

## Agenda for Cabinet

**Wednesday, 9 November 2016; 5.30pm**

### [Members of Cabinet](#)

**Venue:** Council Chamber, Knowle, Sidmouth, EX10 8HL

### [View directions](#)

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Issued 1 November 2016



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Members of the public exercising their right to speak during Public Question Time will be recorded.

- 1 [Public speaking](#)
- 2 Minutes of 12 October 2016 (pages 4-11), to be signed as a true record
- 3 Apologies
- 4 [Declarations of interest](#)
- 5 [Matters of urgency](#)
- 6 There were no confidential items that officers recommended should be dealt with in this way.

- 7 Forward Plan for key decisions for the period 1 December 2016 to 31 March 2017 (pages 12-15)
- 8 Minutes of the Strata Joint Scrutiny Committee held on 15 September 2016 (pages 16-20)
- 9 Minutes of the Strata Joint Executive Committee held on 27 September 2016 (pages 21-24)
- 10 Minutes of the Overview Committee held on 27 September 2016 (pages 25-28)  
Cabinet are asked to defer a decision on recommendation Minute 13 Recommendation 2 “that the Officers consider the resource and financial implications for EDDC on the production of a leaflet giving advice to purchasers of new homes, on options available to them if issues arise regarding the quality of the build”; until further research has been undertaken by the Service Lead - Planning Strategy and Development Management.
- 11 Minutes of the Recycling & Refuse Partnership Board held on 5 October 2016 (pages 29-33)
- 12 Minutes of the Scrutiny Committee held on 3 November 2016 – to follow

#### **Part A matters for key decision**

- 13 **Exeter and East Devon Enterprise Zone** (pages 34-41)  
This report provides an update on progress towards an operational Enterprise Zone in the West End of the District and to seek delegated authority to sign a Memorandum of Understanding with Government.  
**Appendix 1** – Memorandum of Understanding (pages 42-55)  
**Appendix 2** - Business Rates Relief Policy (pages 56-58)  
**Appendix 3** - Programme of work (page 59)  
**Appendix 4** - Financial Overview of Enterprise Zone (page 60)
- 14 **Exmouth flood prevention scheme** (pages 61-66)  
To agree the EDDC contribution towards Exmouth Tidal Defence Scheme and provide an update on progress towards a major engineering scheme to protect parts of Exmouth from coastal and fluvial flooding.  
**Appendix 1 – Exmouth preferred option** (pages 67-70)

#### **Part A matters for decision**

- 15 **Bishops Clyst Neighbourhood Plan Examiner’s Report** (pages 71-80)  
To provide feedback and set out proposed changes following the examination of the Bishops Clyst Neighbourhood Plan
- 16 **Queen’s Drive site, Exmouth update** (pages 81-91)  
The report updates members on the delivery of an improved seafront offer for Exmouth and, in particular, progress on the Queen’s Drive regeneration project. **Appendix 1** – Aerial image of site (page 92)  
**Appendix 2** – Aerial image of site phasing plan (page 93)  
**Appendix 3** – Queen’s Drive budget profile (page 94)  
**Appendix 4** – Project Cost and Income Projection (page 95)

**Appendix 5 – Exemption to Standing Orders - authority to commission external expertise on Reserved Matters Procedure (pages 96-100)**

- 17 **Budget Monitoring report – Month 6** - (pages 101-106)  
This report gives a summary of the Council's overall financial position for 2016/17 at the end of month six (30 September 2016).
- 18 **Monthly Performance reports – September 2016** (pages 107-110)  
Performance information for the 2016/17 financial year for September 2016 is supplied to allow the Cabinet to monitor progress with selected performance measures and identify any service areas where improvement is necessary.  
**Appendix A** - September 2016 snapshot
- 19 **Local Government Ombudsman complaints 2015/16** (pages 111-113)  
This report provides information on complaints referred to the Local Government Ombudsman during 2015/16.

**For a copy of this agenda in large print, please contact the Democratic Services Team on 01395 517546**

**EAST DEVON DISTRICT COUNCIL**  
**Minutes of the meeting of Cabinet held**  
**at Knowle, Sidmouth on 12 October 2016**

**Attendance list at end of document**

The meeting started at 5.30pm and ended at 7.00pm

**\*53 Public Speaking**

There were no members of the public present wishing to speak.

**\*54 Minutes**

The minutes of the Cabinet meeting held on 14 September 2016 were confirmed and signed as a true record.

**\*55 Declarations**

Councillor Tom Wright – Minute 20  
Interest: Personal  
Reason: Member of LED

Councillor Eileen Wragg – Minute 20  
Interest: Personal  
Reason: Member of LED

**\*56 Matter of urgency**

None

**\*57 Matters referred to the Cabinet**

There were no matters referred to the Cabinet by the Overview and Scrutiny Committees.

**\*58 Exclusion of the public**

There were no confidential items that officers recommended should be dealt with in this way.

**\*59 Forward Plan**

Members noted the contents of the forward plan for key decisions for the period 1 November 2016 to 28 February 2017.

**\*60 Minutes of the Recycling & Refuse Partnership Board held on 20 July 2016**

Members received minutes of the Recycling & Refuse Partnership Board held on 20 July 2016. The Portfolio Holder Environment informed members there would be member briefing by the Waste Team to update all on the additional recycling being brought in across the district.

**RESOLVED (1) that the following recommendations be agreed:**

**Minute 21 - Mobilisation planning working groups update**

1. that there be a two-phase roll out of the new service
2. that the first phase of the new service commence on 16 February 2017
3. that the new vehicles be used as soon as they were available.

- \*61 **Notes of the Asset Management Forum held on 1 September 2016**  
Members noted the decisions of the Asset Management Forum held on 1 September 2016.
- \*62 **Minutes of the Housing Review Board held on 8 September 2016**  
Members received minutes of the Housing Review Board held on 8 September 2016

**RESOLVED (1) that the following be noted:**

**Minute 26 – Forward Plan**

**Minute 27 - Annual report to tenants**

**Minute 28 - Review of housing service complaints April 2015 – March 2016**

**Minute 31 - Use of Right to Buy receipts update**

1. the update report on the use of Right to Buy receipts and Commuted Sums to secure suitable property to add to the Council's affordable housing stock.

**Minute 32 - HRA financial monitoring report 2016/17**

**RESOLVED (2) that the following recommendations be agreed:**

**Minute 29 - Sewage treatment plants**

1. the necessary expenditure on the three sewage treatment plants needing urgent maintenance/replacement in the coming year.
2. officers investigate the possibility of passing some/all of the sites over to South West Water, acknowledging that this may involve potentially significant costs to bring the plants up to standard.
3. the charges made to both tenants and private owners as outlined in the report be reviewed and compensation be paid to tenants if this is felt appropriate.

**Minute 30 - Lift replacements**

the Housing Revenue Account capital expenditure be used for the replacement of the lifts at Albion Court and Morgan Court in Exmouth, with the lift size being increased where possible.

**Minute 31 - Use of Right to Buy receipts update**

2. delegated authority be given to the Strategic Lead – Housing, Health and Environment, Portfolio Holder for Sustainable Homes and Communities, and Chair of the Housing Review Board to approve further purchases to meet the Right to Buy December 2016 spending deadline and extending into next quarter using either Housing Revenue Account funding or a loan from the Public Works Loan Board as match funding.

**Minute 35 - Award of gas service and maintenance contract**

the new four year gas service and maintenance contract be awarded to Liberty Group Ltd.

**Minute 36 - Disposal of two council houses and land with planning permission for a two bedroom house at Normandy Close, Exmouth**

the request to change a previous decision that enables officers to proceed to dispose of 24 & 26 Normandy Close, with planning permission to construct an additional dwelling on the open market.

- \*63 **Minutes of the Budget Working Party held on 14 September 2016**  
Members received the notes of the Budget Working Party held on 14 September 2016

**RESOLVED (1) that the following decisions be noted:**

**Minute 3 - Medium Term Financial (MTFP) and Transformation Strategy**

1. the current budget position be noted and proposed action for savings identified through the Transformation Strategy be supported,
2. the reduction in delivery in housing in Cranbrook be referred to the Strategic Planning Committee;
3. the Strategic Lead Finance reply on behalf of the Council to the Government consultation paper on 100% Business Rate retention and Fair Funding Review in consultation with the Leader, Portfolio Holder Finance and Chief Executive;
4. town and parish councils be advised of the anticipated reduction in the Council Tax Support Grant for 2017/18 as 56% maximum – in line with the reduction being made by the Government. The remaining funding be ring fenced for use by town/parish councils and the officers be requested to produce a report on the effect of this proposal

- \*64 **Notes of the Exmouth Regeneration Programme Board held on 15 September 2016**  
Members noted the decisions of the Exmouth Regeneration Programme Board held on 15 September 2016. Discussions included the importance of putting a working party together to work with Exeter Deaf Academy on Rolle College and parking around Mamhead slipway.

- \*65 **Minutes of the South East Devon Habitat Regulations Executive Committee held on 21 September 2016**  
Members received minutes of the South East Devon Habitat Regulations Executive Committee held on 21 September 2016.

**RESOLVED (1) that the following resolutions be noted:**

**Minute 15 – Matter of urgency**

the South East Devon Habitat Regulations Executive Committee agreed to bring forward funding (in the sum of £1000), identified in the 5 year Delivery Programme for years 2-5 to ensure the collection of data from the Wetland Bird Survey (WeBS) to year 1. For this funding to enable 2 WeBS surveys at low tide by boat on the Exe Estuary, every 5 years. The first survey would be undertaken in November 2016.

**Minute 17 – Financial report**

**Minute 18 - Annual Business Plan and Five-Year Delivery Programme**

**Minute 20 - Suitable Alternative Natural Green Space (SANGS) – Scoring site options**

**Minute 21 - Suitable Alternative Natural Green Space (SANGS) – opportunity**

1. the South East Devon Habitat Regulations Executive Committee agrees the following funding arrangements for specified land for Sustainable Alternative Natural Green Space :
  - a) Funding the purchase and instatement of land (shown in Appendix A to the report) for Suitable Alternative Natural Green Space at Dawlish at a cost of up to £2,923,000. Teignbridge District Council has separately approved forward funding this acquisition.

- b) Repaying Teignbridge District Council up to £643,000 by March 2020, and delegating authority to the Habitat Regulations Delivery Manager and the S151 Officers of East Devon District Council (accountable body) and Teignbridge District Council to agree arrangements and the final amount in accordance with proven expenditure.
  - c) Delegating authority to be given to the S151 Officer of East Devon District Council (accountable body), Teignbridge District Council and Exeter City Council, in consultation with the Habitat Regulation Delivery Officer and the Heads of Planning of the partner authorities, to agree the reduction in Teignbridge District Council's partnership contributions to SANGS mitigation until such time as the number of dwellings permitted in Teignbridge (when taken with other funding provided) balances the amount of forward funding provided by Teignbridge District Council for the Dawlish SANGS.
  - d) The Committee to receive quarterly financial reports reporting SANGS receipts at Teignbridge and which identify the residual balance due to Teignbridge under the arrangements set out in a – c above.
2. That the ongoing management of the specified land (detailed in the confidential committee report) be addressed through a future report to the Executive Committee.

**\*66 Minutes of the Scrutiny Committee held on 6 October 2016**

Members received and noted the minutes of the Scrutiny Committee held on 6 October 2016.

**\*67 Review of East Devon – Boundary Commission**

The Chief Executive updated members on the latest stage of this review. He proposed that the most effective way to prepare the Council's submission on ward boundaries to the Boundary Commission would be to hold a member workshop outlining the possible options and giving members the opportunity to express their views. These views could then be assessed and the Chief Executive would consult with Group Leaders before submitting the Council's proposals in accordance with the deadline of the 5 December. The Chief Executive reinforced the message that the Local Government Boundary Commission's main criteria was electoral equality.

**RESOLVED:**

that a member workshop be held and the Chief Executive be given delegated authority, in consultation with the Group Leaders, to make the Council's submission to the Boundary Commission.

**REASON:**

To comply with the LGBC's aim to draw up a new pattern of council wards for East Devon District Council.

**68 Financial Plan and Transformation Strategy (2017 – 2022) and the Government's multi-year finance settlement offer**

The Strategic Lead, Finance presented this report to update members of these two key documents for approval; Finance Plan and Transformation Strategy 2017 – 2022. Details of these documents were debated by the Budget Working Party on 14 September 2016, who agreed in principle with the proposed direction being outlined.

**RECOMMENDED:**

1. that the Financial Plan and Transformation Strategy be approved
2. to apply to Government to accept the multi-year settlement offer and to submit the Financial Plan and Transformation Strategy to meet the requirement of an efficiency plan.

**REASON:**

It was good practice in managing the finances of the Council to produce a Financial Plan looking at the future direction of the Council's budgets. By looking at the Council's budget over a longer period, action can be taken that would influence the direction and shape of future service delivery within a balanced budget.

The Transformation Strategy identified key strategic themes that underpin the transformational activity that helps achieve savings/efficiencies and to continue to protect front line services.

By accepting the Government's multi-year settlement offer this gave the Council certainty over elements of Government funding for the next 3 years, which would help ensure it has plans in place to deliver balanced budgets over the period of the Financial Plan 2017/18 to 2021/22

**\*69 East Budleigh Neighbourhood Plan- Submission**

Members were asked to agree the response by this Council to the current consultation for the East Budleigh with Bicton Neighbourhood Plan.

**RESOLVED:**

1. that the formal submission of the East Budleigh with Bicton Neighbourhood Plan be noted and the producers of the plan be congratulated on the dedicated hard work and commitment in producing the document;
2. that this council make the proposed representation set out at paragraph 5.4 of the report in response to the consultation.

**REASON:**

To ensure that the view of the District Council was recorded and informs the consideration of the neighbourhood plan by the Independent Examiner.

**\*70 Stockland Neighbourhood Plan Examiners Report**

This report provided feedback and set out proposed changes following the examination of the Stockland Neighbourhood Plan.

**RESOLVED:**

1. That members endorse the examiner's recommendations on the Stockland Neighbourhood Plan subject to a further amendment to Policy EE2 as set out at paragraph 2.9 below.
2. That members agree that a 'referendum version' of the Neighbourhood Plan (incorporating the examiner's modifications and the further amendment to Policy EE2) should proceed to referendum and a decision notice to this effect be published.
3. That members congratulate the Neighbourhood Plan group on their hard work.



**REASON:**

The legislation requires a decision notice to be produced at this stage in the process. The Neighbourhood Plan is the product of extensive local consultation and has been recommended to proceed to referendum by the Examiner subject to modifications, which, subject to additional changes to Policy EE2, are accepted in their entirety by the Parish Council.

**\*71 Monthly Performance reports – August 2016**

The report set out performance information for August 2016. This allowed Cabinet to monitor progress with selected performance measures and identify any service areas where improvement was necessary.

There were four indicators that were showing excellent performance:

- Percentage of planning appeal decisions allowed against the authority's decision to refuse
- Percentage of Council Tax collected
- Days taken to process Housing Benefit/Council Tax Benefit new claims and change events
- Working days lost due to sickness absence

There were no performance indicators showing as concern.

**RESOLVED:**

that the progress and proposed improvement action for performance measures for the 2016/17 financial year for August 2016 be noted.

**REASON:**

The performance reports highlighted progress using a monthly snapshot report; SPAR report on monthly performance indicators and system thinking measures in key service areas including Development Control, Housing and Revenues and Benefits.

**72 Additional Capital Budget contribution to LED towards Exmouth wet changing room improvements and refurbishment**

Members were asked to consider an increase in budget of £64,000 as a contribution to LED for the refurbishment of wet changing rooms at Exmouth Leisure Centre.

Peter Gilpin, Chief Executive LED thanked members for their support stating that over the last three years the bulk of the £3m spent to date had come from LED (£2.1m) and the National Lottery (£500k).

**RECOMMENDED:**

That the increase to the 2016/17 capital budget for the refurbishment of Exmouth Leisure Centre wet changing rooms by £64,000 to £328,000 be approved.

**REASON:**

The agreement to support these improvements have already been agreed by Council through its allocation in the Capital Budget for 2016/17, however there is now a requirement to increase the budget with members approval.

**\*73 Viewpoint Survey 2016**

This report summarised the responses received to the 2016 Viewpoint Survey and provided comment from the Service Leads in relation to the comments made by residents in the survey.

**RESOLVED:**

that Members note the feedback and agree officer responses/actions in relation to service provision which were identified in the survey.

**REASON:**

to ensure that the feedback provided by residents was circulated effectively to Members and Officers and that the Council was clear about the actions resulting from this feedback.

**Attendance list**

**Present:**

Andrew Moulding Deputy Leader/Strategic Development and Partnership (in the Chair)

**Portfolio Holders:**

Tom Wright	Corporate Business
Iain Chubb	Environment
Jill Elson	Sustainable Homes and Communities
Phil Twiss	Corporate Services (Cllr Twiss left the meeting after agenda item 15)
Philip Skinner	Economy

**Cabinet Members without Portfolio:**

Geoff Pook  
Eileen Wragg

**Cabinet apologies:**

Paul Diviani Leader  
Ian Thomas

**Non-Cabinet apologies:**

Mike Allen  
Paul Carter  
John Dyson  
Maddy Chapman  
Dawn Manley  
John O'Leary  
Brenda Taylor  
Mark Williamson

**Also present (for some or all of the meeting)**

**Councillors:**

Megan Armstrong  
Brian Bailey  
Peter Bowden  
Colin Brown  
Jenny Brown

Alan Dent  
Steve Gazzard  
Graham Godbeer  
Ian Hall  
Marcus Hartnell  
Rob Longhurst  
Helen Parr  
Pauline Stott

**Officer apologies:**

Richard Cohen, Deputy Chief Executive  
Henry Gordon Lennox, Strategic Lead - Legal, Licensing and Democratic Services

**Also present:**

**Officers:**

Mark Williams, Chief Executive  
Simon Davey, Strategic Lead – Finance  
John Golding, Strategic Lead – Housing, Health & Environment  
Karen Jenkins, Strategic Lead - Organisational Development and Transformation  
Amanda Coombes, Democratic Services Officer

Peter Gilpin, Chief Executive LED

Chairman ..... Date.....

**EAST DEVON DISTRICT COUNCIL**  
**Forward Plan of Key Decisions - For the 4 month period 1 December 2016 to 31 March 2017**

This plan contains all the (i) important decisions that the Council intends to take and (ii) Key Decisions that the Council's Cabinet expects to make during the 4-month period referred to above. The plan is rolled forward every month.

Key Decisions are defined by law as “**an executive decision** which is likely :–

- (a) to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the Council's area

In accordance with section 9Q of the Local Government Act 2000, in determining the meaning of “significant” in (a) and (b) above regard shall be had to any guidance for the time being issued by the Secretary of State.

**A public notice period of 28 clear days is required when a Key Decision is to be taken by the Council's Cabinet even if the meeting is wholly or partly to be in private. Key Decisions and the relevant Cabinet meeting are shown in bold.**

The Cabinet may only take Key Decisions in accordance with the requirements of the Executive Procedure Rules set out in Part 4 of the Constitution and the Local Authorities (Executive Arrangements)(Meetings and Access to information)(England) Regulations 2012. A minute of each key decision is published within 2 days of it having been made. This is available for public inspection on the Council's website <http://www.eastdevon.gov.uk>, and at the Council Offices, Knowle, Sidmouth, Devon. The law and the Council's constitution provide for urgent key decisions to be made without 28 clear days notice of the proposed decisions having been published. A decision notice will be published for these in exactly the same way.

This document includes notice of any matter the Council considers to be Key Decisions which, at this stage, should be considered in the private part of the meeting and the reason why. Any written representations that a particular decision should be moved to the public part of the meeting should be sent to the Democratic Services Team (address as above) as soon as possible. **Members of the public have the opportunity to speak on the relevant decision at meetings (in accordance with public speaking rules) unless shown in italics.**

#### **Obtaining documents**

Committee reports made available on the Council's website including those in respect of Key Decisions include links to the relevant background documents. If a printed copy of all or part of any report or document included with the report or background document is required please contact Democratic Services (address as above).

Decision		List of documents.	Lead/reporting Officer	Decision maker and proposed date for decision	Other meeting dates where the matter is to be debated / considered	Operative Date for decision (assuming, where applicable, no call-in)	Part A = Public meeting  Part B = private meeting [and reasons]
1.	Sidmouth Beach Management Plan		Strategic Lead – Housing, Health and Environment	Council 21 December 2016	Cabinet 7 December 2016	22 December 2016	Part A
2.	Council Tax Support Scheme for 2017/18 and possible changes Final Scheme		Revenues & Benefits Service Lead	Council 21 December 2016	Cabinet 7 December 2016	22 December 2016	Part A
3.	Relocation Update and Delivery		Deputy Chief Executive	Council 21 December 2016	Cabinet 7 December 2016	22 December 2016	Part A
4.	Greater Exeter Joint Committee		Chief Executive	Council 21 December 2016	Cabinet 7 December 2016	22 December 2016	Part A
5.	Street Markets and Street Trading Consultation Outcomes		Deputy Chief Executive	Licensing and Enforcement 15 February 2017 Council 22 February 2017	Overview 29 November 2016 Cabinet 11 January 2017	23 February 2017	

Decision		List of documents.	Lead/reporting Officer	Decision maker and proposed date for decision	Other meeting dates where the matter is to be debated / considered	Operative Date for decision (assuming, where applicable, no call-in)	Part A = Public meeting  Part B = private meeting [and reasons]
6.	Code of Corporate Governance		Strategic Lead - Legal, Licensing and Democratic Services	<b>Cabinet 11 January 2017</b>	Audit & Governance 5 January 2017	19 January 2017	Part A
7.	Public Toilet Review		Service Lead – Street Scene	<b>Cabinet 8 February 2017</b>	Asset Management Forum 5 January 2017	16 February 2017	Part A
8.	Sports and Activity clubs – Rent and Rent support Scheme Outcomes		Deputy Chief Executive	Council 22 February 2017	Cabinet 8 February 2017	23 February 2017	Part A

Table showing potential future important / key decisions which are yet to be included in the current Forward Plan

Future Decisions		Lead / reporting Officer	Consultation and meeting dates (Committees, principal groups and organisations) To be confirmed	Operative Date for decision  To be confirmed
1	Specific CIL Governance Issues	Deputy Chief Executive <b>(RC)</b>		
2	Business Support – options for the future	Deputy Chief Executive <b>(RC)</b>		

The members of the Cabinet are as follows: Cllr Paul Diviani (Leader of the Council and Chairman of the Cabinet), Cllr Andrew Moulding (Strategic Development and Partnerships Portfolio Holder), Cllr Tom Wright (Corporate Business Portfolio Holder), Cllr Phil Twiss (Corporate Services Portfolio Holder), Cllr Philip Skinner (Economy Portfolio Holder), Cllr Iain Chubb (Environment Portfolio Holder), Cllr Ian Thomas (Finance Portfolio Holder), Cllr Jill Elson (Sustainable Homes and Communities Portfolio Holder), and Cabinet Members without Portfolio - Cllr Geoff Pook and Cllr Eileen Wragg. Members of the public who wish to make any representations or comments concerning any of the key decisions referred to in this Forward Plan may do so by writing to the identified Lead Member of the Cabinet (Leader of the Council ) c/o the Democratic Services Team, Council Offices, Knowle, Sidmouth, Devon, EX10 8HL. Telephone 01395 517546.

November 2016

## **STRATA JOINT SCRUTINY COMMITTEE**

Thursday 15 September 2016

### **Present:-**

Councillor Dent (Chair)

Councillors Dewhirst, Howe, Jung, Lyons, Musgrave, Prowse and Jung

### **Also Present**

Chief Operating Officer, Assistant Director Finance Teignbridge Strata Director, Manager Compliance and Security, Manager Programme and Resources, Manager Business Systems, Service Desk Team Leader and Democratic Services Officer (Committees) (HB)

29

### **APOLOGIES**

Apologies were received from Councillors, Haines, Leadbetter and Sheldon (Substitute Councillor Musgrave)

30

### **MINUTES**

The minutes of the meeting held on 7 June 2016 were taken as read and signed by the Chair as correct.

31

### **DECLARATIONS OF INTEREST**

No declarations of pecuniary interest were made.

32

### **QUESTIONS FROM THE PUBLIC UNDER PROCEDURAL RULES**

None.

33

### **QUESTION FROM MEMBERS OF THE COUNCILS UNDER PROCEDURE RULES**

None.

34

### **ACCESS TO BOARD MINUTES**

Following requests made at a previous Scrutiny meeting, the Board had given consideration to making minutes of its meetings available to Scrutiny Committee Members. Whilst understanding the need for Scrutiny Members to have sufficient information to undertake their representative role on behalf of the public, the Board had felt that it was important for confidentiality to be maintained. The level of information in Board minutes was operational and related to the day to day management of the company and, as such, was not appropriate for general release. This view had been endorsed by Strata Joint Executive Committee.

One Member of this Scrutiny Committee had asked for a copy of the Board minutes through a Freedom of Information request and these had been provided for him, appropriately redacted. He stated that the amount of redaction was minimal and that the minutes themselves were very brief and that, as such, he could not see how much, if any, of the commercial element of the Board's debate would be revealed within the minutes. Circulation of these minutes, he suggested, would provide Scrutiny Members with a sufficient idea of matters under consideration by the Board without revealing confidential commercial and staffing issues.



It was reported that the Board fully understood Members desire to fulfil their scrutiny role and the Teignbridge Strata Director undertook to circulate the redacted minutes provided to the one Councillor to the other Members of the Committee.

The Board would give further consideration to this issue and whether the circulation of redacted minutes would be the appropriate way forward.

35      **STRATA GLOBAL DESKTOP - PROGRESS REPORT INCLUDING CHANGES TO GLOBAL DESKTOP PLAN**

The Chief Operating Officer updated Members on progress with the roll-out of the Global Desktop (GD). Following initial problems with two or three software glitches at Exeter, roll-out there had been delayed until April of this year but more major difficulties had been experienced at Sidmouth relating to the link between Exeter and Sidmouth which comprised three stretches with different providers. As a result the management teams had changed the priority of migration. It was now anticipated that completion would occur by April 2017. The change of plan for the roll out of the GD meant that Teignbridge would migrate to the GD by the end of year with East Devon following. 600 staff had been transferred to GD with the total number to be 1,800.

Responding to Members, he advised that there were no concern regarding the East Devon roll out process to the new offices at Honiton and Exmouth. Regarding contractual arrangements with the suppliers, he advised that the priority was to ensure that VMWare were focused on resolution of Strata issues. Any compensation issues would be discussed with them once the systems were working.

Strata Joint Scrutiny Committee noted the report.

36      **CAPACITY AND CONVERGENCE PLAN**

The Chief Operating Officer presented the Capacity and Convergence Plan.

Amongst the 40 projects, the following were aimed at achieving business software convergence:-

- **The Uniform system from IDOX** - including the delivery of Planning, Building Control and Land Charges in Exeter;
- **HR, Payroll, Time and Attendance, Door Access** - all three councils possess a common suite of software to manage the HR, and payroll services along with a common door access system;
- **Exacom** - a software application for managing the Community Infrastructure Levy (CIL), being introduced across the three authorities;
- **Corporate Websites** - successfully introduced with all three websites built in a common way;
- **Car Parks software** - project just about to start with presentations arranged with suppliers;
- **GovDelivery** - GovDelivery, a communication tool allowing customers to sign up to newsletters for different services introduced earlier this year in Exeter, now being taken up by East Devon;
- **Bacs** - work well underway on the BACS software convergence project; and
- **Numerous Desktop applications** following rolling out the Global Desktop.

In response to Members' queries, the Chief Operating Officer and Directors advised that although there had not been a radical increase in the speed of the various applications the number of incidents had halved since the introduction of Global Desktop and that, with staff reduction anticipated by the end of year four, planning for necessary resources would begin well before the end of year three. A key element of the Business Case and Delivery team was the split between project and other work and project work was split between high and low intensity. It was noted that, at this stage, the Board was not in a position to provide additional resources. As convergence continued the Business Plan would be updated.

The Manager Programmes and Resources advised that assessment of timing and delivery of project planning was based on staff resources.

37

### **GLOBAL DESKTOP - PRESENTATION**

The Service Desk Team Leader presented the main features of the new Global Desktop focusing on the Outlook and Skype facilities, demonstrating the latter through contacting a colleague elsewhere in the building.

Strata Joint Scrutiny Committee noted the report.

38

### **STRATA BUDGET MONITORING QUARTER 1 : 2016/17**

The Director responsible for Finance presented the final audited Statement of Accounts for 2015/16 for Strata Service Solutions as well as the financial progress of Strata during the first three months of 2016/17, including a projected outturn assessment against the savings set out in the Business Plan.

The original business case for Strata had set out a savings profile over the initial 10 year period of the company, with savings of £254,000 budgeted for 2016/17. The projected saving at the beginning of 2016/17 as a result of additional costs from the transfer of staff to new Strata terms and conditions had been £26,964. It was now anticipated that the savings would be £97,000.

Strata Joint Scrutiny Committee noted the report including the Final Statement of Accounts for 2015/16.

