



# **Exeter** Development Fund

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7 April 2022

# Contents

- 01 Introduction
- 02 Professional Services Work carried out to explore options
- 03 Project Objectives
- 04 Options Appraisal: Long List to Short List
- 05 Fund Option Structure
- 06 Options Appraisal Results
- 07 Benefits
- 08 Financial Results: Exeter Development Fund
- 09 BAU v The Exeter Development Fund
- 10 Sponsor Feedback Response: Scenario Analysis



## Introduction



# Exeter Development Fund





## **Professional Services Work carried out to explore options**

### OPE funding – concept test within a Green Book OBC format

- Innovative replicable financing model
- Land and skills aggregation across public sector
- Development against government targets





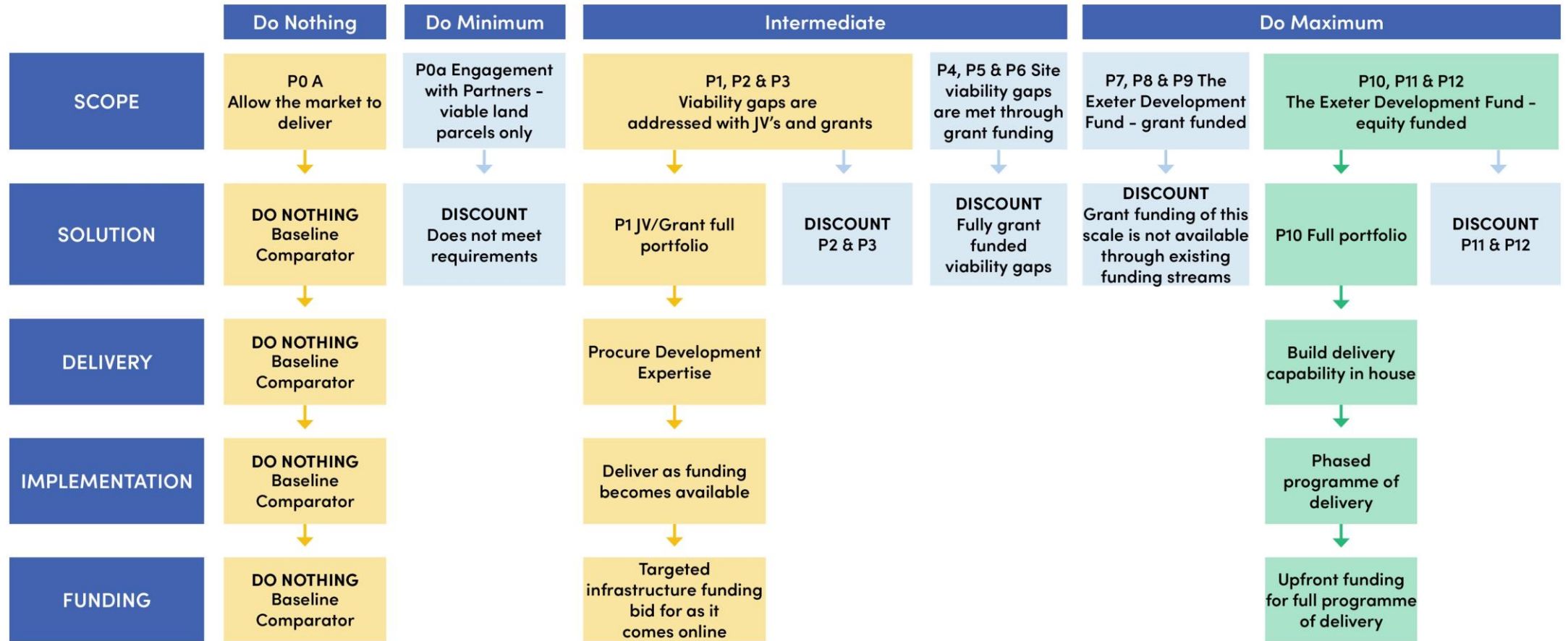


# Project Objectives

- To develop a replicable financial model that optimises public sector assets for housing and infrastructure.
- A portfolio approach to urban development that brings together public sector partners to maximise economic growth and efficiencies while providing ongoing, tangible stewardship of community assets and facilities.
- Disrupting the market to accelerate the scale and pace of the development of new sustainable communities and desirable neighbourhoods to live and work.
- To enable a built environment that ensures the city's Net Zero objectives.
- Protect public sector land assets from disposal.
- Build market leading development capability within the local public sector.



# Options Appraisal: Long List to Short List



# Fund Option Structure

Deloitte.



