



**Agenda for Cabinet**  
**Wednesday, 6th March, 2019, 5.30 pm**

**Members of Cabinet**

Councillors: I Thomas (Chairman), P Skinner (Vice-Chairman),  
D Barrow, I Chubb, A Dent, P Diviani, J Elson, M Hartnell,  
G Pook and T Wright

**Venue:** Council Chamber, Blackdown House, Honiton

**Contact:** Amanda Coombes, Democratic Services Officer;  
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(or group number 01395 517546)  
Monday, 25 February 2019

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**[www.eastdevon.gov.uk](http://www.eastdevon.gov.uk)**

- 1 Public speaking  
Information on [public speaking](#) is available online
- 2 Minutes of the previous meeting (Pages 4 - 16)
- 3 Apologies
- 4 Declarations of interest  
Guidance is available online to Councillors and co-opted members on making [declarations of interest](#)
- 5 Matters of urgency  
Information on [matters of urgency](#) is available online
  - a) Queen's Drive Watersports Centre Development (Pages 17 - 21)  
To advise of the latest position on the development of the Watersports Centre on Exmouth seafront and seek approval of the terms of variation to the completed Development Agreement and delivery timescale negotiated between the Council and Grenadier Estates.
- 6 Confidential/exempt item(s)  
To agree any items to be dealt with after the public (including the Press) have been excluded. There are no items which officers recommend should be dealt with in this way.
- 7 Forward Plan (Pages 22 - 23)
- 8 Minutes of the Community Fund Panel held on 5 February 2019 (Pages 24 - 25)

- 9 Minutes of the Standards Committee held on 22 January 2019 (Pages 26 - 29)
- 10 Minutes of the Scrutiny committee held on 7 February 2019 (Pages 30 - 36)
- 11 Minutes of the STRATA Joint Executive Committee held on 28 January 2019 (Pages 37 - 42)

### **Matters for Decision**

- 12 **Future High Street Fund** (Pages 43 - 57)

To advise of the detail regarding the government's Future High Streets (FHS) funding opportunity and agree an approach to submitting into the Expression of Interest stage the deadline for which is 22 March 2019.

- 13 **Monthly Performance reports - January 2019** (Pages 58 - 61)

Performance information for the 2018/19 financial year for January 2019 is supplied to allow the Cabinet to monitor progress with selected performance measures and identify any service areas where improvement is necessary.  
Appendix 1 – January 2019 snapshot

- 14 **Homelessness and Rough Sleeping Strategy 2019 - 2023** (Pages 62 - 65)

To present the Homelessness and Rough Sleeping Strategy 2019 – 2023 for approval and adoption as required by the Homelessness Act 2002.

- 15 **Poverty, homelessness, human rights and health & wellbeing in East Devon - scoping report** (Pages 66 - 74)

In December a motion was put to full Council - "Following the findings of both the UK Equalities and Human Rights Commission and the UN Special Rapporteur on the impact of benefits changes and other spending cuts on people living in the UK, this Council will receive a report on the potential impacts on residents in East Devon and the need for further support from this Council, for example in supporting the roll-out of Universal Credit, homelessness prevention or for local food banks."

This report attempts to scope the subject and suggest themes for further investigation to provide a locally meaningful analysis of poverty and interventions that we can influence/action to alleviate the impact of poverty on individuals and communities.

- 16 **Payhembury Neighbourhood Plan Examiner's Report** (Pages 75 - 79)

To provide feedback and set out proposed changes following the examination of the Payhembury Neighbourhood Plan.

- 17 **Financial Monitoring Report 2018/19 - Month 10 January 2019** (Pages 80 - 85)

This report gives a summary of the Council's overall financial position for 2018/19 at the end of month 10, 31 January 2019.

**18 Exeter and East Devon Enterprise Zone Update** (Pages 86 - 90)

To update Cabinet on the financial position of the Enterprise Zone to support the proposed revenue programme and capital investment.

**19 Long Lane Enhancement** (Pages 91 - 100)

To provide an update on progress with the design of an enhancement scheme for Long Lane.

**20 Simplified Planning in the Enterprise Zone** (Pages 101 - 105)

This paper puts forward the recommended approach for the introduction of a simplified planning regime for the Enterprise Zone sites.