39

### **HUMAN RESOURCES PROGRESS REPORT 19 AUGUST 2016**

The Strata HR Lead for Human Resources presented the Human Resources update report setting out continued progress on key HR work during the restructure period.

The Board had approved additional restructure costs of £108,000 plus up to £31,000 redundancy costs. Flexibility between sites had been important and 72% of those offered Strata conditions had accepted, apart from the document processing team based at East Devon.

Notwithstanding delivery requirements, a focus on people issues were important including staff engagement, communication and training. The results of the staff engagement survey had been published and were available on the Strata internet. It had been recommended that the Strata management team draw up an action plan on feedback received from the survey which would help the attainment of Investors in People.

The following responses were given to Members' queries:-

- three apprentices had been recruited, one for each site, with one having been taken on permanently. An IT recruitment firm was engaged with view to the recruitment of further apprentices wherever possible;
- project delivery pressures on Strata management as well as those on Council managers were recognised and were monitored through the appropriate indicators. If necessary, timing of project delivery would be subject to negotiation with the three Councils;
- training was of particular importance with various training opportunities on offer through the Learning Development Partnership including on line training, one to one courses and training led course - for example a forthcoming data base course would be attended by half of one of the Strata teams who would subsequently train other team members; and
- staff turnover was monitored in terms of Business Plan commitments to ensure the availability of staff resources and to achieve savings as far as possible.

Strata Joint Scrutiny Committee noted the progress of the Human Resources report.

40      **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 for the consideration of the following item on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 1, 2, 3 and 4 of Part I, Schedule 12A of the Act.

41      **INTERNAL AUDIT REPORT ON STRATA'S SYSTEMS**

The Director responsible for Finance presented the Strata Internal Audit Report 2015/16 produced by the Devon Audit Partnership following its successful tender bid for a three year contract.

The Audit opinion was that the systems and controls generally mitigated the risk identified but a few weaknesses had been identified and/or mitigating controls had not been fully applied. There were no significant matters arising from the audit and the recommendations made served to strengthen what were mainly reliable procedures.

"Good standard" levels of assurance had been given for each of the following areas covered during the audit:-

- ICT Strategy;
- Change Management;
- Incident and Problem solving; and
- Key operational functions.

With regard to the risk to business continuity with ageing network assets, the Chief Operating Officer advised that many of the main network switches would have been replaced by March 2018 (East Devon District Council building moves) advised that external equipment was of the highest standard and that the Global

Desktop project would make maximum use of PC's that are even 10 years old. Moreover, new network cabling and switches had been installed at Teignbridge with East Devon to benefit from modern equipment on the office move.

Strata Joint Scrutiny Committee noted the report and commended staff on maintaining such high standards of control during a challenging period.

42

### **SCRUTINY WORK**

The Chair proposed to Members that they report back to the next meeting of this Scrutiny Committee on 1 December on possible areas within Strata Service Solutions which could be the subject of scrutiny through the task and finish group process. He recommended that this be informed by Members discussing issues with staff within their respective authorities.

Strata Joint Scrutiny Committee noted that Members would provide written reports two weeks before the December meeting for inclusion on the agenda.

(The meeting commenced at 5.30 pm and closed at 7.24 pm)

Chair

## **STRATA - JOINT EXECUTIVE COMMITTEE**

Tuesday 27 September 2016

### **Present:-**

Councillor Jeremy Christophers (Chair)  
Councillors Wright, Sutton and Diviani,

### **Non-Voting Members:-**

Nicola Bulbeck, Mark Parkinson and Mark Williams

### **Also Present**

Chief Operating Officer, Assistant Director Finance, The Teignbridge Strata Director, Business Development Manager, Security and Compliance Manager, Strategic Lead Finance (EDDC) - Strata Director, Infrastructure and Support Manager, Servicedesk Team Leader and Democratic Services Manager (Committees)

23

### **APOLOGIES**

Apologies for absence were received from Councillor Edwards - Exeter City Council – Leader and Karime Hassan – Exeter City Council - Chief Executive & Growth Director.

24

### **MINUTES**

The minutes of the meeting held on the 21 June 2016 were taken as read and signed by the Chair as correct.

25

### **DECLARATIONS OF INTEREST**

No declarations of disclosable pecuniary interest were made.

26

### **GLOBAL DESK TOP DEMONSTRATION AND PRESENTATION**

The Servicedesk Team Leader gave a presentation of the Global Desk Top.

Members were shown how the global desk top operated including:-

- new applications which included Microsoft office 2013;
- the new look outlook;
- instant messaging including group conversations and officers availability;
- the use of Skype as a telephone system;
- how the system keep data saved in a power cut; and
- how the remote login works.

Executive were advised that the instant messages are recorded for audit purposes in a similar way to email Members would be consulted on the options for their future IT - global desk top or office 365 in due course.

The Chief Operating Officer advised on progress with the roll-out of the Global Desktop (GD). Following initial problems with two or three software glitches at

Exeter, roll-out there had been delayed until April of this year but more major difficulties had been experienced at East Devon District Council, and as a result, the management teams had changed the priority of migration. It was now anticipated that completion would occur by April 2017. The change of plan for the roll out of the GD meant that Teignbridge would migrate to the GD by the end of year with East Devon following. 600 staff had been transferred to GD with the total number to be 1,800.

The Chief Operating Officer gave an update on the Capacity and Convergence Plan.

- the convergence plan could take up to five years to complete as identified in the original Business Case;
- assessment of timing and delivery of project planning was based on staff resources and ability of councils to manage change;
- the time lines for the projects were constantly moving for example the Bacs project had to move forward to take account of changes in regulations;
- there were 20 Analysts to deal with business change requests as well as take forward projects - basic rules and guidelines were being introduced to manage projects and time scales;
- a key element of the Business Case and Delivery team was the split between project and other work and project work was split between high and low intensity; and
- there were currently 60 projects, of which 35 were at the delivery stage, there were also 365 business change requests.

The Chief Operating Officer clarified that meetings take place with Senior Officers for them to identify their IT priorities; there was capacity to deal with projects and business requests but it would be a case of each Council also identifying their priorities.

**RESOLVED** that the presentations be noted.

27      **STRATA GLOBAL DESKTOP - PROGRESS REPORT INCLUDING CHANGES TO GLOBAL DESKTOP PLAN**

The Chief Operating officer presented the report advising Members on the progress of Strata and the change of plan for the roll out of the Global Desktop.

Strata Joint Scrutiny Committee considered the report at its meeting on 15 September 2016 and its comments were reported.

**RESOLVED** that the report be noted.

28      **STRATA BUDGET MONITORING QUARTER 1 : 2016/17**

The Director (Finance Lead) presented the report advising Members on the financial progress of Strata during the first three months of 2016-17, including a project outturn assessment against the savings set out in the Business Plan.

The original business case for Strata had set out a savings profile over the initial 10 year period of the company, with savings of £254,000 budgeted for 2016/17. The projected saving at the beginning of 2016/17, as a result of additional costs from the transfer of staff to new Strata terms and conditions, had been £26,964. It was now anticipated that the savings would be £97,225. The final Statement of Accounts differed by only £750 from the draft accounts set out in March.

Strata Joint Scrutiny Committee considered the report at its meeting on 15 September 2016 and its comments were reported.

**RESOLVED** that the report be noted.

29

### **HUMAN RESOURCES PROGRESS REPORT 19 AUGUST 2016**

The report of the Strata Human Resource Lead was submitted outlining progress update on key Human Resource work and in particular the completion of the restructures within Strata.

In response to a question from the Leader of East Devon District Council regarding the need for a structure chart, the Chief Operating Officer clarified that a Strata Intranet for all three authorities would be available by the end of October and this would include a structure chart for the organisation.

Strata Joint Scrutiny Committee considered the report at its meeting on 15 September 2016 and its comments were reported.

**RESOLVED** that the report on progress with Strata restructure and the people data as in the circulated report be noted.

30

### **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 the following item on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1, 2, 3 and 4 of Part I, Schedule 12A of the Act.

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The Audit opinion was that the systems and controls generally mitigated the risk identified but a few weaknesses had been identified and/or mitigating controls had not been fully applied. There were no significant matters arising from the audit and the recommendations made served to strengthen what were mainly reliable procedures.

“Good standard” levels of assurance had been given for each of the following areas covered during the audit:-

- ICT Strategy;
- Change Management;
- Incident and Problem solving; and
- Key operational functions.

In response to Members’ questions, the Director (Finance Lead) clarified the position with regards to the contract with Devon Audit Partnership and that the next area to be audited would be Governance. This report would be brought to Members in December.

Members discussed the definitions and what was required by Strata Solutions to meet the measure of high standards and priorities.

Strata Joint Scrutiny Committee considered the report at its meeting on 15 September 2016 and its comments were reported.

**RESOLVED** that the report be noted.

(The meeting commenced at 5.30 pm and closed at 6.25 pm)

Chair



## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of a Meeting of the Overview Committee held at Knowle, Sidmouth on 27 September 2016**

#### **Attendance list at end of document**

The meeting started at 6.00pm and ended at 8.25pm.

**\*9 Public speaking**

There were no public speakers at this point of the meeting.

**\*10 Minute confirmation**

The minutes of the Overview Committee held on the 28 June 2016, were confirmed as a true record.

**\*11 Declarations of interest**

Councillor Ian Hall

Minute 13

Personal Interest – Chairman of Cloakham Lawns Sports Centre

**\*12 Housing Delivery – discussion paper**

The Committee received a joint report from John Golding, Strategic Lead – Housing, Health & Environment and Ed Freeman, Service Lead Planning & Strategy & Development, which set out the challenges faced in maintaining housing delivery in the district to meet housing needs, and in particular the need for affordable housing.

It recognised the success that had been achieved in recent years and considered ways in which the Council could continue to deliver the homes required in a new national housing policy context and changing housing market conditions. The discussion could influence housing and future planning policies and guidance documents, the current operating environment, and opportunities in the East Devon housing market.

Members noted that the housing market had complex interactions with many factors that the Council was unable to control. The Council's policies had to be based on sound evidence of local market conditions and housing need, in order to use the National Planning Policy Framework and discretionary housing policies to best effect for our residents.

It was noted that in exploring the subject the Committee may wish to adopt an ad hoc Select Committee approach and gather evidence from expert witnesses to help in formulating recommendations. John Golding, Strategic Lead – Housing, Health & Environment, reported that the Council started from a position of strength as it had been successful in delivering opportunities for EDDC residents to secure suitable housing at an affordable price. The District was currently delivering 250 affordable homes per year, but it was expected that this total would reduce in the next few years, due to reductions in delivery of affordable homes at Cranbrook.

The Chairman introduced a presentation prepared by Andy Wood, East of Exeter Projects Director, which raised a number of important issues regarding housing delivery in East Devon, including: a) control of land; b) freedoms arising from the Housing & Planning Act; c) supply chain of labour – particularly the affect of Hinkley Point C on the labour force; d) direct delivery of housing by the Council and e) raising the standards for delivery of housing development in the district.

During discussions, the following further points and questions were also raised:

- How can we use current planning and housing policies to deliver what we want?
- What actions could be undertaken in the district to encourage development, such as canvassing the Government to develop sites ourselves and alter Government policy;
- It was suggested that some local authorities had found a way around the Government thresholds of 6 dwellings in rural areas and 10 in urban areas below which affordable housing could not be sought and that this should be investigated to see if a similar case could be made in East Devon;
- What evidence was there that the affordable homes provided in East Devon were accessible and adaptable dwellings that were 'lifetime homes'?
- Importance of developers providing affordable homes and not a monetary replacement;
- Interference of land values in affordability of Affordable Housing;
- Investigate cheaper non standard forms of construction;
- Changing the mindset of young people who often feel the need to have home ownership straight away. Other countries had a higher percentage of rented housing occupation compared with the UK;
- The average price of a house in East Devon was £265K meaning a joint income of £60K was needed to afford to buy a house in the district.
- Need to look at achieving better paid employment for local people;
- Importance of affordable houses to provide employees for local businesses;
- EDDC no longer has a land bank, the last was used at Stowford Rise;
- Need to overcome the viability clause inserted into developments, which was used to reduce affordable home requirements.

## **RESOLVED**

1. that a politically balanced Housing Delivery Taff be established, comprising a minimum of 7 members to be drawn predominantly from the membership of the Overview Committee but wider if necessary;
2. that the Taff have a minimum of three meetings to hear and consider evidence based on the following themes which needed to be scoped:
  - a) Local Plan/ Government Policy 9 to possibly cover areas such as appraisal of land values, types of housing being delivered and service provision impact on rural areas)
  - b) EDDC and other Initiatives (to possibly cover areas such as options for purchasing and and/or building, impact of the welfare regimes and improving affordability
  - c) Alternative structures & options (to possibly cover areas such as looking at partnerships, alternative delivery models and the impact of devolution
3. that the first meeting to be held in the evening at a date to be decided in early October at which the specific themes be fully scoped..
4. that at the conclusion of the Taff a report with recommended actions be forwarded to Cabinet.

## **13 Quality of house building in East Devon**

(Councillor Graham Godbeer took the Chair for this item)

Members received a report from Ed Freeman,- Service Lead Planning & Strategy & Development. This followed a Strategic Developments and Partnerships Think Tank that

had been held on the 24<sup>th</sup> August 2016 to consider the poor quality of finish of house building in the district and what if anything can be done to address these issues, quality had given rise to the concern of residents of a number of modern developments in the district. The report summarised the discussion highlighting the limitations on the council's powers to influence the quality of the cosmetic finish and internal fit out of houses as these areas were not covered by building Regulations or Planning. The report also recommended a response to a report prepared by the Government's All Party Parliamentary group for Excellence in the Built Environment.

Councillor Douglas Hull requested that a report be sent to all Councillors regarding the powers available to the Council's Building Control Officers to properly check new homes. There had been a number of problems with the quality of new homes built in Axminster and the response of the NHBC had been felt to be less than satisfactory. He stated that EDDC should be encouraged to take its own stance on what was expected of developers and there should be independent surveys and legal advice available for purchasers. The Strategic Lead – Legal Licensing & Democratic Services questioned whether EDDC should be issuing leaflets giving advice on things for which it was not responsible.

### **RECOMMENDED**

1. that the response to the All Parliamentary Group for Excellence in the Built Environment report entitled "More Homes, Fewer Complaints" attached as Appendix 1 to the report be sent to encourage the Government to take action on the issues raised in the report and the additional concerns expressed at the Member's Think Tank.
2. that the Officers consider the resource and financial implications for EDDC on the production of a leaflet giving advice to purchasers of new homes on options available to them if issues arise regarding the quality of the build. .

#### **\*14 Overview forward plan**

The Committee discussed items for the forward plan, and agreed the following topics to be scoped before further consideration on how to proceed:

### **RESOLVED**

That the forward plan include:

29 November 2016 – Economy and Street Trading (designation of streets).

11 January 2017 – Draft budgets and service plans 2017/18.

28 March 2017 – Tourism economy and cultural enhancement of natural environment.

### **Attendance list**

#### **Councillors Present:**

Peter Bowden (Chairman)

Graham Godbeer (Vice Chairman)

Mike Allen

Peter Faithfull

Maria Hale

Ian Hall

Rob Longhurst

#### **Councillors Also Present:**

David Barratt

Jill Elson  
Douglas Hull  
Geoff Jung  
Andrew Moulding  
Pauline Stott

**Officers**

John Golding, Strategic Lead – Housing, Health & Environment  
Ed Freeman,- Service Lead Planning & Strategy & Development  
Henry Gordon Lennox, Strategic Lead - Legal, Licensing & Democratic Services  
Chris Lane, Democratic Services Officer

**Councillor Apologies:**

Pat Graham  
Christopher Pepper

**Officer Apologies:**

Mark Williams, Chief Executive  
Andy Wood, East of Exeter Projects Director

Chairman ..... Date.....

## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of a meeting of the East Devon Recycling and Refuse Partnership Board, Committee Room, Knowle, on 5 October 2016**

Attendance list at end of document

The meeting started at 10.00am and ended at 11.45am.

**\*30 Minutes**

The minutes of the Recycling and Refuse Partnership Board meeting held on 20 July 2016 were confirmed and signed as a true record.

**\*31 Declarations of interest**

None

**\*32 Matters arising**

The Chairman welcomed those present and invited everyone to introduce themselves. He reported that he had received a card from Andy Williams, the outgoing SUEZ Contract Manager which thanked EDDC for all their help and support and passed on his best wishes to the Partnership Board.

**33 New Board arrangement, structure, terms of reference and members**

Consideration was given to an extract from the contract relating to the Recycling and Waste Partnership Board, setting out terms of reference for the Board. The main points to note were the representatives from EDDC and SUEZ required to constitute the Board (1.7.1 of the contract) and that recommendations and decisions of the Board would require a unanimous vote, to include not less than one representative of the authority and not less than one representative of the contractor (1.7.8 of the contract). The Board would need to vote unanimously to make decisions, but the contract would take priority.

The Board would consist of the officers from EDDC and SUEZ specified in the contract, but there were also four elected EDDC members who currently sat on the Partnership Board. Those present agreed that they wished for this to continue. The SUEZ Regional Manager also requested that his position be added to the list of contractor representatives on the Board. Quorum for the Board was not specified in the terms of reference. It was agreed that to be quorate at least one representative of the authority, one representative of the contractor and one elected member must be present at a meeting.

**RECOMMENDED:** that the updated terms of reference of the Recycling and Waste Partnership Board be agreed.

**\*34 SUEZ Senior Contract Manager update**

It was noted that Stuart Jennings had been appointed as the new Senior Contract Manager and would start his post on 24 October 2016.

The Assistant Contract Manager reported that a number of key challenges had been faced over the last quarter. 25% of the full time staff had been absent from work during July and August. This had led to a high number of temporary staff being employed and a negative impact on performance. Procedures had been put in place to mitigate this year next, which included extra resources.

There had been a high number of staff suspensions as a result of crew riding on the back of the stilage vehicles. This demonstrated a commitment from SUEZ to manage its staff.

Vehicle breakdowns had also had a detrimental effect on the service. This was mainly due to the age of the vehicles and had resulted in a higher number of missed collections. Extra drivers had been brought in to bring service levels back to normal.

The Assistant Contract Manager quoted missed refuse and recycling collection figures for August and September to illustrate that performance had improved dramatically. Container deliveries were now the key challenge as there was a back log to catch up on due to a lack of resources over the summer months.

**RESOLVED:** that the SUEZ Assistant Contact Manager's update be noted.

**\*35 SUEZ mobilisation team and mobilisation update**

The Recycling and Waste Contract Manager reported that the SUEZ Business Improvement and Mobilisation Manager had joined the team. The key aspect of mobilisation was the route optimisation exercise. The first draft was currently being refined with the use of local knowledge. It was aimed to complete the route optimisation by 21 October 2016. All future planning with regard to operations and communications would be based on this.

There had been no significant change to the vehicle deliveries in terms of cost or dates. The new fleet would begin arriving at the end of October and through November 2016. The new fleet would go straight into service as it arrived. A small number of existing vehicles would be retained as contingency.

The planning application to increase the operating hours at Greendale had been validated and would be heard by the Development Management Committee on 6 December 2016.

An order for 70,000 recycling sacks had been placed. The first batch of 35,000 would arrive by the end of December. This would be sufficient for the first phase roll out of the new service.

The SUEZ Business Improvement and Mobilisation Manager reported that the CORE IT system would be introduced in May, with a team concentrating on delivery. They were currently reviewing structure and how to move forward over the next few months. Processes were being reviewed and correct data was critical. Bespoke training would be provided. The CORE system was an automated drivers system with immediate response available. It gave real time reporting information, the opportunity to raise an education issue and improve the communication process. It would improve service delivery to residents and streamline the system. CORE was more sophisticated than the existing IT system. It provided an all round camera system on the vehicles, the ability to take pictures of issues and data recording. CORE view was also a management tool. It was noted that crew response to the system tended to be excellent as there were benefits to the crews as well as operational efficiency. The Business Improvement and Mobilisation Manager offered to present a CORE system demonstration at a future Board meeting.

On behalf of the Board the Chairman thanked the officers for their reports.

**\*36 Leaders group update**

The Street Scene Service Lead reported that the Leaders' group had met the previous day and that the project was moving into a new phase. At the start of the mobilisation of the new contract EDDC officers had set up a stringent project management structure with 4 delivery

groups reporting to a Leaders' group, which in turn reported to the Board. With the arrival of Suez's mobilisation team it was now appropriate to streamline and converge the project management structure for the mobilisation.

The Recycling and Waste Contract Manager and Business Improvement and Mobilisation Manager recommended to the Board that the structure of the delivery groups should change. The four separate working groups (ICT, operations, communications and depot) should be amalgamated into one to converge work streams. The Leaders' group would be disbanded (since the new Partnership Board also included officers) and the delivery group would report to the Board.

The final draft of the routes would be confirmed next month, following local crew and supervisor input. 1379 properties were likely to have a collection day change. In terms of communications three different letters were required. The first letter would go out in early January 2017. Promotional materials and a poster campaign had been produced and would be launched across the district during October.

**RESOLVED:** that the Board agree to the changes in project management structure for the mobilisation of the new recycling and waste collection service.

**\*37 IT update**

The Street Scene Service Lead reported that IT had been discussed at the Leaders' group meeting the previous day. Discussions were now taking place with the SUEZ Business Improvement and Mobilisation Manager and his team with regard to integrating the IT systems. There were STRATA resource issues in providing this work and a business case would be reported to EDDC Senior Management Team that day. The Street Scene Service Lead would provide an update to the Board at the next meeting.

**\*38 Monthly performance reviews and performance survey**

The Recycling and Waste Contract Manager reported that monthly performance reviews had been set up with the SUEZ Assistant Contract Manager. The third had just been completed. The meetings were split into performance criteria and operational issues. He advised that the statistical information was too detailed to bring to the Board but he would present a summary of the key operational performance issues to the Board, showing trends and progression. This information would also be used to formulate the SUEZ Contract Manager's report. As agreed earlier in the year, detailed statistical information would be presented to the Board six-monthly.

**\*39 Penalty calculator**

The contract had a penalty system based on cash and points, each having a threshold level. Based on this the EDDC Waste Management team had devised a penalty calculator, monitoring the performance framework and information for July, August and September. This was presented to the Board. The Recycling and Waste Contract Manager explained the two part penalty system and the correlation between points and pounds. This performance calculator gave EDDC statistical information that could be used to justify any contractual performance issues.

The Service Lead – Street Scene reassured the Board that EDDC and SUEZ would work in partnership. However, under the contract the Council could invoke a warning process and eventually termination of contract if performance failed. It was noted that performance was starting to improve following the first settling in quarter, but if things weren't improving in October then EDDC would consider charging a performance penalty. EDDC wanted to work in partnership with SUEZ, but would use the penalty calculator if it needed to.

The SUEZ General Manager Municipal replied that under both the old and new contracts SUEZ worked to providing the best service it possibly could, and aimed for continual improvement. He felt that partnership working improved performance and that imposing penalties could hamper performance. Blips in the performance were inevitable whilst mobilising a new service.

It was noted that the penalty calculator would be contractually suspended during the roll out period and would not be invoked for the first quarter of the new contract. Although under the calculator Suez had incurred both financial and points based penalties, the contract referred to always attempting to work in partnership to resolve issues before invoking the charges. EDDC officers had worked closely with Suez to monitor their improvement plans. The Members wanted to be clear when the penalty calculator could be applied contractually and when the penalties could start to apply. It was confirmed that the performance framework was currently live, but that the first quarter penalties would not be charged as this was felt to be a settling in period in the new contract. It was made clear that should performance not improve in the second quarter, the penalties may be invoked. It was also noted that the penalty calculator was suspended through the roll out of new services.

**\*40 Risk register**

The Recycling and Waste Contract Manager reported that the risk register was in its early stage and was very much a work in progress. Officers were currently going through the raw data and inputting it into the register template. Risks would be scored originally, then the mitigating factors and controls considered, before scoring the risk again. The register would be passed to SUEZ for their input at the relevant stage. It was anticipated that a more developed and meaningful risk register would be brought to the next Partnership Board meeting.

**\*41 Vehicle livery update**

The STRATA Senior Graphic Designer attended the meeting for this item and together with the Service Lead - Street Scene presented designs for the refuse collection vehicles (RCVs) and the Romaquip recycling vehicles. The deadline for the RCV design was 6 October and the Romaquip deadline was the following week. A lot of work had been undertaken by the communications delivery group. The design for the RCV needed to be clear, simple and still be relevant in ten years' time. The design presented to the Board had a clear connection to the environment and gave a strong recycling message. There was a complementary tone between the refuse and recycling vehicles, with EDDC and SUEZ branding on each. The Romaquips would have a simple design and functional message, with a clear use of colour. The different compartments would illustrate the array of materials that could be collected separately and the text would be visible at all times. A message would be provided on the back of the Romaquip vehicles saying thank you.

The Board appreciated the clear and concise message and the Chairman thanked the Senior Graphic Designer.

**\*42 Communications strategy update**

In the absence of the Communications and Public Affairs Manager, the Recycling and Waste Contract Manager presented the 'watch this space' promotional materials. The publicity campaign would start in mid October with a press release. There was a roadshow programme with six events in different locations during November, December and January.

It was planned to communicate with all customers three times:

- 1) with a letter,



- 2) in graphical format, to be retained by the household,
- 3) bin hanger – providing the same information as (2) but in a different format.

In terms of internal communications, the Recycling and Waste Contract Manager had done a presentation at News and Views and would be repeating this to the Housing team, and the quality partners in mid November. There would also be at least one presentation to all EDDC members. It was noted that town/parish councilors and ward members would receive individual presentations before the new service commenced in their areas.

**\*43 Date of next meeting**

**RESOLVED:** that next of the Recycling and Waste Partnership Board be held on:

- Wednesday 7 December 2016 – 10am

**Present**

**Councillors:**

Iain Chubb – Portfolio Holder, Environment (Chairman)  
Simon Grundy  
Geoff Jung  
Geoff Pook

**Officers:**

Gareth Bourton - Recycling and Waste Contract Manager  
Cherise Foster – Customer Services Manager, EDDC  
Laurelie Gifford – Financial Services Manager, EDDC  
Andrew Hancock - Service Lead – StreetScene EDDC  
John Hudson – Accountant, EDDC  
Steve Maclure – Waste Management Officer, EDDC  
Alethea Thompson – Democratic Services Officer, EDDC

**SUEZ:**

Nick Browning - General Manager Municipal, SUEZ  
Melvin Dhorasoo, Business Improvement and Mobilisation Manager, SUEZ  
Harry McLeman – Assistant Contract Manager, SUEZ  
Dave Swire – Regional Manager, SUEZ

**Also present:**

Councillor John Dyson

**Apologies:**

Councillor Steve Gazzard  
Lorna Christo – Waste Management Officer  
Simon Davey – Strategic Lead Finance, EDDC  
John Golding – Strategic Lead, Housing, Health and Environment, EDDC  
Steve Joyce – Waste Management Officer  
Alison Stoneham – Communications and Public Affairs Manager, EDDC

Chairman ..... Date.....

**Report to:** Cabinet  
**Date of Meeting:** 9 November 2016  
**Public Document:** Yes  
**Exemption:** None



**Agenda item:** 13

**Subject:** Exeter and East Devon Enterprise Zone

**Purpose of report:** To provide an update on progress towards an operational Enterprise Zone in the West End of the District and to seek delegated authority to sign a Memorandum of Understanding with Government.

**Recommendation:** It is recommended that Cabinet;

1. Notes the further analysis that has been undertaken to demonstrate the financial case for introducing an Enterprise Zone
2. Delegates authority to the Chief Executive, in consultation with the Leader and Strategic Leads (Legal, Licensing and Democratic Services) and (Finance), to sign the Memorandum of Understanding with Government
3. Delegates authority to the Chief Executive, in consultation with the Leader and Strategic Leads (Legal, Licensing and Democratic Services) and (Finance), to agree the proposed Business Rates Relief policy
4. Receives a further paper in early 2017 setting out the proposed Implementation Plan for the Enterprise Zone

**Reason for recommendation:** This report sets out the further work that has been undertaken since the Cabinet considered an initial paper on the Enterprise Zone proposal in May 2016. This demonstrates the financial case for establishing such a Zone. Signing a Memorandum of Understanding with Government is a prerequisite to the Zone becoming operational.

**Officer:** Simon Davey, Strategic Lead Finance  
[sdavey@eastdevon.gov.uk](mailto:sdavey@eastdevon.gov.uk) / 01395 517490  
Naomi Harnett, Principal Project Manager  
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**Financial implications:** Modelling has now been completed to determine the estimated financial implications of implementing the proposed Enterprise Zone (EZ) from the 1<sup>st</sup> April 2017. Projections have been made over a 25 year period over the four designated sites within the EZ, determining what is the likely baseline position and comparing this against the impact of implementing an EZ. The headlines being additional business rates across the EZ in total of £36m. Members are reminded that the rate relief given to business in the EZ is funded directly from Government.