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# Options Appraisal Results

## Option 1

### Sell Land

Public sector owned land

No control over outcomes outside of planning

No additional benefits

## Option 2

### Business as Usual

Land contributed to each scheme

PV of **£516m** required from government

Less control

PV of benefits of **£51m over 60 years**

Net Present Social Value of **-£464M**

## Option 3

### Exeter Development Fund

✓ Land contributed to each scheme

✓ PV of **£1,577m** required

✓ More control

✓ PV of benefits of **£841m over 60 years**

✓ Net Present Social Value of **£603m**



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## **Benefits**

**Example 1:  
Fuel Poverty**

**Example 2:  
Cost of Retrofit**

# Financial Results: Exeter Development Fund

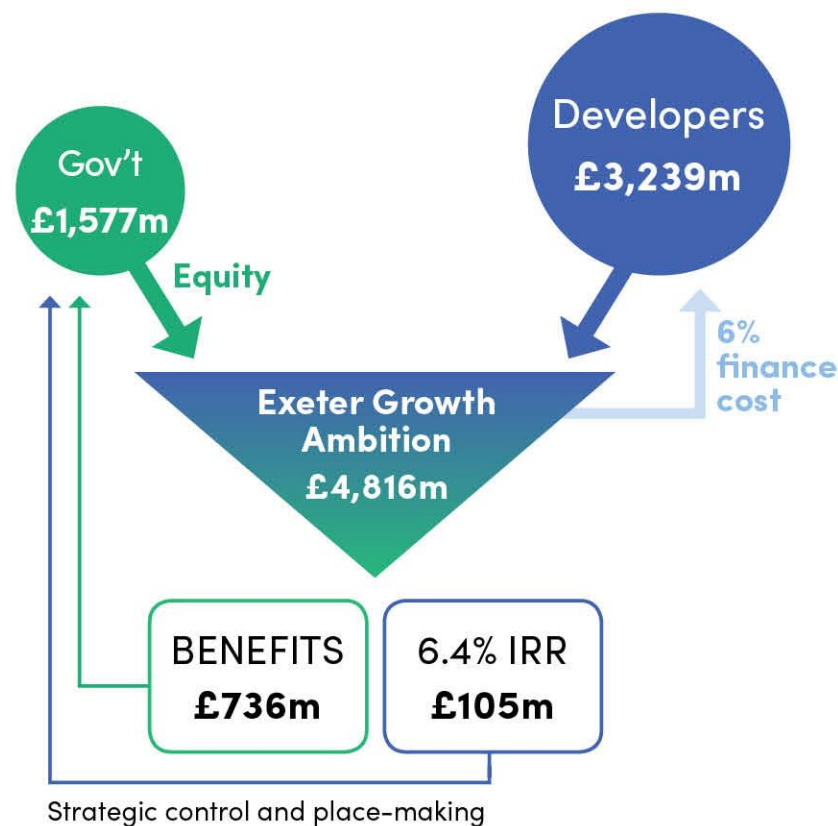
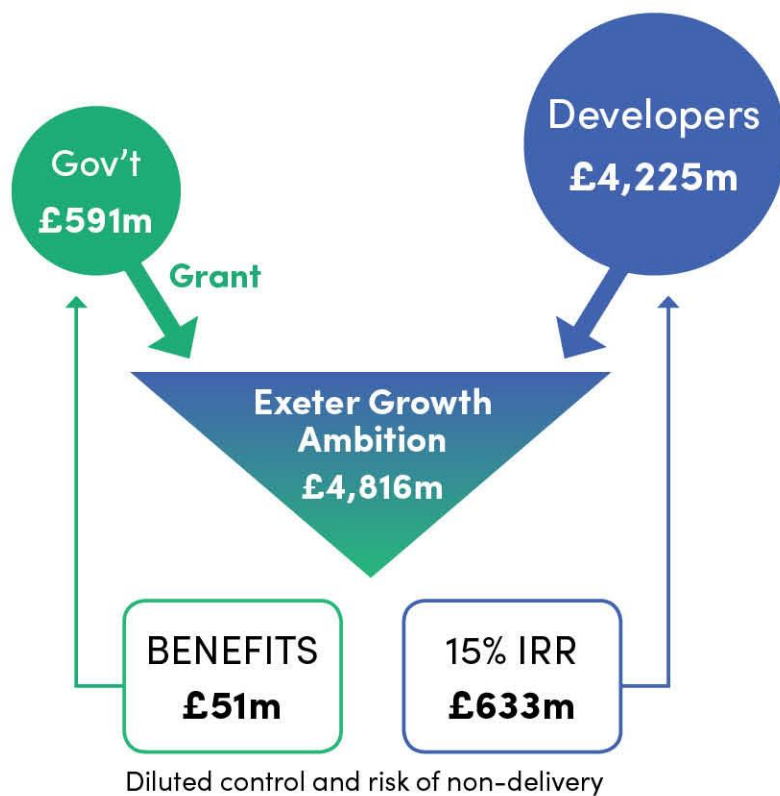
## Full Portfolio Summary

Private Loans	<b>£3,238m</b>
Government Equity	<b>£1,577m</b>
<b>Total</b>	<b>£4,816m</b>
IRR to Equity Holders	<b>6.42%</b>

## PV of Benefits

Cash Surplus	<b>£105m</b>
Benefits	<b>£736m</b>
<b>Total</b>	<b>£841m</b>

# ➤ BAU v The Exeter Development Fund





# Sponsor Feedback Response: Scenario Analysis

## 2 Sites Example (North & South Gate)

Private Loans	<b>£137m</b>
Government Equity	<b>£85m</b>
<b>Total</b>	<b>£222m</b>
IRR to Equity Holders	<b>8.1%</b>

## PV of Benefits

Cash Surplus	<b>£58m</b>
Benefits	<b>£67m</b>
<b>Total</b>	<b>£125m</b>



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