**21 Sidmouth Drill Hall update** (Pages 106 - 112)

The purpose of this report is to provide an update to members on the outcome of the marketing exercise and selection process for the Drill Hall site in Sidmouth and to make a recommendation for the selection of the preferred developer.

Under the Openness of Local Government Bodies Regulations 2014, any members of the public are now allowed to take photographs, film and audio record the proceedings and report on all public meetings (including on social media). No prior notification is needed but it would be helpful if you could let the democratic services team know you plan to film or record so that any necessary arrangements can be made to provide reasonable facilities for you to report on meetings. This permission does not extend to private meetings or parts of meetings which are not open to the public. You should take all recording and photography equipment with you if a public meeting moves into a session which is not open to the public.

If you are recording the meeting, you are asked to act in a reasonable manner and not disrupt the conduct of meetings for example by using intrusive lighting, flash photography or asking people to repeat statements for the benefit of the recording. You may not make an oral commentary during the meeting. The Chairman has the power to control public recording and/or reporting so it does not disrupt the meeting.

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

[Decision making and equalities](#)

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**EAST DEVON DISTRICT COUNCIL****Minutes of the meeting of Cabinet held at Council Chamber, Knowle on 6 February 2019****Attendance list at end of document**

The meeting started at 5.30 pm and ended at 7.30pm

**138 Public speaking**

There were no members of the public wishing to speak.

**139 Minutes of the previous meeting**

The minutes of the Cabinet meeting held on 2 January 2019 were confirmed and signed as a true record.

**140 Declarations of interest**

Cllr Marcus Hartnell, Minute 153; personal interest – is a shop keeper  
Cllr Jill Elson, Minutes 144 and 150; personal interest – Chairman of Exmouth and District Community Transport group  
Cllr Pauline Stott, Minute 144; personal interest – Director of Queens Drive Exmouth Community Investment Company  
Cllr Paul Diviani, Minute 154; personal interest – Chairman of Blackdown Hills Area of Outstanding Natural Beauty (AONB) joint advisory committee

**141 Matters of urgency**

None

**142 Confidential/exempt item(s)**

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

**143 Forward Plan**

Members agreed the contents of the forward plan for key decisions for the period of 1 March 2019 to 30 June 2019.

**144 Minutes of the Exmouth Regeneration Board held on 13 December 2018**

Members received the Minutes of the Exmouth Regeneration Board held on 13 December 2018.

**145 Minutes of the STRATA Joint Scrutiny Committee held on 14 January**

Members received the Minutes of the STRATA Joint Scrutiny Committee held on 14 January 2019.

146 **Minutes of a Joint Meeting of the Overview and Scrutiny Committees held on 16 January 2019**

Members received the Minutes of a Joint Meeting of the Overview and Scrutiny Committees held on 16 January 2019.

The Chairman of the Scrutiny Committee wished to thank Simon Davey and fellow officers for their valuable input into the meeting.

**RESOLVED (1) that the following recommendations be taken into account with the related report (Minute 150):**

**Minute 3 Draft Revenue and Capital Budgets 2019/20**

**SCRUTINY COMMITTEE RECOMMENDED to Cabinet:**

1. To recommend to Council that the Council Tax for 2019/20 be increased by £5 a year;
2. To recommend to Council that the Draft Service Plans for 2019/20 be adopted with addition of:
  - a. The Planning Service Plan includes overage monitoring;
  - b. The Regeneration and Economic Service Plan ensures that business development opportunities are based on clear evidence of need; and includes developing a strategy for commercial unit delivery;
  - c. The Growth Point Team Service Plan includes more detail on the delivery of Cranbrook key facilities with timescales; and plans for inward investment;
  - d. The Environmental Health and Car Parks Service Plan includes a business case to consider extra resource to increase community engagement;
  - e. The Governance and Licensing Service Plan to specify what the local democracy activities currently are and what further activities could be undertaken;
  - f. The Finance Service Plan to make it clear that the Transformation Strategy to be completed by September 2019;
  - g. The Countryside Service Plan to revise the wording around 'inactive' in the second objective;
  - h. Any amendments to make objectives more SMART following a review by Strategic Lead – Organisational Development and Transformation together with the Chairs of the Overview and Scrutiny Committees
  - i. Review all service plans to include reference to Brexit as required.
3. To recommend to Council that the Draft Revenue Budget for 2019/20 be adopted; and
4. To recommend to Council that the Draft Capital Budget for 2019/20 be adopted.