Business Rate income derived from an EZ is spent on predefined

outcomes agreed with the LEP and Government. A significant risk previously highlighted is the Council's own financial position as business rate income is one of the main funding streams to support Council services with the current business rate retention scheme rewarding councils for growth with additional income being retained in part by Local Authorities; the EZ is predominantly where growth and such additional income will occur in the district. To safeguard this Council, Devon County Council and to a lesser extent the Fire Authority an agreement has been reached and proposed in the MoU whereby in implementing an EZ no authority will be financially worse off with the same percentage of income being passed to the LA under the current rate retention scheme, i.e. for EDDC 40% of income generated in the EZ will be retained for this Council's general use. This has added advantage in that the income derived from the EZ is ringfenced into this arrangement for 25 years and is not subject to the elements of the current rate retention scheme such as income resets where growth above a baseline is consumed back into the rates baseline calculation at a given point in time thereby losing the benefit of that additional income.

The proposed percentage split on income derived is not a guaranteed sum of money to be received as it is a percentage of the total income and the level will be dependant on level of business rates generated so there is a risk to this Council and other authorities, but this is no different to the current risk associated with the business rate retention scheme. It is proposed that a review period be set for 2019/20 to consider the rates percentage split mechanism to tie in with the governments proposals on the 100% rate retention scheme which may require a different view in order to continue with the principle that the authorities are no worse off.

**Legal implications:**

Advice has previously been given on this issue in the report considered by Cabinet at its May meeting. While further work, particularly financial modelling, has occurred the Legal team have not been engaged in terms of progressing / advising on the Memorandum of Understanding or the legal implications surrounding the specifics of establishing the Enterprise Zone including a business rate relief policy. As the Memorandum sets out, there are certain matters that the Council is expected to confirm to the Government that it has satisfied itself on (see Clause 3.2) and a particular example is that of State Aid. While the principle of establishing the Enterprise Zone and entering into the Memorandum of Understanding is sound, the Council ought to satisfy itself on these issues as far as possible before entering into the Memorandum. In addition the Memorandum is incomplete and requires further detail to be inserted. The Legal team will assist in the process of finalising the document, particularly on issues such as State Aid and EU procurement, as well as finalising the content and the Recommendations reflect that this exercise will be conducted prior to the document being signed. As before there will be further legal input required going forward and advice will be given as and when appropriate.

**Equalities impact:**

Low Impact

Potential impacts on equality will be managed through the Implementation Plan for the Zone.

<b>Risk:</b>	<p>High Risk</p> <p>The proposed Enterprise Zone is a long term designation which will last for 25 years. The Government has recently consulted on proposals to introduce local retention of business rate growth from 2019/20 which in turn will underpin the future financing of local government. The scale of the uplift in business rate revenues over the 25 year period is very substantial as detailed in the paper. The risk to the Council is therefore high. Negotiations on the development of the MoU have sought to manage this risk, notably through the establishment of the principle that the Local Authorities will be no worse off financially than if the Zone had not been introduced.</p>
<b>Links to background information:</b>	<ul style="list-style-type: none"> <li>• <a href="#">Overview report – January 2016</a></li> <li>• <a href="#">Cabinet Paper - May 2016</a></li> </ul>
<b>Appendices:</b>	<p>Appendix 1 – Memorandum of Understanding</p> <p>Appendix 2 – Business Rates Relief Policy</p> <p>Appendix 3 – Programme of work</p> <p>Appendix 4 – Financial Overview of Enterprise Zone</p>
<b>Link to Council Plan:</b>	<p>Working in and funding this outstanding place.</p> <p>The Council Plan identifies a range of activities to deliver economic growth – including developing ways to deliver economic benefits, promoting inward investment and working with the Heart of the South West Local Enterprise Partnership to deliver growth.</p>

## **1 Introduction**

- 1.1 On the 25th November 2015 the then Chancellor confirmed as part of the Autumn Statement that the proposed Enterprise Zone submitted by the Heart of the South West Local Enterprise Partnership had been successful along with another 18 Zones across the UK. This announcement did not immediately confer operational Enterprise Zone status. Further work was needed to develop a detailed business case and agree specific arrangements, not least future governance arrangements.
- 1.2 This work has now been undertaken in relation to the four sites in the District (Skypark, Science Park, Cranbrook and Airport Business Park extension) that will make up the Exeter and East Devon Enterprise Zone. This paper sets out the main ingredients of this work and details the decisions that will need to be taken to allow the Zone to become operational.

## **2 Background**

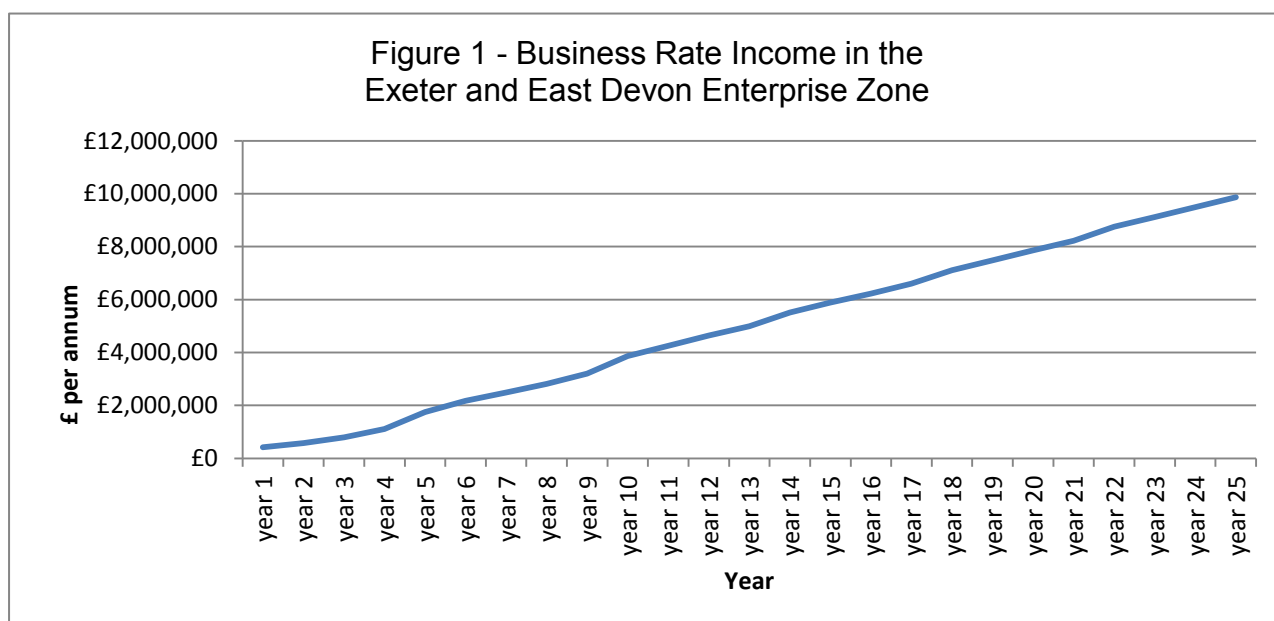
- 2.1 Cabinet considered a paper in May that set out the potential benefits of introducing an Enterprise Zone for the four sites in the West End of the District. These included a range of incentives to attract business occupiers including a 5 year business rate reduction funded by HM Treasury.
- 2.2 The paper emphasised that the EZ designation had the potential to capitalise on existing economic development initiatives and accelerate the delivery of key strategic sites in the Growth Point area. EZs are considered useful tools for attracting inward investment and supporting the development of new jobs and businesses. They are also helpful in

supporting sustainable growth of cutting edge technology and developing centres of excellence.

- 2.3 Of particular importance was the requirement of EZ status that whilst the Council remains the collecting authority, the uplift in business rates should be reinvested in to supporting growth locally in conjunction with the Heart of the South West LEP. A significant dimension to resolve was therefore how this uplift would be reinvested for the benefit of the District as well as the wider travel to work, County and Heart of South West areas.

### 3 Business rate uplift – a ‘win-win’

- 3.1 Considerable work has been undertaken over the course of the last 6 months to model potential business rate revenues (overview in Appendix 4) for the term of the EZ designation. As far as possible this has sought to establish the counterfactual position – what the difference is between having and not having an EZ designation in terms of delivery of floor space and business rate income.
- 3.2 The Government has recently completed a consultation entitled ‘Self-sufficient local government: 100% business rates retention’. It is clear that business rate revenues will form an essential ingredient of the future local government business model. Whilst the Government’s response to this consultation is not currently known, it is likely that the future regime will include some form of continuation of the existing top-up and tariff regime and, critically, periodic resetting of the business rate baseline, for example every three years.

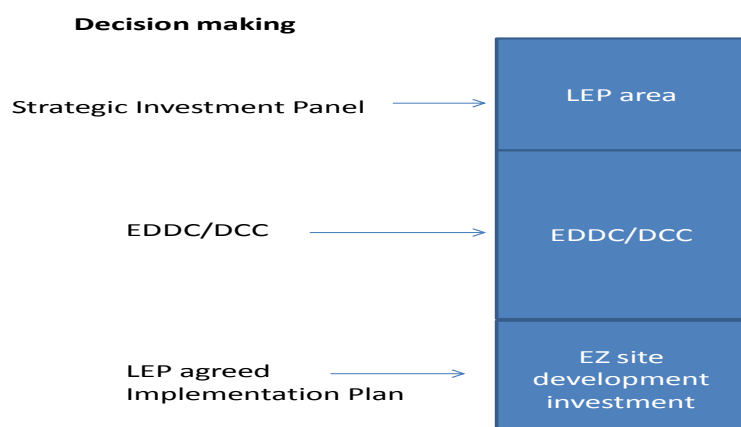


- 3.2 The significant difference with the EZ designation is that the totality of the uplift in the business rates is ring fenced for the entire 25 year term of the designation. This creates the potential for a win-win scenario where not only is the overall business rate uplift greater (in that it is not periodically reset) but these revenues are also generated more quickly, for example because of the attractiveness of the HMT funded incentives or through investment in enabling site infrastructure to overcome barriers to the delivery of new employment space.
- 3.3 This scenario has been modelled in detail and is illustrated graphically in Figure 1. This graph illustrates the funding that will be available to support local growth projects after a top slice for EDDC and DCC to cover loss of Business Rate income
- 3.4 This analysis has been undertaken in conjunction with the s.151 officers from both the District and County Councils. It illustrates the growth in business rate revenues which peak

at almost £10m p.a. The analysis demonstrates *prima facie* that there is a persuasive financial case for pursuing the EZ designation. This is subject to the significant caveat of understanding the governance arrangements for how the uplift in business rate revenue will be invested/deployed.

## 4 Memorandum of Understanding

- 4.1 Attached at Appendix 1 to this paper is a proposed Memorandum of Understanding with Government. For the EZ proposal to progress this needs to be signed and it is a specific recommendation of this paper that authority to do this is delegated to the Chief Executive.
- 4.2 The MoU covers the main terms and conditions attaching to the Zone. The most important issue that the MoU deals with is that of governance arrangements – essentially how investment decisions will be made. There are four main stakeholders to consider:
  - The **Local Enterprise Partnership** – the bid for EZ status had to be through the LEP and it is an expectation of Government that whilst the Council remains the collecting authority, the uplift in business rates should be reinvested in to supporting growth locally in conjunction with the Heart of the South West LEP.
  - **Devon County Council** – DCC would benefit from 9% in the growth in business rates if there were no EZ designation. DCC is also the landowner at Skypark and holds the land at the Science Park on behalf of the Science Park Company.
  - **Devon and Somerset Fire and Rescue Service** – this Service would benefit from 1% of the uplift in business rates if there were no EZ designation. **East Devon District Council** – EDDC would benefit from 40% of the uplift in business rates if there were no EZ and is therefore the most significant financial stakeholder.
- 4.3 MoU documents will also be signed for the Huntspill site near Bridgwater by Sedgemoor District Council and Somerset County Council, and Oceans Gate, Plymouth by Plymouth City Council. These MoU documents are identical for the three EZ proposals with the LEP area.
- 4.4 The LEP Board originally took a decision towards the beginning of the year to adopt a light touch approach towards governance arrangements whereby the LEP would only receive monitoring reports on activity in the three EZs in the Devon and Somerset. However a follow up paper in September set out a more assertive approach whereby investment decisions would also be taken by the LEP's Strategic Investment Panel. This is set out in the diagram below;



- 4.5 These arrangements do not ascribe specific proportions, in terms of the financial uplift, to individual organisations. Instead this is treated as a single pot. However as a result of

negotiations over the course of the last 6 weeks two important principles have been established as follows:- That the first call on revenues will be site enabling infrastructure – this being required to unlock the business rate revenues in the first instance- That the Local Authorities would be no worse off than if an EZ was not in place

- 4.6 Together these two principles are considered to provide appropriate safeguards for the Council and to enable the MoU to be signed. The MoU also includes provisions for a review of arrangements in 2020. The timing of this is to coincide with the introduction of the new business rates regime and provides check and balance in terms of the ensuring that the designation meets the Council's objectives.
- 4.7 Essentially the MoU considers four different geographies – the sites themselves, District, County and LEP areas. A proposal was put to the LEP Board to formally recognise the Greater Exeter area in the governance arrangements. This was because the EZ is likely to have an effect on the wider functional economic area (essentially the Exeter Travel to Work area including the City, Teignbridge and Mid Devon Districts) and there is logic for investing in this geography to maximise the overall economic benefit. Indeed local partners including the City Council supported the original bid. Cabinet will shortly be considering a paper on the proposed establishment of a Greater Exeter Growth and Development Board which is emblematic of a closer, deeper working relationship between the five authorities. However the LEP Board ultimately rejected this proposal. Instead this is an issue that will need to be addressed by the Implementation Plan (see below).

## **5 Business Rates Policy**

- 5.1 One of the issues that was raised when Cabinet the initial paper on the EZ in May of this year was the potential for displacement – essentially the potential for the Zone to unbalance the playing field by creating a set of incentives for businesses to locate in one part of the District only. This is a very legitimate concern and in order to manage this a Business Relief Policy has been developed. This is contained at Appendix 2 to this report.
- 5.2 A specific provision of the policy in relation to potential business rate relief is as follows:
- a. If the business was previously located elsewhere within the Devon County Council area and is a relocation for purposes of growth/expansion, evidence is provided to prove that no appropriate expansion space was available at the previous site.

This will provide controls on the relocation of businesses to those that are genuinely expanding.

- 5.3 The proposed policy also includes provisions for discretionary rate relief for businesses already within the Zone. This would apply where a business is seeking to:
- Occupy larger premises;
  - Increase the permanent workforce within the business;
  - Increase the turnover of the business;
  - Relocate to support another organisation/business also located within the Enterprise Zone (e.g. to reduce transport activity between sites, support the aims of the Enterprise Zone, etc.)

- 5.4 The policy is considered to provide robust measures to ensure that the EZ helps to foster genuinely new growth and business expansion rather than to create artificial incentives to shuffle existing economic activity around the County (or indeed the District). It is a specific recommendation of this paper that the Business Rates Relief policy adopted.

## **6 Implementation Plan**

- 6.1 The critical document that will determine how the EZ works in practice is the Implementation Plan. This is currently being developed and will cover the following areas:
- Commercial proposition – ensuring the EZ works to maximise opportunities within growing sectoral specialisations and employment growth areas.
  - Sector support – each site has a focus, supporting the Enterprise one to enable and accelerate process on innovation led growth.
  - Delivery programme – proposed schedule of works for each of the sites including cost of delivery and funding required.
  - Business rate income – overview of floor space delivery by year with forecast of business rate income.
  - Governance arrangements – a detailed overview of how the governance arrangements will work within the Exeter and East Devon EZ, and with the other EZs in the LEP area.
  - Monitoring and reporting – a detailed programme of monitoring the outputs (floor space delivery, jobs growth and business rate uplift) within the designated EZ
- 6.2 Of particular importance are the investment decisions that will need to be taken to help bring the sites forward. The Implementation Plan is currently looking at the first three years in this respect is considering the following themes;
- Infrastructure improvements to overcome barriers to site development
  - Marketing and promotion
  - Business development support
  - Introduction of Local Development Orders
- 6.3 Due to the fact that the income from business rates takes a considerable period of time to power up there is an outstanding question of borrowing against future income to bring forward the timing of infrastructure improvements for example. This is currently being worked through with the finance leads from both the District and County Councils.
- 6.4 The MoU sets out that the Implementation Plan will be signed off in consultation with the LEP. Over the next few months the Plan will be further developed in conjunction with local partners (a work programme is detailed in Appendix 3). Again it is a specific recommendation of this report that Cabinet sign off the Implementation Plan in early 2017 before the Zone becomes operational.
- 6.5 The Department of Business, Energy and Industrial Strategy (BEIS) are launching a grant funding stream to support the development of Enterprise Zones. This will be worth circa £50k and will fund consultant support for the Implementation Plan and Local Development Orders.



## **7 Conclusion**

- 7.1 Enterprise Zone status has the potential to support the accelerated delivery of economic growth. The further work that has been undertaken over the course of the last 6 months has demonstrated that there is a strong financial case for introducing the Zone. The provisions of both the MoU, including its financial safeguards, and the Business Rates Relief policy will provide a robust framework for ensuring that the designation meets the objective of ensuring the accelerated delivery of genuinely new economic activity. Ultimately the critical document will be the Implementation Plan and this will be reported to Cabinet in early 2017 following additional work with local partners.

## Enterprise Zone Memorandum of Understanding

THIS AGREEMENT is dated 30<sup>th</sup> September 2016

### PARTIES

1. **THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT** whose principal address is 2 Marsham Street, London, SW1P 4DF (**Secretary of State**);
2. Each of the local authorities for the area of the Enterprise Zone, whose names and principal addresses are listed at Schedule 1 (together the **Relevant Local Authorities**)
3. The Local Enterprise Partnership for the area of the Enterprise Zone, whose names and principal addresses are listed at Schedule 2 (where a local enterprise partnership does not have corporate status then the Accountable Body who acts as the representative is listed) (together with the **Local Enterprise Partnership**)

### BACKGROUND

A The Secretary of State has the power to declare an area to be an Enterprise Zone.

B. Enterprise Zones are single or multiple sites designated for business development which may offer business rate discounts or enhanced capital allowance for new businesses locating on the sites. Enterprise Zones are on sites which would ordinarily not be expected to generate significant business growth nor generate any business rates without incentives and /or dedicated local stakeholder support. Any increase from business rates income which arise from the development of an Enterprise Zone site will not be affected by business rates reform, reset or redistribution for a period of 25 years.

C. A local enterprise partnership is a voluntary partnership between local authorities and businesses to help determine local economic priorities and lead economic growth within their local area. This includes arrangements for the establishment and operation of Enterprise Zones. As some local enterprise partnerships are not corporate bodies, a local authority may act as an accountable body on their behalf.

D. In agreement with the Local Enterprise Partnership local authorities responsible for all or part or all of an Enterprise Zone use any increase in business rates they collect from each Enterprise Zone site to support the further development of the Enterprise Zone and neighbouring areas.

E. Taking account of the application included within the attached schedule and other representations made by the Local Enterprise Partnership, the Secretary of State with the agreement of the Chancellor of the Exchequer offers the Local Enterprise Partnership and Relevant Accountable Bodies the right to set up and establish arrangements for the operation of the Enterprise Zone subject to the terms and conditions set out within the other paragraphs of this Memorandum of Understanding. To allow all parties to review their interests, this Memorandum of Understanding extends to 2020. Thereafter, the parties may enter into a replacement memorandum of understanding. In reviewing their interests, the parties shall conduct a review as more particularly described in Appendix 1 of Schedule 3.

## IT IS AGREED THAT:

### 1 DEFINITIONS

In this Memorandum of Understanding the following words and phrases shall have the following meanings:

**“Accountable Body”** means a local authority organisation(s) responsible for one or more aspects of the operation of the Enterprise Zone in line with plans agreed with the Local Enterprise Partnership.

**“Application”** means the application for enterprise zone status submitted to the Secretary of State by the Local Enterprise Partnership on [18<sup>th</sup> September 2015] (which may be amended from time to time after the date of this Memorandum of Understanding) and includes each of the representations at Schedule 3 of this Memorandum of Understanding, including Appendix 1 of Schedule 3, (in the event of conflicting statements, Schedule 3 and then the latest validly made variation shall take priority).

**“Enterprise Zone”** means one or more sites which under the Regulations (as amended from time to time) are able to offer specific business incentives and permitted by the Secretary of State to market themselves as such.

**“Regulations”** means 'Capital Allowances (Designated Assisted Areas) Order 2016', 'Non-Domestic Rating (Designated Areas) Regulations 2016', and 'Non-Domestic Rating (Rates Retention) Regulations 2013'.

**“Relevant Local Authorities”** means a local authority on which all or part of an Enterprise Zone is situated and as a consequence collects business rates from businesses in operation on that site. Each Relevant Local Authority is listed in Schedule 1.

**“Term”** means, subject to clause 8 (Condition Precedent), the earlier of 31 March 2020 or the date of the Secretary of State, each of the Local Enterprise Partnership or each of the Relevant Local Authorities giving written notice to the other parties to this Memorandum of Understanding of its intention to terminate the Enterprise Zone status under clause 5.

**Working Days:** Monday to Friday, excluding any public holidays in England.

### 2 AGREEMENT TO SET UP AND OPERATE AN ENTERPRISE ZONE

Having relied upon the representations made by the Local Enterprise Partnership in the Application, the Secretary of State offers the Local Enterprise Partnership and the Relevant Local Authorities the right to set up and operate the Enterprise Zone for the Term, subject to the terms of this Memorandum of Understanding, including the right to benefit from the following business incentives:

Permitting the Relevant Local Authorities to retain 100% of any business rate increase which accrues for a period of 25 years from the commencement date (this being 1<sup>st</sup> April 2017) of the Enterprise Zone, providing that such sums are directed towards the development of the Enterprise Zones and thereafter towards the Enterprise Zone Investment Programme as set out in the detailed Application and Implementation Plan referred to in clause 3.4 and thereafter towards the Local Enterprise Partnership's other identified growth priorities, such sums to be reserved and allocated in accordance with the priorities and principles set out in Appendix 1 to Schedule 3.

- Central government will reimburse the cost incurred by Relevant Local Authorities in providing a 100% business rates discount for a period of up to five years, to any business which sets up operations within the Enterprise Zone site before 31 March 2022, and is able to receive the support within the State Aid De Minimis threshold (or other limitation applicable by law);
- As an alternative to the reimbursement of business rates, and up until 31<sup>st</sup> March 2020, Central Government will reimburse the Relevant Local Authorities the cost of allowing businesses occupying an Enterprise Zone sites within an Assisted Area (as defined in section 45K of the Capital Allowances Act 2001) to count 100% up to €125 million of their first years' expenditure on qualifying plant and machinery assets against taxable income as an Enhanced Capital Allowance (**ECAs**)
- The Local Enterprise Partnership and all Relevant Local Authorities can together agree to other local authorities benefitting from the benefits of the Enterprise Zone during the Term provided they have entered into an inter-party agreement as set out in 3.2 (a) and meet the relevant requirements in the Regulations. In this situation, notice shall be given to the Secretary of State of the arrangement.

### **3. TERMS AND CONDITIONS**

**3.1** The Relevant Local Authorities and the Local Enterprise Partnership agree, having undertaken due investigation, that at the date of this Memorandum of Understanding:

- (a) The statements within the Application are accurate;
- (b) they are not aware of any information which is likely to materially undermine the ability of the Local Enterprise Partnership and the Relevant Local Authorities to deliver the Enterprise Zone in accordance with the Application and achieve the outputs; and
- (c) they are not aware of any information, which is likely to significantly delay the delivery of the the Enterprise Zone in accordance with the Application or achieving the outputs.

**3.2** The Relevant Local Authorities and Local Enterprise Partnership confirm, having undertaken due investigation, that:

- (a) they have obtained or shall use all reasonable endeavours to promptly obtain necessary approvals, authorisations, consents, exemptions, licences, permits, permissions (including planning permission) or registrations necessary to deliver the Enterprise Zone in accordance with the Application;
- (b) they have or will secure the expertise and capacity to set up and operate the Enterprise Zone in accordance with the Application;
- (c) they will undertake all the steps to set up and operate the Enterprise Zone and confirm that each of these shall be achieved compliantly (including but not limited to achieving compliance with applicable procurement, state aid, planning law and all rules relating to the collection and distribution of business rates, discount, and use of business rates for investment); and
- (d) they will deliver the relevant incentives at Schedule 4 for the period set out in the Application and this Memorandum of Understanding.

### 3.3 The Relevant Local Authorities and the Local Enterprise Partnership agree to:

- (a) organise and promote a governance group for the Enterprise Zone which is able to make strategic and operational decisions. This shall include representatives of each relevant local authority and shall meet at least quarterly (“**Governance Group**”). The Governance Group shall work co-operatively with other Enterprise Zones within the Local Enterprise Partnership area to identify common interests and efficiencies: and
- (b) enter into memorandum of understandings with each other which set agreed objectives and priorities for the Enterprise Zone as well as terms necessary to give effect to this Memorandum of Understanding (for example, provisions covering the use of business rates retained by local authorities and how local authorities will use their general power of competence to support the Enterprise Zone, including but not limited to Compulsory Purchase Orders, simplified planning regimes, development orders, Joint Ventures and borrowing to support investment and arrangements for the provision of monitoring data). Where during the Term, new local authorities become involved in the Enterprise Zone or the legal status of Local Enterprise Partnerships and local authorities involved in the Enterprise Zone changes, the Secretary of State requires that all Relevant Parties uses all reasonable endeavours to enter into new memorandum of understandings under this clause. Copies of these memorandum of understandings should be sent to the Secretary of State within 50 days of execution and no later than 31<sup>st</sup> March 2017.
- (c) to use government subsidies provided for the Enterprise Zone (including the subsidy provided under this Memorandum of Understanding and the Regulations) for the objectives of the Enterprise Zone and in compliance with relevant laws.

### 3.4 Implementation Plan

Relevant Local Authorities in consultation with the Local Enterprise Partnership shall design and submit to the Secretary of State a 5 year implementation plan (which sets out the major steps and the individual(s) and organisation(s) who will

be responsible to set up, operate and deliver the objectives and priorities which have been agreed for the Enterprise Zone) no later than 31st March 2017.

**3.5 The Cities and Local Growth Unit shall support:**

- (a) the set up and delivery of the Enterprise Zone (in particular through the contact for the Enterprise Zone, which is [ ] (E-mail: Telephone: ( who shall advise on the procedures for establishing the zones and resolving issues, which may arise in relation to government funding or legal arrangements. The Local Enterprise Partnership and Relevant Local Authorities shall be informed if there is a change in the Cities and Local Growth Unit team contact.
- (b) Enterprise Zones by providing information on the Enterprise Zone to the market via press releases, its national Enterprise Zone website, Twitter account and other media; and
- (c) Collaboration, by inviting senior leaders from all England's Enterprise Zones to meet to discuss progress, challenges and good practice with senior government officials and Ministers

this support shall be provided up until 31 March 2020 and may be renewed or subject to alteration after that date.

**3.6 The Relevant Local Authorities and Local Enterprise Partnership shall:**

- (a) send the Cities and Local Growth Unit contact the details of the primary point of contact ("**Local Enterprise Zone Contact**", a named representative agreed with the Local Enterprise Partnership) for the Enterprise Zone within 20 Working Days of the condition precedent set out in clause 8 being fully satisfied. The Cities and Local Growth Unit contact shall be informed if there is a change in the Local Enterprise contact.
- (b) authorise the Local Enterprise Contact to discuss progress of the Enterprise Zone with the Cities and Local Growth Unit contact either in face-to-face or telephone meetings at least once a quarter. Such meetings shall be two-way enabling both parties to understand progress of the Enterprise Zone. Share information about the wider Enterprise Zone network and any issues which might adversely affect the planned progress of the Enterprise Zone.
- (c) take all reasonable steps to allow the Cities and Local Growth Unit team contact (or another team member in their place) to attend the Governance Group meetings (as mentioned at clause 3.5(a) including providing information on the date and location of meetings and sending papers which will be discussed. The Cities and Local Growth Unit team contact shall be entitled to decide whether they attend in an observer capacity or as a participant at the Governance Group meeting.

**3.7 Marketing**

The Relevant Local Authorities and the Local Enterprise Partnership agree to use all reasonable endeavours to

- (a) promote the Enterprise Zone;
- (b) share with the Secretary of State a marketing plan for the Enterprise Zone within six months of the condition precedent set out in clause 8 being fully satisfied; and
- (c) use DCLG and Enterprise Zone logos within marketing communications and signage.

### **3.8 Monitoring**

The Relevant Local Authorities and the Local Enterprise Partnership agree to use all reasonable endeavours to complete the management information at Schedule 5 within 21 Working Days of the commission from DCLG, which will be quarterly at the end of January, April, July and October.

## **4. CHANGES**

All changes to the text of this Memorandum of Understanding must first be agreed in writing between the Relevant Local Authorities and the Local Enterprise Partnership and then approved by the Secretary of State in writing prior to the relevant change being deemed to be effective. Until such time as a change is made in accordance with this clause, the parties shall, continue to perform this Memorandum of Understanding in compliance with its terms before such change.

