



# Exeter Development Fund

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## 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



**Deloitte.**



GLOBAL  
**CityFutures**



**Exeter**  
CityFutures



**Exeter**  
Development Fund





## Project Objectives

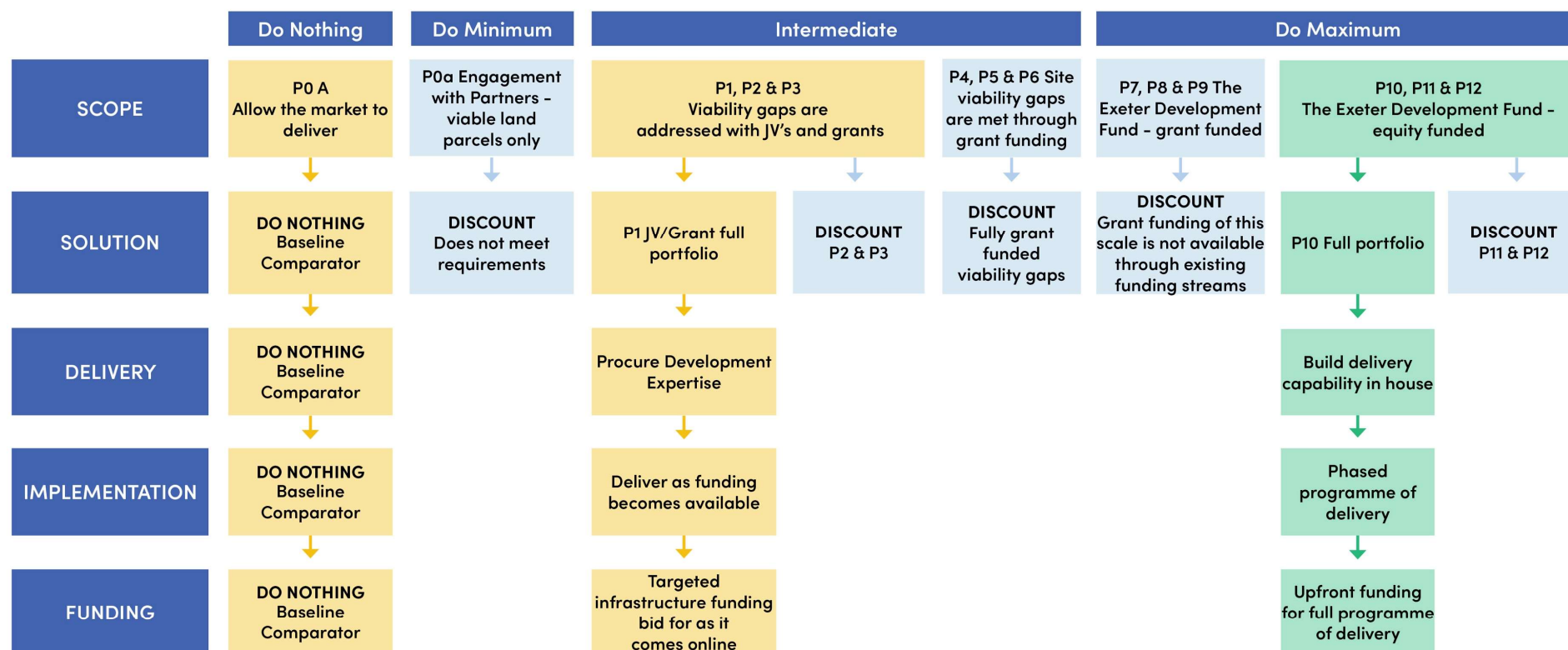
- To develop a replicable financial model that optimises public sector assets for housing and infrastructure.
- A portfolio approach to urban development that brings together public sector partners to maximise economic growth and efficiencies while providing ongoing, tangible stewardship of community 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.