**OVERVIEW COMMITTEE RECOMMENDED to Cabinet:**

1. To recommend to Council that the Council Tax for 2019/20 be increased by £5 a year;
2. To recommend to Council that the Draft Service Plans for 2019/20 be adopted with addition of:
  - a. The Planning Service Plan includes overage monitoring;
  - b. The Regeneration and Economic Service Plan ensures that business development opportunities are based on clear evidence of need; and includes developing a strategy for commercial unit delivery;
  - c. The Growth Point Team Service Plan includes more detail on the delivery of Cranbrook key facilities with timescales; and plans for inward investment;

- d. The Environmental Health and Car Parks Service Plan includes a business case to consider extra resource to increase community engagement;
  - e. The Governance and Licensing Service Plan to specify what the local democracy activities currently are and what further activities could be undertaken;
  - f. The Finance Service Plan to make it clear that the Transformation Strategy to be completed by September 2019;
  - g. The Countryside Service Plan to revise the wording around 'inactive' in the second objective;
  - h. Any amendments to make objectives more SMART following a review by Strategic Lead – Organisational Development and Transformation together with the Chairs of the Overview and Scrutiny Committees;
  - i. Review all service plans to include reference to Brexit as required.
3. To recommend to Council that the Draft Revenue Budget for 2019/20 be adopted and include an additional £25k for staffing for Economic Development;
  4. To recommend to Council that the Draft Capital Budget for 2019/20 be adopted.

147 **Recommendations of the Minutes of the Special Asset Management Forum held on 17 January 2019**

Members received the Minutes of the Special Asset Management Forum held on 17 January 2019.

**RESOLVED (1) that the following recommendation be taken into account with the related report (Minute 160):**

**Minute 37 Commercial Investment Framework**

Cabinet approve the commercial investment framework and appendices, subject to:

- a) Reference to market sector and priorities
- b) Reflection of cost involved and output return (officer costs and consultant costs would be included in the £20 million).

148 **Recommendations of the Minutes of the Housing Review Board held on 24 January**

Members received the Minutes of the Housing Review Board held on 24 January 2019.

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

**Minute 57 Housing Service Plan 2019-2020**

Cabinet approve the Housing Service Plan for 2019/20.

**RESOLVED (2) that the following recommendation be taken into account with the related report (Minute 150):**

**Minute 58 Draft Housing Revenue Account and Capital Budgets 2019-2020**

Cabinet approve the Housing Revenue Account revenue and capital estimates.

149 **Programme of meetings 2019/20**

The Cabinet considered the proposed timetable of meetings for the next Council year.

**RECOMMENDED:**

that the draft meetings timetable be referred for approval to the annual meeting of the Council.

**RESOLVED:**

that the 2019 Annual Council meeting be held on Wednesday 22 May.

150 **Revenue and Capital Estimates 2019/20**

The Strategic Lead Finance presented the Revenue and Capital Estimates for 2019/20. Cabinet adopted draft Revenue and Capital Estimates for 2019/20 at its meeting on 2 January 2019. A joint meeting of the Overview and Scrutiny Committees reviewed those budgets on 16 January and the Housing Review Board considered the Housing Revenue Account budgets on 24 January.

As part of the Prudential Code for Capital Finance in Local Authorities the Council was required to set prudential indicators as part of its budget setting process, these indicators were detailed in the Treasury Management Strategy 2019/20 – Minimum Revenue Provision Policy Statement and Annual Investment Strategy contained in the report for members' consideration.

Alongside the Treasury Management Strategy sits a new requirement for the Council to adopt a Capital Strategy, also contained in the report for members' consideration.

Discussions included the following:

- Economic Development needed to be strengthened and could do much better if supported
- Additional funding was being received through the Enterprise Zone as it was now exclusive to East Devon
- To attempt to produce a balanced budget from 2020/21 onwards difficult decisions had to be made
- Scrutiny Committee had looked at the Service Plans with SMART objectives being in place
- What plans were in place for the short and medium term resilience for EDDC to help its poorer residents?