## **5. TERMINATION**

- (a) The Secretary of State shall be entitled to suspend or withdraw the right of any or all of the Local Enterprise Partnership and / or the Relevant Local Authorities to market an Enterprise Zone if, acting reasonably, the Secretary of State is of the view that a party has acted in a way which significantly damages the reputation of the Enterprise Zone Programme or if there has been a material breach of this Memorandum of Understanding.
- (b) The Relevant Local Authorities and Local Enterprise Partnership with the Memorandum of Understanding involved in delivering the Enterprise Zone is entitled to ask for the Enterprise Zone status to be rescinded by submitting notice in writing.

## **6. GOOD FAITH AND COOPERATION**

Each party covenants with the others that they shall act with the utmost good faith towards the other, shall comply with reasonable requests for information in relation to the Enterprise Zone submitted from time to time and will not do anything which would deliberately put the other in breach of its obligations under this Memorandum of Understanding.

## **7. MISCELLANEOUS**

Nothing in this Memorandum of Understanding shall constitute a partnership or joint venture between any of the parties.

**8. CONDITION PRECEDENT**

This Memorandum of Understanding is conditional on this Memorandum of Understanding being approved by the Cabinets of each Relevant Local Authority. If this Memorandum of Understanding is not so approved by [30th November 2016] (the “Deadline”), this Memorandum of Understanding will cease to have effect on the day after the Deadline. Each Relevant Local Authority shall notify the other parties in relation to its Cabinet’s decision in writing as soon as reasonably practicable following its Cabinet’s decision.

**9. COUNTERPARTS**

This Memorandum of Understanding may be executed in any number of counterparts, each of which when executed and delivered shall constitute an original of this Memorandum of Understanding, but all the counterparts shall together constitute the same agreement. No counterpart shall be effective until each party has executed at least one counterpart.



## ACCEPTANCE

This Memorandum of Understanding has been entered into on the date stated at the beginning of it.

Signed for and behalf of

**SECRETARY OF STATE FOR** )

**COMMUNITIES** )

**AND LOCAL GOVERNMENT** )

Authorised Signatory: \_\_\_\_\_

Print Name: \_\_\_\_\_

### 1. Local Enterprise Partnership Accountable body signs here

Signed for and in agreement with

**LOCAL ENTERPRISE PARTNERSHIP BY THE ACCOUNTABLE BODY**

**[Insert AUTHORISED BODY DETAILS]**

Authorised Signatory: \_\_\_\_\_

Print Name: \_\_\_\_\_

Signed for and in agreement with East Devon District Council

Authorised Signatory: \_\_\_\_\_

Print Name: \_\_\_\_\_

Signed for and in agreement with:

**Devon County Council**

Authorised Signatory: \_\_\_\_\_

Print Name: \_\_\_\_\_

.....

The following parties are aware of the requirements of this Memorandum of Understanding (including the Application) and shall support and assist development and delivery of the Enterprise Zone throughout the Term, but due to not having the required legal personality

**[LOCAL ENTERPRISE PARTNERSHIP]**

Authorised Signatory:

Print Name:

**[LOCAL ENTERPRISE PARTNERSHIP]**

Authorised Signatory:

Print Name:

**SCHEDULE 1 - RELEVANT LOCAL AUTHORITIES**

East Devon District Council of Knowle, Sidmouth, EX10 8HL

Devon County Council of County Hall, Topsham Road, Exeter EX2 4QD

**SCHEDULE 2 – LOCAL ENTERPRISE PARTNERSHIP**

Heart of the South West LEP CIC, a Community Interest Company limited by guarantee (Company registration number: 8880546) whose registered office is PO Box 805, Exeter, EX1 9UU

**SCHEDULE 3 KEY INFORMATION ON EXETER AND EAST DEVON ENTERPRISE ZONE  
FROM HEART OF THE SOUTH WEST LOCAL ENTERPRISE PARTNERSHIP**

General	
Name of Enterprise Zone	Exeter and East Devon Enterprise Zone
Name of Local Enterprise Partnership	Heart of the South West Local Enterprise Partnership
Relevant local authorities	East Devon District Council Devon County Council

Fill out information from the application form Q C.8 What is the Local Enterprise Partnership's agreed approach, with the relevant local authorities, about how the retained rates will be used to support development on the Enterprise Zone?  
Briefly explain your financial or investment plan for how (for example, through borrowing or development of a recycling fund) and when the retained rates will be used.

Fill out information from the application form Q E 1. Please describe the governance arrangements for the proposed Enterprise Zone, clearly setting out the name and job title of the Senior Responsible Officer for delivery of the Zone, the governance structure and explain how progress will be owned by the Local Economic Partnership Board.

Fill out information from the Application form from Q E.2 capacity and skills you will make available to deliver the Enterprise Zone on a day-to-day basis, including the job titles and names of each of the staff members in the Local Enterprise Partnership and the relevant local authorities and the total costs of this staff team.

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Q E3 will you gather data that will allow the Local Enterprise Partnership and local authorities to monitor progress of the Enterprise Zone, for example this could include on delivering new jobs, business, and investment?
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Q E5 Briefly set out your plan for marketing the sites to occupiers and/or investors, in the case of multiple site zones being clear if they will be marketed in clusters or in stages.
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## **APPENDIX 1 TO SCHEDULE 3**

### Review and future arrangements

The parties recognise that detailed arrangements for the retention and distribution of business rates tax receipts between the Relevant Local Authorities, the Local Enterprise Partnership (and other local partners as may be applicable) are subject to further consideration and agreement and shall need to be reviewed in light of future developments in the regulation of business rates policy, their retention and distribution at both the national and local levels and the evolving government devolution agenda. The parties therefore intend to have in place more detailed and formal arrangements for the division of business rates receipts by 01 December 2019 with the Review Period for this agreement to commence on 01 June 2019

The parties shall aim to revise and update the Memorandum of Understanding at that time with the aspiration of entering into a replacement memorandum of understanding on or prior to the expiry of the Term. The Relevant Local Authorities and the Local Enterprise Partnership agree that the following priorities and principles shall inform all such future considerations and agreements:

1. The Local Enterprise Partnership agrees that in relation to retained business rates a core aspiration should be that Relevant Local Authorities should not be placed in a poorer business rates receipts position (in aggregate) as a result of implementing their Enterprise Zone(s) in comparison to the position they would be in if such areas were governed by the standard business rates regime at the time. Further detail will be determined in the agreed implementation plan.
2. Business rates receipts following allocation to recompense the Relevant Local Authorities for their Enterprise Zone Investment Programme and development costs, as set out in the implementation plan referred to in clause 3.4, shall be made available for wider investment, in conjunction with the Local Enterprise Partnership across the priorities within and area of the Strategic Economic Plan.

#### SCHEDULE 4 – SITES AND INCENTIVES

<b>Proposed Sites</b>	<b>EZ</b>	<b>District / Local authority Ward</b>	<b>ECA</b>	<b>BRD</b>	<b>BRR</b>

## **SCHEDULE 5 – MANAGEMENT INFORMATION**

**Q1\*** What was the value of the retained rates that were reinvested in the Enterprise Zone in the last financial year?

**Q2\*** What was the value of the retained rates that were reinvested in the LEP area in which the Enterprise Zone is situated, including the amount in Q1, in the last financial year?

**Q3\*** What was the value of the borrowing against retained rates undertaken by the LEP accountable body or the EZ local authority in the last financial year?

**Q4** What was the change in the number of newly created jobs, excluding construction jobs, on the Enterprise Zone in this quarter?

**Q5** What was the change in the number of newly created construction jobs on the Enterprise Zone in this quarter?

**Q6** What was the change in the number of jobs that were safeguarded on the Enterprise Zone in this quarter?

**Q7** Was a Local Development Order introduced on the zone or a part of the zone this quarter?

**Q8** What was the change in the number of businesses that started trading on the zone this quarter?

**Q9** What was the value of any new public sector capital investment on the zone this quarter? Do not include borrowing against retained rates.

**Q10** What was the value of any new public sector revenue investment on the zone this quarter?

**Q11** What was the value of any new private sector investment on the zone this quarter (excluding non-monetary investment)?

**Q12** What was the value of any new private sector non-monetary investment on the zone this quarter, e.g. use of facilities, staff?

**Q13** What area of land was reclaimed and made ready for development on the zone this quarter?

**Q14** What commercial floorspace was constructed on the zone in this quarter?

**Q15** What commercial floorspace was refurbished on the zone this quarter?

**Q16\*** "What was the market rate for leasing commercial floorspace on the Enterprise Zone as of the current date?"

**Q17** What land sales were there on the zone this quarter?

## Appendix 2 - Exeter & East Devon Enterprise Zone, Business Rates Relief Policy

Version 7 – 20 October 2016

The Exeter & East Devon<sup>1</sup> Enterprise Zone was announced in the 2015 Autumn Statement as part of the Heart of the South West Enterprise Zone package. There are a number of Enterprise Zones across the country. Their aim is to stimulate business growth in designated areas by providing financial incentives and simplified planning arrangements<sup>2</sup> to businesses and to Councils. The aim is that they will drive local and national economic and jobs growth.

**Where are the Enterprise Zone sites?** Within the Exeter & East Devon area there is a single Enterprise Zone located on four sites. These sites are:

- Exeter Science Park
- Sky Park
- Exeter Airport Business Park Expansion Area
- Cranbrook

(Please see detailed maps identifying the boundary of the Enterprise Zone sites).

### Business rate reduction

- A. The Council can grant a 100% Enterprise Zone business rates discount for a five year period up to State Aid De Minimis levels (currently £55,000 per year, up to £275,000 over a 5 year period) to businesses that are located within the East Devon and Exeter Enterprise Zone between 1 April 2017 and 31 March 2022.

The discount reduces the amount of business rates that the business would have to pay to the Council, up to a maximum discount of 100% of business rates payable.

The discount will be payable provided:

- a. The business locates within the defined boundary of the Enterprise Zone;  
AND,
- b. The business is registered to pay business rates before 31 March 2022.  
AND,
- c. The business is not currently occupying business premises within the Enterprise Zone  
AND

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<sup>1</sup> The Exeter & East Devon Enterprise Zone is located within the administrative area of East Devon District Council, within Devon County Council (a two tier authority area).

<sup>2</sup> Simplified planning arrangements will be operated through Local Development Orders. A Local Development Order will be developed for each of the four Enterprise Zone sites.



- d. If the business was previously located elsewhere within the Devon County Council area and is a relocation for purposes of growth/expansion, evidence is provided to prove that no appropriate<sup>3</sup> expansion space was available at the previous site.
- B. Business rate relief will only be offered to businesses locating to the Enterprise Zone after 1 April 2017. . However, the Council will consider applications for Enterprise Zone business rate discount on a discretionary basis for expanding businesses already located within the Enterprise Zone. These applications will be considered on the following basis:
  - a. Occupation of a larger premises;
  - b. Increase in number of permanent workforce within the business;
  - c. Increase in the turnover of the business, supported by evidence;
  - d. Relocation of business to support another organisation/business also located within the Enterprise Zone (e.g. to reduce transport activity between sites, support the aims of the Enterprise Zone, etc.
- C. Business rate relief can be offered on a discretionary basis to vacant new build premises located within the Enterprise Zone. Applications will be considered on the following basis:
  - 1. The length of time the premises has been vacant
  - 2. The premises is being actively marketed

If businesses are entitled to other types of business rate relief, e.g small business rate relief, the existing relief and/or discounts will be applied to the business rate bill first and then the Enterprise Zone discount will be applied to the outstanding amount.

For businesses/companies with more than one property in the Enterprise Zone discounts will be awarded to each property subject to State Aid De Minimis rules.

**How to claim the discount?** Claims can be made by completing an application form.

**State Aid Rules** The State Aid rules regulate public sector intervention, with the aim to ensuring fair competition. This means that a business can only receive government support up to a maximum level and because of this the Council will have to ask any business that applies for a discount detailed questions about financial support that they may have received.

If a business has received any State Aid in previous years this will need to be reported to the Council. The Council will then be able to determine the level of Business Rate Relief it is able to offer.

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<sup>3</sup> Defined as not being of suitable size for expanding business needs etc

## Appendix 1 – State Aid Restrictions

The following areas are excluded from receiving State Aid De Minimis:

- Enterprises in road haulage operations for the acquisition of road freight transport vehicles
- Enterprises in the agricultural sector (with the exception of those active in processing and marketing of agricultural products)
- Enterprises active in the coal sector; to undertakings in difficulty; or for directly export-related activities
- The same costs that are being supported under another block exemption or notified scheme. It is unlawful to provide De Minimis for costs being funded under the State Aid cover of an exemption or notified scheme, if it means the specific allowable aid intensity will be exceeded.
- For the setting up of distribution networks, export aid or provided to businesses which are in difficulty (a business in difficulty as defined in section 2.1 of the Community Guidelines and State Aid for Rescuing and Restructuring Firms in Difficulty (2004/C22/02).

What counts as State Aid?

- State grants;
- Interest rate relief;
- Tax relief;
- Tax credits;
- State guarantees or holdings;
- State provision of goods or services on preferential terms;
- Direct subsidies;
- Tax exemptions;
- Preferential interest rates;
- Guarantees of loans on especially favourable terms;
- Acquisition of land or buildings either gratuitously or on favourable terms;
- Indemnities against operating losses;
- Reimbursement of costs in the event of success;
- State guarantees, whether direct or indirect, to credit operations preferential re-discount rates;
- Dividend guarantees;
- Preferential public ordering;
- Reduction, of, or exemption from, charges or taxes, including accelerated depreciation and the reduction of social contributions;
- Deferred collection of fiscal or social contributions;
- Assistance financed by special levies;
- Capital transfers;
- Certain state holding in capital of undertakings;
- Business Rates Hardship relief payments;
- High Street Support payment

Appendix 3 - Programme of work for Exeter and East Devon Enterprise Zone

w/b	LA sign off	BEIS Deadline	Implementation Plan	Business Rates Relief Policy	Local Development Orders	Partnership Working	Monitoring	Exeter and East Devon EZ Board	
17/10/2016	Finalise Cabinet reports for DCC & EDDC (20/10/16)		Prepare draft version of Implementation Plan	Finalise Business Rate Relief Policy	Prepare procurement brief for LDOs at Science Park and Sky Park	Circulate copy of Cabinet report and Business Rate Relief Policy to Greater Exeter Partners			
24/10/2016	Cabinet meeting at DCC & EDDC (9/11/2016)	Return Enterprise Zone information to BEIS (28/10/16)							
31/10/2016									
07/11/2016				Business Rate Relief Policy presented to DCC & EDDC Cabinet					
14/11/2016	Finalise report on LDOs for EDDC Planning Committee			EDDC work on creating process for Business Rate Relief	Finalise report on LDOs for EDDC Planning Committee	Drafting sessions to Greater Exeter Partners and landowners/interested parties on proposed Enterprise Zone			
21/11/2016			Circulate copy of draft Implementation Plan				Circulate copy of draft Implementation Plan		Draft structure of EZ Board circulated within Implementation Plan
28/11/2016		Submit signed copy of MOU to BEIS	Consultation and engagement on Implementation Plan			EDDC Planning Committee considers LDO report	Consultation and engagement on Implementation Plan	Finalise EZ monitoring process	Consultation on Draft Structure of EZ Board
05/12/2016	EDDC Planning Committee considers LDO report	Finalise maps for business rate discounts and business rate retention. Provide information on business rate retention baseline figures (9/12/16)							
12/12/2016					Procurement of LDO Support				
19/12/2016									
26/12/2016	Christmas Holiday								
02/01/2017			Finalise Implementation Plan	Create & implement process for applying for EZ Business Rate Relief	Procurement of LDO Support		Commence monitoring (Q3, 2016/17)		
09/01/2017					Evaluate tenders				Finalise Structure of EZ Board
16/01/2017	Finalise Cabinet Report for meeting at EDDC (8 February)								Draft MOU for the EZ Board
23/01/2017					Interview shortlist (if required)			Circulate final version of Implementation Plan	
30/01/2017	Finalise Council Report for meeting at EDDC (01/02/2017)				Issue contract				
06/02/2017	Cabinet Meeting at EDDC				LDO process commences		Finalise format of quarterly monitoring report for EZ	Set up quarterly board meetings	
13/02/2017									
20/02/2017	Council Meeting at EDDC (22/02/2017)								
27/02/2017									
06/03/2017					Update EDDC website on EZ Business Rate Relief			First EZ Board meeting	
13/03/2017									
20/03/2017									
27/03/2017		Finalise Implementation Plan (31/03/17)							
03/04/2017	Operational Enterprise Zone								

**Appendix 4 - Enterprise Zone Financial Overview**

LA business rates baseline						Enterprise Zone baseline						Uplift from Enterprise Zone			
	Non EZ income	50% to Central Government	40% local share to district EDDC	9% local share to county DCC	1% retained for Fire & Rescue Authority		EZ income	40% retained by EDDC	9% retained by DCC	1% retained for Fire & Rescue Authority	50% retained for local growth (first 10 years)		EDDC income	DCC income	Additional income for local growth
year 1	£842,475	£421,238	£336,990	£75,823	£8,425	year 1	£842,475	£336,990	£75,823	£8,425	£421,238	year 1	£0	£0	£421,238
year 2	£1,090,664	£545,332	£436,265	£98,160	£10,907	year 2	£1,167,614	£467,045	£105,085	£11,676	£583,807	year 2	£30,780	£6,926	£583,807
year 3	£1,311,123	£655,562	£524,449	£118,001	£13,111	year 3	£1,591,604	£636,642	£143,244	£15,916	£795,802	year 3	£112,192	£25,243	£795,802
year 4	£1,655,679	£827,839	£662,272	£149,011	£16,557	year 4	£2,212,540	£885,016	£199,129	£22,125	£1,106,270	year 4	£222,744	£50,118	£1,106,270
year 5	£2,997,806	£1,498,903	£1,199,123	£269,803	£29,978	year 5	£3,502,372	£1,400,949	£315,213	£35,024	£1,751,186	year 5	£201,826	£45,411	£1,751,186
year 6	£3,569,950	£1,784,975	£1,427,980	£321,296	£35,700	year 6	£4,344,577	£1,737,831	£391,012	£43,446	£2,172,289	year 6	£309,851	£69,716	£2,172,289
year 7	£4,095,885	£2,047,942	£1,638,354	£368,630	£40,959	year 7	£4,980,883	£1,992,353	£448,279	£49,809	£2,490,441	year 7	£353,999	£79,650	£2,490,441
year 8	£4,671,296	£2,335,648	£1,868,518	£420,417	£46,713	year 8	£5,629,592	£2,251,837	£506,663	£56,296	£2,814,796	year 8	£383,318	£86,247	£2,814,796
year 9	£5,298,860	£2,649,430	£2,119,544	£476,897	£52,989	year 9	£6,398,746	£2,559,498	£575,887	£63,987	£3,199,373	year 9	£439,954	£98,990	£3,199,373
year 10	£6,341,097	£3,170,549	£2,536,439	£570,699	£63,411	year 10	£7,740,282	£3,096,113	£696,625	£77,403	£3,870,141	year 10	£559,674	£125,927	£3,870,141
year 11	£7,061,332	£3,530,666	£2,824,533	£635,520	£70,613	year 11	£8,498,332	£3,399,333	£764,850	£84,983	£4,249,166	year 11	£574,800	£129,330	£4,249,166
year 12	£7,757,410	£3,878,705	£3,102,964	£698,167	£77,574	year 12	£9,271,454	£3,708,581	£834,431	£92,715	£4,635,727	year 12	£605,617	£136,264	£4,635,727
year 13	£8,336,308	£4,168,154	£3,334,523	£750,268	£83,363	year 13	£9,994,270	£3,997,708	£899,484	£99,943	£4,997,135	year 13	£663,185	£149,217	£4,997,135
year 14	£9,227,756	£4,613,878	£3,691,102	£830,498	£92,278	year 14	£11,032,665	£4,413,066	£992,940	£110,327	£5,516,332	year 14	£721,964	£162,442	£5,516,332
year 15	£9,936,249	£4,968,125	£3,974,500	£894,262	£99,362	year 15	£11,782,057	£4,712,823	£1,060,385	£117,821	£5,891,029	year 15	£738,323	£166,123	£5,891,029
year 16	£10,574,746	£5,287,373	£4,229,899	£951,727	£105,747	year 16	£12,458,370	£4,983,348	£1,121,253	£124,584	£6,229,185	year 16	£753,450	£169,526	£6,229,185
year 17	£11,290,062	£5,645,031	£4,516,025	£1,016,106	£112,901	year 17	£13,212,254	£5,284,902	£1,189,103	£132,123	£6,606,127	year 17	£768,877	£172,997	£6,606,127
year 18	£11,953,947	£5,976,973	£4,781,579	£1,075,855	£119,539	year 18	£14,229,258	£5,691,703	£1,280,633	£142,293	£7,114,629	year 18	£910,125	£204,778	£7,114,629
year 19	£12,651,820	£6,325,910	£5,060,728	£1,138,664	£126,518	year 19	£14,967,278	£5,986,911	£1,347,055	£149,673	£7,483,639	year 19	£926,183	£208,391	£7,483,639
year 20	£13,689,161	£6,844,581	£5,475,665	£1,232,025	£136,892	year 20	£15,719,118	£6,287,647	£1,414,721	£157,191	£7,859,559	year 20	£811,983	£182,696	£7,859,559
year 21	£14,346,521	£7,173,260	£5,738,608	£1,291,187	£143,465	year 21	£16,434,127	£6,573,651	£1,479,071	£164,341	£8,217,064	year 21	£835,043	£187,885	£8,217,064
year 22	£15,369,637	£7,684,818	£6,147,855	£1,383,267	£153,696	year 22	£17,516,039	£7,006,416	£1,576,444	£175,160	£8,758,020	year 22	£858,561	£193,176	£8,758,020
year 23	£16,033,522	£8,016,761	£6,413,409	£1,443,017	£160,335	year 23	£18,239,866	£7,295,946	£1,641,588	£182,399	£9,119,933	year 23	£882,538	£198,571	£9,119,933
year 24	£16,711,369	£8,355,685	£6,684,548	£1,504,023	£167,114	year 24	£18,978,917	£7,591,567	£1,708,103	£189,789	£9,489,458	year 24	£907,019	£204,079	£9,489,458
year 25	£17,401,911	£8,700,956	£6,960,764	£1,566,172	£174,019	year 25	£19,731,807	£7,892,723	£1,775,863	£197,318	£9,865,904	year 25	£931,958	£209,691	£9,865,904
	£214,216,587	£107,108,294	£85,686,635	£19,279,493	£2,142,166		£250,476,499	£100,190,600	£22,542,885	£2,504,765	£125,238,249		£14,503,965	£3,263,392	£125,238,249

**Report to:** Cabinet  
**Date of Meeting:** 9 November 2016  
**Public Document:** Yes  
**Exemption:** None  
**Review date for release** None



**Agenda item:** 14

**Subject:** Exmouth Tidal Defence Scheme

**Purpose of report:** To agree the EDDC contribution towards Exmouth Tidal Defence Scheme and provide an update on progress towards a major engineering scheme to protect parts of Exmouth from coastal and fluvial flooding.

**Recommendation:**

1. That EDDC permit the use of our car parks, public open space and other land (as identified in paragraph 3.1) for the construction of the Exmouth Tidal Defence Scheme, a contribution in kind valued at £300k and that the Strategic Lead (Housing, Health and Environment) in consultation with the Strategic Lead (Legal, Licensing and Democratic Services) be authorised to negotiate and complete any appropriate property documentation that may be required to facilitate this arrangement.
2. That EDDC continue to maintain the improved defences on the sea front and along the estuary in Exmouth, a contribution in kind valued at £562k over the life (100 years) of the scheme.
3. That EDDC continue to work in collaboration with the EA on the project, and contribute staff time towards it valued at £110K.
4. The Strategic Lead (Housing, Health and Environment) in consultation with the Strategic Lead (Legal, Licensing and Democratic Services) be authorised to make amendments to the Collaboration Agreement between the EA and EDDC as necessary to reflect changes to the programme, level of EA contribution to costs incurred by EDDC and the period in which those costs are to be spent.

**Reason for recommendation:** To meet the partnership funding requirements for the project and improve its affordability within the Environment Agency programme.

To ensure that the scheme continues to complement EDDC aspirations for regeneration of the Town and that the upgraded defences enhances the public realm and EDDC assets.

**Officer:** Dave Turner - Engineering Projects Manager  
email: [dturner@eastdevon.gov.uk](mailto:dturner@eastdevon.gov.uk) tel: 01395 571619

<b>Financial implications:</b>	Financial details are contained in the report
<b>Legal implications:</b>	The Collaboration Agreement ensures that the Council is able to recover the costs of the appointment of the consultant from the Environment Agency. The ability to amend the agreement to reflect changing circumstances and budget provision is necessary and appropriately delegated. In addition the report identifies that EDDC land holding is to be made available for use by the appointed contractor. It is understood that the contractor is to be appointed by the EA, and not EDDC, and therefore it will be necessary to ensure that the contractor / the EA is authorised to use our land. This is likely to be way of short term licence but at this stage this has not been determined. Nonetheless it is necessary to ensure that there is appropriate legal documentation in place and Recommendation 1 secures that this will happen. Finally, Members ought to be aware that there are legal risks and liabilities that will be the responsibility of EDDC in respect of the flood defences (as they are on our land and we are going to be maintaining them). However, this is no different to the situation now and it is expected that the new flood defences will be included in the regular asset inspection regime to mitigate this risk. At this stage, there are no other legal implications arising.
<b>Equalities impact:</b>	Low Impact
<b>Risk:</b>	Low Risk
<b>Links to background information:</b>	<ul style="list-style-type: none"> <li>• <a href="https://youtu.be/-kOjlo9UoU">https://youtu.be/-kOjlo9UoU</a> Appendix A attached</li> </ul>
<b>Link to Council Plan:</b>	<p>Encouraging communities to be outstanding</p> <p>Developing an outstanding local economy</p> <p>Delivering and promoting our outstanding environment</p>

## 1. Background

- 1.1 EDDC have been working in collaboration with the Environment Agency (EA) over the last 18 months to identify a preferred option to reduce the risk of flooding to Exmouth from the Sea and to submit a business case known as an Outline Business Case (OBC) for Flood and Coastal Erosion Risk Management Grant in Aid (FCERM GiA). A Collaboration Agreement has been entered into to govern this relationship (see Cabinet report of April 2015).
- 1.2 EDDC have employed WSP | PB, an Exeter based engineering consultancy, to undertake the options appraisal, produce an outline design and prepare the OBC. These costs have been reimbursed in full by the EA.
- 1.3 The need for improved defences in Exmouth was identified in the 2014 Exe Estuary Flood and Coastal Erosion Strategy (EEFCES) which looked at ways to protect the 150,000 homes around the Exe Estuary from flooding and coastal erosion over the next 100 years.

- 1.4 Exmouth is particularly vulnerable to flooding from the sea, with the low lying area known as The Colony up to 1.8m (~5'10") below predicted flood levels in the Estuary.
- 1.5 Flooding from the sea in Exmouth is predicted on events with a probability as high as 1 in 25 of occurring in any one year. Around 1,400 homes and 400 businesses predicted to flood during a more severe event (with a probability of 1 in 200).
- 1.6 Exmouth is expected to become increasingly at risk of flooding in the future as sea levels rise and storm conditions worsen as a result of climate change.



**Figure 1 - Predicted 1 in 200 year flood extents**

- 1.7 Flooding is predicted to occur via the lower areas of the Estuary from Withycombe Brook through to Camperdown Terrace. Flooding is also predicted to occur (and frequently does) from wave overtopping on the Esplanade. Figure 1 shows the 1 in 200 year flood model.
- 1.8 EDDC own the majority of existing defences in these locations which consist of rock revetments, gabions, slipways and the existing sea wall along the Esplanade. These assets are currently sound, although a number of repairs are required to ensure these remain sound for the lifetime of the scheme (100 years).
- 1.9 A number of consultation events have been undertaken as part of the project, with two public consultation events including a specific event for residents at Camperdown Terrace. The proposed options have been well received by local Councillors as well as the local community and their input was used to inform the choice of the preferred option.

## **2. Preferred Option**

- 2.1 The preferred option is what is known as an adaptive approach, where the defences are designed so that they can be updated to cope with more extreme conditions in the future but are not built to their full height immediately. This avoids restricting access to and views across the Estuary in the short term, provides a good standard of protection and is the most



economic option over the next 100 years. A fly through of the preferred option can be found on the [EDDC youtube](#) and a plan of the proposed defences included in **Appendix A**.

