total £000's
2011/12	-	-	-	389	389
2012/13	120	361	601	241	1,323
2013/14	120	250	1,489	435	2,294
2014/15	120	250	2,009	564	2,943
2015/16	120	250	2,528	694	3,592
2016/17	120	250	3,047	824	4,241
2017/18	120	250	3,254	876	4,500
<b>Total</b>	<b>720</b>	<b>1,611</b>	<b>12,928</b>	<b>4,023</b>	<b>19,282</b>

5.4 The Council has previously decided not to use any of its New Homes Bonus allocation to fund any of its revenue budget services. Members may however wish to consider using part of the New Homes Bonus funding in order to meet some of the Council's additional revenue costs that have arisen as a result of more homes being built e.g. more refuse bins to collect, more streets to keep clean etc.

## **6. LOCAL GOVERNMENT RESOURCE REVIEW INCLUDING LOCALISATION OF BUSINESS RATES**

6.1 On 18 July 2011, the Government published its consultation proposals for the retention of Business Rates. This was followed by a series of eight technical papers, published on 19 August 2011, which provided further detail. The Government's response to the consultation was published on 19 December 2011 and this was subsequently confirmed as one of the features of the recent Local Government Finance Act. Business Rates retention is intended to provide incentives for local authorities to drive economic growth, as the authorities will be able to retain a share of any growth that is generated in Business Rates revenue in their areas, as opposed to the current system where all Business Rates revenues go to central Government for distribution.

6.2 Under the proposals the overall level of funding to each authority from Central Government for 2013/14 will reflect the amount which would have been receivable from Formula Grant (i.e. grant and share of redistributed business rates) had there been no change to the system.

6.3 This is achieved by first splitting the business rates collected in the following proportions:

50% - to Central Government

9% - to Devon County Council

1% - to the Fire Authority

40% - to be retained by Exeter City Council (the District's Business Rates Baseline)

6.4 Whilst there will be some local authorities that earn more in business rates than they used to receive from the current formula grant, there will be others who earn less. The Government takes account of this by introducing a system using "top-ups" and "tariffs". In overall terms however there is no new money for this finance system; it is a redistribution of the current monies allocated to Local Government but on a different basis.

6.5 Going forward however, the new system does allow local authorities to keep part of any increase in growth in their business rates base. The element of growth retained by each local authority will be limited to their needs baseline level of funding. In the case of Exeter its Business Rates baseline will be significantly more than its needs baseline such that it will have to pay a high levy payment of about 85%. This means that Exeter City Council would only get to keep 15% of its share of any business rates growth with the rest going to Government.

## **7. POOLING ARRANGEMENTS FOR BUSINESS RATES**

7.1 The Local Government Finance Act also allows local authorities to form pools for the purposes of business rates retention. It is expected that pooling will offer many local authorities an opportunity to retain more of the business rates generated in their areas, due to the way in which the process is expected to operate, and to use that revenue more effectively to drive economic growth.

- 7.2 When authorities decide to enter into a pooling arrangement, a single funding baseline and single business rates baseline will be calculated for the whole pool, meaning that a combined tariff and levy is applied to the pool's business rates revenue as opposed to this being applied to each individual authority.
- 7.3 All the Devon Authorities have jointly worked together to determine if there would be any benefits from Business Rates Pooling in Devon. The key conclusions from this work were that:
- All Devon Districts are forecast to be tariff authorities and will be required to pay a levy on Business Rates growth; and this is a necessary condition in order to make pooling worthwhile financially for the region.
  - Devon County Council, Plymouth and Torbay are forecast to be 'Top Up' Authorities.
  - There were three scenarios in the analysis carried out, none of which indicated that the pool Authorities lose financially by acting as a pool. Under each of the three pooling scenarios, based on the "most likely", "lower" and "higher" estimates of Business Rates growth, a higher level of resources would be received by the pool, than if the authorities had acted individually.

## **8. ADVANTAGES OF POOLING**

- 8.1 Pooling would significantly reduce each Authorities exposure to Business Rates income volatility and financial risks through loss of direct income if businesses go into decline. These risks are spread across a much larger pool, hence smoothing out any such volatility. Districts are at risk from having large business rate bases in comparison to their funding levels.
- 8.2 The financial advantage is that there will be a lower levy rate applied to growth – so the region will pay a reduced levy payment to central government. Financial modeling using the 'most likely' forecasts of growth for each council shows that over 5 years, the financial gains for the Devon region could be in the order of £11.7 million. This gain would be shared proportionately with all the Devon Authorities and Exeter's share would be in the region of an additional £1.1 million. An allowance for this additional growth funding has been included in the latest medium term financial plan.

## **9. POOLING – THE NEXT STAGE**

- 9.1 Following a meeting of all the Devon Leaders and Chief Executives it was decided that Exeter should submit an expression of interest in July to Government to form a Devonwide pooling arrangement. This included all eight Devon District Councils, Plymouth and Torbay Unitary Councils and Devon County Council. In the months following the initial expression of interest the Councils have been working together to agree the governance arrangements of the proposed pool. A proposal for a Devonwide Pool signed off by each relevant s151 officer and Chief Executive has now been submitted to Government by 9 November deadline.
- 9.2 The Government intends to allow authorities the chance to withdraw from pooling arrangements once the draft Local Government Finance Report is published around late December (if the request is made within 28 days of the draft report being published). It is therefore proposed that the final decision of whether or not to remain in the pool should be delegated to the Council's section 151 officer (Assistant Director Finance) in consultation with the Leader.



## **10. WELFARE REFORM INCLUDING LOCALISING SUPPORT FOR COUNCIL TAX**

- 10.1 With the introduction of the Welfare Reform Bill, the Government plans that local authorities will no longer be responsible for the administration of Housing Benefit payments. Benefits payments will form part of the Universal Credit proposals amalgamating a number of welfare payments into one system administered directly by the Department for Works and Pensions (DWP). It is currently proposed to be introduced in October 2013 with a lengthy period of implementation and customers rolling into the system at different stages. This clearly brings with it uncertainties for customers, Council staff and financial uncertainty in understanding clearly the role the Council will play in the future. There is a risk in the calculations to be used by Government to reduce funding to reflect the stopping of this responsibility that the Council could be left disadvantaged.
- 10.2 As part of the Welfare Reform and linked with the Local Government Finance Act, the Government are Localising Support for Council Tax. This has been the subject to a separate report to Executive on 20 November 2012. The proposals are that the Council will become responsible for assisting those on low incomes to help meet their Council Tax liability, not only in terms of administering a scheme but actually setting the scheme details locally. The financial risks associated with this relate to how the Council will be financially reimbursed for the payments made under the scheme and the cost of administration. Under the current system, Council Tax Benefit payments are reimbursed directly to the Council based on actual cost. The new system will instead be based upon an annual allocation and not linked to actual costs thereby giving significant risk to local authorities on potential costs incurred. The Governments financial target of introducing this change is to reduce overall expenditure by 10%, thereby putting local authorities into a difficult position of having to reduce benefits/discounts to those on low incomes compared with the current scheme.

## **11. TECHNICAL REFORMS TO COUNCIL TAX**

- 11.1 The Government is introducing a number of technical reforms to Council Tax from April 2013. The reforms give billing authorities more flexibility on some of the discounts that can be granted which will provide the opportunity to generate additional income. This flexibility relates to:
- Second Homes
  - Empty Properties
  - Properties undergoing or requiring structural works
- 11.2 The reforms were considered as part of a separate report to Executive on 20 November which considered the reforms in more detail. If approved, the reforms will raise an additional £374,000 in council tax revenue of which £33,000 will be directly attributable to the City Council.

## **12. OTHER BUDGETARY ASSUMPTIONS**

- 12.1 In order to produce the Council's medium financial plan and annual revenue budget a number of factors have to be taken into consideration. Economic factors outside of the Council's control such as inflation, interest rates, and economic growth etc. can have a huge impact upon the council's overall financial position. Consequently it is necessary to make a number of assumptions on such issues so that a meaningful financial plan can be produced.
- 12.2 With regard to inflation, an overall allowance of £300,000 has been set aside for next year. This includes an assumption with regard to increases in pay and increases for utility costs and contracts being offset by increases for fees and charges. For the following three years an annual inflation allowance of £300,000 has also been included for planning purposes. The inflationary assumptions that have been included for next year are as follows:

- Pay Award 1.0%
- Pay – Increments 0.5%
- Electricity 8.0%
- Gas 20.0%
- Oil 12.0%
- Water 5.1%
- Insurance 3.0%
- Rates 2.0%
- Fuel 6.0%
- General Inflation 0.0% - see para 12.3 below
- Income (excluding car parks) 2.5%

12.3 As a means of finding efficiency savings many non-pay budgets will again not be fully increased for inflation. There will be some exceptions to this in particular where there are ongoing contractual arrangements in place and where the Council has to meet the full price increase e.g. insurance and fuel. Recently released figures show that the rate of Consumer Prices Index (CPI) inflation in the UK increased to 2.7% during October, up from a rate of 2.2% the month before.

### 13. LIKELY REVENUE RESOURCES 2013/14 TO 2016/17

13.1 The Government is due to announce the provisional grant settlement for local government in late December. Based upon the assumptions above regarding forecast grant reductions and levels of council tax then the resources available to the Council to finance its net revenue budget are set out below:-

#### (i) Excluding New Homes Bonus

	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Government Grant	8,376	7,666	7,000	6,452	6,013
Council Tax	4,757	4,881	5,016	5,155	5,298
Homelessness Grant	505	448	448	448	448
Funding for tax freeze	119	0	0	0	0
<b>Resources</b>	<b>13,757</b>	<b>12,995</b>	<b>12,464</b>	<b>12,055</b>	<b>11,759</b>
Increase/(decrease)	(884)	(762)	(531)	(409)	(296)
Annual % change	-6.0%	-5.5%	-4.1%	-3.3%	-2.5%

#### (ii) Including New Homes Bonus

	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Government Grant	8,376	7,666	7,000	6,452	6,013
Council Tax	4,757	4,881	5,016	5,155	5,298
New Homes Bonus	1,323	2,294	2,943	3,592	4,241
Homelessness Grant	505	448	448	448	448
Funding for tax freeze	119	0	0	0	0
<b>Resources</b>	<b>15,080</b>	<b>15,289</b>	<b>15,407</b>	<b>15,647</b>	<b>16,000</b>
Increase/(decrease)	50	209	118	240	353
Annual % change	0.3%	1.4%	0.8%	1.6%	2.2%

- 13.2 The tables above clearly show the impact of New Homes Bonus upon funding. From 2013/14 onwards, funding for New Homes Bonus is top sliced from mainstream grant and this is reflected in tables (i). The Council has to date been very successful in generating New Homes Bonus and if this is factored in (as reflected in tables (ii) above) then overall funding levels appear more reasonable.
- 13.3 It has been assumed that Exeter will benefit from the localisation of business rates and in particular the proposed Devonwide pooling arrangement. If the Devon authorities are able to deliver their forecast growth the additional forecast revenue for Exeter will be:-

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Retained Business Rates Growth	99	156	251	336