**RECOMMENDED:**

That Cabinet recommends to Council:

1. to propose the Net Revenue General Fund Budget of £15.193m, which incorporated an additional £25K to reinstate the officer post within the Economy Portfolio,
2. a Council Tax increase is approved of £5 a year giving a Band D council tax of £141.78 a year for 2019/20,
3. the Housing Revenue Account Estimates with a net surplus of £1.154m be approved, and
4. the Net Capital Budget totalling £9.819m for 2019/20 be approved.

**REASON:**

There was a requirement for the Council to set a balanced budget for both the General Fund and Housing Revenue Account and to levy a Council Tax for 2019/20.

151 **Capital Strategy 2019/20 - 2022/23**

The Strategic Lead Finance's report asked Cabinet to consider this new strategy which would form part of the annual budget setting approval process. The report draws together various adopted strategies and agreed process of the Council that govern how the Council manages capital expenditure and investment decisions. The Capital Strategy brings these areas together in one overarching document.

The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code had introduced a new requirement for local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions were taken in line with desired outcomes and take account of stewardship, value for money, prudence, sustainability and affordability. The Council's practices met these outcomes and therefore it was useful to set these out in one place to demonstrate this.

The Capital Strategy was a key document, it provides a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the delivery of desired outcomes. It also provided an overview of how associated risk was managed and the implications for future financial sustainability. It included an overview of the governance processes for approval and monitoring of capital expenditure.

**RECOMMENDED:**

That Cabinet recommend to Council that the adoption of the Capital Strategy 2019/20 – 2022/23 be agreed.

**REASON:**

In order to comply with good practice there was a new requirement for the Council to have in place an adopted Capital Strategy.

152 **Treasury Management including the Strategy 2019/20 - Minimum Revenue Provision Policy Statement and Annual Investment Strategy**

The report highlighted the overall position and performance of the Council's Treasury Management Strategy during 2017/18. The mid-year review for April to September 2018 detailed the overall position and performance of the Council's investment portfolio for the first six months of 2018/19.

The Chartered Institute of Public Finance and Accountancy (CIPFA) produced a Code of Practice for treasury management for Public Services. One of the main recommendations of the code was the requirement for an annual Treasury Management Strategy to be formally adopted by the Council. There was also a requirement to set prudential indicators relating to all treasury activities that the authority would undertake in the forthcoming financial year.

**RESOLVED:**

1. **Annual Treasury Management Review 2017/18 – 1 April 2017**



to 31 March 2018 - that the investment values and performance for the year to 31 March 2018, and

2. **Treasury Management Mid-Year Review 2018/19 – 1 April 2018 to 30 September 2018** – that the investment values and performance for the period to 30 September 2018, both be reviewed and noted.

**RECOMMENDATION:**

3. **Treasury Management Strategy 2019/20 – Minimum Revenue Provision Policy Statement and Annual Investment Strategy** – that Cabinet recommend to Council:
  - a. the Treasury Management Strategy including the Prudential Indicators for 2019/20, be adopted,
  - b. the Minimum Revenue Provision Policy Statement, and
  - c. the creditworthiness criteria and updated list of counterparties, be approved.

**REASON:**

The Council was required:

1. to produce an annual review of its treasury management activities and performance,
2. to produce a half yearly review of its treasury management activities and performance,
3. to formally adopt a Treasury Management Strategy and set prudential indicators before the beginning of the financial year.

153 **Business Rates - Rate Relief Measures**

The report from the Service Lead Revenues & Benefits, updated Members on business rates measures announced in the Budget on 29 October 2018, namely the;

- Retail Discount scheme for two years
- Extension of the local newspaper business rates discount
- 100% rate relief for public conveniences

The first two measures needed to be adopted by the Council in order to ensure that Government funding was passed onto eligible businesses. The third measure relating to public conveniences was for information only as it required the Government to amend legislation in order for this to be implemented.

**RESOLVED:**

1. that the 'Retail Discount Scheme' for 2019/20 & 2020/21 in line with the Government's scheme guidance including delegated authority to the Service Lead and the S151 to determine eligibility, be agreed,
2. that the continuation of awarding the local newspaper discount in line with Government policy, be agreed and,
3. that the Government's intention to implement 100% rate relief for public conveniences, be noted. Should this measure require the Council to adopt a local discount/relief scheme then this was delegated to the Council's S151 Officer in conjunction with the Finance Portfolio to implement.