- 2.2 The preferred option has been selected after public consultation earlier this year, on the advice of WSP | PB and in collaboration with the EA who have jointly overseen the project. The preferred option has been through the EA assurance process, which involves a review by the EA Large Project Review Group who have approved the outline business case.
- 2.3 From Withycombe Brook to Imperial Recreation Ground the preferred option is to raise the ground, construct a wall at the crest of the existing EDDC maintained revetment and to undertake patch repairs to the revetment itself. The wall will have foundations sufficient to be raised in future, and it is expected that this will not be required until 2045.
- 2.4 Imperial recreation ground itself is of sufficient height to resist flooding until 2045, and the revetment is in good condition following works by EDDC in 2014.
- 2.5 From Imperial Recreation Ground, around to the Sea Cadet building to the South a set back wall is proposed with a 4m footway at a lower level alongside the Estuary. Due to its construction, the set back wall will be built to the full height required for the next 100 years. The wall will tie in with the new flood wall built as part of the new sea cadets building and which EDDC have contributed towards.
- 2.6 At the slipway adjacent to the Sea Cadets, a flood gate is proposed and property level flood protection measures are to be offered to the lower lying properties on Camperdown Terrace. An additional flood gate will be required in an alleyway on Camperdown Terrace, and at the Sailing Club entrance further round the Estuary.
- 2.7 The area around Exmouth Docks is at sufficient elevation for the next 30 years, and no works are planned in this area at this time.
- 2.8 Along the Esplanade, reinforcement to the toe of the listed 19th Century sea wall is planned where the estuary bed level has dropped. Further East, the crest of the sea wall will be reinforced where it has been vulnerable to storm damage in the past.
- 2.9 From The Grove Public House through to the Clock Tower, a set back flood wall with a number of flood gates will be constructed on the landward side of the Esplanade. In part, it is proposed that this will replace existing property boundary walls. Where feasible, ramps or part ramps will be used to reduce the number of flood gates.
- 2.10 The total cost of the proposed defences is £19M.

### **3. Impact on EDDC during construction**

- 3.1 As the upgraded defences are predominantly in areas of EDDC ownership, based on the draft construction program and outline design there are predicted to be the following impacts on EDDC and the use of EDDC land:
  - a. Local Nature Reserve (LNR) – restricted access during land raising for 2 weeks and diversion of the public footpath.
  - b. Boatyard leased from EDDC – access through the boatyard for the works in the LNR, and access for construction of the adjacent flood wall for 8 weeks.
  - c. Estuarieside HGV and Coach Park – use of 7 HGV spaces for 25 weeks for use as a satellite construction compound.
  - d. Estuarieside Car Park – diversion of access road through the car park (9 hgv and 25 car parking spaces) during construction of a section of flood wall for 7 weeks.
  - e. Imperial Recreation Ground Car Park– diversion of access road during construction (16 car parking spaces), land raising of a section of the car park for 3 weeks (30 spaces).



- f. Imperial Recreation Ground – use for main construction compound 27 weeks.
- g. Camperdown Car Park – use of an area of the car park during construction of the flood wall for 6 weeks (10 car/trailer spaces).
- h. Beach Gardens– use as satellite construction compound for 29 weeks.

3.2 The above is estimated to have the following impact on EDDC revenue:

- a. Car Parking – reduction in revenue from Estuaryside, Imperial Recreation Ground and Camperdown Car Parks
- b. StreetScene West – reduction in revenue from events at Imperial Recreation Ground
- c. Property and Estates – reduction in revenue from boatyard lease

3.3 Total reduction in revenue is estimated at £20,000 over the 2018/19 and 2019/20 financial years.

#### **4. Impact on EDDC post construction**

- 4.1 In the short to medium term maintenance of the upgraded defences are unlikely to impose a significant additional burden on EDDC, and it is likely this will be limited to additional annual asset inspections. The renewal of some existing EDDC assets could potentially result in a short term saving to EDDC, which may have otherwise required a higher level of maintenance.
- 4.2 In the longer term, the extent of assets in EDDC ownership will have increased and EDDC will need to allow for this within future budget setting although limited impact is anticipated in the short term.
- 4.3 It is not proposed at this stage that EDDC operate the new flood gates. Where possible flood gates will normally be closed, or alternatively operated by flood groups or residents. Flood gates along the Esplanade will require traffic management, and the operation of those will continue to be discussed with the EA to ensure an appropriate resource is put in place.

#### **5. Value of EDDC Contribution**

- 5.1 Due to the risk of flooding and scale of benefits the project qualifies for 100% funding from Flood and Coastal Erosion Risk Management Grant in Aid from DEFRA.
- 5.2 However, it is proposed that EDDC make in kind contributions to assist the EA in making the scheme affordable within their current 6 year programme, and to ensure the scheme proceed with construction starting 2018/19.
- 5.3 The use of EDDC land (car parks, parks, other areas) during the construction has been included as an in kind contribution of £300k towards the project based on the value of the leases, event fees and car parking spaces. This compares favourably with the impact on EDDC revenue.
- 5.4 Continued maintenance of the defences in Exmouth by EDDC has been included in the Outline Business Case as an in kind contribution of £562k over the 100 year lifetime of the scheme.
- 5.5 EDDC continued contribution in kind of staff time has been included in the business case as a contribution of £110k including the work to date in managing the project, and work going forwards to agree the detailed design and coordinate with the eventual contractor.

#### **6. Programme**

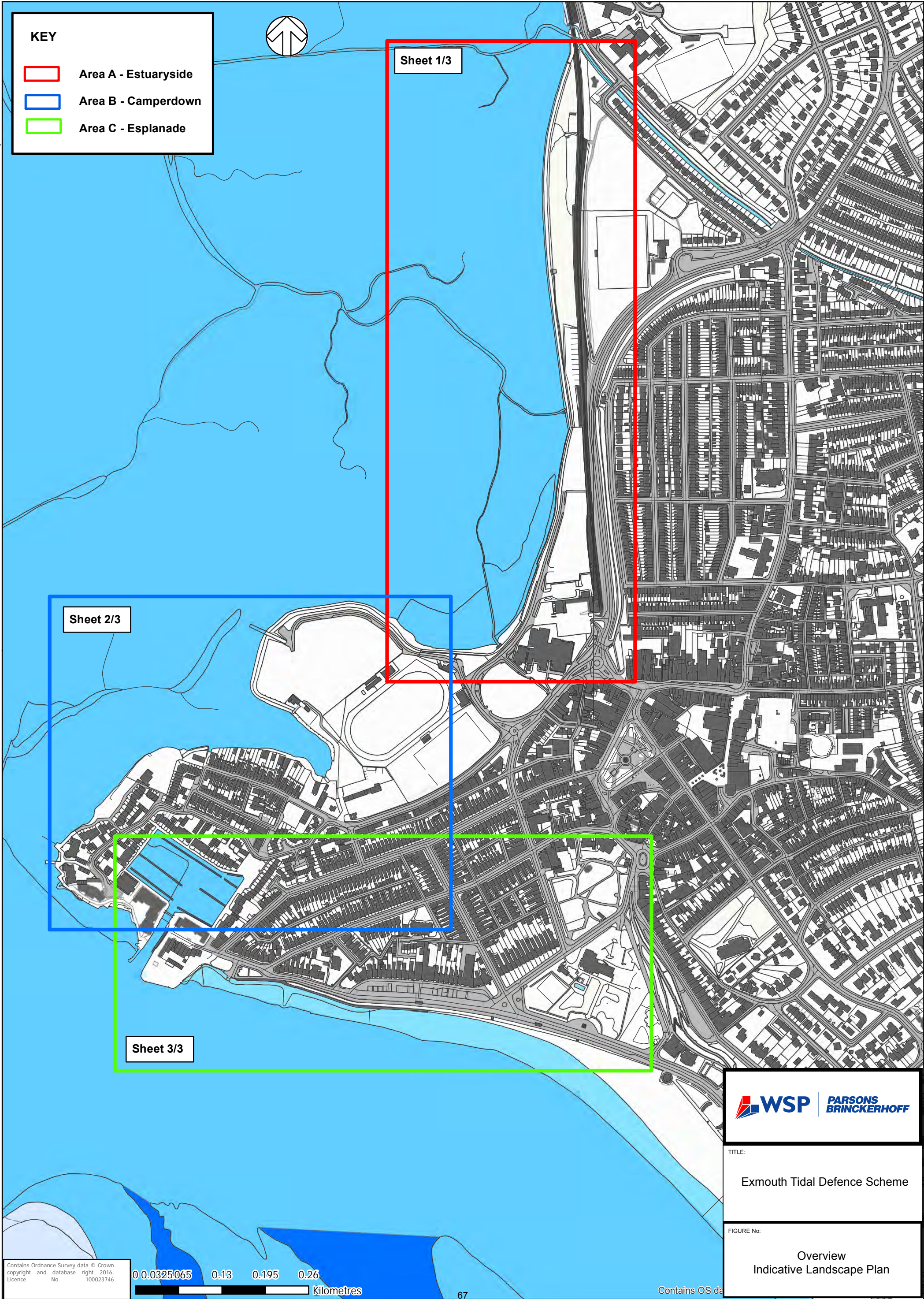
- 6.1 The works were originally programmed by the EA to start in January 2017 for completion in November 2018. However, given the increase in the complexity of the scheme since the original strategy was completed this timeframe is no longer achievable.
- 6.2 Therefore, the EA have indicatively allocated funding from DEFRA for construction of the scheme to start in the 2018/19 financial year.
- 6.3 Funding will be confirmed in February 2017, it is considered unlikely that the indicative funding allocation will change.

## **7. Next steps**

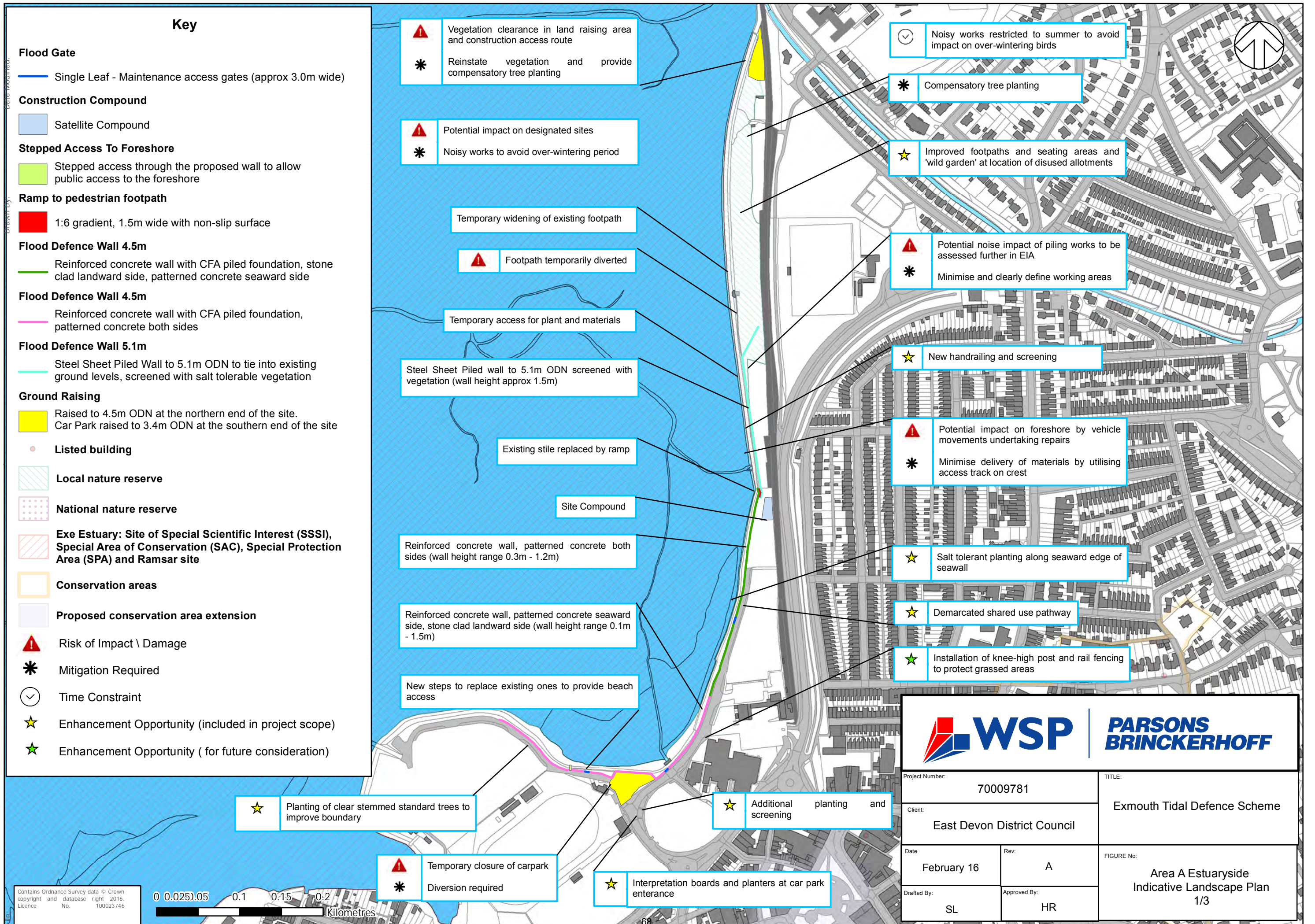
- 7.1 WSP | PB are continuing to work on production of tender documents for the detailed design and construction of the project.
- 7.2 The detailed design and construction will be tendered through the Environment Agency framework contract.
- 7.3 Following receipt of tenders, the Outline Business Case will be updated and approval sought from the EA of the Final Business Case.
- 7.4 It is anticipated that the design and construction of the project will be awarded in spring 2017, with construction starting in 2018.
- 7.5 The Environment Agency will lead the next phase of the project, and it is intended that the collaboration with EDDC will continue as part of the detailed design and construction. Given changes to the programme timeline, the Collaboration Agreement will need revising to reflect changes to the amount of the EA contribution and the years in which it is to be spent.
- 7.6 Ward members, Exmouth Regeneration Board and Cabinet will continue to be kept updated as the project progresses.



Date Modified:  
Drawn By:









Date Modified:

Drawn By:

## Key

### Wall strengthening

Property boundary wall strengthened and waterproofed to 4.0m ODN

### SSP wall with cladding

Steel Sheet Piled Wall to 5.1m ODN, timber cladding seaward side

### Replace Wall 3.8m ODN

Existing wall replaced with brick clad reinforced concrete wall to 3.8m ODN

### Lower defence edge

Stone filled Gabion wall

### Flood Wall

New Flood Wall between gates to 4.0m ODN

### Flood Gates 1

Varying width flood gates to 3.8m ODN or 4.0m ODN depending on location

### Construction Compound

Main Compound - Offices and Welfare  
Materials Handling Yard

### Ground Raising

Ground Raised to 4.5m ODN at the northern end of the site

### Property Level Flood Protection

Provide IPP for properties along Camperdown Terrace

### Proposed Sea Cadets Building

Site of proposed Sea Cadet Facilities

### Road Raising

Road Raised to 4.5 ODN. Install ducts for services to Sea Scouts within the raised road

Listed building

Local nature reserve

National nature reserve

Exe Estuary: Site of Special Scientific Interest (SSSI), Special Area of Conservation (SAC), Special Protection Area (SPA) and Ramsar site

Conservation areas

Proposed conservation area extension

Risk of Impact \ Damage

Mitigation Required

Time Constraint

Enhancement Opportunity ( included in project scope)



Noisy works likely to be restricted to summer to avoid impact on over-wintering birds



Temporary closure of access road to sea scouts



Duration to be minimised



Working on foreshore



Working area to be minimised



Construction \ installation of Individual Property Protection measures



Detailed consultation required



Flood gate (approx 0.6m high)



Replace existing wall to 3.8m ODN



Temporary Impact on access to Exe Sailing Club



Consultation required



Listed Building, potential effect on visual setting



New defences \ gates sensitively designed



Time Constraint



Enhancement Opportunity ( included in project scope)

Ground and road raising to 4.5m ODN

Site Compound

Sea Scouts

Gabion wall



Play park possible temporary closure



Duration to be minimised



New seating along edge of new footpath and planting against defence wall



Solar powered lighting of footpath edge



New footpath along Estuary edge



Steel Sheet Piled Flood defence wall (Wall height approx. 2.2m)



Site Compound



Works to sea cadets and residential property boundaries



Consultation required



Sea Cadets



Slipway



Temporary closure of slipway



Consultation required



Potential noise impact of piling works. Impact to be further assessed in EIA



Consultation with residents



PARSONS  
BRINCKERHOFF

Project Number:

70009781

Client:

East Devon District Council

Date:

February 16

Drafted By:

SL

Rev:

A

Approved By:

HR

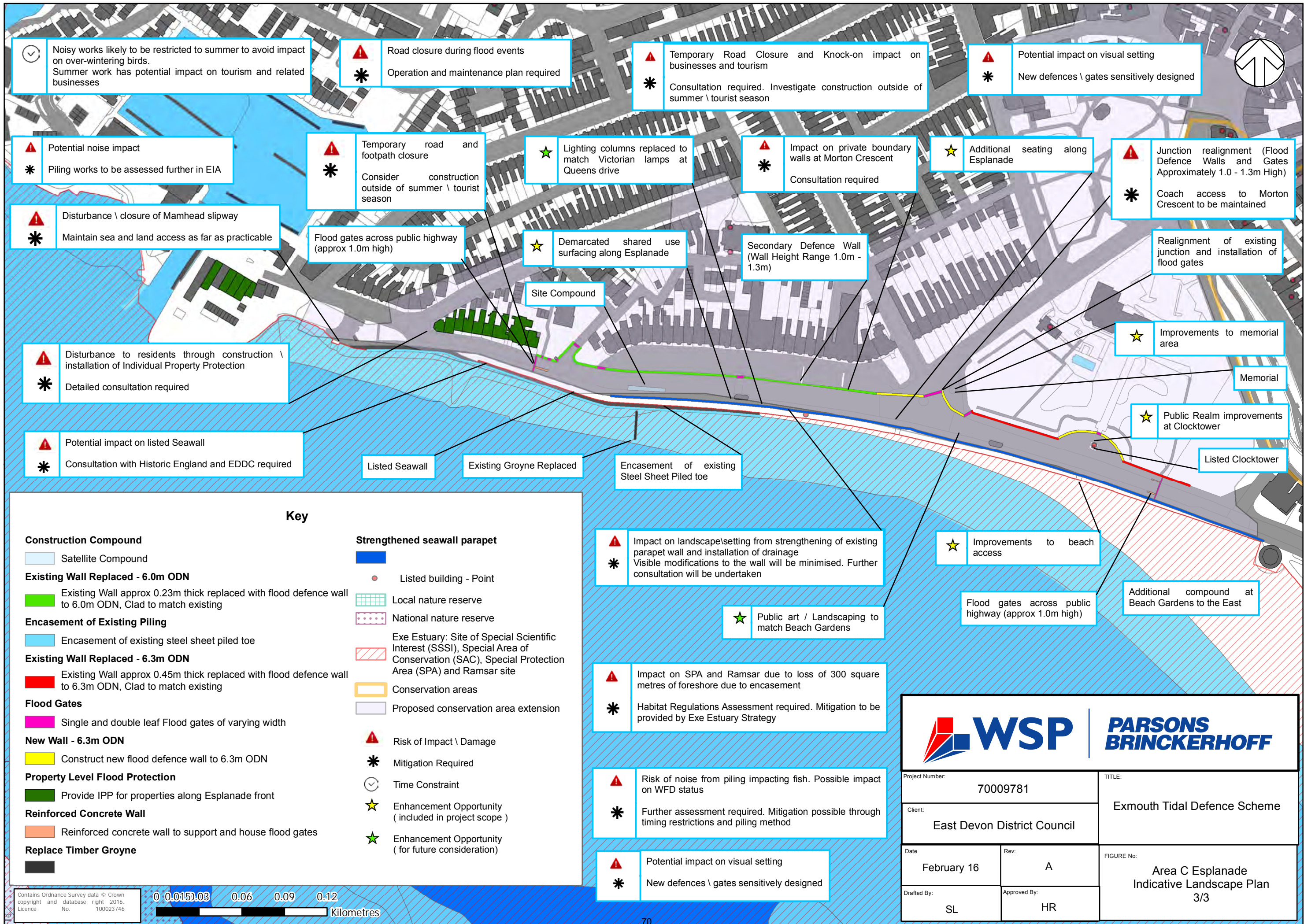
TITLE:

Exmouth Tidal Defence Scheme

FIGURE No:

Area B Camperdown  
Indicative Landscape Plan  
2/3







**Report to:** Cabinet  
**Date of Meeting:** 9 November 2016  
**Public Document:** Yes  
**Exemption:** None



**Review date for release** None

**Agenda item:** 15

**Subject:** **Bishops Clyst Neighbourhood Plan Examiners Report**

**Purpose of report:** To provide feedback and set out proposed changes following the examination of the Bishops Clyst Neighbourhood Plan

**Recommendation:**

- 1. That members endorse the Examiner's recommendations on the Bishops Clyst Neighbourhood Plan in their entirety and an additional minor correction.**
- 2. That members agree that a 'referendum version' of the Neighbourhood Plan (incorporating the examiners modifications and additional minor correction) should proceed to referendum and a decision notice to this effect be published.**
- 3. That members congratulate the Neighbourhood Plan group on their hard work.**

**Reason for recommendation:** The legislation requires a decision notice to be produced at this stage in the process. The Neighbourhood Plan is the product of extensive local consultation and has been recommended to proceed to referendum by the Examiner subject to modifications, which are accepted in their entirety by the Parish Council.

**Officer:** Tim Spurway, Neighbourhood Planning Officer,  
[tspurway@eastdevon.gov.uk](mailto:tspurway@eastdevon.gov.uk) (01395 – 571745)

**Financial implications:** Now that the plan has been examined and recommended to proceed to referendum stage, a claim of £20,000 can be claimed from the government once the referendum date has been set. Once the Neighbourhood Plan passes through the referendum stage and is 'made', the Parish Council will be eligible to receive 25% of CIL receipts for development that occurs within the Neighbourhood Area upon adoption of the CIL charging scheme.

**Legal implications:** As the report identifies, it is a formal requirement for the Council to consider the Examiner's recommendations and satisfy itself that the proposed plan meets the prescribed 'basic conditions'. New government regulations which came into force on the 1<sup>st</sup> October now require Local Authorities to decide on the action to take in response to the Examiner's recommendations within 5 weeks of the Examiner's report being received.

The purpose of the report is to satisfy these formal requirements. Assuming Members agree then the Council is obliged to publish notice to this effect, pursuant to the applicable Regulations, and Recommendation 2 covers this aspect. The report also identifies that the District Council is responsible for organising the referendum and requires a resolution to progress this – it should be noted that the DCLG grant, provided upon the submission of the neighbourhood plan, will contribute towards the cost of the referendum.

At this stage there are no other legal observations arising.

**Equalities impact:** Low Impact

The Neighbourhood Plan has gone through wide consultation with the community and has been advertised in a variety of formats to increase accessibility. Neighbourhood Planning is designed to be inclusive and extensive consultation is a fundamental requirement. All electors are invited to vote in the referendum.

**Risk:** Low Risk

There is a risk that the Neighbourhood Plan could fail the referendum if a majority of the community vote against it.

**Links to background information:**

- Localism Act 2011  
<http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>
- Neighbourhood Planning Regulations 2012  
[http://www.legislation.gov.uk/ukxi/2012/637/pdfs/ukxi\\_20120637\\_en.pdf](http://www.legislation.gov.uk/ukxi/2012/637/pdfs/ukxi_20120637_en.pdf)
- Neighbourhood Planning Roadmap Guide  
<http://locality.org.uk/wp-content/uploads/Roadmap-worksheets-map-May-13.pdf>

**Link to Council Plan:** Living in this Outstanding Place.

## 1.0 The Examination

- 1.1 The Bishops Clyst Neighbourhood Plan has now been examined and, subject to modifications, it has been recommended that it proceed to referendum. The Examiner, Nigel McGurk, was chosen by EDDC in consultation with Bishops Clyst Parish Council, due to his extensive experience in the field of Neighbourhood Plan examinations. He appears on the NPIERS (neighbourhood planning independent examiner referral service) panel of recommended examiners and has undertaken examinations in Lymington and Stockland.
- 1.2 The examination was undertaken on the basis of considering the written material which forms the Plan, its appendices and accompanying statements as well as any representations received in response to the formal consultations. Mr McGurk did not consider it necessary to hold a public hearing as there were no issues that he felt warranted it. The neighbourhood plan and examiners report are available to download on our website <http://eastdevon.gov.uk/media/1894060/bishops-clyst-examiners-report.pdf>.
- 1.3 The legislation, reflected in the Council's Neighbourhood Planning protocol (excerpt below), requires the Policy Team to notify members of the findings and recommendations of the Examiner and how the Council proposes to respond to the recommendations.



- 1.4 Members should be aware that new government regulations which came into force on the 1<sup>st</sup> October now require Local Authorities to decide on the action to take in response to the Examiner's recommendations within 5 weeks of the Examiner's report being received. A decision cannot therefore be deferred to a subsequent meeting if this deadline is to be met.
- 1.5 This response will then be published as a decision notice.

Task in Neighbourhood Plan Production, Commentary and Formal Processes	Role of the Policy Team at the Council	Role of Other Services at the Council
<p><b>12b – Consideration of and response to the Examiner’s Report</b></p> <p><i>(Paragraph 12 and 13 of Schedule 4B of TCPA 90 and Regulation 17A)</i></p> <p>The legislation requires the Council to consider and respond to the Examiner’s recommendations.</p> <p>In addition, and before moving on to the next stage, the Council must be satisfied that the draft plan;</p> <p>(1) meets the ‘basic conditions’ being,</p> <ul style="list-style-type: none"> <li>-Complies with national policy and guidance from SoS</li> <li>-Contributes to sustainable development</li> <li>-General Conformity with the strategic policy of the Development Plan for the area or any part of that area</li> <li>-Doesn’t breach or is otherwise compatible with EU obligations – this includes the Strategic Environmental Assessment Directive of 2001/42/EC</li> <li>-The making of the NP is not likely to have a significant effect on a European site (as defined in the Habitats Regulations or a European offshore marine site (as defined in the Offshore Marine Conservation (Natural Habitats &amp;c) regulations 2007 9(e) (either alone or in combination with other plans or projects)”</li> </ul> <p>(2)is compatible with the Convention rights, and</p> <p>(3)complies with the other legal requirements set out in Sections 38A &amp; 38B of the TCPA 90</p> <p>A local authority must decide on the action to take in response to the Examiner’s recommendations within stipulated time periods as follows;</p> <ul style="list-style-type: none"> <li>- 5 weeks of the Examiner’s report being received, or</li> <li>- where the authority is to make a decision which is different from the Examiner’s recommendation and this is due to new evidence or facts (or a different view taken on a particular fact) then 5 weeks after either the required consultation period or receipt of a further report from the Examiner on the particular issue.</li> </ul> <p>The above dates don’t have to be followed where the authority and qualifying body agree alternative time periods.</p> <p><b>12c - Produce and publish a Decision Statement</b></p> <p><i>(Regulation 18)</i></p>	<p>Consider each of the Examiner’s recommendations and decide what action to take in response.</p> <p>This could be to accept the Examiner’s recommendations to progress to a referendum or to refuse the proposal. It could be to accept recommendations to make modifications or make our own modifications, so as to make the NP meet the ‘basic conditions’, Convention rights or other legal requirements. It could also be to extend the area for the referendum. We could also decide we are not satisfied that the plan meets the minimum requirements notwithstanding the Examiner’s view.</p> <p>We will need to consider if our proposed decision differs from the Examiner’s recommendations and whether this is as a result of new evidence or new fact. If so, and prior to making the decision, we will notify the plan producers and those making representations on the NP and invite further representations for a period of 6 weeks. This may entail referring this matter back to the Examiner. Should further representations be necessary, a decision on the actions to take in response to the examiners report is required within 5 weeks from either the day after the conclusion of the 6 week consultation period or the day after the receipt of the Examiner’s recommendations should the matter have been referred to the Examiner for further consideration.</p> <p>A report will be taken to the Determining Committee notifying members of the findings and recommendations of the Examiner and how the Council proposes to respond to the recommendations. In the event of the Officers recommending refusal of the proposal it will not be necessary for the matter to be considered by the Determining Committee unless a Ward Member requests the committee consider the matter.</p>	<p>The Policy Team &amp; Legal Services will assess each of the Examiner’s recommendations and decide what action to take in response.</p> <p>Legal Services will advise whether they are satisfied that the draft plan meets the basic conditions, is compatible with the Convention rights and complies with the other legal requirements</p>

1.6 Essentially the examiner has recommended a number of textual modifications to the Plan (appended to this report) and the deletion of some policies. The Examiners recommendations are as follows:

<b><u>Reason for Change</u></b>	<b><u>Recommended change</u></b>
A plan showing the boundary of the Bishops Clyst Neighbourhood Area is provided on page 5 of the Neighbourhood Plan. Whilst I acknowledge that Bishops Clyst combines two former parishes that were merged administratively in 1976, the presentation of the plan on page 5 is a little confusing. It is entitled “ <i>Bishops Clyst Neighbourhood Area boundary</i> ” but the red line provided effectively shows two areas. For clarity, I recommend:	<b>Map 1, page 5, change red line to show the Neighbourhood Area as a single area</b>
The Foreword is clear and concise. There is a single typographical error:	<b>Page 4, line 2, add “It is a key part...”</b>
The Introduction refers to the built-up area boundary (BUAB). East Devon District Council has pointed out that a new BUAB will be proposed in a Villages Development Plan Document and I recommend:	<b>Page 6, Para 1.11, change to “...(BUAB) for Clyst St Mary will be proposed in a Villages Plan Document to be produced by East Devon District Council. In the meantime...”</b>
Part of Paragraph 1.13 is unnecessarily confusing and I recommend:	<b>Page 6, Para 1.13, change to “...dwellings, small gardens and parking for residents and visitors.</b>
Page 11 refers to the structure of the Neighbourhood Plan. Whilst the Neighbourhood Plan is, largely, very well structured, I find that the inclusion of a limited and to some extent, subjective, list of Local Plan policies and National Planning Policy Framework (the Framework) references after each group of Policies detracts from a focus on the most important part of the Neighbourhood Plan – its Policies. Whilst perhaps helpful during the plan-making stages, the inclusion of these lists of references in the final version is unnecessary and potentially confusing, in that they draw attention away from the Neighbourhood Plan’s Policies and result in a less concise document. Other Policies and other planning documents exist and there is no need to attempt to summarise them in the Neighbourhood Plan.	<b>Page 11, Para 5.3, delete “...reference to the planning...each policy.”</b>  <b>Delete the “Related National &amp; Local Policies” box after each group of Policies in the Policy Section of the Neighbourhood Plan</b>
The Neighbourhood Plan refers to a Community Action Plan and provides links to a website where it states that the Plan “ <i>can be viewed.</i> ” However, at the time of undertaking this examination, the Community Action Plan was not included in the list of “ <i>Other Documents</i> ” at the website address provided. I was provided with a copy of this document by East Devon District Council.  Whilst it does not form part of the Neighbourhood Plan, the Community Action Plan is referred to within it and I recommend:	<b>Ensure that the Community Action Plan is available to download directly from the web-link provided</b>
<b><u>Policy BiC01 Protecting and Enhancing Geodiversity, Biodiversity and Wildlife</u></b> The Framework states that: “ <i>Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking.</i> ” (Paragraph 173) The introduction to the Policy states that all development “ <i>will be expected to protect and enhance biodiversity and wildlife.</i> ” However, no evidence is provided to demonstrate that in all cases, for example, it will be viable, let alone possible or appropriate, for household extensions to enhance biodiversity. Criterion a) refers simply to protecting “ <i>grasslands.</i> ” There is no evidence to suggest national or local planning Policy protect grasslands for their own sake. However, taking supporting evidence and current planning policy into account, more precise wording could be used to clarify that the Policy is referring to “ <i>species rich grasslands.</i> ” Criteria b), c), d), e) and f) are vague. For example, no detailed information is provided to define what would comprise an “ <i>appropriate buffer zone...appropriate mitigation...</i> ,” an “ <i>ecologically sensitive area...ecological corridor...important geological site...</i> ” a tree of “ <i>...amenity value...</i> ,” or what might comprise “ <i>appropriate planting of new native trees and hedges.</i> ” This leads the above Criteria to appear imprecise, contrary to national policy and advice. Planning Practice Guidance is explicit in requiring land use planning policies to be precise <sup>8</sup> . As set out, Criteria b) to f) fail to provide a prospective applicant with sufficient clarity and are imprecise. Further to the above, I note that Map 3 indicates “ <i>Areas of Ecological Significance.</i> ” The Map includes reference to areas that are already protected as well as to “ <i>Unconfirmed Wildlife Sites.</i> ” On the face of it, this latter category makes little sense and neither Policy 3 nor its supporting text provide a decision maker with relevant detailed information in this regard. Consequently, the Policy fails to provide a decision maker with a clear indication of how to react	<b>Policy BiC01, change the first two opening sentences to “Where appropriate, proposals for new development will be expected to protect and enhance biodiversity and wildlife, to include:”</b>  <b>Delete Criterion b) to f) inclusive</b>  <b>Delete Map 3</b>  <b>Para 8.4, delete final three sentences</b>  <b>Change footnote 13, to “...East Devon Pebblebed Heaths Special Area of Conservation.”</b>
<b><u>Policy BiC02 Protecting Trees and Woodlands</u></b> It may not, in all cases, be appropriate for replanting to take place on-site and there is no evidence to demonstrate that, for example, re-planting nearby to a development site would, in all cases be inappropriate. I address this in the recommendations below. The second part of the Policy is vague and imprecise. It is not clear what “ <i>proximity of existing mature trees</i> ” actually means in terms of specific distance.	<b>Policy BiC02, line 3, change to “...appropriate replacement <i>planting</i> together with a method...”</b> <b>• Delete “New development within the proximity...during construction.”</b>
<b><u>Policy BiC03 Improving Flood Defences</u></b> The Policy goes on to include a reference to Policy BiC01. This makes little sense. In the absence of any reasoned evidence, it is not clear how, in all cases, the construction of new flood defences at Clyst St Mary can “ <i>maximise contribution</i> ” to a Policy (as worded), or even to development outcomes, as perhaps was the intention of this part of Policy BiC03. In any case, I recommend	<b>Policy BiC03, change second sentence to “In improving flood defences, opportunities should be taken to enhance</b>

substantial changes to Policy BiC01. Furthermore, I note that the Neighbourhood Plan should be read as a whole and there is no need to cross-reference Policies within it.	<i>biodiversity.”</i>
<b>Policy BiC04 Minimising Flood Risk</b> It will not be appropriate, in all circumstances, for all new development to incorporate SuDS systems. For example, there is no reason why a new shop sign, or the replacement of a window in a Listed Building should incorporate SuDS. However, in general, the provision of SuDS is widely recognised as contributing towards flood resilience and resistance in a sustainable manner and I recommend:	Policy BiC04, change to <i>“Where practical and appropriate, development proposals for the...minimise flood risk and, in particular...Park Avenue.”</i>
<b>Policy BiC05 Water Course Status</b> Policy BiC05 seeks to impose a requirement on all development, whether relevant or not, to provide a “ <i>risk assessment</i> ” amongst other things. No clarity is provided with regards precisely what the risk assessment must include, or of how it will be assessed, who by and on what basis. The Policy is imprecise in this respect. Further to the above, Policy BiC05 goes on to state that development proposals should incorporate measures: <i>“...to maintain and or enhance the ecological status of local water courses including monitoring.”</i> No detail is provided with regards precisely what levels need to be maintained, what the precise ecological status of all water courses comprises and what “ <i>monitoring</i> ” means. There is no evidence to demonstrate that viability has been taken into account in bringing forward this Policy, having regard to Paragraph 173 of the Framework. Policy BiC05 does not provide a decision maker with a clear indication of how to react to a development proposal and fails to have regard to Paragraph 154 of the Framework. I recommend:	Delete Policy BiC05  Para 8.16, change to <i>“...present status and the Parish Council will seek opportunities to...status.”</i>
<b>Policy BiC06 Changes to Historic Buildings</b> National policy, in Chapter 12 of the Framework, “ <i>Conserving and enhancing the historic environment,</i> ” recognises heritage assets as irreplaceable and requires the conservation of heritage assets in a manner appropriate to their significance. Local Plan Strategy 49 ( <i>The Historic Environment</i> ) and Policy EN9 ( <i>Development Affecting a Designated Heritage Asset</i> ) establish a District-wide approach to protecting East Devon’s heritage assets. The first part of Policy BiC06 could have unforeseen circumstances. It simply supports any type of development so long as the development maintains the character of a heritage asset. Such an approach fails to take into account what might be relevant factors, such as the impact of development on highway safety or residential amenity and could result in support for inappropriate types of development. The rest of Policy BiC06 refers to something that does not exist. Whilst a Local Heritage List might emerge and obtain some kind of material planning status in the future it is inappropriate for a land use planning policy to, effectively, be based on something that is not yet in existence. Taking all of the above into account, I recommend:	Delete Policy BiC06  Delete Paras 9.7 and 9.8
<b>Policy BiC07 Maintaining Local Character</b> To some degree, Policy BiC07 has regard to the Framework and is in general conformity with the Local Plan. However, no evidence is provided to demonstrate that in every case it will be viable, or appropriate, for a development proposal to provide a landscape character assessment. The Bishops Clyst Design Statement provides a relevant, helpful and informative guide for developers. However, it has not been adopted as a planning document by East Devon District Council and it does not have the same planning status, or carry the same material planning weight, as a statutory planning document.	Policy BiC07, change to <i>“Development proposals should, where appropriate, provide an assessment of the character of the site and its context (including landscape character) and show how the development fits in with these specific characteristics. All development proposals are encouraged to demonstrate how they have taken the Bishops Clyst Design Statement into account.</i>
<b>Policy BiC08 Development outside of the Built-Up Area Boundary</b> Policy BiC08 refers to the Clyst St Mary settlement boundary. However, in so doing, the Policy suggests that the boundary comprises “ <i>the limit to development.</i> ” It goes on to state that development outside the boundary will only be supported if it comprises re-use of a building, or use of a heritage asset; or complies with the Neighbourhood Plan and strategic policies in the Local Plan. National policy is founded upon sustainable development. It supports sustainable growth. Chapter 3 of the Framework, “ <i>Supporting a prosperous rural economy,</i> ” promotes various types of economic development within rural areas and in Paragraph 55, the Framework recognises that there are special circumstances that provide for different types of housing in the countryside. Many different forms of development, in addition to those identified in Policy BiC08, may be appropriate within a rural environment and no substantive evidence has been provided to the contrary. Taking the above into account, the approach set out in Policy BiC08 does not have regard to national policy. Furthermore, as worded, Policy BiC08 seeks to ignore all forms of adopted planning policies other than those in the Neighbourhood Plan, or which comprise strategic policies in the Local Plan. No justification for such an approach is provided. All up to date, adopted planning policies carry material planning weight. They cannot be ignored. Policy BiC08 does not meet the basic conditions. I recommend:	Delete Policy BiC08  Delete Para 9.13  Delete Map 5

<p><b>Policy BiC09 Meeting Local Housing Need</b></p> <p>Paragraph 10.6 of the supporting text states that the Parish Council will regularly update its Housing Needs Survey: "...so as to offer advice on an appropriate local housing mix..." However, Policy BiC09 goes on to state that all housing proposals: "...need to demonstrate how they contribute towards meeting the identified housing needs...by reference to the most recent Housing Needs Survey for Bishops Clyst."</p> <p>Such a requirement is very different to that of the Parish's Housing Needs Survey simply providing relevant advice. It effectively raises the status of the advisory Survey, contrary to the supporting text, without apparent justification. This runs the risk of requiring reliance on an advisory document, without any corresponding statutory requirement for the document to be produced, updated or necessarily robust.</p> <p>Notwithstanding the above, the Policy is imprecise, in that no indication is provided as to how any residential development proposal should "contribute" to meeting needs. Furthermore, the Policy does not establish what might happen should a development not contribute to these needs and consequently, it does not provide a decision maker with a clear indication of how to react to a development proposal.</p> <p>In making the recommendation below, I acknowledge that the Parish Council intends to undertake its own Housing Needs Surveys and that it would be helpful for developers to refer to this. I recommend:</p>	<p><b>Delete Policy BiC09</b></p> <p><b>Retain Para 10.6</b></p>
<p><b>Policy BiC10 Meeting Demand for Smaller Dwellings</b></p> <p>The Neighbourhood Plan is confusing with regards the provision of smaller dwellings. Paragraph 10.7 of the supporting text refers explicitly to the need for one and two bedroomed affordable dwellings. Paragraph 10.8 then states that the Parish Council requires an unspecified minimum number of smaller households within larger housing developments. With reference to existing commitments, it goes on to state that: "...the number of smaller dwellings identified in the Housing Needs Survey will be easily reached."</p> <p>Paragraph 10.8 states that there has not been any specific consultation on the "question of providing smaller dwellings."</p> <p>Then, apparently regardless of much of the above, Policy BiC10 seeks to impose a requirement for all residential developments to contain a mix of dwellings including at least 25% comprising one or two bedroom dwellings. This is based on an assumption that 25% "is adequate for demand..."</p> <p>The Policy does not reflect the supporting text.</p> <p>It is not clear how a development of say three (or two, or one) dwellings could provide 25% of homes as one or two bedroomed, or indeed, why it would need to do so.</p> <p>Furthermore, there is no evidence to demonstrate that the requirements of Policy BiC10 have regard to Paragraph 173 of the Framework, in respect of viability. Paragraph 50 of the Framework supports the provision of a wide choice of high quality homes. Taking this, the above and the supporting information provided into account, I recommend:</p>	<p><b>Policy BiC10, change to</b>  <b>"Within residential development sites, the provision of a mix of dwellings, to include one or two bedroom dwellings, will be supported."</b></p>
<p><b>BiC11 Off-road Parking Spaces on New Housing Developments</b></p> <p>Policy TC9 (<i>Parking Provision in New Development</i>) of the Local Plan requires one parking space for one bedroomed homes and two parking spaces for homes with two or more bedrooms. Policy BiC11 seeks to set its own parking standards. These would include the provision of a minimum of two spaces for a one bedroomed dwelling and three spaces for a three bedroomed house. As such, the proposed parking standards are significantly greater than those set out in the Local Plan and as a consequence, Policy BiC11 is not in general conformity with the Local Plan.</p> <p>The Framework states: "If setting local parking standards for residential and non-residential development, local planning authorities should take into account: the accessibility of the development; the type, mix and use of the development; the availability of and opportunities for public transport; local car ownership levels; and an overall need to reduce the use of high-emission vehicles." (Paragraph 39)</p> <p>The Neighbourhood Plan does not provide substantive evidence to demonstrate that, in seeking to set significantly different parking standards to those in the Local Plan, it has had regard to Paragraph 39 of the Framework. Furthermore, there is no evidence to demonstrate that the requirements set out in Policy BiC11 are viable, having regard to Paragraph 173.</p> <p>The Neighbourhood Plan states that the standards set out in Policy BiC11 are aimed at ensuring that local roads do not become any more congested or obstructed by parked cars. Notwithstanding the lack of substantive evidence of existing congestion and obstructions, no evidence has been provided to demonstrate that Policy BiC11 will necessarily achieve these aims.</p> <p>The Policy does not meet the basic conditions. I recommend:</p>	<p><b>Delete Policy BiC11</b></p> <p><b>Delete Para 10.11</b></p>
<p><b>Policy BiC12 Providing Space for New Dwellings</b></p> <p>Policy BiC12 is vague and imprecise. It requires the provision of: "...suitable and adequate private garden, outdoor amenity and external storage space commensurate with the size and type of dwelling and the likely needs of the occupiers."</p> <p>No indication is provided of what "suitable and adequate" means in this context. Furthermore, it is not clear what the difference between "private garden" and "outdoor amenity" space comprises and nor is any detail provided with regards what the likely needs of occupiers are. It is unclear how this latter requirement would be calculated, who by and on what basis.</p> <p>The Policy goes on to require that: "The layout and amount of land used for garden or amenity space for each dwelling should be in accordance with the Bishops Clyst Design Statement."</p> <p>However, the Bishops Clyst Design Statement does not provide any detailed or specific measurements in this regard. Furthermore, I note that the Design Statement has not been adopted by East Devon District Council and that it simply comprises local guidance.</p> <p>Taking the above into account, I recommend:</p>	<p><b>Policy BiC12, change to</b>  <b>"Proposals for housing development should include provision for private outdoor amenity space and external storage space." (delete rest of Policy)</b></p>

<p><b>Policy BiC13 Safeguarding Community Facilities</b></p> <p>The Policy refers to registered Assets of Community Value but there is no evidence in the Neighbourhood Plan that any of these exist in the Neighbourhood Area. It is not the role of land use planning policies to protect something that does not exist. The Policy then sets out a list of criteria, all of which need to be met. The first part of Criterion A negates the need for the second part – if there is no viable prospect of continued use, then it is very likely that there is a need for change.</p> <p>Criterion A conflicts with Criterion C. If there is no viable prospect for the continuing use of a facility then it cannot continue, whether or not there is some need or demand for it, as the need or demand is insufficient to make the use viable.</p> <p>Criterion D is imprecise as it fails to provide applicants or decision makers with an indication of what the “<i>special character</i>” of the area comprises. Taking the above into account, I recommend:</p>	<p>Policy BiC13, delete “...and registered Assets of Community Value...”</p> <p>Criterion A, delete “...and they demonstrate a need for their proposed change;”</p> <p>Criterion C, change to “<i>it will provide an alternative community use;</i>”</p> <p>Delete Criterion D</p>
<p><b>Policy BiC15 Primary School Expansion</b></p> <p>Paragraph 11.9 of the supporting text refers to the likely need for expansion of the primary school and also notes the Parish Council’s support for this. However, Policy BiC15, in attempting to provide land use planning policy support, sets out what appears as a confusing, imprecise and unclear Policy.</p> <p>Firstly, it is not clear why only development to meet “<i>local needs</i>” is supported, and in the absence of a clear definition, what this actually means. If the primary school needs to expand, then it needs to expand. It is neither the role nor responsibility of the Neighbourhood Plan to dictate the basis of the need for the expansion of a school.</p> <p>The Bishops Clyst Design Statement does not provide clarity on how a village school should expand and it is therefore unclear why such expansion must be “<i>in accordance with the Design Statement.</i>”</p> <p>No indication of what “<i>unacceptable loss</i>” is, is provided and hence, this part of Policy BiC15 is imprecise. Further, it is not clear what “<i>any nuisance</i>” might comprise, how this will be measured, who by and on what basis. Consequently, the Policy does not provide a decision maker with a clear indication of how to react to a development proposal.</p> <p>The Policy does not have regard to national policy and does not meet the basic conditions. I recommend:</p>	<p>Delete Policy BiC15</p> <p>Retain Para 11.9 (which provides helpful background information)</p>
<p><b>Policy BiC18 Farm Diversification</b></p> <p>To support a prosperous rural economy, national policy promotes: “...<i>the development and diversification of agricultural and other land-based rural businesses.</i>” (Paragraph 28, the Framework) To some extent, Policy BiC18 supports diversification and has regard to this. However, the Policy only supports diversification “<i>where it is justified...in the interests of viability.</i>” Such an approach does not have regard to national policy, which does not set out such an onerous requirement.</p> <p>In addition to the above, Paragraph 12.6, expresses the opinion that: “<i>Development, other than normal agricultural development, in the countryside, should be strictly limited.</i>” No substantive evidence has been provided in support of this statement, which appears at odds with national policy founded on sustainable growth and supporting a prosperous rural economy, in part through: “...the sustainable growth and expansion of all types of business and enterprise in rural areas, both through conversion of existing buildings and well-designed new buildings.” (Paragraph 28, the Framework)</p> <p>Paragraph 32 of the Framework is clear in establishing that development should only be prevented on transport grounds where the residual cumulative impacts are severe. The Policy is vague and imprecise in its reference to “<i>unacceptable</i>” impacts on the local road network. Taking all of the above into account, I recommend:</p>	<p>Policy BiC18, change to “<i>To support farm diversification, the conversion of existing agricultural buildings for business or business-related purposes will be supported where: a) the proposal would be compatible with its landscape setting; b) the proposal takes into account residential amenity and highway safety; c) the proposal is compatible with the agricultural or other land based activities present in the area; d) the buildings concerned would not require substantial rebuilding or disproportionate extension.</i>”</p> <p>Delete Para 12.6</p>
<p><b>Policy BiC20 The Westpoint Showground</b></p> <p>Policy BiC20 seeks to support development “<i>consistent with the site’s current purpose and activities.</i>” However, no detail is provided with regards specifically what kind of development would be consistent with the site’s current purpose and activities and as such, Policy BiC20 is imprecise. With reference to the final part of the Policy, it is unclear on what statutory basis future planning permissions are required to comply with planning conditions for previous development. Similarly, it is unclear how something that has not yet occurred can be subject to a pre-existing legal agreement.</p> <p>In making the recommendation below I also note that the reference to “<i>careful scrutiny</i>” in Criteria c) lacks precision in terms of who will scrutinise proposals and on what basis. I recommend:</p>	<p>Delete Policy BiC20</p> <p>Delete Para 12.8</p>
<p><b>Policy BiC21 Traffic Impact of New Development</b></p> <p>Policy BiC21 requires all proposals for major development to demonstrate how they will provide good pedestrian and cycle connections with safe crossings to bus stops, schools and other village facilities. The requirement is regardless of the location of development. However, no evidence is</p>	<p>Delete Policy BiC21</p>

<p>provided to demonstrate that such a requirement would be viable or appropriate for all major development, leading this part of Policy BiC21 to fail to have regard to Paragraph 173 of the Framework.</p> <p>The Policy goes on to require all major development to mitigate additional traffic impact on the main roads. However, this fails to have regard to Paragraph 32 of the Framework, which states that: <i>“Development should only be prevented or refused on transport grounds where the residual cumulative impacts of development are severe.”</i></p> <p>No indication is provided in respect of how all major development can be expected to <i>“not encourage ‘rat-running’</i> and how this will be measured, who by and on what basis. This part of Policy BiC21 is imprecise. Policy BiC21 does not meet the basic conditions.</p> <p>I recommend:</p>	
<p><b><u>Policy BiC22 Off-Road Parking Spaces for Existing Premises</u></b></p> <p>It is not clear what the differences are between the first three Criteria – <i>“character of the local environment...quality of the surrounding natural environment...visual amenity of the area.”</i> No detail is provided in this regard and consequently, the Policy is imprecise and fails to provide a decision maker with a clear indication of how to react to a development proposal.</p> <p>As set out, the Policy does not require new parking spaces to take account of highway safety or residential amenity. Given that such spaces would, in all likelihood, be located adjacent to and accessed from the highway, it would be appropriate for a Policy concerned with local character and flood risk to also have regard to such matters. I recommend:</p>	<p>Delete Criterion a), b) and c) and replace with “a) <b>local character; b) residential amenity; c) highway safety</b></p>
<p><b><u>BiC23 Off-Road Parking for New Development</u></b></p> <p>As set out, Policy BiC23 is vague and imprecise. It requires all non-residential development to provide for <i>“adequate”</i> parking and is reliant on other Policies in other documents not within the control of the Neighbourhood Plan, to define <i>“adequate.”</i> Further to the above, it is unclear why all non-residential development should provide parking. It would not be relevant or appropriate for many types of nonresidential development – for example, advertisements, new shop fronts, changes to Listed Buildings etc. – to provide parking. No justification is provided for such an onerous approach.</p> <p>However, I recognise the local community’s concerns with regards off-road parking and taking the information before me into account, I recommend:</p>	<p><b>Policy BiC23, change wording to “<i>New non-residential development should demonstrate consideration of the need for off-road parking, taking into account the type of development and accessibility of the location. Where practicable, permeable materials should be used for parking areas.</i>”</b></p> <p>Delete Paras 13.9, 13.10 and 13.12 (taking into account recommendations above)</p>
<p><b><u>Policy BiC26 Linking the Parish to the Exe Estuary Trail</u></b></p> <p>Paragraph 204 of the Framework states that planning obligations should only be sought where they are: <i>“...necessary to make the development acceptable in planning terms; directly related to the development; and fairly and reasonably related in scale and kind to the development.”</i></p> <p>Policy BiC26 seeks contributions from developers towards the design and construction of a cycleway. However, in the absence of any evidence – for example, setting out which developments would provide contributions and on what basis, there is nothing to demonstrate that the Policy has regard to Paragraph 204 of the Framework. Policy BiC26 is imprecise and does not meet the basic conditions. I recommend:</p>	<p>Delete Policy BiC26</p>
<p><b><u>Policy BiC28 Local Green Space</u></b></p> <p>The designations have regard to national policy. I note that designation as a Local Green Space has no impact on ownership or access. It simply provides protection on the basis set out in the Framework. I also note that Policy BiC28 is in general conformity with Local Plan Policy RC1 (<i>Retention of Land for Sport and Recreation</i>), part of the purpose of which is to protect open space. In this regard, the wording of Policy BiC28, as set out, should have regard to Paragraph 77 of the Framework, which is clear in respect of how Local Green Space should be controlled. I address this in the recommendations below.</p>	<p><b>Policy BiC28, change first sentence to “...Local Green Spaces, where new development is ruled out other than in very special circumstances: 1, Clyst...”</b></p> <p>Delete “Proposals for development on this land...will be resisted.”</p>
<p><b><u>BiC29 Protecting Existing Sport Facilities</u></b></p> <p>The final criteria of the Policy, Criteria c), makes reference to other Policies in the Neighbourhood Plan. This is unnecessary as the Policies of the Neighbourhood Plan should be read together. Criteria c) also refers to the need for proposals to comply with <i>“higher level policy.”</i> An application for development will be considered against all relevant adopted policies, regardless of whether they are <i>“higher level”</i> or not. Taking the above into account, I recommend:</p>	<p><b>Policy BiC29, delete Criteria c)</b></p>
<p><b><u>Policy Bic30</u></b></p> <p>Criterion a) refers to <i>“etc”</i> which is an imprecise term and Criterion c) fails to have regard to Paragraph 32 of the Framework, which states that development should only be prevented or refused on transport grounds where the residual cumulative impacts of development are severe. I recommend:</p>	<p><b>Policy BiC30, Criterion a), delete “etc”</b></p> <p><b>Delete Criterion c)</b></p>
<p>I note that the recommendations made in this Report will have a subsequent impact on page numbering and Contents. I recommend:</p>	<p><b>Update the Contents page (page 3) to reflect the</b></p>

- 1.7 Upon publication of the report, an additional error was noticed referencing a policy that is now proposed for deletion as per the Examiner's recommendation. The regulations allow for further amendments to be made to the Plan by the Local Authority for the purpose of correcting errors and therefore it is asked that members endorse this additional amendment below:

Reason for Change	Recommended change
Remove reference to policy BE3 (now BiC08) as this policy is proposed for deletion.	<b>Para 1.11, Remove the following sentence '<i>In the meantime, the neighbourhood Plan has designated a BUAB as part of Policy BE3. We have, in effect, re-instated the BUAB for Clyst St Mary contained in the previous Local Plan until such time as it is replaced by an agreed new BUAB.</i>'</b>

- 1.8 Bishops Clyst Parish Council have agreed to all of the proposed modifications (being those proposed by the Examiner and the additional minor correction to para 1.11) and have produced a new version of the Plan to be submitted to referendum. This will be available prior to the Committee meeting. The original Plan, to which the examiners comments refer can be found at the following link:  
<http://eastdevon.gov.uk/media/1783663/bishops-clyst-neighbourhood-plan-submission-version-may16.pdf>

- 1.9 The legislation, which is reflected in our protocol, requires the Council to consider and respond to this report. The amendments suggested by Mr McGurk, with the further minor correction to para 1.11, means that the Council can be satisfied that the Plan:
- has regard to national policies and advice contained in guidance issued by the Secretary of State;
  - contributes to the achievement of sustainable development;
  - is in general conformity with the strategic policies of the development plan for the area;
  - does not breach, and is compatible with European Union obligations and the European Convention of Human Rights and therefore meets the 'Basic Conditions'.

Given that this is the case there are not considered to be any grounds to reject the findings of the report. Members are asked to agree to accept the recommendations of the examiner's report with the additional minor correction to para 1.11 and agree that a notice to this effect be published.

- 1.10 The District Council will be responsible for arranging a referendum where all electors within the Parish of Bishops Clyst will be invited to vote on whether the Neighbourhood Plan should be used to make planning decisions in the Parish. If more than 50% of those who vote say 'yes' the Neighbourhood Plan will be made and will form part of the Development Plan for East Devon.



**Report to:** Cabinet  
**Date of Meeting:** 9 November 2016  
**Public Document:** Yes  
**Exemption:** None



**Review date for release**

**Agenda item:** 16

**Subject:** Queen's Drive Site, Exmouth – Update Report

**Purpose of report:** The purpose of the report is to update members on our delivery of an improved seafront offer for Exmouth and, in particular, progress on the Queen's Drive regeneration project. It advises Cabinet and seeks approval on recommendations relating to progress with the Queen's Drive site phases 1 (road and car park) and 2 (Watersports Hub) and the next steps on phase 3 (mixed use leisure development on the remainder of the site including Harbour View cafe site).