## Critical Success Factors

	Critical Success Factors	Options assessed as to how well they met the following goals:
CSF1	Strategic fit and local needs	Meets local/national net zero aspirations
		Delivers on housing requirements to meet local needs.
CSF2	Potential value for money	Optimises public sector assets for the long term
CSF3	Public sector capacity and capability	Ensures development outcomes match or exceed aspirations
		Builds development capability in the public sector
		Expedites public sector development delivery times
CSF4	Potential affordability	Can be funded through potential, existing or emerging funding streams
		Generates the platform to attract private finance
CSF5	Potential achievability	Is likely to be deliverable given partner regulatory approvals processes
		Matches level of available skills and resource required for successful delivery

# Options Appraisal: Long List to Short List



# Fund Option Structure

Deloitte.





# 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**



## **Benefits**

**Example 1:**  
**Fuel Poverty**

**Example 2:**  
**Cost of  
Retrofit**

# Financial Results: Exeter Development Fund

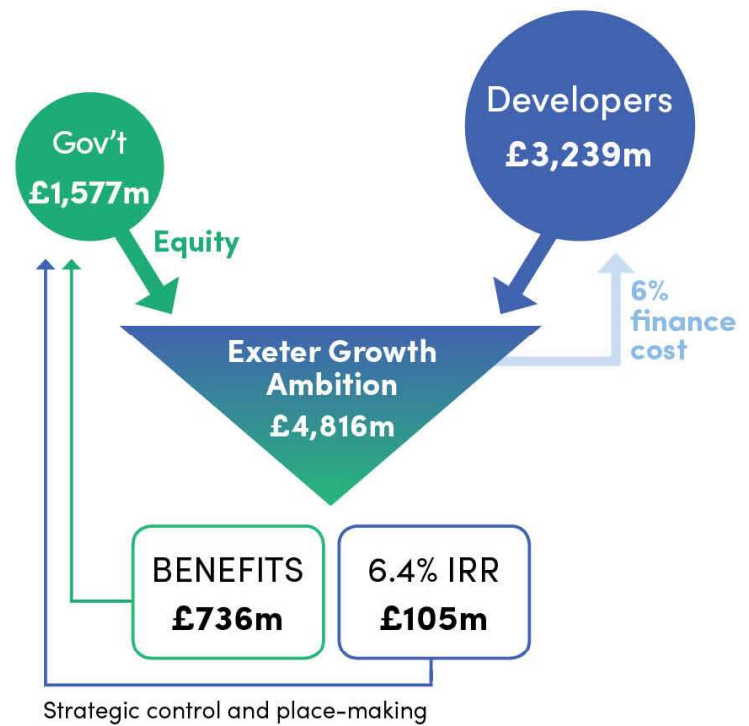
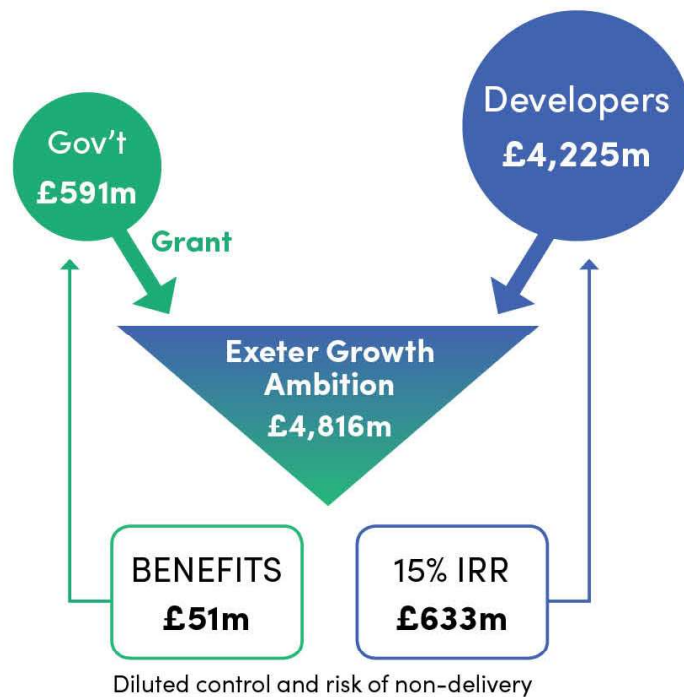
## Full Portfolio Summary

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>