#### 14. ADDITIONAL SPENDING PRESSURES

- 14.1 For 2013/14 the significant known increases in service revenue costs are shown below:-

	£'000
RAMM – Extra costs for rates, utilities etc.	100
Proposed new revenue bids	nil
Localised Council Tax Support*	<u>588</u>
	688

\* To be funded by council tax support grant

#### 15. REVENUE SAVINGS AND OTHER BUDGETARY REDUCTIONS

- 15.1 In the current year we have already identified some areas where we expect savings to occur that will have an impact next year. These savings and budget reductions total £1,573,000 and are shown below:-

	£'000
Reduction in provision for pay award (in 2012/13 base budget)	300
Savings in cost of elections – no City Council Elections	83
Reduction in Asset Improvement Maintenance (AIM)	90
Additional Planning Income	100
Additional Car Parking Income	500
Removal of 2012/13 one-off expenditure	100
Voluntary Redundancies	<u>400</u>
	1,573

#### 16. REVISED MEDIUM TERM REVENUE PLAN (APPENDIX 1)

- 16.1 An updated Medium Term Financial Plan (MTFP) is set out in Appendix 1. The MTFP currently indicates that the savings required next year are £890,000 with further savings required in future years. It is anticipated that the savings required for next year will be met from the current programme of structural change and service rationalisation. The required savings over the medium term are set out in the table below:-

Year	Required Savings £000
2013/14	890
2014/15	653
2015/16	665
2016/17	649
<b>Total</b>	<b>2,857</b>

## 17. ASSET IMPROVEMENTS AND MAINTENANCE (AIM)

- 17.1 The draft revenue proposals for 2013/14 include an overall allowance of £1,543,892 for AIM expenditure in order to maintain and service the Council's non-housing properties. Of this amount £1,439,892 will be allocated to meet on-going revenue commitments and £104,000 for high priority service requirements.

## 18. GENERAL FUND CAPITAL PROGRAMME

- 18.1 Attached at Appendix 2 is a table setting out the forecast capital resources available for General Fund capital schemes over the next five years. This table is based upon the Council's currently approved capital programme plus proposed new capital bids. It shows that the Council now has to use significant amounts of borrowing in addition to its other capital resources to finance its capital programme requirements. This also has an ongoing impact on the Council's revenue budget. The prudential capital framework enables the Council to borrow within self-imposed targets largely based on affordability. The capital programme has recently been reviewed as part of the overall budgetary process. This has resulted in some previously approved schemes now being removed from the programme in order to reduce borrowing costs in the future.
- 18.2 It is expected that the available resources for the General Fund Capital Programme (other than borrowing) over the next 5 years will total about £3.3 million and the capital programme that can be funded other than by borrowing is therefore still quite substantial. In terms of the General Fund, the currently approved capital programme and proposed new bids total almost £22.2 million over the next 4 years with a resultant borrowing requirement of £18.9 million. The current extra revenue cost of borrowing are £50,000 for each £1 million that is borrowed which means the future borrowing costs of the Council's capital programme are significant and are a must be met within the Council's overall revenue budget. The Capital Programme must therefore be continually reviewed with a view to reducing the programme wherever possible. With regard to proposed new capital bids, approval must be limited to those that are only absolutely essential. New bids should only be successful if they meet strict criteria such as meeting a statutory or health and safety requirement, or if there is a compelling business case to show that they will save costs or generate extra revenue in the future.

## 19. RISK ASSESSMENT

- 19.1 It has already been mentioned above in this report that our financial forecasts are based on a number of assumptions including the level of inflation, interest rates, income levels, support from the Government and general prevailing economic conditions. In addition there are a number of uncertainties that could affect the financial position either now or in the future.

These include the level of future years' pension contributions, potential costs arising from the review of service plans, and the cost of any new statutory functions.

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

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

## **20. RECOMMENDATIONS**

It is recommended to Council that: -

- 20.1 The contents of the report are noted and that the proposals to establish a balanced revenue budget and capital programme are approved.
- 20.2 The revised allocation of New Homes Bonus funding as set out in 5.3 of the report is approved.
- 20.3 A final decision on whether or not to join a Devonwide Business Rates Pool is delegated to the Council's section 151 officer (Assistant Director Finance) in consultation with the Leader.

ASSISTANT DIRECTOR FINANCE

CORPORATE SERVICES DIRECTORATE

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

None

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## MEDIUM TERM REVENUE PLAN (2012/13 - 2016/17)

	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
<b>Resources</b>					
Central Government Support	8,376	7,666	7,000	6,452	6,013
Council Tax Support Grant		588	588	588	588
Homelessness Grant	505	448	448	448	448
Pooling of Business Rates		99	156	251	336
Extra grant to compensate for council tax freeze	119	0	0	0	0
Council Tax - nil increase 2012/13 and 2.0% from 2013/14	4,757	4,881	5,016	5,155	5,298
<b>Likely resources</b>	<b>13,757</b>	<b>13,682</b>	<b>13,208</b>	<b>12,894</b>	<b>12,683</b>
<b>Expenditure</b>					
<b>Service expenditure</b>					
Committee expenditure base budget	13,361	13,580	12,105	11,795	11,430
Inflation	421	300	300	300	300
Potential increase in service costs	846	688	43	0	0
Voluntary Redundancies		(400)			
Identified reductions / additional income	(1,048)	(1,173)	0	0	0
	13,580	12,995	12,448	12,095	11,730
Supplementary Budgets	27				
AIM Carry Forward	111				
Net Interest	75	199	239	260	272
Committee Underspend	(258)				
Repayment of capital borrowing	1,107	1,398	1,594	1,754	1,836
	14,642	14,592	14,281	14,109	13,838
<b>Other funding</b>					
Contribution to/ (from) earmarked reserves	(76)	(20)	0	0	0
Contribution to/ (from) balances - Other	(809)	0	(420)	(550)	(506)
	(885)	(20)	(420)	(550)	(506)
<b>Annual savings required</b>		<b>(890)</b>	<b>(653)</b>	<b>(665)</b>	<b>(649)</b>
<b>Total Net Budget</b>	<b>13,757</b>	<b>13,682</b>	<b>13,208</b>	<b>12,894</b>	<b>12,683</b>
					<b>(2,857)</b>
Opening General Fund Balance	4,285	3,476	3,476	3,056	2,506
Closing General Fund Balance	3,476	3,476	3,056	2,506	2,000
Balance as a percentage of budget	25.3%	25.4%	23.1%	19.4%	15.8%

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GENERAL FUND	2012-13 £	2013-14 £	2014-15	Future Years £	TOTAL £
<b>CAPITAL RESOURCES AVAILABLE</b>					
Usable Receipts Brought Forward	350,000				350,000
GF capital receipts	60,000				60,000
GF capital receipts from the Canal Basin Redevelopment	40,000				40,000
Revenue Contributions to Capital Outlay	290,000	290,000	290,000	290,000	1,160,000
Disabled Facility Grant	529,602				529,602
Regional Housing Capital Grant	1,160,901				1,160,901
Other - Grants/External Funding/Reserves/S106					
<b>Total Resources Available</b>	<b>2,430,502</b>	<b>290,000</b>	<b>290,000</b>	<b>290,000</b>	<b>3,300,502</b>
<b>GENERAL FUND CAPITAL PROGRAMME</b>					
Committed Capital Programme	14,289,400	2,145,090	951,000	1,102,000	18,487,490
Proposed Deletions	(3,609,230)	(560,000)	(350,000)	0	(4,519,230)
Proposed New Bids	0	2,449,000	4,420,000	1,350,000	8,219,000
<b>Total General Fund</b>	<b>10,680,170</b>	<b>4,034,090</b>	<b>5,021,000</b>	<b>2,452,000</b>	<b>22,187,260</b>
<b>ESTIMATED SPEND IN YEAR</b>	<b>7,476,119</b>	<b>6,027,914</b>	<b>4,724,927</b>	<b>3,222,700</b>	<b>21,451,660</b>
<b>UNCOMMITTED CAPITAL RESOURCES:</b>					
Capital Receipts Brought Forward	0	0	0	0	0
Resources in Year	2,430,502	290,000	290,000	290,000	3,300,502
Less Estimated Spend in Year	(7,476,119)	(6,027,914)	(4,724,927)	(3,222,700)	(21,451,660)
Less Committed Spend in Future Years				(735,600)	(735,600)
Borrowing Requirement	5,045,617	5,737,914	4,434,927	2,932,700	18,151,158
Future years borrowing requirement				735,600	735,600
Uncommitted Capital Receipts	0	0	0	0	0

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## EXETER CITY COUNCIL

EXECUTIVE  
4 DECEMBER 2012

### CITY DEALS

#### 1. PURPOSE OF REPORT

- 1.1. To obtain Members' agreement to the preparation of a City Deal prospectus.

#### 2. BACKGROUND

- 2.1. City Deals are a key part of the Government's objectives of rebalancing the economy and boosting private sector growth. They are designed to:
- give cities the powers and tools they need to drive local economic growth;
  - unlock projects or initiatives that will boost their economies; and
  - deliver a step change in governance arrangements.
- 2.2. On 5 July 2012, the Government announced a series of City Deals with the country's eight largest cities. On 29 October 2012, the Government launched the second wave of City Deals. Twenty cities (the next fourteen largest cities and their wider areas and the next six with the highest population growth between 2001 to 2010) were invited to compete for deals that would see Government devolve powers in exchange for delivering growth locally. The cities with the strongest propositions will be invited to negotiate a deal with the Government, which will be completed by November 2013.
- 2.3. The Government has emphasised that City Deals are a two-way trade with 'asks' and 'offers' from both sides. In this second round cities' bids will need to:
- i) demonstrate strong and collaborative governance across their functional economic area, so that decisions necessary for the growth of the area as a whole can be taken quickly and effectively;
  - ii) contain proposals for harnessing greater private sector input, expertise and resources, including backing from LEPs;
  - iii) demonstrate strong political commitment and readiness to put resources into delivering the deal;
  - iv) show how proposals can create new jobs and growth with the same, or fewer resources;
  - v) support the Government's objectives of reducing regulation, create well functioning markets and promote an enabling environment for business and boost private sector growth and investment.
- 2.4. In introducing an element of competition to the second wave, the Government has refined its expectations. Cities will need to have a strong appetite for doing a deal and they will need to make a convincing case for new investment and powers with a clear evidence base and a strong economic rationale. Furthermore, propositions should address a clearly defined economic problem, which requires specific empowerment from central government that cannot be achieved through existing arrangements.

### **3. PROPOSAL**

- 3.1. At present there is no indication that the Government will launch a third wave of City Deals. However, they form a key part of the Government's ambitions to rebalance the economy and boost private sector growth and it seems probable that more cities will be invited to negotiate deals in future.
- 3.2. In anticipation of a third wave, it is proposed that the Council prepares a City Deal prospectus for the Government. The Government's clarification of expectations (as set out in paragraph 2.4 above) is helpful in that it enables the Council focus its City Deal proposals on two pressing "economic problems" that are relevant to the functional economic area. These can be summarised as 'Unlocking City Centre Growth' and "Realising the Potential for Growth and Jobs in Technology, Science and Innovation".