**REASON:**

Members need to approve these rate reliefs to ensure that ratepayers can benefit from the extra funding announced in the Autumn 2018 Budget.

## 154 **Adoption of the East Devon AONB Management Plan**

The Service Lead Countryside and Leisure alongside the East Devon AONB Partnership Manager stated that East Devon District Council, together with other local authorities, authorised the East Devon and Blackdown Hills AONB Partnerships to undertake reviews of the Management Plans for both AONBs by April 2019, as required under Section IV of the Countryside and Rights of Way Act 2000.

Public consultation on the reviews took place across the summer and autumn in 2018, followed by endorsement by the AONB Partnership's respectively and final approval from the statutory consultee, Natural England. Adoption of the AONB Management Plans by East Devon District Council and the other local authorities for each AONB was required before lodging the Plans with Defra.

Discussions included:

- Why the East Devon AONB did not have a planning officer as did the Blackdown AONB? In response the East Devon AONB Manager stated that it was in part down to cost but also a decision to be proactive and develop policy and guidance and it was important to note that planning is not a Statutory function for any AONB team
- It was important the areas were enjoyed but it was felt the plan did not provide essential protection to the environment, especially by horses and equestrian users on places like Woodbury Common. In response the East Devon AONB Manager confirmed the Natura 2000 sites and other important areas were carefully considered in the Plan both through the Habitat Regulation Assessment and Strategic Environmental Assessment which ensured all policies were compliant
- It was noted that AONBs had Statutory Public Rights of Way which restricted user types e.g. bridleways
- The AONB covered a wide range of countryside issues including the rural economy, farming, planning, recreation and tourism.

### **RESOLVED:**

that the formal adoption of the East Devon AONB Management Plan, be agreed.

### **REASON:**

Under Part IV of the Countryside and Rights of Way (CROW) Act 2000 the relevant local authorities were required to review the AONB Management Plans for the East Devon and Blackdown Hills AONBs at intervals of not more than 5 years. The review for the 2014 - 19 Plans needed to be completed by April 2019.

East Devon District with other local authorities had authorised East Devon and the Blackdown Hills AONB Partnerships to review the AONB Management Plans on their behalf.

## 155 **Coast Protection Act consent for Devon County Council Alma Bridge Advance Works**

The report from the Engineering Projects Manager asked Members to consider whether to grant consent to Devon County Council for works under the Coast Protection Act 1949.

**RESOLVED:**

that the request for coastal protection work consent and delegated authority be given to the Strategic Lead – Housing, Health and Environment to grant the consent subject to completion of consultation with two neighbouring Coast Protection Authorities, be agreed.

**REASON:**

In order for Devon County Council to proceed with advance works for the replacement of the Alma Bridge at a site upstream of the present structure.

156 **Review of the Local Code of Corporate Governance**

The Council's Code of Corporate Governance, which set out the overarching approach to corporate governance arrangements, was adopted by Cabinet in December 2016 and was now due for review. It was a requirement of the Constitution that Cabinet consult with Audit & Governance in relation to the approval, implementation and monitoring of the Code of Corporate Governance and a report was presented to Audit & Governance on 31 January 2019.

**RESOLVED:**

That following a review, the Local Code of Corporate Governance should continue without amendment and be reviewed again in two years' time, unless circumstances require an earlier review, be agreed.

**REASON:**

The Council regularly reviews the policies, codes and procedures that govern the way it operates. The Code of Corporate Governance provided the overarching framework for the Council's Corporate Governance. It was updated in December 2016 following revised guidance from CIPFA/SOLACE. It was not a standalone document but rather identifies the key principles that the Council agrees to follow in establishing its governance framework. It was supported by a number of other documents, being the key policies, which in combination seek to ensure that the Council had systems, processes, culture and values that it engaged with and act by and were accountable in respect of. Ultimately the Code was about ensuring that the Council does the right things, in the right way for the right people in a timely, inclusive, open, honest and accountable manner.