**Recommendation:**

1. To note that the Council is negotiating the detail of its development agreement with Grenadier Development to deliver a Watersports Hub and associated development at Queens Drive.
2. To note that in taking forward a fresh review of phase 3 of the Queens Drive site the Council will give Exmouth people another opportunity to have their say on what happens on that site. The Council will bring in external expertise to carry out a review. This will involve full consultation that is neither developer nor Council led.
3. To note that legal delays have had a significant impact on delivering all phases of Queen's Drive improvements including revised timing and increased project costs. (see Appendix 3)
4. To consider and agree the allocation of additional funding to deliver the Council's commitment to the Queen's Drive site regeneration project. The projected total funding requirement before increased income, capital receipt and/or grant funding has risen from the original estimate of £1,500,000 in 2014 to £3,120,000 in gross terms (see Appendix 4).
5. To note that under delegated powers and an exemption to standing orders, officers have engaged planning and design services to take forward a reserved matters application for the continuance of the current planning approval of Queen's Drive (see Appendix 5)

<b>Reason for recommendation:</b>	To enable progress to be made on further improving the seafront offer for Exmouth with the continuation of the Queen's Drive site project, specifically the Council's responsibility for the road and car park, Grenadier's investment to deliver a Watersports Hub and a fresh review of phase 3 including consultation, design and marketing around a mix of leisure uses and attractions.
<b>Officer:</b>	Richard Cohen <a href="mailto:rcohen@eastdevon.gov.uk">rcohen@eastdevon.gov.uk</a> 01395 517535 x 1552 Alison Hayward <a href="mailto:ahayward@eastdevon.gov.uk">ahayward@eastdevon.gov.uk</a> 01395 571738 x 1738
<b>Financial implications:</b>	The financial details have been outlined in the report. There is a significant increase in the gross capital budget of £1.6m to £3.120m, the reasons for which have been identified in the report. This has become a complex and involved project and highlights the need for more detailed cost analysis to be undertaken at the initial stage of such a scheme. The funding of the scheme will be through a combination of capital receipt, borrowing (or use of internal funding) and possibly part grant funded. Differing scenarios have been outlined in Appendix 4 of the report showing payback of investment of between 4 years up to 42 years depending on level of capital receipt and/or grant received. This is purely on financial terms without considering the economic benefits such a scheme should bring to the District. It is suggested the capital programme reflects the worst case scenario as this stage with a 42 year loan period which can then be revised through the phases of the project as more details are confirmed.
<b>Legal implications:</b>	In terms of the exemption to contract standing orders (Recommendation 2), the identified contract value falls below the threshold established pursuant to the Public Contracts Regulations 2015 and therefore the EU procurement procedure does not apply and an exemption can be validly given in accordance with the Council's Contract Standing Orders Rule 3.1. Other legal issues, such as the impact of not protecting the status of the outline planning permission, are detailed sufficiently in the report.
<b>Equalities impact:</b>	Low Impact
<b>Risk:</b>	Medium Risk  There is a risk inherent in the planning process in so far as a decision will be required from the Planning Authority that enables the Council as landowner to sustain a permission for phases 2 and 3. There is an outline planning permission already in place on the site and reserved matters will reaffirm and add more detail to that permission.  As previously advised, the Council has withdrawn from a preferred developer arrangement and is proposing to take a new approach to phase 3 of the development that will involve a consultative visioning and design project. The process will also identify the options for different types of development on phase 3 of the site. This in turn will provide the Council with a new financial analysis of the site including potential funding sources (both commercial and non-commercial), projections on capital receipt and revenues to the Council from business rate and rental.

**Links to background information:**

1. [Queen's Drive Cabinet report 5 November 2014](#)
2. [Queen's Drive Cabinet report 7 January 2015](#)

### 3. [Queen's Drive Cabinet report 17 June 2015](#)

#### Appendices:

1. Aerial image of site
2. Aerial image of site phasing plan
3. Queen's Drive Budget Profile
4. Project Cost and Income Projection
5. Exemption to Standing Orders - authority to commission external expertise on Reserved Matters Procedure

**Link to Council Plan:** Working in, Enjoying and Funding this outstanding place

#### Report in full

##### 1. Background.

- 1.1 Just as Exmouth is growing and changing so the town's seafront is progressively changing and improving its offer to visitors and residents. This is Devon's largest town and a growing one that needs to compete and thrive with high quality, all year round attractions. The Council has enabled the development of a successful Premier Inn, is delivering a bigger, better slipway at Mamhead, has supported LED with both the Pavilion and Ocean and has a vision and plan for the Queen's Drive site as part of Exmouth's stronger future.
- 1.2 The Queen's Drive regeneration project covers a nine acre site (approximately four football pitches in total) made up of a car park, private play park and cafe premises on the seafront in Exmouth between the Ocean and the Maer. It includes the areas included on the plan at Appendices 1 and 2. It does not include the Maer or the cricket club or the bowling club. All of those facilities will remain.
- 1.3 The Council secured an outline planning permission for the site in January 2014 which gave permission for a mix of leisure uses on the site and the road realignment and moving of the car park.
- 1.4 The site was marketed in 2014 and Grenadier Estates came forward with proposals for a Watersports centre on the front part of the site that will be a focus for a range of water sports for which Exmouth is increasingly renowned: kite surfing, wind surfing, foil boarding, paddle boarding and sea kayaking. Grenadier's plans have also included an open air performance space, public realm and some small commercial units. The remainder of the site was subsequently marketed and Moirai Capital was selected as preferred developer. At the same time the Council had been working with its tenants on Queens Drive to return the various parts of the site to the Council's control. This has now been achieved but along the way, the legal action taken against the Council, although not successful, has resulted in the best part of two year's delay in moving forward.
- 1.5
- 1.6 This caused some unfortunate consequences that the Council has been addressing:
  - I. Increased costs to the Council in terms of project management, study costs, professional fees and construction inflation (see below and Appendix 3)
  - II. Delay to the project cost refinement process required to upgrade and add detail to original estimates

- III. The need for the Council to expend funds on the technical process of confirming the existing planning approval through a reserved matters planning application
  - IV. Delay in commencing investment and development of all three phases of the site
  - V. Delay in further consulting Exmouth residents about the future phases of development
  - VI. Expenditure to revisit phase 3 of the site following the imposed delay
  - VII. An extended period of time for parts of the site to be vacant and inactive
  - VIII. Unproductive costs and delay incurred by some tenants themselves
- 1.7 In January 2015 the Council gave approval to progress the road and car park “enabling” works (phase 1) in order that the Grenadier Estates’ Watersports centre could go forward on the site of the existing car park (phase 2). Work has progressed on this and a reserved matters approval under this planning permission for the road and car park was secured in March 2016. The Council is, putting in place the actions that enable the different phases of development to happen. The works to the road and car park will only commence when a planning permission has been secured by Grenadier Estates for the Watersports centre. Further, in order to be able to rely on the phase 1 reserved matters approval the next piece of the jigsaw is to secure reserved matters approval for phases 2 and 3 (these are matters of detail not included within the existing outline approval), otherwise construction of the road and car park would be unlawful and the delivery of the Watersports centre would not happen.

## **2. Current Position:**

### Planning Approval

- 2.1 The Council is, in effect, putting together the jigsaw that enables this phased development to succeed. Starting with the original masterplanning followed by outline planning permission, it has involved extensive public consultation, marketing and the establishment and maintenance of planning approval that underpins development of all phases of the site. The outline planning permission for the Queen’s Drive site was granted in January 2014 for a period of three years during which development would get underway and be completed. The Council has been delayed in progressing delivery of the project due to litigation proceedings. A new piece of the jigsaw is that the Council now needs to address the issue of the outline planning permission’s status to enable investment and development to progress as previously agreed by the Council. To achieve this, we will be applying for reserved matters for phases 2 and 3 of the site and to progress this action officers have proceeded under delegated powers with the commissioning of planning and design services to secure reserved matters planning application.
- 2.2 This is a technical exercise that is being undertaken to sustain the planning permission and pave the way for a detailed planning application from Grenadier Estates for the Watersport Centre and a further consultation, visioning and design exercise for the future of the latter phase of the site and the Harbour View cafe site. Obtaining the reserved matters approval will achieve three things:

- I. It will enable delivery of phase 1 (the road and the car park). It will also ensure that the whole site retains its planning status (i.e. have the benefit of a planning permission) for investment in and development of new mixed leisure uses. Reserved matters will conform to the existing outline approval in mix of uses, spacing and scale and not divert from the mix of leisure uses and open space that has already been approved (NB there will be no suggestion of any residential aspect within reserved matters either). The planning authority will seek responses from the public to the planning application but the Council itself is not proposing to go beyond this with additional consultation for this technical exercise.

The important and new design to follow for public interest and engagement will be when Grenadier reveal their Watersports Hub designs for public scrutiny and formal public consultation in the new year.

- II. Grenadier will have the continued planning approval of a Watersports hub on which they can then promote and consult upon their specific plans as part of their own detailed planning process. Grenadier need this confidence to assure them that they can invest over £4million in the Watersports Centre as well as incurring the costs associated with a full design, formal public consultation and planning application.
- III. Reserved matters approval on the remainder of the site including the remaining Fun Park and Harbour View sites (phase 3) will lead the way for a new visioning exercise to consider what the mix of uses are going to be on that part of the site in the future. This will involve full public consultation that is neither developer or Council led.

### Interim Site Uses

- 2.3 Meanwhile, the Queen's Drive site and surrounding area continue to remain in active use. The tenant of the Fun Park has been granted a fixed term lease of that site to enable continued operation through the summer period of 2017. A similar arrangement has been made with the operator of the Harbour View cafe. Both leisure and cafe operators will continue to trade from now until the end of the 2017 season. In the immediate wider area ten pin bowling, indoor play, cafes and bars, amusements, bowling, cricket, seafront and road access will all continue to be provided.
- 2.4 For the moment, the former golf site must remain boarded up for safety reasons, at least until surveys have concluded, and clearance and demolition have been completed. We will look to open up the site again for the summer with temporary and pop-up uses if we are able and will consider leisure, entertainment, food and drink type attractions if this is feasible.

### Delivery of the Road and Car Park

- 2.5 Following approval of reserved matters, work on the road and car park will commence when Grenadier has secured its own detailed planning application for phase 2, the Watersports Hub site. The Planning Authority has already approved a reserved matters application for building the road and car park. The car park will be redeveloped on the former mini-golf site (see Appendices 1 and 2) and the road will be realigned to pass around the back of the existing car park which, in phase 2 will be redeveloped as the Watersports Hub. The new road and car park location will open up

a new car-free space directly connected to the seafront and beach. The new road design will be able to slow traffic and deter speeding.

2.6 The current estimate of costs for the building of these enabling works is £2.3m plus fees. A detailed breakdown of the latest projected cost estimates is provided at Appendix 3. In addition, a summary of the likely offset in terms of capital and revenue is attached at Appendix 4. The latest projected cost estimates exceed the previous budget projection by £1.6m (see Section 5 below and Appendices). It has been necessary to increase the cost projection for the following reasons:

- The impact of legal delays to the Council including court costs, extended project management and additional planning fees
- Inflation of construction industry costs and materials, reflecting the time elapsed due to legal delays
- Delay to project cost refinement process to upgrade original estimates
- Retention of professional project management

2.7 These are gross figures of expenditure against which the Council has factored cost recovery in terms of options (see Appendix 4):

- I. Capital receipts from development
- II. Uplift in revenues (eg Business Rate and car park income)

As well as capital and revenue income to offset project expenditure, the Council is bidding for three separate grant funding streams to part fund the road and car park infrastructure costs. Exmouth Coastal Community Team has submitted a bid to the Coastal Communities Fund for a 50% contribution to these costs and is currently awaiting the outcome of this. The Council has also submitted bids via Devon County Council Highways capital funding and via the LEP for Growth Deal Round 3. Further information on the existing budget spend is provided at Appendix 3.

## Phase 2 - Grenadier Estates and the Watersports Centre

2.8 The Council is finalising the detail of its Development Agreement with Grenadier Estates for the provision of a Watersports Centre and mix of associated uses and open space on the southern part of the site. The Watersports Centre will operate as a Community Interest Company in partnership with representatives of Exmouth and from the District Council itself. The Development Agreement is a complex legal structure and work is currently being finalised on the legal documentation to enable the project team at Grenadier Estates to move forward. The agreement is a contract that will ensure that there is a two-way commitment between the Council and Grenadier Estates so that the road and car park is delivered by the Council, and that this is then followed by the building out of the Watersports centre and site. The contract is subject to planning in that Grenadier must achieve a satisfactory planning approval before the Council commences road and car park works. An intrinsic part of Grenadier Estates design and planning process will be full public consultation to inform their proposals. Then, following submission of the planning application, the planning authority itself will submit the development proposals to public consultation as part of their consideration of the planning application.

## Phase 3 Site

2.9 Phase 3 of the Queen's Drive site (the remainder of the fun park and the Harbour View café site) will be the subject of a new visioning and design exercise to explore in

consultation with local people what could be developed as a new mix of attractions and uses appropriate to a seafront site. Expertise will be commissioned to carry out the project and the public consultation within the process. This will not be developer led. The Council with the Exmouth Coastal Communities Team has already engaged professional research expertise to carry out an extensive Visitor Survey for Exmouth. This work will reflect visitors' views about the offer of Exmouth as a whole and will be fed into the phase 3 thinking in particular for Queen's Drive.

2.10 The Council had previously secured the interest of a leisure developer, Moirai Capital, for the remainder of the site, phase 3. However, given the time that has elapsed through legal delay and having secured control of the site plus the permission since the original marketing exercise, the Council is now going to refresh and explore what other high quality leisure and mixed use attractions there could be for the site.

2.11 The Council considers that there are fewer risks associated with the site now and that investor interest is likely to be increased. To take forward a refreshed look at phase 3 and engage the views of local people, businesses and visitors the Council is proposing to engage external expertise. In response to encouragement from the local community we are in discussion with Wayne Hemingway and his design company who have a particular expertise and sensitivity in the regeneration of seafront locations. There are others in this field and the Council will consider how best and with whom to take a phase 3 visioning exercise forward. The Council is looking for an approach to phase 3 that focuses on consultation, visioning and design towards bringing new life and attractions to the site.

2.10 The prospect of undertaking a separate and earlier marketing exercise of the Harbour View Cafe site has been explored by the Exmouth Regeneration Board. This is possible but, for the moment, the current tenant has been given an extension and officers are recommending that it remains within the phase 3 opportunity especially while we are in the process of exploring the totality of designing Phase 3. This is not to say that the cafe site cannot still be a separate development prospect. It should be noted that the site of the existing Harbour View Cafe potentially represents the most valuable part of the site both aesthetically and commercially, given its beach frontage location and it therefore adds considerable importance and value of itself and to the wider site area for phase 3.

### **3. Next Steps/Proposed Way Forward**

#### Planning Applications, Community Engagement and Consultation.

3.1 The Council needs to go through the technical exercise of securing the reserved matters approval for phases 2 (Watersports centre) and 3 (mixed use leisure site) as outlined above. This application will be submitted in December 2016/January 2017. It relates to the existing outline permission for the site in which all matters were reserved "except for layout". It maintains the existing outline approval and will form the background against which specific, detailed and evolved proposals for the Watersports Centre and then phase 3 design can be brought forward for full consultation with the public and wider interested parties before individual submission to the Planning Authority for consideration and additional comment from the public and others.

#### Site Preparation Work

3.2 In the meantime the Council has been undertaking works to the vacant parts of the site. These include ecology works relating to existing wildlife and demolition work. These are time bound activities and it is necessary to proceed with these at this time

of year. It is also essential that the site safety is maintained in order to protect the public. The boundaries of the site have been secured with panels to prevent members of the public from accessing the site. Demolition of the vacant buildings on the site will be taking place during November to ensure site safety. Information boards have been erected to provide information on the future aspirations for the site. The site will be monitored to ensure that it is clean, tidy and presentable. Any graffiti, fly-posting or damage caused has been and will continue to be rectified or removed.

#### 4. Timeline Ahead

- 4.1 An indicative timeline has been set out below of the various activities that will take place over the coming twelve to eighteen months. Ideally the Council would have liked to have been much further ahead at this point but for delays already described.
- 4.2 By way of comparison, Seaton Jurassic, opened earlier this year, is an attraction that is a matter of great pride to the town now that it is fully and successfully operational with tens of thousands of visitors through its doors. This was a complex, multi-million pound project that was achieved with EDDC's leadership and the cooperation and positive commitment of many in the local community. Another success is the Beehive Community Centre in Honiton that is now a thriving focus for the town's community and came about with the support of EDDC in funding, land transfer and project support to a positive and committed local community. In Exmouth itself the Strand is now a thriving public space for leisure and business brought about by the joint funding of EDDC, County and Town Councils. Mamhead Slipway is, at long last, nearing completion with £1.2m of EDDC investment. Queen's Drive could be well underway in developing the all year round leisure attractions that replace tired, under-invested facilities and meet the expectations of a growing and changing town and visitor economy.
- 4.3 The timeline below is a calculated estimate of the timescales for delivery of future phases of Queen's Drive and reflects the actions needed now to move forward from previous. Careful consideration within this timetable will be given to the timing of community engagement and consultation for phases 2 and 3.

Date	Activity
Dec 2016	The technical exercise. Council submits the reserved matters planning application for Phases 2 and 3.
<i>Early 2017</i>	<i>If appointed, Hemingway Design would undertake public engagement, vision and design on final phase 3 site.</i>
April 2017	Reserved matters application for phases 2 and 3 determined.
April-May 2017	Grenadier undertakes public consultation on the phase 2 watersports centre.
June 2017	Grenadier submits detailed planning application for Phase 2, Watersports centre
<i>Mid 2017</i>	<i>Commencement of marketing and developer selection for phase 3.</i>
September 2017	Grenadier planning application for Watersports centre determined.
Sept/Oct 2017	Works commence on phase 1, road and car park works. (Assuming that above detailed planning application is approved).
Mar 2018	Works on phase 1, road and car park is completed.
Mar/Apr 2018	Watersports centre works commence.



## 5 Budget

### Latest Overall Projection for Queen's Drive Site Development

5.1 Our project managing agents have estimated that taking into account the two year delay in delivering the realignment of road and moving the car park, construction costs inflation for that time and more refined projections of project cost as well as costs associated with legal proceedings and delay the gross cost to the Council of its commitment to regenerating Queen's Drive has risen from an initial estimate of £1.5m to £3.1m in total. This is the total project cost before factoring in the financial gains to the project from three key sources. These are:

- Income uplift from increased Business Rates<sup>1</sup>, car park income<sup>2</sup> and ground rents.
- Capital receipt from developer partner(s) for Phase 3<sup>3</sup>
- Grant funding if one or more of current live applications are successful:
  - Heart of the South West LEP – Growth Deal 3 £2,000,000
  - Devon County Highways Grant £1,200,000
  - Coastal Communities Fund £1,100,000

<sup>1</sup> Business Rate reflects increased income from new uses on the site but is cautious in that it does not include any percentage uplift that might result from the Government's plans to devolve NNDR

<sup>2</sup> By way of comparison for the first 8 mths of 2016 car park income in Seaton Underfleet car parks has risen from £32,314 to £73,798. This is an increase in income of nearly 230% directly attributable to the presence of Seaton Jurassic.

<sup>3</sup> As a comparison on which to assess likely capital receipt we can consider the Elizabeth Hall site. The size of Queen's Drive phase 3 land is 4.3 acres. This is over five times larger than the Elizabeth Hall site for which Whitbread PLC paid the Council £1,200,000 to build a 60 bed hotel.

Appendix 4 identifies multiple scenarios of expenditure and income for the project and any gaps that could result in a Council borrowing requirement with projected cost recovery periods. The scenarios range from a combination of grant and/or capital receipt of £2.5m (grant and developer capital payment combined) and revenue income of £300,000 that enables a repayment of prudential borrowing in a 4 year timescale. At the other end of the scale the options include a worst case scenario of only £1,000,000 capital coming into the project. With more modest Business Rate uplift projected as well this would involve an annual interest payment of £35,714 on borrowing of £2.1m over 42 years.

Appendix 3 details the cost elements of the delivery of Queen's Drive and the variations that have been incurred. The table identifies the original estimate of project cost from 2014 and the latest total provided by our cost consultants. The project cost overall has slightly more than doubled from an original estimate of £1,500,000 to £3,119,500. The variance of £1,619,500 detailed in Appendix 3 under the following categorisations:

#### **1. Costs Relating to Project Delay**

- a. Direct Costs of Legal Delay **£386,500**  
These are the additional costs that EDDC has incurred as a direct result of the legal actions brought against the Council and the impact of the associated delays to the project
- b. Delayed Cost Identification **£358,000**  
For some period of time the Council was unable to access parts of the site which prevented survey work and investigations to inform a costed works programme

## **2. Construction Cost Inflation**

**£275,000**

The project is two years behind schedule and an inflation factor has been calculated using BCIS indices.

## **3. Variation to Original Budget**

**£600,000**

This is the difference between the original 2014 project cost estimate and the first detailed cost projection given by our cost consultants, WSP Parsons Brinkerhoff.

**Total - £1,620,000**

### Future Income

- 5.6 Members have consistently expressed a desire to secure capital receipt(s) on the development of the phase 3 (leisure site) in order to offset the costs incurred in delivering the road and car park, as set out in the cabinet report of January 2015. This remains a key objective of the project to secure capital receipt(s) for the phase 3 (leisure area) site. Previously, an offer was made for this site although this relied on uses that included residential use at first floor level over part of the site. As part of the future detailed design and investment options for phase 3 of Queen's Drive key consideration will be given to the potential for capital receipt. Now that the Council has secured control of the whole of the site again it becomes a more valuable opportunity to deliver the best quality mix of uses for Exmouth and can attract capital receipt(s) that reflect that value. As a comparison on which to assess likely capital receipt we can consider the Elizabeth Hall site. The size of Queen's Drive phase 3 land is 4.3 acres. This is over five times larger than the Elizabeth Hall site for which Whitbread PLC paid the Council £1,200,000 to build a 60 bed hotel.
- 5.7 The Council also has three separate bids in progress for sums of between £1,100,000 and £2,000,000 of public grant funding with which to support a quality mix of developments and match the Council's own investment in the site. We expect to have results for each of these funding streams before the end of the Financial Year.

### Scenarios

- 5.8 Appendix 4 provides differing scenarios of expenditure and income for the Queen's Drive development compared to the previous income profile of the site with the then tenants. At that time the Council was in receipt of rental income and a proportion of Business Rate as well as receipts for the Queen's Drive car park. The future projections involve estimates of income from capital receipt(s) and grant funding, business rates, ground rent and car park income. As a key part of the future visioning of phase 3 we will refine the projection of capital receipt and additional potential grant funding sources. As previously explained the Council is in discussion with Hemingway Design regarding a review of phase 3. They or other expertise will include an analysis of financial elements, viability of development and investment options as part of their work.
- 5.9 Currently, the site generates business rate income of £48,474, of which the Council receives 9% i.e. £4,363. An estimate of the future business rate income has been undertaken, based on the uses identified in the outline planning permission. Erring on the side of caution this suggests a future business rates income to the Council of between £19,350 and £30,000 per year in total.
- 5.10 On top of this we are factoring in car park income in each scenario of £170,000 per year. This is an increase on the current income of £89,000 and reflects both the number of car park spaces and projected increased usage promoted by the

Watersports Centre, wider leisure attractions and greater all year round and seasonal usage.

- 5.11 Furthermore, the development out of the more extensive mix of uses will generate increased ground rent which is also reflected in the different scenario income projections.
- 5.12 Appendix 4 uses a range of different scenarios of combined capital receipt(s) and grant funding for phase 3. The projections vary from £1,000,000 to £2,500,000. The table compares the most recent development costs projections for road and car park against capital receipt and projected revenue uplift. Where the combined capital receipt/grant is lowest then this incurs the highest borrowing requirement of the Council and vice versa. We have projected borrowing at between £2,120,000 and £620,000. With interest and capital repayment the worst case scenario has a repayment period of 42 years and a best case scenario of 4 years with mid-range scenarios of between 7 and 15.5 years.

## **6 Conclusion**

- 6.1 The opportunity to create a modern mix of all year round attraction that helps Exmouth's vitality, economy and competitiveness as the town continues to grow is a continued need and EDDC recognises how important that is. This report addresses the changed circumstances of development and investment for Queen's Drive so that Cabinet can consider the costed options, timelines, key actions and other elements that need to be addressed if we are to sustain our commitment to the modernisation and renewal of this prominent and important site at Queen's Drive.
- 6.2 The project has suffered from delays, but key achievements have taken place which mean that the project can continue toward the delivery of the new Watersports centre and other facilities on the seafront. Our developer partner, Grenadier, remains committed to deliver the Watersports centre and the moving of the road and car park is therefore an essential component of the project. The short term priority is therefore to secure the reserved matters permission as detailed above that will then enable Grenadier to take forward their proposals. Phase 3 will be taken forward with a fresh look at the mix of uses and attractions that the site can deliver. This will involve commissioning expertise in the new year to lead a locally consultative visioning and design exercise to lead on to development.
- 6.3 The recommendations in this report ask Cabinet to recognise the costs of delay that we have been unfortunately faced with, reflect on the different financial projected scenarios and maintain its commitment to the delivery of this key regeneration site and phased development programme for the future wellbeing of the largest town in Devon.

## **Appendices.**

**Appendix 1 – Aerial image of Site**

**Appendix 2 – Aerial image of site with phases identified**

**Appendix 3 - Queen's Drive Budget Profile**

**Appendix 4 - Projected Cost and Income Projection**

**Appendix 5 - Exemption to Standing Orders - authority to commission external expertise on Reserved Matters Procedure**

## Appendix 1



## **Phasing Plan**

The red area is the Amusements Arcade which remains in place in the short term but will eventually be utilised as car parking as per the outline planning permission.



### **Addendix 3 - Queen's Drive Budget Profile**

[illegible]

Revised Budget 2016	
<b>1. Costs Relating to Project Delay</b>	
	<b>Cost</b>
<b>Direct costs of Legal delay</b>	
Phase 1 project mgt & design fees	41,000
Surveys required for court	23,000
Demolition	40,500
Litigation costs	67,000
Reserved matters planning application	95,000
Revisiting proposals for phase 3	120,000
<b>sub-total</b>	<b>386,500</b>
<b>Delayed Cost Identification</b>	
Project management fee increase	27,000
DCC Site supervision for roadworks	48,000
Project manager site supervision	30,000
Fee contingency	28,000
Works cost earthworks movement	170,000
Works cost utility information	55,000
<b>sub-total</b>	<b>358,000</b>
<b>sub-total (A+B)</b>	<b>744,500</b>
<b>2. Construction Cost Inflation</b>	
BCIS Cost inflation over 2 years	<b>275,000</b>
<b>3. Variation to Original Budget</b>	
Variation from original estimate in 2014 and first cost estimate by cost consultants in 2015	<b>600,000</b>
<b>TOTAL INCREASED COSTS (C+D+E)</b>	<b>1,619,500</b>
<b>REVISED TOTAL PROJECT COST</b>	<b>3,119,500</b>

A

**B**

C

D

**E**

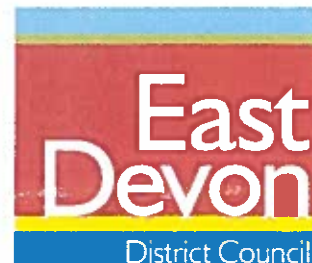
**F**

## Appendix 4. Project Cost/Income projection

	Annual income	SCENARIO 1		SCENARIO 2			SCENARIO 3			SCENARIO 4			Notes
		capital receipt	capital costs	Annual income	capital receipt	capital costs	Annual Income	capital receipts	capital costs	Annual Income	Capital receipt	Capital costs	
<b>Existing Income</b>													
Existing rental income from current/previous tenants	60,250												
Existing business rates income from current/previous tenants @ 9% of 48,474	4,363												2
Existing car park income	89,044												
<b>sub-total Existing Income</b>	<b>153,657</b>												
<b>Future Cost/Income Projection</b>													
Capital costs on delivery of phase 1 + site prep for ph 2 and 3			3,120,000			3,120,000			3,120,000			3,120,000	1
capital receipt estimated for phase 3 and/or grant funding		1,000,000			1,500,000			2,000,000			2,500,000		
Ground rent	50,000			75,000			100,000			100,000			
car park income (250 spaces)	170,000			170,000			170,000			170,000			7
Business rates income @9% of full rate (215,000 for scenario 1)	19,350			30,000			30,000			30,000			3
<b>sub-total Future Income</b>	<b>239,350</b>			<b>275,000</b>			<b>300,000</b>			<b>300,000</b>			
<b>Additional Income (future less existing)</b>	<b>85,693</b>			<b>121,343</b>			<b>146,343</b>			<b>146,343</b>			
<b>Loan Required</b>			2,120,000			1,620,000			1,120,000			620,000	
Total interest over relevant no. years			1,525,302			263,541			70,266			19,851	
Total capital plus interest cost			<b>3,645,302</b>			<b>1,883,541</b>			<b>1,190,266</b>			<b>639,851</b>	
Loan payback period (years)			42			15			7.5			4	

Notes:

1. Capital cost to the Council could be reduced by external grant funding. Live bids are: LEP £2m; CCF £1.1m; Highways £1.2m
2. Currently the Council receives 9% of the total business rates.
3. Assume business rates increase for scenario 2, 3 and 4 if capital receipt increases - reflecting more commercial uses.
4. Future allocation of business rate income not known, so assume same as existing, 9%
5. SCENARIO 1 - capital receipt/grant plus additional annual income (above the past £153k) recovers the cost in 42 years.
6. SCENARIO 2 - capital receipt/grant plus additional annual income recovers the cost in 16 years.
7. SCENARIO 3 - capital receipt/grant plus annual income recovers the cost in 8 years.
8. SCENARIO 4 - capital receipt/grant plus annual income recovers the cost in 4 years.
9. Car park income is pro rata based on existing, plus uplift assuming greater usage all year round.



## REQUEST FOR EXEMPTION TO CONTRACT STANDING ORDERS

A request for exemption to Contract Standing Orders (CSO) can be made under CSO 3.1 – 3.5.  
No exemption can be used if the EU Procedure applies.

Name: Alison Hayward	Date: 27.9.16
Service: Economy	Team: Regen & Economic Development
Total contract value: £65,000	



Background (including product and supplier details, costs etc):

- 1.1 The Queen's Drive regeneration project covers the existing play and leisure areas on the seafront in Exmouth between the Ocean and the Maer.
- 1.2 The Council secured an outline planning permission for the site in January 2014 which gave permission for a mix of leisure uses on the site and the road realignment and moving of the car park.
- 1.3 The site was marketed in 2014 and Grenadier Estates came forward with proposals for a Watersports centre on the front part of the site. The future of the remainder of the site is still to be determined following delays caused by lengthy litigation process with one of the tenants on the site.
- 1.4 In January 2015, the Council gave approval to progress the road and car park "enabling" works (phase 1) in order that the Grenadier Estates proposal for the Watersports centre could be progressed on the site of the existing car park (phase 2). Work has progressed on this and a reserved matters planning permission for the road and car park was secured in March 2016. The works to the road and car park will not commence however, until a planning permission has been secured by Grenadier Estates for the Watersports centre.