### **4. UNLOCKING CITY CENTRE GROWTH**

- 4.1. The City Centre is the economic engine of the City's economy and redevelopment of the next phase of the city centre could be supported by a tax incremental finance scheme. A major opportunity exists at the Bus & Coach Station site where Land Securities and the Crown Estate have plans to invest some £200m to build some 30,000m<sup>2</sup> of new retail and leisure development to complement that re-developed by land Securities at the Princesshay Shopping Centre which was completed in 2007. The new development will provide jobs for over 1000 people.
- 4.2. High up front costs in terms of infrastructure make for a more challenging redevelopment programme, and forward funding is necessary to unlock the development potential of this area at the earliest opportunity. A key strand of the City Deal would be freedom and flexibility to borrow capital against predicted increases in business rates to provide £20 to £30m investment in public infrastructure as part of a £200 million private sector investment in the site.

### **5. REALISING THE POTENTIAL FOR GROWTH AND JOBS IN TECHNOLOGY, SCIENCE AND INNOVATION**

- 5.1. There has been a significant level of investment in Exeter in the technology, science and innovation, which has created a strong platform for future growth in line with the Economic Development Strategy:
  - The Met Office brought new specialisms in the fields of climate change and environmental research and is regarded as a world leader in their contribution to international research and inter-governmental conferences.
  - The University of Exeter's research is of international significance The Science Strategy is seeking to invest £230 million in key themes of activity: climate change and sustainable futures; systems biology; functional materials and translational medicine and personalised healthcare.
  - The Peninsula Medical School has nationally recognised research in neuroscience, environment and health, cardiovascular risk and ageing and diabetes; it is currently making a £20million investment in a new research facility.
  - Exeter Science Park is a prime location for successful science- based business development. The Science Park aims to drive growth in knowledge-based science, technology, engineering and medicine-related enterprise in the region and promote the region's world-leading scientific capacity and international ambition.

5.2. Against this backdrop jobs in technology, science and innovation are forecast to experience significant growth over the 20 year phasing of new developments across Exeter and the Growth Point. However, a dedicated programme of work to realise this potential is yet to be developed. This programme could include

- Encouraging inward investment, industry clusters and start-ups
- Supporting new companies/spinouts
- Enabling knowledge transfer between education and research centres and local businesses
- Increasing employment opportunities for university graduates
- Supporting recruitment, apprenticeships and training opportunities
- Building closer links with local education providers to develop skills and encourage ambition
- Steering/gaining support and input from neighbouring districts
- Accessing funding
- Aiding infrastructure, investment and support

5.3. A number of cities have sought external expertise to help them understand what the knowledge economy means for them and where they need to invest to support economic growth and to realise the potential for growth and jobs in technology, science and innovation. It is proposed that the Council seeks similar expertise to ensure that a proposed programme of work is evidence-based and also draws on workable solutions that have been implemented in other cities. The Exeter Initiative for Science and Technology (EXIST) is already pursuing some of the activity listed above and a City Deal offers an opportunity to work with its private sector members to identify appropriate expertise.

## 6. **RECOMMENDATION**

6.1 It is recommended that Executive agrees to the preparation of a City Deal prospectus that focuses in particular on the two issues identified above.

**STRATEGIC DIRECTOR**  
**Karime Hassan**

**CORPORATE MANAGER Policy, Communications and Community Engagement**  
**Bruce Luxton**

**ASSISTANT DIRECTOR Economy**  
**Richard Ball**

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

HM Treasury Announcement of 29 October 2012 "Bold Deals to set more cities free for growth" ([http://www.hm-treasury.gov.uk/press\\_101\\_12.htm](http://www.hm-treasury.gov.uk/press_101_12.htm) )

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## EXETER CITY COUNCIL

EXECUTIVE  
4 DECEMBER 2012

### PLAN TEIGNBRIDGE: CONSULTATION ON DRAFT SUBMISSION DOCUMENT

#### 1 PURPOSE OF REPORT

- 1.1 Executive, on 20 November, considered a report on a proposed response to Teignbridge District Council on 'Plan Teignbridge'. Councillor Clark, speaking under Standing Order 44, requested that the City Council's response should adequately reflect local residents concerns that the associated infrastructure improvements such as schools, health and transport should be undertaken earlier in the development. Executive resolved to defer the item until the 4 December to consider a form of wording of a response that would more explicitly address this issue.
- 1.2 The purpose of this report is to recommend an amended basis of a proposed response. The original report to Executive on 20 November is attached as an appendix for information.

#### 2 BACKGROUND

- 2.1 Teignbridge Council's proposals for South West Exeter have been informed by an evidence base that includes the South West Exeter Masterplan and a draft Infrastructure Delivery Plan (IDP).
- 2.2 The proposed policy SWE1 allocates land south west of Exeter for a sustainable urban extension including land for primary and secondary education, a range of community facilities including health provision and transport improvements including an enhanced public transport route, 1,000 space park and ride hub, access to a new rail halt at Marsh Barton, improvements to Bridge Road and alterations to the A379 between Chudleigh Road and Bridge Road including the junctions (see Appendix 2 of previous report).
- 2.3 The IDP (see extract at Appendix 3 of previous report) identifies the key infrastructure needed to deliver the urban extension amounting to about £54m including about £32.5m for education, health and transport infrastructure. The IDP also identifies the approximate timetable for delivery of the infrastructure and implies other potential funding sources that may not come from the development. The timing of infrastructure is often a balance between the desire to secure it as early as possible to serve the development, the need to reflect commercial viability and relative priorities.
- 2.4 The proposals and the IDP have been formulated by Teignbridge District Council in consultation with service providers such as the education and highway authority. Generally, these proposals accord with the content of Exeter's IDP because both delivery plans have been influenced by the same evidence, much of which is encompassed by the SW Exeter masterplan. The consultation process and subsequent Examination of Plan Teignbridge will provide an opportunity to test the soundness of the proposals.

- 2.5 The provision of primary education facilities provides an example of infrastructure planning. It is understood that the first phase of development in Teignbridge and the up to 500 homes south of Alphington could be served by expansion of Alphington Primary School from two to three form entry, such an expansion would normally serve about 840 homes. The remainder of the development can be served by the proposed new primary school south of the A379 and an all through school closer to Alphington.
- 2.6 Effective coordination of infrastructure planning between Exeter, Teignbridge and Devon Councils will be essential to the delivery of the up to 500 homes proposed by the City Council south of Alphington and the proposals by Teignbridge.

### **3 AMENDED RECOMMENDATION**

- 3.1 Executive is recommended to agree that the City Council's response to Teignbridge District Council be based upon the following five principles;
- i) Support for the overall level of growth proposed in the plan to meet the needs of the wider Exeter housing market area and in particular the South West Exeter urban extension to contribute to the future growth of Exeter;
  - ii) the City Council's commitment to ongoing joint working and cooperation between the authorities and other service providers to deliver comprehensively planned sustainable communities;
  - iii) a commitment to work closely with Teignbridge and other service providers on respective infrastructure delivery plans; to identify and agree funding arrangements that seek to maximise the early provision of essential infrastructure; and
  - iv) that officers seek to develop a more detailed infrastructure plan for SW Exeter/Alphington to inform the forthcoming Examination of Plan Teignbridge and accompany the adoption of the proposed development brief for land south of Alphington; and
  - v) City Council decisions on when and how much to invest in infrastructure from funds such as CIL to serve the wider development of south west Exeter will ultimately be a matter for Executive, members and officers will work closely with Teignbridge and Devon Councils to agree investment priorities and funding packages with regard views expressed by communities during the various consultations.

**RICHARD SHORT**  
**ASSISTANT DIRECTOR CITY DEVELOPMENT**

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

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

None



**EXETER CITY COUNCIL**  
**PLANNING MEMBER WORKING GROUP**  
**16 OCTOBER 2012**

**EXECUTIVE**  
**20 NOVEMBER 2012**

**TEIGNBRIDGE LOCAL PLAN DEVELOPMENT PLAN DOCUMENT**  
**CONSULTATION ON DRAFT SUBMISSION PLANNING DOCUMENT**

**1 PURPOSE OF REPORT**

- 1.1 To formulate a response to the 'Draft Submission' document that is being published by Teignbridge District Council.

**2 BACKGROUND**

- 2.1 Members will recall that Teignbridge District Council consulted on a Preferred Options Core Strategy earlier in the year. Executive approved a response to that document in February. Teignbridge have since taken an amended version of that document forward (including a change of name) and approved their Local Plan 2013 - 2033 for Draft Submission to the Secretary of State for public examination.
- 2.2 Teignbridge have made some significant changes in preparation of the Draft Submission document. Of particular note they now expect delivery of 620 dwellings per year as opposed to the figure of 740 that was previously consulted upon. This is explained by a reduction in proposed housing allocations in places like Newton Abbot, Teignmouth and Dawlish. However, the proposed allocation of 2,000 dwellings to the south of Alphington remains unchanged.
- 2.3 This paper concentrates on that proposal for growth adjoining the south western boundary of the City and associated matters. The economic prosperity of the sub region is inextricably linked to the growth of the City. Such growth is now, and will increasingly in the future, be dependent upon policies adopted in adjoining authorities.

**3 SOUTH WEST OF EXETER URBAN EXTENSION**

- 3.1 Whilst the majority of Teignbridge's proposed growth still centres on Newton Abbot, the Draft Submission Local Plan proposes a single urban extension on the south western boundary of Exeter. This comprises some 2,000 additional houses (more than 15% of the total level of growth proposed) with associated community facilities, approximately 5 hectares of employment land (5% of total employment growth); and 24 Gypsy and Traveller pitches (more than 30% of total provision). A plan showing the SW Exeter urban extension and an extract from the Draft Submission Document and are reproduced at Appendices 1 and 2.
- 3.2 At their Issues and Options Stage, Teignbridge proposed three alternative ways of delivering such development. The City Council expressed a preference for a single urban extension as offering the most sustainable method of delivering such growth. That view was carried forward in responding to Teignbridge's Preferred Options consultation and there appears little reason to deviate from it as the proposed overarching strategy for development at South West Exeter remains unchanged since then.

3.3 What has emerged since the Preferred Options stage is the South West Masterplan. Detail that has emerged since the Preferred Options Stage of consultation is addressed below.

#### 3.4 **Infrastructure**

The Draft Submission Document explains an ongoing need to identify and meet infrastructure needs in order to support sustainable development growth. An Infrastructure Delivery Plan has therefore been prepared and can be expected to be revised from time to time. An extract of that Plan that relates to South West Exeter is reproduced at Appendix 3. Of particular note are four items of infrastructure:

- New Secondary School
- Ridge top Park
- 1,000 space park and ride / park and change
- New rail station at Marsh Barton

3.5 Teignbridge identify a potential 50% contribution towards each of these items through their 'infrastructure fund' and identify the City Council as a possible funding source for the residue. Devon County Council's South West Exeter Transport Access Strategy explains that the new rail station and park and ride must be in place to address the travel impacts of the full 2,500 dwellings (ECC 500 and TDC 2,000) that are proposed in the area. Similarly a new secondary school seems likely to result in direct benefits for residents (including occupants of new development) in Exeter and the potential value of a new park is outlined below. It seems reasonable that the City Council might help to facilitate investment in each of these but why, when and how much should be subject to scrutiny from an Exeter City Council investment board and, ultimately, Executive.