The effectiveness of the Code of Corporate Governance was effectively monitored through a number of routes, including the production of the Annual Governance Assurance Statement which was presented to Audit and Governance for approval. Section 11 detailed other mechanism which contribute on an ongoing basis to monitoring the overall effectiveness. In that regard the role of both the internal and external auditors played an important part and it should be noted that in the Healthy Organisation audit the Council received 'high assurance' in relation to both the Corporate Governance and Financial Management themes.

There had been no concerns raised regarding the suitability or effectiveness of the Code of Corporate Governance and there had been no legislative or guidance changes that would necessitate any revisions being made. KPMG, as part of the formally auditing of the Council's accounts for 2017/18, considered the Annual Governance Statement and found that it was '*consistent with their understanding and did not raise any issues*'.

It was therefore considered that the adopted Code of Corporate Governance continues to reflect the current standard as to what constitutes good governance and that the

Council's approach remains relevant and effective. The monitoring processes identified in the Code would continue including the continued publication of the Annual Governance Assurance Statement.

For the above reasons it was recommended that the adopted Code continued to be of effect without amendment with a further review to be carried out by the Monitoring Officer in two years' time.

**157 Exmouth Neighbourhood Plan Examiner's Report**

The report provided feedback and set out proposed changes following the examination of the Exmouth Neighbourhood Plan.

**RESOLVED:**

1. that the Examiner's recommendations on the Exmouth Neighbourhood Plan, and
2. that a 'referendum version' of the Neighbourhood Plan (incorporating the Examiner's modifications) should proceed to referendum and a decision notice to this effect be published, be agreed and,
3. that the Neighbourhood Plan Steering Group be congratulated on their hard work.

**REASON:**

The legislation required a decision notice to be produced at this stage in the process. The Plan was the product of extensive local consultation and had been recommended to proceed to referendum by the Examiner subject to modifications which were accepted by the Town Council.

**158 Response to Sid Valley Neighbourhood Plan Submission**

The report asked for agreement to the response by the Council to the current Regulation 16 submission consultation for the Sid Valley Neighbourhood Plan.

**RESOLVED:**

1. that the formal submission of the Sid Valley Neighbourhood Plan (the Plan) and the producers of the Plan be congratulated on the dedicated hard work and commitment in producing the document, be noted and,
2. that the council make the proposed representation set out at paragraph 5.2 in the report in response to the consultation.

**REASON:**

To ensure that the view of the District Council was recorded and informed the consideration of the Plan by the independent examiner.

**159 Monthly Performance reports - December 2018**

The report set out performance information for the 2018/19 financial year for December 2018 and was supplied to allow the Cabinet to monitor progress with selected performance measures and identify any service areas where improvement was necessary.

There was one indicator showing excellent performance:

- Percentage of planning appeal decisions allowed against the authority's decision to refuse.

There were two performance indicators showing as concern for the month of December:

- **Days taken to process new Housing Benefit claims** – Officers were currently working through a transition period to Universal Credit which is impacting on performance.
- **Working days lost due to sickness absence** - It was anticipated that EDDC would be above its target for absence for 18/19. As previously reported, there had been a significant increase this year in employees who had been absent for two months or more as a result of surgery and serious health issues for 2 or months. These cases were all proactively managed and the Council had started to see levels reduce towards the end of 2018.

**RESOLVED:**

that the progress and proposed improvement action for performance measures for the 2018/19 financial year for December 2018, be noted.

**REASON:**

The performance report highlighted 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.

160 **Commercial Investment Framework**

The Senior Manager Property & Estates presented the Council's Transformation Strategy accounts for certain property investment net income. The Commercial Investment Framework provided the mechanism to help deliver this income.

Discussions included:

- Borrow substantial funding to build and refurbish council homes
- The Commercial Investment Framework was very important and this was a relatively low amount compared to other local authorities' borrowing
- Moving into the area of commercial identity was essential for future investment. It was paramount to be able to move quickly as the window of opportunity was limited

The Chairman thanked Tim Child and Councillor Geoff Pook for their hard efforts into setting this up.

**RECOMMENDED:**

1. that the Commercial Investment Framework including scoring matrices and new governance arrangements, be agreed

**RESOLVED:**

2. that Cabinet recommends to Council the availability of up to £20,000,000 through existing resources or Public Works Loan Board funding. Monies would be drawn down as and when required.