2. Existing Planning Permission

- 2.1 The outline planning permission was granted in January 2014 and lasts until January 2017 unless reserved matters are submitted for the remainder of the development that has not already been the subject of previous applications for reserved matters. The Council has been seriously delayed in progressing delivery of the project due to the lengthy and unsuccessful litigation proceedings brought by two of the Queen's Drive tenants. The Council now needs to address the issue of ensuring the permission remains 'live'. To achieve this, the Council will be applying for reserved matters for phases 2 and 3 of the site.
- 2.2 This is a technical exercise that is being undertaken to sustain a planning permission. A reserved matter approval will achieve three things:
  - This will enable delivery of phase 1 (the road and the car park). It will also ensure that the whole site maintains its planning status i.e. have the benefit of a planning permission and is secured for investment in and development of new mixed leisure uses,
  - The site will have the continued planning approval of a Watersports hub. Grenadier need this certainty and confidence to assure them that they can invest several Emillions in the Watersports Centre and to incur the costs associated with a full planning application;
  - Reserved matter approval on the following phases including the remaining Fun Park and Harbour View sites will enable the Council to bring these sites forward in a manner that attracts investment and the highest quality mix of uses. In the event that Hemingway Design will be advising on the sites' potential uses, (see 3.8 below) a continued planning approval will underpin the best likelihood of new uses that meet the Council and Town's desires and high expectations.

### 3. Requirements for Securing a Reserved Matters Planning Approval

- 3.1 It is necessary to appoint a consultant to advise the Council on securing a reserved matters planning approval for phases 2 and 3 of the site. This application must be submitted by the end of 2016 as the exiting outline planning permission expires in January 2017.
- 3.2 The work that is required includes preparation of designs to comply with the existing layout of the outline planning permission and preparation of various surveys and reports to accompany the application. This is a considerable amount of work to be undertaken in a period of 3 months.
- 3.3 Given this short timescale, and the level of work involved; it is considered necessary to directly appoint a consultant who has experience of working with local authorities as landowners, and who has experience of undertaking this particular exercise of securing a reserved matters application, working with the necessary design team.
- 3.4 Officers have therefore approached Ed Heynes, of Jillings-Heynes to undertake this work for the Council. Ed has previously undertaken work for this Council and is working on a similar project with a firm of architects, in Cornwall. The firm of architects is GJR who will be appointed by Ed Heynes as the lead consultant.
- 3.5 Ed Heynes has provided a cost estimate for the delivery of this commission as follows:
- |  |         |
|--|---------|
| • Design consultants, GJR architects               | £35,000 |
| • Jillings Heynes, planning and project management | £10,000 |
| • Landscape architects                             | £10,000 |
| • Contingency                                      | £10,000 |
- 3.6 The total cost estimate is £65,000. A contingency has been allowed for this work incase there is any additional survey work required that is not currently known about, or if there is additional consultancy advice, or a community consultation exercise required.

#### Business Reasons for an Exemption:

Although the following are justifiably accepted as valid reasons for an exemption to Contract Standing Orders, they are closely monitored and should be applied only in cases where a full procurement exercise is not a viable option. (Tick appropriate boxes)

	✓	Which CSO rule?
--	---	-----------------

An Emergency		
Goods or Services to existing systems or kit		
Purchase or repair of patented or proprietary articles sold only at a fixed price		
Effective competition is prevented by government control		
Goods and/or Services recommended by a Central Government Department		
Extension to an existing contract for the purpose of achieving Best Value		
Purchase or Sale by Auction		
Where the Contract is with a Public Utility Company or other organisation which will assume liability for the works on completion e.g. sewer adoption		
Other Reasons (please provide details)	√	3.2
<ol style="list-style-type: none"> <li>1. There is a significant urgency to this process so as to be able to submit a planning application in a timely and time constrained manner. Using Jilling Heynes and GJR on a single tender basis makes for the most efficient time management as well as using experts who are already familiar with the location and context. In this way we can make best use of the time and established experience in an urgent and important process.</li> <li>2. Loss of income in the future if redevelopment of the site cannot take place due to failure to secure the reserved matters planning application and the consequences for the non delivery of the project that would then ensue. Increased costs in then commencing planning process again.</li> </ol>		

Business Benefits for an Exemption:

It enables this complex regeneration project to progress through the planning stages so that the delivery of the road and car park (phase 1) can take place. It gives certainty to both Grenadier and the future developer of the phase 3 site, when dealing with their own design work and planning applications.

What are the implications to the following:

Finance: Requirement for additional funding as detailed in the Cabinet Report to 12 October 2016 cabinet.

Human Resources: none

ICT: none

Asset Management: none

**Strategic and/or Operational Objectives:** Enables continued delivery of the Queen's Drive regeneration project as part of the regeneration programme for Exmouth.

**Risk Assessment:**

**Detail risks here:**

The risk of not appointing this consultant now is that we run out of time and are too late in submitting the reserved matters planning application. The existing permission would expire. This would leave Grenadier Estates exposed to risk on the proposals for the Watersports centre, and the future of the site at risk without a clear mixed use leisure designation.

Or attach print from the RM system

**Signature of line manager or service head**



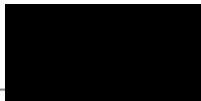
**Supporting signature of Chief Procurement Officer**



**Supporting signature of Strategic Lead - Finance**



**Supporting Signature of Strategic Lead - Legal, Licensing & Democratic Services**



**PLEASE NOTE:**

Rule 3.2 requires you to prepare a report for Cabinet to support the action taken.

Procurement is required to keep a Register of Exemptions. **Please ensure that your report to Cabinet is copied to Procurement.**

**Report to:** Cabinet  
**Date of Meeting:** 9 November 2016  
**Public Document:** Yes  
**Exemption:** None



**Agenda item:** 17

**Subject:** **Financial Monitoring Report 2016/17 - Month 6 September 2016**

**Purpose of report:** This report gives a summary of the Council's overall financial position for 2016/17 at the end of month six (30 September 2016).

Current monitoring indicates that:

- The General Fund Balance is being maintained at or above the adopted level.
- The Housing Revenue Account Balance will be maintained at or above the adopted level.
- There is a sufficient Capital Reserve to balance this year's capital programme.

**Recommendation:** **1. The variances identified as part of the Revenue and Capital Monitoring process up to Month Six be acknowledged.**

**Reason for recommendation:** The report updates Members on the overall financial position of the Authority following the end of each month and includes recommendations where corrective action is required for the remainder of the financial year.

**Officer:** Laurelie Gifford [lgifford@eastdevon.gov.uk](mailto:lgifford@eastdevon.gov.uk)  
Mandy White [awhite@eastdevon.gov.uk](mailto:awhite@eastdevon.gov.uk)

**Financial implications:** Contained within the report

**Legal implications:** No legal comment is required

**Equalities impact:** Low Impact

**Risk:** Low Risk

In compiling this report we have looked at all large, high risk and volatile budget areas. Predicted spending patterns have been linked to operational activity and all material budgets have been subject to thorough risk assessments by operational managers and finance staff. Any continuing variances in spending patterns will then be considered as part of the medium term financial strategy

**Links to background information:**

## 1. Report in full Introduction

- 1.1 The purpose of this monitoring report is to update members of the Cabinet on the overall financial position of the Authority following the end of month four.

## 2. Investment Income

As Capita Asset Services, EDDC's treasury management advisors predicted in August, the Bank of England (BoE) cut the bank rate for the first time since 2009 to 0.25%. It also expanded its Quantitative Easing (QE) programme by £60bn to £435bn. In addition, the BoE unveiled two new schemes: one to buy £10bn of high grade corporate bonds and the "Term Funding Scheme". This could be worth up to £100bn and is aimed at ensuring banks keep lending into the real economy even after rates have been cut.

The August Inflation Report showed the BoE left its growth forecasts unchanged at 2% for 2016 but lowered its forecast for 2017 significantly to 0.8% from the previous estimate of 2.3%. The inflation forecast was revised up sharply due to the fall in sterling and is now forecasted to hit its 2% target in 2017 and rise further to 2.4% in 2018 and 2019.

More recent economic and market data has seen activity recover from the initial Brexit shock, but the currency continues to slide. This raises the spectre of higher than previously anticipated inflation and has driven away market expectations of a further BoE base rate cut before year end. However there remains speculation that there could be further stimulus to come, so there is still some value for longer term investments with suitable counterparties.

	<b>Annual Budget £000</b>	<b>Variation as at Month 6 £000</b>	<b>Predicted Outturn Variation £000</b>
<b>Investments</b>			
External investments (Net of Fees)	(236)	5	14
Internal investments	(65)	25	32
<b>Total</b>	<b>(301)</b>	<b>30</b>	<b>46</b>

## 3. General Fund Position as at Month Six

- 3.1 The following table shows the original budget set for the year and a total of the supplementary estimates approved to date. In year variances identified which are likely to affect the outturn for the year are detailed below:

	<b>£000</b>
<b>Original Budget Requirement (set 25/02/16)</b>	<b>11,473</b>
Revenue projects funded from earmarked reserves	885
Use of GF balance to date	233
Greater Exeter Strategic Plan Council 27/7/16	70
Month 6 predicted over (under) spend at year end detailed below	91
<b>Predicted Budget Outturn</b>	<b>12,752</b>

A summary of the predicted over and under spends to the Year End are shown below:

<b>Predicted over / (under) spends</b>	<b>Variation as at Month 6 £000</b>	<b>Predicted Outturn Variation £000</b>
<b>Economy and Regeneration</b> Building control fee income due to economic climate	37	30
<b>Environment services</b> Car park income seasonal fluctuation	(86)	(20)
<b>Street Scene services</b> Refuse & recycling – New contract started July 2016. Expected savings will be quantified after old contract figures finalised to offset reduced income *Recycling credits income difficult to quantify due to invoicing process with DCC - £375k previously reported.	71	*0
<b>Strategic Development &amp; Partnership services</b> Planning fees increase due to one off large application but rest of year uncertain Agency backfill for staff moved to Cranbrook team.	(49) 70	0 35
<b>Portfolio variations</b>	<b>43</b>	<b>45</b>
Portfolio Variations previously reported	161	0
Investment Income variations as above	30	46
<b>Predicted Outturn Total Variations GF</b>	<b>234</b>	<b>91</b>

3.2 These variations will have the following overall effect on the Council's General Fund Balance:

	<b>£000</b>
General Fund Balance 01/04/16	<b>(3,625)</b>
Less: Planned use/contribution to General Fund balance (Enterprise Zone CAB 11/5/16)	25
<b>Available General Fund balance 2016/17</b>	<b>(3,600)</b>
Reported previous	208
Greater Exeter Strategic Plan Council 27/7/16	70
Predicted net over / (under) spend to year end net of Year end transfers to Earmarked Reserves (from above)	91
<b>Predicted General Fund Balance 31/03/17</b>	<b>(3,231)</b>

The Council has an accepted adopted range for the General Fund Balance to be within the range of £2,800k to £3,600k. The predicted balance of £3,231k is within this range. The final position will be considered at outturn reported in June 2017.

3.3 An analysis of the main income streams is shown below:

	<b>Annual Budget £000</b>	<b>Variation at Month 6 £000</b>	<b>Predicted Outturn Variation £000</b>
Building Control fees	(526)	37	30
Car Park income	(3,101)	(162)	(20)
Local Land Charges income	(283)	14	0
Planning fees Income	(1,447)	(187)	0
Recycling income	(1,338)	446	0

3.4 Summary of Other Reserves:

	<b>Balance B/f 2016/17 £000</b>	<b>Spend to date £000</b>	<b>Estimated additional Spend/ (Income) £000</b>	<b>Predicted Balance C/f to 2017/18 £000</b>
Asset Maintenance Reserve	<b>(1,035)</b>	19	0	<b>(1,016)</b>
Business Rates Volatility Reserve	<b>(933)</b>	0	0	<b>(933)</b>
LABGI Reserve	<b>(173)</b>	75	51	<b>(47)</b>
New Homes Bonus Volatility Reserve	<b>(1,431)</b>	0	0	<b>(1,431)</b>
Transformation Reserve	<b>(530)</b>	0	57	<b>(473)</b>

**4. Housing Revenue Account Position up to Month 6**

4.1 A summary of the predicted over and under spends identified so far to the year end is shown below:

	<b>Variation at Month 6 £000</b>	<b>Predicted Outturn Variation £000</b>
No variations identified		
<b>Predicted Outturn Total Variations HRA</b>		<b>0</b>

The following table shows the original budget surplus for the year and the total variations as identified above, which are likely to affect the budget to give a revised budget surplus/deficit for the year.

	<b>£000</b>
<b>Original Budget surplus</b>	<b>(213)</b>
Month 6 predicted net (under)/overspend to year end	0
<b>Predicted Budget (Surplus)/Deficit HRA</b>	<b>(213)</b>



- 4.2 The variations identified above will have the following effect on the Housing Revenue Account Balance:

	£000
<b>Housing Revenue Account Balance (01/04/16)</b>	<b>(5,135)</b>
Predicted budget requirement as above	(213)
<b>Predicted HRA Balance (31/03/17)</b>	<b>(5,348)</b>

The recommended level for the HRA balance has been agreed at £2.1m (£500 per property). The current balance is well above the recommended level and in addition £4.4m is held in a volatility reserve. These balances will be required to mitigate the effect of the 1% rent reduction, the sale of high value stock and the Pay To Stay initiatives.

## 5. Capital Programme Position up to Month 6

- 5.1 The following tables currently estimate the total required from the Capital Reserve is £1,290k leaving £1,115k remaining in the reserves at year end.

<b>Capital Reserve</b>	<b>£000</b>	<b>£000</b>
<b>Brought forward balance 1 April 2016</b>		<b>(2,405)</b>
Funding for 2016/17		1,290
<b>Balance carried forward to 2016/17</b>		<b>(1,115)</b>

- 5.2 Capital Programme and financing:

	<b>£000</b>	<b>£000</b>
<b>Net Capital Programme Budget (Council 24/02/16)</b>		<b>18,541</b>
2015/16 scheme costs slipped into 2016/17	8,451	
<b>Revised 2016/17 budget</b>		26,992
Capital Programme variations previous months		(74)
		<b>26,918</b>
<b>Capital Programme variations Month 6</b>		
Empty Homes Deal slipped to 2017/18	(20)	
Green Deal slipped to 2017/18	(20)	
Manor pavilion flat roof completed with savings	(1)	
Camperdown Creek Sea Cadets completed with savings	(91)	
Knowle relocation rescheduled to future years	(5,484)	
Enabling investment Estuaryside rescheduled	(74)	
Queen's Drive Leisure Area Infrastructure rescheduled	(1,787)	
The Strand Exmouth- mobile screen slipped to	(126)	

2017/18		
Seaton Jurassic retention slipped to 2017/18 pending legal issues	(26)	
Seaton Jurassic Access from Axe wetlands	(98)	
Mamhead slipway DCC funding slipped to 2017/18	230	
Axe Wetlands development slipped to 2017/18 pending legal issues	(130)	
HRA Affordable housing - Purchase of 3 properties S.106 and Right to buy funded	613	
Removal of 2 Housing purchases re costs	(612)	
Various Affordable housing adjustments on completion of schemes	72	
<b>Total variations this month</b>		<b>(7,552)</b>
<b>Predicted Capital Budget Requirement Month 6</b>		<b>19,366</b>

<b>Capital Programme financed by</b>	<b>£000</b>	<b>£000</b>
Use of Capital Receipts	(1,473)	
External Loans/Internal borrowing	(7,150)	
S.106 funding	(1,473)	
Other grants and contribution	(341)	
General Fund contribution	(14)	
HRA Contribution	(5,470)	
New Homes Bonus	(2,155)	
Predicted Capital Reserve (Requirement) / Contribution	(1,290)	
<b>Total Funding</b>		<b>(19,366)</b>

**Report to:** **Cabinet**

**Date of Meeting:** 5 November 2016

**Public Document:** Yes

**Exemption:** None

**Review date for release** None



**Agenda item:** **18**

**Subject:** **Monthly Performance Report September 2016**

**Purpose of report:** Performance information for the 2016/17 financial year for September 2016 is supplied to allow the Cabinet to monitor progress with selected performance measures and identify any service areas where improvement is necessary.

**Recommendation:**

**1. That the Cabinet considers the progress and proposed improvement action for performance measures for the 2016/17 financial year for September 2016.**

**Reason for recommendation:** This performance report highlights progress using a monthly snapshot report; SPAR report on monthly performance indicators and system thinking measures in key service areas including Development Management, Housing and Revenues and Benefits.

**Officer:** Karen Jenkins, Strategic Lead – Organisational Development and Transformation  
email: [kjenkins@eastdevon.gov.uk](mailto:kjenkins@eastdevon.gov.uk) ext 2762

**Financial implications:** There are no direct financial implications

**Legal implications:** There are none arising from the recommendations in this report

**Equalities impact:** Low Impact

**Risk:** Low Risk

A failure to monitor performance may result in customer complaints, poor service delivery and may compromise the Council's reputation.

**Links to background information:**

- [Appendix A – Monthly Performance Snapshot for September 2016](#)
- [Appendix B - The Performance Indicator Monitoring Report for the 2016/17 financial year up to September 2016](#)
- [Appendix C – System Thinking Reports for Housing, Development Management and Revenues and Benefits for September 2016](#)

**Link to Council Plan:** Continuously improving to be an outstanding Council

## Report in full

1. Performance information is provided on a monthly basis. In summary most of the measures are showing acceptable performance.

2. There are five indicators that are showing excellent performance:
  - Percentage of planning appeal decisions allowed against the authority's decision to refuse
  - Percentage of Council Tax collected
  - Days taken to process Housing Benefit/Council Tax Benefit new claims and change events
  - Creditor days - % of invoices paid within 30 days
  - Working days lost due to sickness absence
3. There are no performance indicators showing as concern.
4. Monthly Performance Snapshot for August is attached for information in [Appendix A](#).
5. A full report showing more detail for all the performance indicators mentioned above appears in [Appendix B](#).
6. Rolling reports/charts for Housing, Development Management, Revenues and Benefits and Streetscene appear in [Appendix C](#).

# Monthly Performance Snapshot – September 2016



This monthly performance snapshot shows our performance over the last month:

- **4 days** to process your Housing or Council Tax Benefit claims
- **94%** of invoices received by us are paid within 10 days
- An estimated **42%** of all waste collected was recycled in September
- Less than **3 days** on average to clear fly tipping cases, dealing with 64 cases in September
- Our following on Twitter is steadily increasing as we receive on average 3 new twitter followers per day, we are now up to 5,333 followers. We received 2988 likes on Facebook from July to September. Through July, August and September we sent out 64 press releases covering a wide range of our activities.
- We dealt with 220 reactive building maintenance cases at our public buildings during September, this compares with 209 in August of this year, and 133 in September of last year. It included items such as graffiti at the Younghayes Centre in Cranbrook, and numerous jobs associated with Exmouth Town Council leaving Exmouth Town Hall and our Revenues & Benefits team taking over reception facilities.

Latest headlines:

- According to the latest figures published by the Office for National Statistics East Devon is the happiest place to live in Devon and one of the top happiest districts nationally. [ONS wellbeing update](#)
- The 2016 Summer Play Season at the Manor Pavilion Theatre, Sidmouth has been the most successful season ever with a huge increase in ticket sales. Advance ticket sales have never been so strong at the Manor Pavilion Theatre, Sidmouth with four shows already sold out for the autumn season.
- Seaton wetlands staff and volunteers raise over £180 at their Hospiscare coffee morning and are visited by radio and television presenter Judi Spiers.
- September marks the end of the spring/ summer guide and the start of the autumn/ winter events guide (available at tourist Information Centre's, libraries and in the EDDC Reception). During the school summer holidays 29 events were run by the East Devon and District Council Countryside team engaging with over 1000 members of the public.
- During the school holidays (July – September) EDDC Countryside volunteers have dedicated over 1000 hours of service to the East Devon Countryside. They've completed practical work on sites, helped at events, welcomed visitors to Seaton Wetlands and much more! At the end of the summer season they were treated to a BBQ at Seaton Wetlands.

- The Thelma Hulbert Gallery quarter three figures – visitors 2,822 (+37%), sales £8,246.15 (+12%), donations £838.76 (+32%) and memberships £225 (+29%). 1,056 visitors came to the Eduardo Paolozzi exhibition - up by **+92%** on last September and donations were £308.10 - up by **+195%** on last September.

**Report to:** **Cabinet**

**Date of Meeting:** 9 November 2016

**Public Document:** Yes

**Exemption:** None

**Review date for release** None



**Agenda item:** **19**

**Subject:** **Local Government Ombudsman complaints 2015/16**

**Purpose of report:** This report provides information on complaints referred to the Local Government Ombudsman during 2015/16

**Recommendation:** **That Cabinet considers the number of complaints dealt with and their outcomes**

**Reason for recommendation:** To continue to improve the way we handle, and learn from, complaints

**Officer:** Kate Symington, Information and Complaints Officer tel: 01395 517417  
[ksymington@eastdevon.gov.uk](mailto:ksymington@eastdevon.gov.uk)

**Financial implications:** There are no direct financial implications. Costs incurred have been identified in the report.

**Legal implications:** As the report is for information there are no direct legal implications arising. However, the outcomes do highlight some learning points which should be taken on board to avoid similar complaints in the future.

**Equalities impact:** Low Impact

**Risk:** Medium Risk  
Potential criticism, deterioration in reputation and failure to improve. Loss of credibility in complaints procedure.

**Links to background information:**  
<http://eastdevon.gov.uk/feedback-and-complaints/making-a-complaint/complaint-outcomes/>  
<http://eastdevon.gov.uk/media/1099114/ombudsman-outcome-1-2015.pdf>  
<http://eastdevon.gov.uk/media/1126994/ombudsman-outcome-2-2015.pdf>  
<http://eastdevon.gov.uk/media/1166673/ombudsman-outcome-4-2015.pdf>  
<http://eastdevon.gov.uk/media/1275190/ombudsman-outcome-7-2015.pdf>  
<http://eastdevon.gov.uk/media/1613214/ombudsman-outcome-17-2015.pdf>

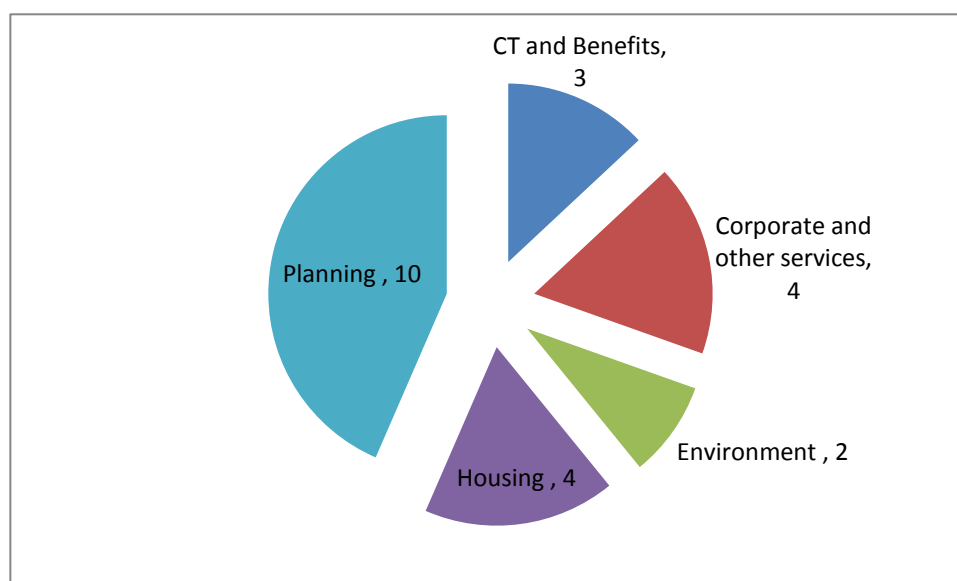
**Link to Council Plan:** Continuously improving to be an outstanding council

## **Report in full**

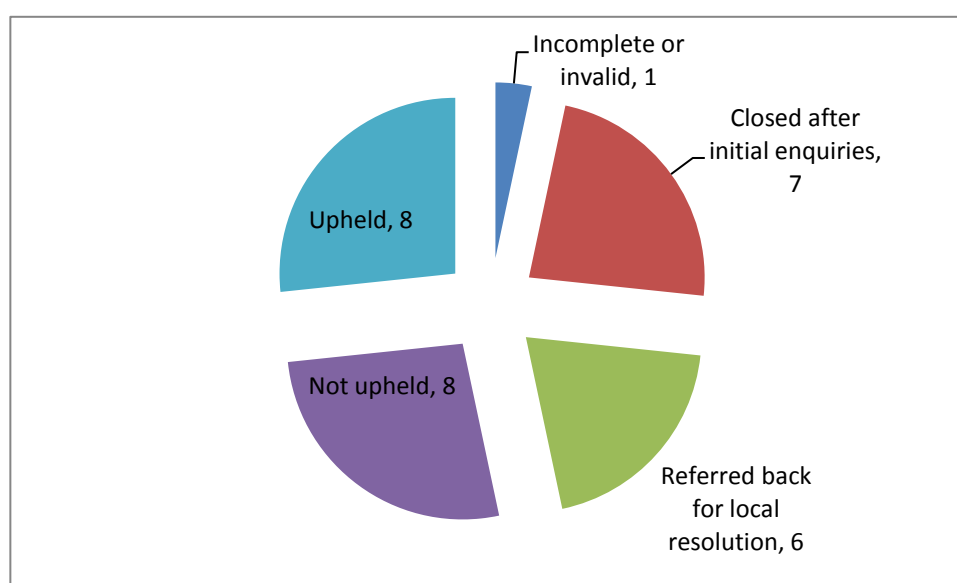
### **1. Background**

1.1 The council has received the annual summary of statistics on the complaints made to the Local Government Ombudsman during the year 2015/16

1.2 23 complaints were received during the year, compared to 41 received during 2014/15. A summary of the subject of the complaints is provided in the diagram below:



1.3 30 complaints were closed (decided) by the Ombudsman during the year



1.4 The 8 upheld complaints reflect the fact that there were 8 individual complainants in respect of 5 separate complaints. The final decision statement in each of these complaints is appended to this report and a summary provided below:

**Complaint 1:** The council was at fault for granting planning permission for a new residential development subject to conditions it was not reasonable to enforce. This did not affect Mr and Mrs A's decision to buy their house but, when they learned about the conditions, they expected the council to enforce them and this led them into conflict with the council and the developer. Remedy: The council should pay Mr and Mrs A £250 for the distress this caused them.



**Complaint 2:** The council failed to carry out an adequate investigation of flooding to the complainants' home over a period of three years. The council has now agreed to conduct an investigation and to pay the complainants £200 for their time and trouble in bringing the complaint.

**Complaint 3:** The council has already offered a suitable remedy for the injustice caused by providing Mrs H with an incorrect valuation when she applied to buy her home. The council did not delay significantly in telling her of the error, and it did not cause delay in completing the purchase.

**Complaint 4:** There was no fault in the council's decision to invite a retrospective planning application rather than to take enforcement action. The council was not wrong to allow the applicant to fix film to the window instead of obscurely glazing it, as required by the planning condition. However, there is fault in how the council handled the complainants' concerns about the height of the building because it insisted on a position but has not been able to explain how it reached this.

**Complaint 5:** Mrs C's complaint was upheld as there was fault by the council but the ombudsman did not consider that the fault caused injustice requiring a remedy.

## **2. Lessons learned**

- 2.1 The council was required to pay financial remedies in settlement of two complaints and paid a total amount of £450 to reflect time, trouble and distress.
- 2.2 The planning complaints highlighted the need for attention to detail in drafting decision notices to ensure that all planning conditions imposed are robust and enforceable, although it is not possible now to change the wording of historic conditions.

## **3. National comparisons**

- 3.1 The number of complaints referred to the Ombudsman this year has decreased from 41 in 2014/15 to 23 in 2015/16 and is lower than the 33 received in 2013/14. This is well below the average number of complaints received by councils nationally (60). We are hopeful that this downward trend, which is partly as a result of improved complaint handling at local level, will continue in future years and we will continue to resolve complaints locally wherever possible.
- 3.2 Of the 30 complaints closed during the year, 16 were closed following investigation. In other cases, complaints were either invalid; referred back to the council; or closed after initial enquiries. Of the 16 investigations, half were not upheld and half were upheld. It is important to note here though that, the 8 upheld cases actually relate to only 5 specific complaints. The statistics reflect each individual complainant as a separate complaint.
- 3.3 Looking at our performance nationally, the average "complaint upheld" rate is 51% so we are below average both in terms of the number of individual complainant cases upheld (50%) and also in terms of the actual number of individual complaints upheld (38.5%).