#### 3.6 **Ridge top Park**

Proposals for a 70ha ridge top park between the proposed development area and the M5 motorway have been clarified. The new public park is identified as a recreation destination that might provide an alternative to the Exe Estuary and Dawlish Warren and therefore ease pressures (arising from new development) on the habitats of European protected species. Whilst the proposed park could result in significant benefits for the City, evidence is still emerging that will help to clarify its value compared to that of other possible European site mitigation measures. That evidence is expected to be published early next year and will help Exeter, East Devon and Teignbridge Councils to determine whether the park (amongst others) represents the best way of mitigating impacts on European designated habitats that result from new development.

#### 3.7 **Employment adjacent to Peamore**

5ha of employment land is proposed adjacent to existing operations at Peamore. This is intended as land for the expansion of existing business and for start ups. The consultation document suggests that the expansion of Matford (which already has planning permission from the City Council) will be complimented by employment development on the proposed Peamore allocation. This may be the case but Matford would appear to be the more sustainable location for inward investment and new start up employment growth and one that might be more likely to reduce the need to travel by car. With significant existing employment land supply on that side of Exeter, it might therefore be appropriate to focus new employment development at Peamore more firmly on the expansion of existing businesses.

## 4 **PROPOSED RESPONSE TO TEIGNBRIDGE DISTRICT COUNCIL**

4.1 The City Council welcomes the recognition in the Draft Submission Local Plan of the

need for Teignbridge District Council to support the balanced growth of Exeter. The City Council supports additional housing growth in that part of Teignbridge adjoining the south western boundary of Exeter and continues to believe that a single strategic allocation located adjacent to the City Council's strategic allocation at Alphington represents the most sustainable form of development. To that end the Council broadly supports the Draft Submission Local Plan, particularly the strategic allocation proposed adjoining the south west of Exeter.

- 4.2 The City Council recognise the importance of joint working and cooperation on matters of strategic spatial planning and hope that Teignbridge District Council maintain the present close and cooperative working arrangements that exist between the two authorities. Cooperation will be integral to delivering the infrastructure that will be essential to enabling sustainable development in South West Exeter.
- 4.3 The Council understands that the Draft Submission Infrastructure Delivery Plan is a 'living' document that will be subject to review. The City Council will continue to work with Teignbridge District Council and other infrastructure providers in order to set investment priorities and agree a funding package for each.

## **5 ADVICE SOUGHT/RECOMMENDATION**

- 5.1 Planning Member Working Group on 16 October noted and supported the report which will form the basis of the response to Teignbridge District Council.
- 5.2 Executive is asked to agree the proposed response to Teignbridge District Council set out in paragraphs 4.1, 4.2 and 4.3.

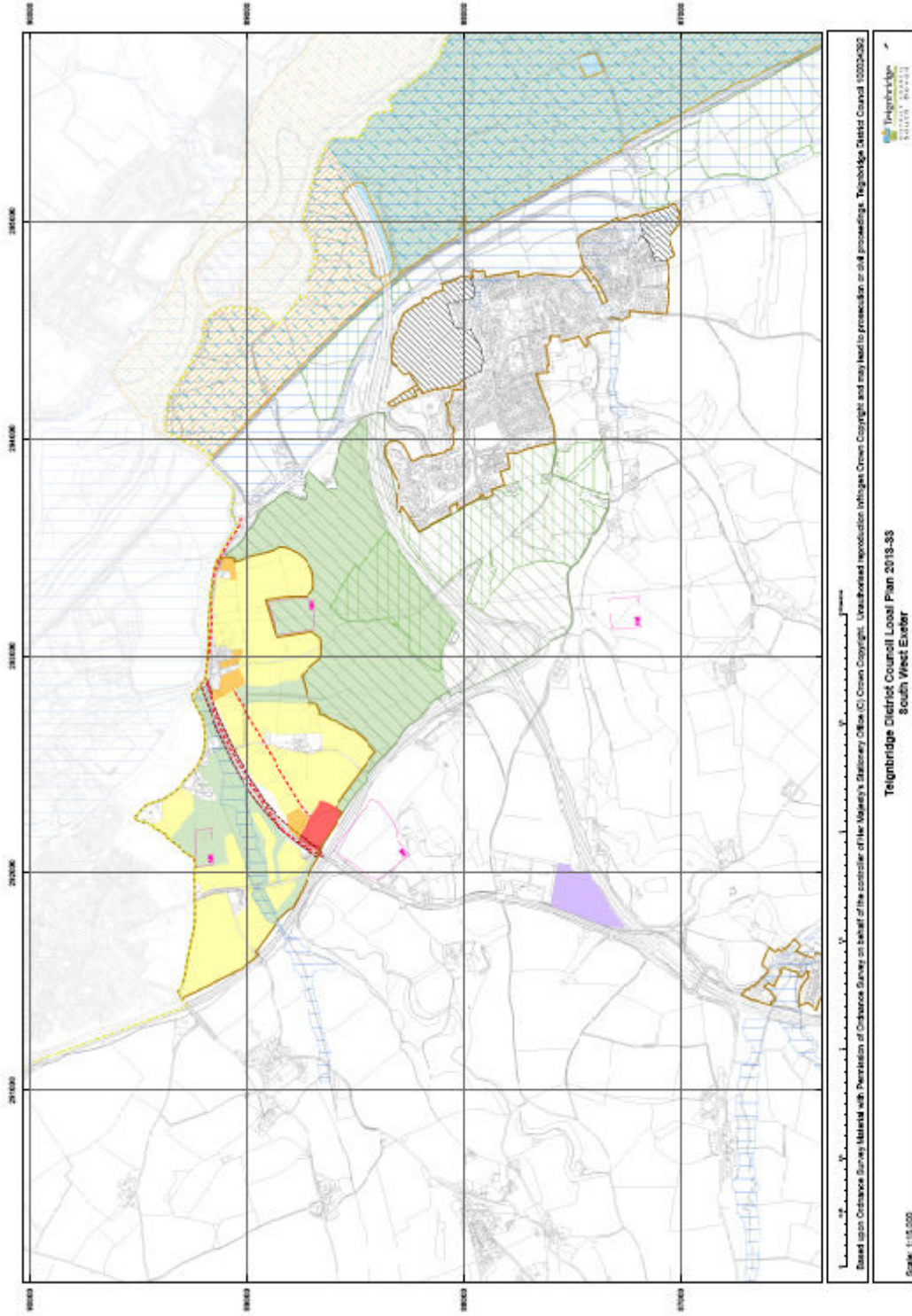
**RICHARD SHORT**  
**ASSISTANT DIRECTOR CITY DEVELOPMENT**

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

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

None

# APPENDIX 1 - SW EXETER URBAN EXTENSION



Teignbridge District Council Local Plan 2013-2033  
**Policies Map Key**

<b>Administrative</b>	<b>Allocations/Proposals</b>
Local Plan Boundary	Mixed Use
Torbay District Boundary	Housing
Major Planning Permission	Employment
<b>Policies</b>	Leisure
Area of Great Landscape Value	Other Green Infrastructure
Undeveloped Coast	Roads and Road Improvements
Strategic and Local Break	South Devon Link Road
Settlement Limit	Car Park
Protected Public Open Space	School
Site of Special Scientific Interest	Community Facilities
European Wildlife Site	Seale Hayne
Local Nature Reserve	Environmental Enhancement
Historic Park and Garden	Marina
Conservation Area	
Ancient Monument	
County Wildlife Site	
Floodplain	
Town Centre	
Primary Shopping Area	
Primary Shopping Frontage	
Secondary Shopping Frontage	
Air Quality Management Area	

**10. Edge of Exeter**

- 10.1** Exeter is a key economic driver for the region and is a major Regional Centre for services, retailing and culture. It has high economic growth prospects, with a growing knowledge-based economy, including the University and Met Office, as well as proposed developments at Science Park and SkyPark. The city is also a key provider of high order services, such as shops, jobs and education for Teignbridge residents. The economic success of Exeter is vital to the region as a whole and Teignbridge residents in particular. It is, therefore, relevant to consider how the Local Plan can support this success.
- 10.2** The city's expansion over the years has brought its built form close to its administrative boundary and the Local Plan can play an important role in supporting the city's growth and function, by identifying opportunities to provide sustainable growth within the Teignbridge Plan area boundary.
- 10.3** Exeter's Adopted Core Strategy identifies the area to the north of Teignbridge District Council's boundary for 500 homes. Teignbridge District Council in partnership with Exeter City Council, Devon County Council and Exeter and East Devon Growth Point commissioned a masterplan for the South West of Exeter. The purpose of the joint masterplan is to help promote and encourage sustainable growth. The proposals put forward in that document have informed policies SWE1 and SWE3 in the Local Plan.
- 10.4** This approach supports sustainable growth by reducing the need to travel, focusing new housing, jobs and facilities into locations with existing infrastructure to cope with the increased demand.

**Site Description**

- 10.5** The site lies within the Teignbridge planning area but adjoins the Exeter City administration boundary. It is located on the western side of the Exe Valley, on land which rises up from the flat floor of the river floodplain to a series of low rounded hills, ridges and valleys, modified significantly in places by major road cuttings. The area lies north and south of the A379 and west of the B3123 (Bad Homburg Way), with the A30 forming the western boundary. The most visually prominent parts of the site comprise the upper slopes and top of the ridge of higher ground which visually separates the Exe floodplain from areas to the southwest. The area is predominately green field but also includes some existing residential and business facilities, a hotel, and an inert waste facility. The area benefits from scheduled monuments and wildlife designations. The site also straddles the Matford Brook a water watercourse that flows into the River Exe.
- 10.6** The provision of new housing and associated development on the edge of Exeter, close to the major employment location of Marsh Barton Trading Estate is a highly sustainable location and will support the continued successful expansion of the

City. To provide a balanced, sustainable community, consideration needs to be given to more than housing. Therefore, this strategic allocation requires a range of infrastructure elements that will need to be delivered in a timely manner.

**SWE1 South West of Exeter Urban Extension (part amended)**

The South West of Exeter will develop as a sustainable urban extension, resilient to climate change where new and existing residents will be able to access a range of community facilities, shops, jobs, recreation areas and public transport improvements. It will represent a new part of the City, south of the River Exe which will reinforce the importance of the southern approach. The aim is to establish a new area within the natural setting of Exeter, sitting below the ridgeline and benefiting from the backcloth of the hills that enclose the City.

