

SCRUTINY COMMITTEE - RESOURCES

Date: Wednesday 29 July 2015
Time: 5.30 pm
Venue: Rennes Room, Civic Centre, Paris Street, Exeter

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

If you have an enquiry regarding any items on this agenda, please contact Sharon Sissons, Democratic Services Officer (Committees) on 01392 265115 or email sharon.sissons@exeter.gov.uk

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

Membership -

Councillors Bull (Chair), Buswell (Deputy Chair), Baldwin, Bialyk, Brock, George, Harvey, Lyons, Mottram, Robson, Sheldon and Wardle

Agenda

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

1 Apologies

To receive apologies for absence from Committee members.

2 Declarations of Interest

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

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

RESOLVED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of item 7 on the grounds that it involved the likely disclosure of exempt information as defined in paragraph, 3 of Part I, Schedule 12A of the Act.

4 **QUESTIONS FROM THE PUBLIC UNDER STANDING ORDER 19**

A period of up to 15 minutes will be set aside to deal with questions to the Committee from members of the public.

*Details of questions should be notified to the Corporate Manager Democratic & Civic Support at least three working days prior to the meeting. Further information and a copy of the procedure are available from Democratic Services (Committees) (265115) also on the Council web site:
<http://www.exeter.gov.uk/scrutinyquestions>*

5 **QUESTIONS FROM MEMBERS OF THE COUNCIL UNDER STANDING ORDER 20**

To receive questions from Members of the Council to appropriate Portfolio Holders.

MATTERS FOR CONSIDERATION BY THE EXECUTIVE

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

To consider a report from the Assistant Director City Development.

(Pages 3 - 8)

Part II: Items for Consideration with the Press and Public Excluded

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

To consider the report of the Deputy Chief Executive/Exeter Active Senior Responsible Officer.

(Pages 9 - 16)

Date of Next Meeting

The next **Scrutiny Committee - Resources** will be held on Wednesday 16 September 2015 at 5.30 pm

Future Business

The schedule of future business proposed for this Scrutiny Committee and other Committees of the Council can be viewed on the following link to the Council's website:

<http://www.exeter.gov.uk/forwardplan>

Councillors can view a hard copy of the schedule in the Members Room.

Individual reports on this agenda can be produced in large print on request to Democratic Services (Committees) on 01392 265115.

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

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

Is this a Key Decision?

Yes

Is this an Executive or Council Function?

Council

1. What is the report about?

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

2. Recommendations:

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

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

3. Reasons for Recommendation:

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

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

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

5. Section 151 Officer comments:

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

6. What are the legal aspects?

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

7. Monitoring Officer Comments:

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

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

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

9. Background

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

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

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

10. Funding secured for the station

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

http://www.devon.gov.uk/index/councildemocracy/decision_making/cma/cma_document.htm?cmadoc=minutes_exc_20150213.html.

- 10.2 The cost of the station had been estimated at around £4 million. For several years this figure remained relatively unchanged, even following preparation of a business case for Growth Deal funding in July 2014.

- 10.3 The County Council secured £2 million Growth Deal funding for Marsh Barton Station as part of a combined award that also encompassed the construction of Edginswell station in Torbay. Local contributions towards the balance were anticipated. With regard to the quantum of development anticipated in each authority area there was an expectation that the City Council would contribute one third (£660,000) and Teignbridge District Council two thirds. As at January 2015, Teignbridge District Council's Capital Programme includes a £1.4 million commitment to the station.

- 10.4 Since then cost increases are understood to have arisen as a result of:
 Previous design underestimates as to the accessibility of the site;
 Tender price inflation owing to a high volume of rail industry work nationally;
 Recent experience of Network Rail and First Great Western fees; and
 New signalling, telephony and platform length regulations.

- 10.5 The station cost estimate has been revised to £7.4 million. The County Council has sought additional Growth Deal funding in response. To date the County has secured **[bold]** or anticipates the following amounts.

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

11. Funding From Exeter City Council

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

12. Relationship with proposed joint Major Infrastructure Panel

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

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

Richard Short
Assistant Director City Development

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

Background papers used in compiling this report:-

None

Contact for enquiries
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Appendix 1: Approximate collected and anticipated CIL income

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

Agenda Item 7

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

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