**REASON:**

To support the Council's Property Investment objective within the Transformation Strategy.

## 161 **Supporting the formation of South West Mutual**

The Strategic Lead Finance presented the report which outlined a proposal from South West Mutual to form a regional bank. Initial funding was being sought of £500,000 through the issuing of Founder Shares, local authorities had been approached to be part of this early investment in order to help set up a regional bank.

The report asked members to consider an investment of £49,995 which purchased 3,333 shares. These shares would receive a dividend of 7.5% once the new bank becomes profitable and this dividend would rise over time if South West Mutual was successful. Founder Shareholders would also receive an additional 2 shares for every share held. The combination of these two returns generated an estimated internal rate of return of approximately 20% per annum.

It was emphasised that that there was a risk that there would be no financial return and the entire initial investment could be lost if the plan to launch the mutual was unsuccessful or a banking licence was not granted. Accordingly the report did not recommend investing in the Mutual with the purpose of deriving a financial return as the proposal was deemed too much of a financial risk. Members were asked to consider other benefits to be obtained from supporting a regional bank and if supported it was proposed that the Council sets aside £49,995 from the business rate pilot monies in 2018/19 in a reserve that if necessary this investment could be written off against.

Discussions included:

- Concerns over risk and whether ratepayers would be happy with this
- The social benefits outweigh the risk
- This was a mutual bank who would also be looking at private investment rather than just local authorities
- Many market towns across the district now did not have a bank
- Branch networks were costly and risky
- Some banks now allow cheques to be paid in through the use of their apps
- Funding should come from Revenue or Investment accounts of the Council not business rates as a Social and Environmental issue
- Many people cannot access mobile banks hence the need for a new bank
- This was offering a face to face service which traditional banks were lacking. Banks need to support small businesses
- People need to access their revenues and benefits – not everyone could have a bank account as they did not meet the criteria
- Could this be used by the Council as its own bank?
- This would help all people

### **RECOMMENDED:**

1. that an investment of £49,995 to support the formation of South West Mutual with the equivalent sum to be set aside in a reserve from the 2018/19 business 100% rate pilot gain, in order to back the investment risk, be agreed and,
2. *(If 1 approved)* Delegated authority be given to the Strategic Lead for Finance to conclude the ordinary share acquisition.

### **REASON:**

The reasons and purpose of setting up a South West Mutual Bank meets a number of priorities in the Council's Plan, included within encouraging communities to be outstanding and developing an outstanding local economy.

**Attendance List**

**Present:**

**Portfolio Holders**

I Thomas  
P Skinner

D Barrow  
I Chubb

A Dent  
P Diviani

J Elson

M Hartnell  
T Wright

**Cabinet apologies:**

G Pook

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

Bruce de Saram  
Pauline Stott  
Susie Bond  
Roger Giles  
Steve Hall  
Tim Dumper  
David Barratt  
Mike Allen  
Eleanor Rylance  
Andrew Moulding  
Eileen Wragg  
Paul Carter  
Maddy Chapman  
Peter Faithfull  
Rob Longhurst  
Megan Armstrong  
Steve Gazzard  
Geoff Jung  
Brian Bailey  
Marianne Rixson  
Cathy Gardner

**Also present:**

**Officers:**

Mark Williams, Chief Executive  
Richard Cohen, Deputy Chief Executive  
Simon Davey, Strategic Lead Finance  
John Golding, Strategic Lead Housing, Health and Environment  
Henry Gordon Lennox, Strategic Lead Governance and Licensing  
Charlie Plowden, Service Lead Countryside and Leisure  
Tim Child, Senior Manager Property and Estates

Chris Woodruff, East Devon AONB Manager  
Amy Gilbert-Jeans, Acting Service Lead Housing  
Amanda Coombes, Democratic Services Officer

**Officer apologies:**

Karen Jenkins, Strategic Lead Organisational Development and Transformation

Chairman .....

Date: .....





**Report to:** Cabinet

**Date of Meeting:** 6 March 2019

**Public Document:** Yes

**Exemption:** None

**Review date for release:** None

**Agenda item:** To be completed by Democratic Services.

**Subject:** Exmouth Queen's Drive – Watersports Centre Development

**Purpose of report:** To advise Cabinet of the latest position on the development of the Watersports Centre on Exmouth seafront and seek approval of the terms of variation to the completed Development Agreement and delivery timescale negotiated between the Council and Grenadier Estates.