A site of approximately 92 hectares is allocated to the south west of Exeter for a mixed use development including:

- a) delivery of at least 2,000 homes with a target of 20% affordable housing;
- b) 24 Gypsy and Traveller pitches;
- c) 20 hectares of green space comprising formal and informal green space, active recreation space, children and young people's space, natural green spaces and allotments;
- d) land for primary and secondary education;
- e) a range of community facilities well related and accessible to all, including a multi-purpose community/sports building, youth and children's centre, health, police and faith provision, library, and shops, and small scale employment to provide a focus for neighbourhoods will be provided in mixed use local centres and hubs. The hubs will serve the day-to-day needs of nearby residents and act as the focal point for the community being well connected and permeable;
- f) opportunities for sustainable travel and lifestyles including a network of safe and convenient green routes and cycling links that bridge the barriers presented by transport infrastructure and which promote healthy living and a sense of well-being;
- g) public transport and highway improvements as required including an enhanced public transport route, 1,000 space park and ride hub, access to a new rail halt at Marsh Barton, improvements to Bridge Road, enhancements to the A379 from Chudleigh Road to Bridge Road, including improvements to existing junctions and new junctions to serve development and, remodelling of the Devon Hotel junction at the A379 and B3123; and

- h) investigation of opportunities of utilising energy from waste from Marsh Barton into the development to comply with reductions in carbon generation as required**

**Development and required infrastructure will be delivered on a phased basis in line with housing delivery.**

**Proposals will not be permitted where they would prevent a comprehensive approach to the development and infrastructure of the whole site.**

- 10.7** Further detailed archaeological and biodiversity assessments will need to be undertaken by any potential applicant to record where appropriate and assess the relevant impacts and mitigation aspects. These are likely to be required before the planning application is submitted.
- 10.8** Development within the strategic allocation should have general regard to guidance contained within the South West Masterplan Masterplanning Study. It is expected that proposals will deliver a mixture of uses in each phase to avoid a domination of mono uses and ensure that community infrastructure and other requirements are not left until the end of the development.
- 10.9** The growth to the South West of Exeter will be a new mixed use area on an enhanced public transport route. It will comprise new neighbourhoods with a range of community facilities clustered together within the valley. New permeable and connected communities will be located on the valley sides facing the City leading to the ridge-top park with views across the Exe Valley towards the City and across the estuary.
- 10.10** Exeter experiences traffic congestion along its main arterial routes, particularly at peak hours. Any sustainable development looks to initiatives to reduce the need to travel and to encourage greater use of sustainable forms of transport. An enhanced public transport route is proposed to run from the Marsh Barton area. This will include regular, safe and local transport. A key part of this public transport network is the provision of a replacement park and ride facility within the new development. Ideally located to the south of the A379 at the intersection of the A30 and A379, it will serve existing commuters and help change the nature of the A379 and reduce traffic to Chudleigh Road. The Devon Metro scheme proposes a rail halt at Marsh Barton which will serve existing commuters and is fundamental in providing additional road capacity. This halt is not within the allocation but is imperative to it. Further investment in cycle routes and improved pedestrian links will also be required. These measures and others will need to be in place early in the development to facilitate a modal shift to remove some traffic from the existing network allowing sufficient capacity to support the development.
- 10.11** Improvements to the A379 are necessary to avoid this road becoming a barrier which could divide and prevent a well-connected and sustainable place. It will be



necessary to change the nature of the road so that it can begin to integrate with and become a functioning part of the development. The road will need to respond to its new environment and role within the city whilst also maintaining its current function and capacity. Changes to the nature of this road could include, for example, speed reductions, providing pedestrian crossings at key points, consideration of a footbridge. The masterplan has additional details on this.

- 10.12** The surrounding roads also generate noise and any development will need to consider the impacts of this on development. Appropriate design and planting will need to be incorporated to reduce noise to acceptable standards. Additional surveys may be required.
- 10.13** There is a need for a mix of housing types and sizes within the area. Density will need to respond to the topography and may be varied across the site as appropriate with higher density around the hubs.
- 10.14** The evidence for Gypsy and Traveller need in Teignbridge has been updated. 24 pitches will be required as part of this allocation. The pitches do not have to be delivered as one site and will count towards the affordable housing contribution from the site. Consideration may be given to off-site provision if more suitable alternatives are proposed. However, given the proximity to the M5, A30 and A38 corridors and proposed community facilities the preference is for pitches to form part of the new neighbourhood to the South West of Exeter and be part of an integrated, mixed community.
- 10.15** The community hubs will include some localised employment opportunities. This is likely to be in the form of B1, some retail or other employment generating uses from the community facilities.
- 10.16** As a result of development in this area there will be a need for additional primary and secondary school places, including suitable land to develop new provision. 2000 homes are likely to generate 500 primary age pupils and 300 of secondary age. This is in addition to any new pupils generated through growth within the Exeter City planning area. Consequently, a need is identified for a new primary school and an additional all through school. It is considered that a primary should be located south of the A379 and that the all through school should be located north of the A379. The preferred locations for these schools are identified on the masterplan. Devon County Council, Exeter City Council and Teignbridge District Council will work together in securing the appropriate CIL/Section 106 contributions.
- 10.17** An archaeology and cultural heritage assessment, including targeted geophysical survey and surface artefact collection has been undertaken. There are scheduled monuments present which are to be safeguarded. Where they are located near to development they will be required to have suitable non-development buffers

and should be incorporated into green open space with a naturalistic setting to any built development to protect their setting.

- 10.18** There are also seven Grade II listed buildings and a number of Grade II structures close to the survey boundaries. These, their settings and the wider historic landscape will need careful consideration.
- 10.19** The Strategic Flood Risk Assessment for Exeter (2008) states that the Matford Brook is a minor watercourse that flows into the River Exe to the south of the Alphin Brook. Its lower reaches are connected to a series of open drains and ditches that drain the low lying industrial/commercial area. The Matford Brook is not considered to pose any significant flood risk to most of the lower catchment although a large proportion of the catchment is shown to be within the indicative floodplain. Development is avoided in these areas which are identified for blue and green space for the proposed valley park.
- 10.20** The development will provide for 20 hectares of open space, potentially in a lower valley park incorporating landscape features and linking the proposed neighbourhoods, whilst at the same time protecting the schedule monument and its setting.
- 10.21** The urban extension will provide for key arrival points to reinforce the identity of the southern gateway of Exeter. Arrival points should be well designed, attractive and make it easy for people to orientate themselves.
- 10.22** To maintain viability, the urban extension should be delivered in phases to ensure sustainable growth and that the appropriate level of infrastructure is in place to accommodate it. It is proposed that there will be four phases, each delivering a portion of sustainable development in a way that should reduce up front infrastructure costs. Coordination of infrastructure delivery will be required across the area.
- 10.23** The associated masterplan contains phasing proposals in order to ensure that infrastructure is provided in step with development in an achievable manner. This indicates:
- a) 500 dwellings within Exeter as an early phase;
  - b) 500 dwellings with a primary school, Chudleigh Road upgrade and part of the Matford Valley Park;
  - c) 1,000 dwellings associated with public transport improvements, park and ride and signalled junctions, pedestrian enhancement of the A379 and part of the ridge-top park; and
  - d) 500 dwellings and the remainder of the required infrastructure.
- 10.24** Although considered a logical and deliverable sequence of development, this may not be the only order that development could be brought forward. However, any

development brought forward out of the sequence suggested will need to be considered carefully. This is to ensure that it does not impact upon the viability of subsequent growth and that development delivered is sustainable in its own right. As well as avoiding development that relies on the future provision of services and infrastructure that may not happen. In this instance a phasing strategy will be required for infrastructure and development across the whole site relating to SWE1 and SWE3.

- 10.25 Due to the scale of infrastructure and need for modal shift in transport provision, it is likely that the development within Teignbridge would come towards the latter part of the plan period.
- 10.26 All phases and all parties of the development would be expected to contribute to the necessary infrastructure required and any essential mitigation/compensatory habitat scheme via the Community Infrastructure Levy and/or planning obligations. Close co-ordination with Exeter City Council and Devon County Council will be required in delivering the required infrastructure as and when appropriate.

**SWE2 Employment adjacent to Peamore (new policy)**

**A site of approximately 5 hectares is allocated adjacent to Peamore for employment land. This will provide a mix of predominantly B2 and B8 uses as appropriate to the site and its wider context, ensuring that there is also a mix of unit size to enable businesses to start up and expand.**

- 10.27 Whilst there will be some localised employment within the community hubs, the main allocation will be adjacent to an existing employment area situated outside the masterplan area which could be delivered independently. This will facilitate growth in the existing businesses and the potential for other appropriate uses. It is not intended to compete with other areas in and around Exeter and is considered an appropriate location. It has the opportunity to be one of the key arrival points and should be designed appropriately to respond to its environment.
- 10.28 Due to the proximity to the M5/A38 junctions it is essential that development of this site does not create a conflict with the function of those roads, particularly in relation to any new access into the site from the A379.
- 10.29 Matford Business Park, within Exeter City Council's boundary, is a large employment area that is expanding and provides a range of additional employment opportunities. These along with the allocation at Peamore will offer a good range of opportunities to work close to the planned urban extension and reduce the need to travel by car.

**SWE3 Ridge Top Park (new policy)**

**An area of approximately 70 hectares is allocated to the south of the A379 at the south west of Exeter as a ridge top park. This site will be suitable alternative natural green space which will include a mix of facilities for recreation purposes. It will be managed as a public park and may include:**

- a) buildings of an appropriate scale for associated leisure, recreation and maintenance use; and**
- b) suitably located ancillary car parking provision**

**Any proposals for development shall be accompanied by:**

- c) wildlife assessments on the impact of new structures; and**
- d) assessment of the impact of any proposed lighting and potential mitigation**

**10.30** The land is predominately farm land but also incorporates an inert landfill site, a Scheduled Monument and a County Wildlife Site.

**10.31** Teignbridge District, Exeter City and East Devon District Councils all border the Exe Estuary. In partnership with Natural England and others it has been determined that housing and tourist accommodation developments in the stated local authority areas will have an in-combination likely significant effect on the Exe Estuary Special Protection Area (SPA) and Dawlish Warren Special Area of Conservation (SAC) through impacts from recreational use. The impacts are highest from developments within 10 kilometres of the SPA/SAC. It is therefore essential that mitigation is secured to make such developments permissible.

**10.32** Mitigation for recreational impacts can take the form of access management within the European sites, or provision of substantial alternative recreation locations to draw users away from the European sites. Given the amount of development proposed in SWE1 and other nearby areas and the proximity to the designations it is considered most appropriate to provide suitable alternative natural green space (SANGS). This should be close to new development to attract recreation pressure away.

**10.33** The ridge top park's main purpose is therefore to attract much of the new day-to-day recreation pressure away from the European sites, especially Exminster Marshes, the Exe Estuary SPA, Ramsar site and Dawlish Warren SAC. As such it is over and above that normally required by development.

**10.34** The provision of a ridge-top park will also ensure that development is set within a high quality and diverse green space protecting the green ridge of the city. It will meet the needs of new residents as well as providing an asset for existing residents. The park, close to new development will improve leisure opportunities and should cater for frequent, regular uses such as dog walking, older children

## APPENDIX 3 - DRAFT INFRASTRUCTURE DELIVERY PLAN EXTRACT

Name of settlement	Proj Ref Name and location of project or programme	Strategic Priority	Theme	Period of delivery	Key partners & Possible sources of funding (additional to CIL and NHB (to be agreed))	Total Estimated cost	Proposed Potential Infrastructure Fund Contribution
<b>Edge of Exeter</b>							
SW Exeter	New 420 place Primary School (or 2 x 210) and pre-school childrens centre (26 full time pre-school places).	(1) Critical	Education	6 - 10 years (2018 - 2023)	DCC / School Sponsor (Academy or Free) / Contributions from development within Exeter City Council boundary. Fully funded by developer contributions	£7,500,000	£0
SW Exeter	SW Exeter Secondary Education Secondary school	(1) Critical	Education	6 - 10 years (2018 - 2023)	DCC / School Sponsor (Academy or Free)	£12,000,000	£6,000,000
SW Exeter	SW Exeter Ridge-top park, including Suitable Alternative Natural Green Space (SANGS) and ongoing management.	(1) Critical	Green Infrastructure	6-10 (2019-2023)	TDC / Developer To be agreed with Exeter City Council, DCC, and Natural England	£4,600,000	£2,300,000
SW Exeter	Matford Valley Park including recreational space, allotments, natural green space;	(1) Critical	Green Infrastructure	6 - 10 years (2018 - 2023)	TDC / Developer DCC / Natural England / Sport England	£1,600,000	£800,000
SW Exeter	SW Exeter Bus Services including Intermodal Interchange Facility 1000 space car park, including park and ride, and park and change hub. Also provide bus services and bus stops.	(1) Critical	Public Transport	6-15 (2019-2028)	TDC / DCC / ECC Exeter City Council.	£6,500,000	£3,250,000
SW Exeter	New Devon Metro rail station at Marsh Barton	(1) Critical	Public Transport	6 - 10 years (2018 - 2023)	DCC / Network Rail / Train Operators / Exeter City Council	£5,000,000	£2,500,000
SW Exeter	SWE Urban Extension drainage and water management	(1) Critical	Rivers & Flooding	6-15 (2019-2028)	Developer / TDC / DCC / EA	£3,500,000	£0
SW Exeter	Junction Improvements to 4 junctions and 2 new junctions including at A379 Bridge Road, A379 Chudleigh Road, and Devon Motel Junction at A379 / B3123	(1) Critical	Roads	6-15 (2019-2028)	DCC/ Fully funded by developer contributions including S106 / S278	£6,000,000	£0
SW Exeter	5 ha of employment uses, with mix of unit sizes to support business start ups and expansions.	(2) Important	Economy	11-20 (2024-2033)	Developer. Market Led	£2,400,000	£0
SW Exeter	Network of Cyclist and Pedestian Routes within SW Exeter extension and neighbouring areas.	(2) Important	Green Infrastructure	6 - 10 years (2018 - 2023)	Developers / TDC / Sport England / Charitable organisations	£250,000	£0
SW Exeter	SW Exeter biodiversity and wildlife Network including network wildlife habitats, open spaces, allotments, etc.	(2) Important	Green Infrastructure	6 - 10 years (2018 - 2023)	TDC / EA / Charitable organisations / Natural England.	£250,000	£0
SW Exeter	SW Exeter Health centre to accommodate 4 GPs.	(2) Important	Health	6 - 10 years (2018 - 2023)	Potential forward funding and/or rent funding by	£1,600,000	£1,000,000
					NHS Devon / GP Practice. (Cost estimate from SIF model).		
SW Exeter	Indoor sports, leisure and recreation facility serving SW Exeter.	(3) Desirable	Community	11-15 (2024-2028)	Developer / TDC Exeter City Council	£2,000,000	£1,000,000
SW Exeter	Multi-purpose community building, incorporating library facility.	(3) Desirable	Community	6 - 10 years (2018 - 2023)	Developer / TDC Fully funded by developer contributions including S106 / S278	£750,000	£0

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## EXETER CITY COUNCIL

### EXECUTIVE 4 DECEMBER 2012

#### SUPPLEMENTARY BUDGET ESTIMATE FOR LEGAL AND ASSOCIATED COSTS OF PUBLIC INQUIRY INTO APPLICATION TO REGISTER A VILLAGE GREEN AT EASTERN FIELDS, PINHOE

#### **1 PURPOSE OF REPORT**

- 1.1 To agree supplementary budget provision for the anticipated legal and other costs of representing a case at the forthcoming public inquiry.

#### **2 BACKGROUND**

- 2.1 In September 2011, Devon County Council received an application from two local residents to register land at Eastern Fields as a town or village green.
- 2.2 The application relates to about 8.9 hectares of land between the railway line, Exeter Arena, Beacon Lane and Pin Brook that is in the ownership of Exeter City Council. The northern part of the land, extending to about 5.9 ha, is identified as public open space in the adopted Exeter Local Plan (2005). The southern area of about 3.0 ha is identified as an employment allocation in the Adopted Local Plan. This allocation is longstanding dating from the 1980's. The southern area is also crossed by Devon County Council's proposed preferred route of the Exhibition Way link road. The link road is intended to provide a route between Exhibition Way and Harrington Lane that will serve approved housing developments at Ibstock Brickworks and Pinhoe Quarry. These developments, totalling about 630 homes, will contribute about £1.3m to the cost of the link road. The link is identified as an essential requirement in the Pinhoe Access Strategy.
- 2.3 The City Council has made an objection to the registration of the land. Registration would effectively prevent any development on the land and make delivery of the link road difficult due to the need to provide suitable quality replacement village green in the vicinity for any space lost.
- 2.4 A decision on registration rests on whether there is evidence of 20 years usage of the land for lawful sports or pastimes as of right by a significant number of inhabitants of a neighbourhood or locality.
- 2.5 An independent inspector has been appointed to hold a public inquiry to assess the evidence. A pre inquiry meeting was held in October 2012, the inquiry commences in March 2013 and could last for 12 days due to the large number of potential witnesses. There is significant preparation work required in advance of the inquiry in preparation of statements and summarisation of our and objectors' cases.
- 2.6 Village green registration is a complex and rapidly evolving area of law. The Council has utilised the advice of a specialist barrister. Advice so far has been funded by the Homes and Communities Agency through a local infrastructure fund. This source of funding is now exhausted.

- 2.7 Registration of the site as village green would effectively prevent long term proposals for development of City Council land and pose serious difficulties for delivery of an important highway link. It is important that the City Council adequately resources a case at the forthcoming inquiry. This requires the continued services of the barrister. It is estimated that a budget of £50,000 is required, the largest element of this would be the barrister's costs. These costs would fall in 2012/13 and 2013/14.

### **3 RECOMMENDATION**

- 3.1 That Executive approves a supplementary budget of £50,000 for the costs of the forthcoming public inquiry into the application for registration of Eastern Fields as a town or village green.

**KARIME HASSAN  
STRATEGIC DIRECTOR**

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

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

None



## EXETER CITY COUNCIL

EXECUTIVE  
4 DECEMBER 2012

### PURCHASE OF AFFORDABLE HOUSING UNITS AT ROYAL NAVAL STORES DEPOT

#### 1. PURPOSE OF THE REPORT

- 1.1 To seek Members' approval to increase the supply of new build homes into the Housing Revenue Account by the purchase of 6 x 2 bed flats at the former Royal Naval Stores site.

#### 2.0 PROPOSAL

- 2.1 Persimmon approached the Council in October 2012 and advised that they were unable to sell the last remaining block of 6 x 2 bed flats at Phase 7 Upper RNSD on the open market and requested that these units were sold to a Registered Provider (RP) as affordable housing. Given the changes to the Housing Revenue Account, the Council now has the scope to purchase these units.
- 2.2 These units have been offered in lieu of the 9 x affordable units (6 x 2 beds and 3 x 1 beds) on Phase 1 Lower RNSD site which gained planning permission in July 2012. Persimmon has already started the ground works on this development. These nine units that have been approved as affordable housing units on the Lower RNSD would no longer be provided as affordable housing but would be sold as private units on the open market. Whilst this would reduce the amount of affordable housing on the Phase 1 Lower RNSD by 9 units, a further 19 units (17%) will still be provided as affordable housing. In addition, the adjoining site, Phase 2 Lower RNSD, owned by the same developer obtained planning permission in October 2012 for 289 units of which 70 units (24%) will be provided as affordable housing.

#### 3.0 FINANCE

- 3.1 A purchase price of £30,000 has been established as the transfer value of these 6 units as affordable housing. This is based on a comparative analysis of the average purchase price of 2 bed flats of £50,000 by Registered Providers operating within the Exeter Homes Partnership. The purchase of these units will also be subject to stamp duty land tax at 3%.
- 3.2 In accepting this offer, there would be a reduction of 3 x 1 bed affordable units on the Lower RNSD site. To assist in offsetting the reduction in affordable housing and to provide compensation Persimmon have agreed to pay £240,000 as a commuted sum payment back to the Council on the sale of the nine open market units on Lower RNSD site or within 18 months of the transfer of the six units on the Upper RNSD site, whichever is sooner. The commuted sum payment would then be used to increase the delivery of new affordable housing elsewhere in the City or on Council Own Build (COB) sites.

- 3.3 Repayment of the commuted sum of £240,000 will be secured by a Deed of Variation of the S106 agreement on the Lower RNSD site, subject to approval under delegated powers from the Head of Planning and Chair of Planning Committee. This will need to be signed at the same time as the transfer of the 6 x 2 bed flats on the Upper RNSD site to the Council. This s106 agreement will also cover the transfer of a 5-bed wheelchair unit to the Council for £82,414.80 on the Lower RNSD site Phase 2.

#### **Housing Revenue Account**

- 3.4 The units will be transferred to the Council and will form part of the Council's existing stock of social housing. The capital cost will be met by the HRA making a revenue contribution to capital. Once acquired, these properties would sit within the HRA and would be let out at Target (social) Rent levels, generating additional revenue income into the HRA.
- 3.5 Since the HRA became self-financing in March 2012, the Council now has the scope to increase its stockholdings, either through the purchase of new units or by building new affordable housing ourselves. In September this year, members approved the purchase of eleven new homes within Phase 7 of the RNSD development and a further five wheelchair adapted properties.
- 3.6 Undoubtedly, further opportunities will arise to transfer affordable housing negotiated through s106 agreements to the Council. Work is being undertaken to assess the scope of the HRA Business Plan to purchase future s106 affordable housing transfers to the Council's Housing Revenue Account. This would be subject to establishing clear parameters for the potential purchase of additional units to ensure that they meet housing need, the type and size of property, the transfer value and any additional benefits such as wheelchair accessible units.

#### **4.0 RECOMMENDED**

- 4.1 That the purchase of 6 x 2 bed flats at the Royal Naval Stores Depot at a price of £300,000 plus an additional £9,000 to cover stamp duty land tax at 3% funded from the HRA Capital Programme, is approved.

**SARAH WARD**  
**ASSISTANT DIRECTOR HOUSING AND CONTRACTS**

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

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

None





The scaling of this drawing cannot be assumed

Revised	Date	By
A	21.01.12	AC
B	22.01.12	AC
C	25.01.12	DG
D	26.01.12	MAP
E	26.01.12	MAP
F	31.01.12	DG
G	01.02.12	DG
H	05.02.12	AC
I	19.02.12	AC
J	19.02.12	AC
K	30.03.12	DG
L	30.03.12	DG
M	30.03.12	DG
N	30.03.12	DG

- KEY**
- Red line: Boundary
  - Blue line: Boundary
  - Green line: Boundary
  - Black line: Boundary
  - Orange line: Boundary
  - Yellow line: Boundary
  - Grey line: Boundary
  - White line: Boundary
  - Blue circle: Boundary
  - Green circle: Boundary
  - Black circle: Boundary
  - Orange circle: Boundary
  - Yellow circle: Boundary
  - Grey circle: Boundary
  - White circle: Boundary

Project: Lower R.N.S.D Site  
 Topsham Road, Exeter  
 Planning Layout

Date: 12.01.12  
 Scale: 1:500@A3  
 Project No: 196711  
 Drawing No: PL-05

Drawn by: G.H.W.  
 Checked by: N.  
 Author: N.





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Upper RNSD  
 plots 382 - 387 (marked in red).

# Site Plan



### Key to symbols

- ▼ Front Door
- ▼ Garage
- ↕ Drive Through

Please note:  
 Plots 298 - 302, 307 - 313  
 and 334 - 340 to be  
 affordable housing

### Key

- The Escot
- The Sidbury
- The Winscombe
- The Exminster
- The Hartland
- The Appledore
- The Teignbridge
- Sold

Existing  
 Development

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## EXETER CITY COUNCIL

EXECUTIVE  
4 DECEMBER 2012

### CIVIC CENTRE SUSTAINABLE DEVELOPMENT PROPOSAL

#### 1. PURPOSE OF THE REPORT

- 1.1 To consider the installation of photovoltaic arrays on the Civic Centre roof areas.

#### 2. BACKGROUND

- 2.1 Reducing carbon emissions is a key strand of the Council's Corporate Plan. Photovoltaic installations can deliver savings on utility bills, income from the sale of surplus kWh fed back onto the national grid (Export Tariff) and income from the Government's Feed-In-Tariff scheme.
- 2.2 The Feed-In-Tariff scheme (FIT) provides a long term financial incentive for investment in renewable energy. Under this scheme, energy companies are obligated to pay an inflation-linked payment based upon the number of Kilo-watt hours (kWh) for electricity generated from renewable sources. The FIT is designed to last 25 years. Due to the popularity of this scheme, the incentive payments have already been reduced and will be further reduced for new projects after April 2013.
- 2.3 Two of the three roofs of the Civic Centre are viable for the installation of photovoltaic arrays. To date, the only corporate building fitted with a solar array is a new facility at Belle Isle Nursery, which was commissioned in October 2011. This array is producing results 41% higher than the original design proposal and will bring in an income of £4500 - £5000 in the current financial year. The return reflects the higher FIT payments available prior to x 2012, which are considerably higher than the current payments, and electricity exported back to the grid. In addition, there is a further saving from reduced energy bills, in the region of £7,000 per annum, as a result of the electrical energy generated on site.

#### 3. WHAT CAN BE DELIVERED

- 3.1 Photovoltaics covering the available roof space on Phase I and II of the Civic Centre will create an array of 70kwh in total. It is prudent to install as many panels as possible, as the economies of scale reduce the costs of panels and provide for a more cost effective project.
- 3.2 This system will have an estimated energy saving performance of at least 65,000 kWh per annum. This estimate is based upon the Government's standard assessment calculation for the energy rating of buildings (SAP) and is a guideline that is followed in the project proposal in this report. The predicted carbon that will be offset by the renewable energy produced equates to 35 tonnes per year (equivalent to 125,000 miles driven by one of our refuse collection vehicles). A 70kW array will generate 64,973kWh, which would save the Council £7,475 per annum in reduced utility bills, together with an income from Fit of £8,466 per annum, and £1,500 from the sale of additional energy generated.

#### **4. PROPOSALS**

- 4.1 This proposal seeks to exploit the short lived opportunity to receive an income for the generation of the energy which, together with the anticipated saving in energy costs, would assist the Council's revenue budget. The level of CO2 emissions which would be saved is considerable and reaffirms this Council's on-going commitment to reducing carbon. For this reason, it is prudent that where opportunities arise, we look to provide similar photovoltaic schemes on other locations.
- 4.2 Installation costs of £90,000 would be required to install this level of photovoltaic array on the Civic Centre. This therefore is a major capital project for the Council and would need to be financed via borrowing – the annual revenue cost of borrowing would be in the region of £5,000 per annum.
- 4.3 The potential level of income the Council would receive for 25 years is approximately £17,500 per annum, made up from the FIT payments (estimated at £8,500 p.a.) together with the additional income which would be generated by “selling back” to the National Grid additional energy generated (estimated at £1,500 p.a.) and reduced energy bills (estimated at £7,500 p.a.). This means that if the Council were to invest in this scheme, it would be repaid in approximately 6 years. It would also generate an on-going income stream, which would exceed the annual borrowing costs by about £13,000 per annum.
- 4.4 If the Council decided not to undertake this itself, another option available is to use an energy company via an Energy Service Company Obligation (ESCO). Whilst this removes the majority of the capital investment requirement from the Council (£15,000 instead of £90,000), it would also remove the majority of the income potential (potentially only £75,000 in total received over the 25 years).

#### **5. RECOMMENDED**

- 1) That the Council takes advantage of the current FIT incentives and approves a capital contribution of £90,000 for the installation of photovoltaic arrays at the Civic Centre.
- 2) That further opportunities for the installation of sustainable photovoltaic arrays on Council assets where schemes provide a similar return are explored.

ASSISTANT DIRECTOR HOUSING & CONTRACTS  
CORPORATE MANAGER, DEMOCRATIC AND CIVIC SUPPORT

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

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

**None**



**EXECUTIVE  
4 DECEMBER 2012**

**FREEDOM OF THE CITY:  
HMS DEFENDER**

**1. INTRODUCTION**

- 1.1 Section 249 of the Local Government Act 1972, gives Councils the power to grant "Freedom of Entry to the City" to military units closely associated with their community.
- 1.2 To this end, an Extraordinary meeting of the full Council must be convened to specifically consider this matter, with two thirds of those present, voting in favour. If the recommendation contained in this report is accepted by The Executive and subsequently adopted by full Council, an Extraordinary meeting of the Council will therefore be organised immediately prior to the ordinary meeting of the Council scheduled for 26 February 2012, when Members will be asked to consider granting HMS Defender the Freedom of Entry to the City.

**2. BACKGROUND**

- 2.1 The City of Exeter has had a long association with the Royal Navy. Most recently this has been with its association with HMS Exeter who was granted the Freedom of the City in 1977, and last exercised this right on 25 October 2008 before her decommissioning in 2009. This affiliation was much appreciated by the Royal Navy itself which was evidenced by the gifting of one of HMS Exeter's nameplates to the City, with this now hanging in the main hall of the Guildhall.
- 2.2 Since then, and as reported to Executive on 16 September 2009, the Royal Navy offered the City the chance to be affiliated to one of its latest warships, HMS Defender, one of only 6 Type 45 destroyers. The City shares this honour with only one other City, that being Edinburgh.
- 2.3 This is considered to be a great honour and recognises the close bond between the City and the Royal Navy. In the words of the offer letter in 2009, 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."
- 2.4 Since its launch on 21 October 2009, which the then Lord Mayor (Cllr John Winterbottom) attended, relationships between the Ship and the City have continued to grow with representatives of the Ship's Company attending many civic events, including the annual Armed Forces Day and the City's Service of Remembrance.
- 2.5 The Ship will officially be commissioned on 21<sup>st</sup> March 2013 and will then enter service with the Royal Navy at that time.
- 2.6 It is felt that to ensure close links with the Ship and the Royal Navy are maintained, it would be most appropriate for HMS Defender to be granted "Freedom of Entry to the City".

**3. RECOMMENDED**

- 3.1 That in accordance with Section 249 of the Local Government Act 1972, an Extraordinary meeting of the Council be arranged, immediately prior to the Ordinary meeting of the Council on 26 February 2012, to consider granting Freedom of Entry to the City to HMS Defender.

John Street  
CORPORATE MANAGER, DEMOCRATIC & CIVIC SUPPORT

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

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

None

Date: 24 October 2012

## EXETER CITY COUNCIL

EXECUTIVE  
4 DECEMBER 2012

COUNCIL  
11 DECEMBER 2012

### UPDATE ON THE COUNCIL'S TRANSFORMATION PLAN

#### 1 PURPOSE OF REPORT

- 1.1 To provide an update for Members on progress in the Transformation Programme.
- 1.2 To request a further budget to support the use of external expertise to support the current phase of the Transformation Programme.

#### 2 BACKGROUND

- 2.1 The Council commenced its Transformation work in the summer of 2011, by conducting a review into some of its key services. This Review, called a 'Diagnostic', allowed members of the Strategic Management Team to lead work within our services, using methodology developed by Vanguard Consultancy. This methodology allowed officers to view their services from the perspective of the customer and identified at a high level, opportunities to reduce waste, duplication and identify barriers which prevent front line officers from meeting the needs of customers. Furthermore, this work introduced senior officers to Systems Thinking methodology.
- 2.2 Representatives from each political group of the Council were briefed on the outcome of the Diagnostic.
- 2.3 In October 2011, it was agreed based on the findings from that work, that four Reviews would be undertaken from January 2012. Further information on these Reviews appears later in this report.
- 2.4 Since the original Diagnostic work in the summer of 2011, additional work that has taken place, supported by Vanguard Consultancy includes:
  - Input into the Council's Senior Management Review
  - Two- Day Systems Review Orientation for Chief Executive, Directors and Heads of Service
  - One-day Systems Thinking session for Portfolio Holders
  - Two evening Systems Thinking sessions for Members
- 2.5 These 'Set Up' activities have raised the awareness of senior managers and elected members as to the Systems Thinking approach, Vanguard methodology and the opportunities for improvement of services to our residents and created the environment to begin the reviews of our services.

- 2.6 Other work, supported by Vanguard that has taken place as part of the Transformation Programme include:
- Support to the development of new Corporate Plan, based on new Purposes
  - Support on the development of a new Leadership Dashboard for managing performance
  - Support to the four Reviews including mentoring to officers leading Interventions
  - On going support to senior officers

### **3. PROGRESS IN THE TRANSFORMATION PROGRAMME**

3.1 The Council's Senior Management Review and further rationalisation of staff this year has saved the authority in the region of £1m. The existing Transformation Programme supported by Vanguard is expected to deliver continued significant savings.

3.2 Members are asked to note that the Reviews that are currently taking place are not simply based on individual services within the Council. Part of the learning from the Diagnostic work has been to see our services as part of a wider System that affects our customers, for example, Planning, Benefits, and Housing Advice. Therefore, Members will note that the Reviews described below, encompass more than one of our existing services and are based on the Council's new Purposes as contained in our Corporate Plan.

3.3 Help Me With My Financial/Housing Problem

This was the first Review undertaken, work having commenced in February of this year, led by the Assistant Director Business Transformation. A Member Briefing was held as part of the induction programme for newly elected members, to which all councillors were invited to share learning and progress in this Review.

This Review spans across the Customer Service Centre, Housing Benefits, Council Tax and Housing Needs. Members agreed in May to make the system normal; i.e. to make it a permanent system in the front end of the Council. Since May, work has been done to experiment how the System responds to volume and additional staff have been rolled into the System. This has involved a focus on taking New Claims for Housing Benefit. Work has also been done to upskill the Customer Service officers to deal with additional Council Tax enquiries in order to meet residents' demands at the first point of contact.

The 'Help me with my Housing Problem' aspect of the Review is well underway with work carried out within the Housing Needs service, which has informed a redesign of front line housing advice and homelessness services. This work has also provided clear evidence that the Devon Home Choice system of allocating affordable homes by holding a large housing register does not best meet housing need and therefore does not help us meet our purpose. It will therefore be necessary for the Council to consider its future within the Devon Home Choice partnership and the annual policy review (ending next May) will provide an opportunity to adopt a new system which best meet purpose.

A significant element of the work has been the identification, from October, of two interim Operational Leads for the work. These Leads have taken on these roles from 1 October, and have been focussed on re-establishing principles and method within

the work as the redesigned system had deviated from the intended purpose (Help me solve my housing / financial problem) as referred to earlier and this needed to be addressed. This work has been successful and it is expected that additional staff will be rolled into the system as we begin to generate the performance measures that confirm the System is working to its design. As part of this work, changes have been made to the layout of the Customer Services Centre to enable the design of the work. At this time, the Assistant Director, Housing & Contracts has also taken a Sponsor role in the Review, alongside the Assistant Director Business Transformation.

Once the frontline service is properly established and a plan in place to increase the amount of demand being taken in this way, it is then the intention to extend the scope of the review into Tenancy Services and the Sustainable Lettings Service which are often critical to helping people solve their housing problem. The aim would be for this to start before the end of the year.

The next phase of the review is for the Review Sponsors to identify the number and type of roles, including management roles, needed in the new system and to develop a structure and budget for the new system.

### 3.4 Deliver Good Development

The Sponsor for this Review is Strategic Director Karime Hassan and the Review Lead is the Development Manager. The team completed the "Check" phase which is where they have learnt about the thinking that underpins the existing system. The Team began experimenting with taking new demand in a different way; developing a holistic end to end approach through dealing with a range of new development projects from minor schemes such as domestic extensions to large mixed use development proposals. Acting more proactively than in the past, the team meets with developers at the earliest possible stage in order to better understand the issues and barriers to development and identifying the key issues to be resolved as the schemes make their way through the planning process. The team expanded from four officers to six and continues to take on a wide range of new demand including a proposal for a new free school for 600 pupils and new residential development in Topsham. By eliminating the considerable waste work that was common in the early administrative phase of dealing with proposals, the team has been able to process planning applications much more quickly than previously. Similarly, by working more proactively with prospective developers and involving the right "experts" – whether they are from the Council or other agencies such as the Highways Agency, Environment Agency and County Council – the team have found that they can resolve key issues earlier. This eliminates the need to impose conditions on consents which in turn generate further work through dealing with applications to discharge applications which can also delay development schemes coming forward.

One particular example was the application the team dealt with for 58 houses at the former St. Loyes College. The application was determined within 8 weeks –against a Government target of 13 weeks – and it was only necessary to impose four conditions. This will enable, the applicant, Linden Homes to make an early start on site which will deliver much needed homes and indeed income to the Council through the New Homes Bonus. Shortly after receiving the decision notice and just before confirming that the company would commence site clearance works within 10 days, Adam Davies, Linden's Senior Development Manager wrote saying;

*“That is fantastic, thank you ever so much for your help; it has been truly outstanding throughout and is greatly appreciated”.*

It is important to emphasise that the new purpose of ‘Delivering Good Development’ fundamentally shifts the focus of City Development away from determining applications and towards focusing on implementation and outcomes. This is breaking new ground and aiming to make routine what has in the past been achieved only on exceptional projects such as the Met Office and Princesshay.

### 3.5 Maintain the Council’s Assets

This review started on 1 October, following an interim restructure in the Housing and Contracts team to provide the management capacity to lead the Review. The Assistant Director Housing & Contracts is the Review Sponsor and the Housing Operations Manager is the Redesign Lead. A full scoping document timetabling the review and its constituent elements is in place. Data is being gathered about how the work is done presently and how we maintain our building assets across the Council’s whole housing, commercial and civic portfolio. We are beginning to understand that there are a number of various “Maintain our Building Assets” systems across the Council that work in a number of different ways.

Several issues are currently being addressed. More staff resource needs to be identified for this review across the Council, particularly from Housing, Contracts, Finance, IT and Legal Services. A comprehensive asset register needs to be developed and mapped and contract information needs to be gathered and assessed. Driving flexibility into existing and new contracts is a key priority because, in order to test any redesign of the system, we will need contractors to be flexible in the way the work is done. More asset management information is required to measure the impact of the existing systems and the impact of system changes that will be introduced.

It has been determined that the need to review the Council’s existing arrangements for managing contracts is a vital first phase of this Review. Once this has been done, work will be done with our main contractors to ascertain their commitment and financial contribution to funding any future Review work.

### 3.6 Keep Exeter Safe and Looking Good

This Review commenced in October and is being sponsored by Strategic Director Mark Parkinson with Assistant Director Public Realm and Assistant Director Environment as Operational Leads. The focus of the review is on the ‘looking good’ aspect of the Council’s stewardship of place - primarily cleansing, grounds maintenance and respective enforcement. The Review is currently within the ‘check’ phase where there has also been intensive data gathering on the demand on the services within this system and the level of resource, both proactive and reactive, currently being deployed to respond to that demand.

In order to help determine what matters to existing and potential customers of the service, five focus groups of citizens and community representatives has been held as well as interviews with residents both on the streets and in open spaces. It is planned that progress and emerging issues will be shared with Members shortly.

### 3.7 Progress in Other Elements of the Transformation Programme

The four interventions are only one aspect of the overall Programme to transform the way the Council approaches service planning, delivery and monitoring. If work was only undertaken within operational services, it is unlikely that the Council would fundamentally change; progress would be limited to improved ways of working in the areas in which Review were undertaken. The Council agreed to undertake a more pan-organisational approach to its Transformation Programme and outlined below are additional areas of work that are underway.

#### 3.7.1 Work was led by Strategic Director Karime Hassan to develop new Purposes for the Council. These Purposes were developed to reflect residents' expectation as opposed to what the Council's priorities based on functional areas and services. These Purposes, which now appear in the Council's Corporate Plan, are:

- Help Me Find Somewhere Suitable To Live
- Help Me Run A Successful Business in Exeter
- Provide Great Things For Me To See, Do And Visit
- Improve The Environment And My Neighbourhood
- Maintain The Assets Of Our City
- Provide Me With The Information I need
- Deliver Good Development
- Help Me Get Back To Financial Independence
- Keep My City Safe and Looking Good
- Enable Me to Have My Say And Be Heard

This clarity around our commitment to thinking about our priorities in the context of what matters to Exeter residents allows us to develop clear indicators of our progress. However, these Purposes will need to be kept under review to ensure they reflect the Council's priorities and available resources for their delivery.

#### 3.7.2 Developing New Measures

This work is being led by the two Strategic Directors and will develop new 'Leading' and 'Lagging' measures. Leading Measures are those which identify issues to resolve in the system and allow managers to take action in real time to facilitate improvements in those measures. For example, a measure for the system to help residents with financial and housing problems is 'end to end times to decide on a claim for benefit' or 'time to action a change of circumstances'. Lagging Measures are ones which are retrospective, for example, a customer satisfaction survey, budget monitor or staff survey.

In the past, both managers and councillors have reviewed performance information retrospectively which means that by the time the information is considered, it is often too late to take action. Refocusing the way that the Council measures its achievements to allow action to be taken in real time to correct poor performance is a significant change to the way that we have traditionally managed our performance and is a more efficient and robust approach. Part of this work will also redefine to a significant extent, the relationship between managers and teams, in that the management relationship becomes focused on addressing issues to be resolved as a result of knowledge about performance issues to be tackled.

- 3.7.3 Work with elected Members on Decision Making. As key decision-makers within the Council, it is acknowledged that work needs to be done to continue to inform elected members of the Systems Thinking principles and learning and examine how this relates to the political decision-making process. This stream of work has already commenced with a review of Scrutiny, led by Strategic Director Mark Parkinson, working closely with Members.

## **4 FUTURE WORK**

- 4.1 Members will be aware of the significant financial challenges ahead. The Medium Term Financial Plan requires a level of reduction in the revenue budget that necessitates a fundamental transformation of the Council if front line services are to be protected. The work undertaken so far has helped senior managers to identify inefficiencies and waste, challenged the existing logics that underpin our current management practice and is equipping the Strategic Management Team to meet the budgetary challenges.
- 4.2 In order to complete the existing four Reviews and continue to develop the Council's capacity to support future Systems Thinking work, with a greatly reduced reliance on external support, a further budget of £85,000 is requested. This sum will provide support to the areas below.
- 4.2.1 Leadership Development. Work will continue with the Council's Strategic Management Team to ensure that the principles of working being developed in the Reviews are informing the approach that senior officers take in addressing issues across the Council. This will ensure that there is not a disconnect between the work happening to reform front line services and the decisions being taken by management. It will also ensure that Senior Management are using the principles developed in systems thinking work to inform how we are looking to identify efficiencies and savings in areas not subject to Review.
- 4.2.2 Support to Review Leads to complete the existing four Reviews. As referenced in 3.2 of this Report, the Reviews that are underway are more complex than reviewing individual services. This has undoubtedly proved a challenge as officers have had to, in some reviews, address different working practices and method across different services, in order to develop one 'system'. The work is framed very much around front line staff experimenting with different approaches in order to learn the most efficient way of helping residents and other local stakeholders with their demands on the Council; for example, a council tenant needing support for a financial problem or a local business needing planning permission. All of the Reviews are well underway but there is still a need to draw on Vanguard expertise, at a lesser level than currently as we develop our internal capacity, to support these Reviews.
- 4.2.3 Review of Support Services. As we continue to focus on using the Reviews to identify opportunities to improve our services to residents, it is equally important to identify the optimum level of resources required to support and enable the delivery of front line services.
- 4.2.4 Development of an exit strategy for Vanguard Consultancy, including the development of an internal team to support future Reviews. The Council has always been clear that a key principle in engaging with external consultants to support its Transformation was that internal capacity would be developed to ensure that our reliance on external support would be time-limited. A key area of activity in the next



six months is to create an in house resource able to support future Reviews. This will be done partly by using an e learning tool which will be used to support managers who will work as part of a team to learn the systems review methodology and apply it to an area for Review.

## **5 RECOMMENDED**

- (1) That Members note progress in delivering the Council's Transformation Plan; and
- (2) That Executive recommends to Council the approval of a sum of £85,000 to complete the delivery of the Transformation Plan. This sum will be met from the Council's General Fund Balances.

**BINDU ARJOON**  
**ASSISTANT DIRECTOR BUSINESS TRANSFORMATION**

**CHIEF EXECUTIVE'S DEPARTMENT**

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

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

None

6 November 2012

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