This is a late report. The timing is necessitated by the negotiation process between the council and Grenadier Estates having reached a satisfactory conclusion as late as Monday 4 March 2019. Officers are conscious of members' concern to see outstanding conditions resolved and therefore would like Cabinet authorisation to complete the agreement promptly. This also allows Grenadier to finalise their construction contracts and mobilise in readiness for a prompt start on site once the new road and car park are completed in June 2019.

**Recommendation:**

- 1. Cabinet authorises the revisions to agreement as detailed in this report together with related consequential and minor amendments**
- 2. Cabinet authorises the Deputy Chief executive to complete the revisions to the Development Agreement contemporaneously with Grenadier confirming discharge of the conditions precedent.**

**Reason for recommendation:** With cabinet agreement the Council and Grenadier Estates can conclude all outstanding matters and confirm the timescale of investment in and delivery of the Watersports Centre, associated leisure and retail uses and a new public space on Exmouth seafront.

This will enable the Watersports Centre site development to begin in summer 2019 with a view to completion within 12 months following the council's completion of the new road and car park in June 2019.

**Officer:** Richard Cohen [rcohen@eastdevon.gov.uk](mailto:rcohen@eastdevon.gov.uk)  
Deputy Chief Executive

**Financial implications:** The proposed agreement in this report mitigates against the risk of additional financial costs arising from delays proceeding to the development of the Watersports Centre. Additionally, it should be noted that the proposed use of the revenue from the 37 public car park spaces will bring forward the timescale for the realisation of a

community benefit, but does not provide a direct financial return to the Council. Members will need to agree to this approach.

**Legal implications:** Legal Services have been involved in the ongoing negotiations relating to the Deed of Variation which will vary the Development Agreement and the subsequent Lease thereby enabling the development of the Watersports Centre to be agreed and delivered. Legal advice is that the Council can enter into a Deed of Variation that must be contemporaneous with the completion of the conditions outstanding under the First Conditions Precedent.

This ensures that Grenadier Estates are legally committed to taking the Lease once the Council's road and car park works have been completed (this is the Second Conditions Precedent).

**Equalities impact:** Low Impact

**Risk:** Medium Risk

The council and Grenadier have agreed outstanding matters including arrangements for public car parking on the site, delivery of the beach access ramp and delivery timescale.

EDDC will complete the new road and car park in June 2019 enabling Grenadier to get on site therefore risk will then transfer to their role in developing the site and delivering the buildings and public realm for phase 2.

**Links to background information:** None

**Link to Council Plan:** Developing an outstanding economy  
Developing an outstanding environment

## Report in full

As part of the phasing of development and in keeping with the original master plan, Grenadier Estates was selected to deliver the Watersports Centre element of the master plan vision on the Queen's Drive site. Cabinet has previously agreed Head of Terms with Grenadier Estates regarding delivery of a water sports centre. The Council entered into the Development Agreement with Grenadier Estates on 23rd August 2017. This Agreement committed Grenadier and the Council to complete certain conditions precedent in a set order. The first of these was that Grenadier should secure a detailed planning permission which they did in June 2018.

On 31 October 2018 Cabinet agreed to commence the construction of the new road and car park on Queen's Drive to make way for the follow-on development of the Watersports Centre and associated mix of food and drink, retail and a new seaside public space joining the development to the beach.

This commencement of works was approved so as to ensure that the works were done as early as possible to avoid or minimise disruption in the holiday season, recognising the danger of delay and cost overrun in the full knowledge of the risk associated with Grenadier Estates, at that time, not having complied with all conditions precedent nor having committed to delivery.

Since the commencement of the new road and car park construction the council has been in negotiation with Grenadier Estates to resolve outstanding matters in relation to the existing Development Agreement so that Grenadier can confirm satisfaction of the conditions precedent

and can get on site smoothly after Phase 1, the new road and car park, are completed. During this time Grenadier has announced that the development will include a food and drink offer by Michael Caines and the water sports activities will be operated by Edge Watersports.

Grenadier have separately been pursuing an appeal against the Community Infrastructure Levy (CIL) sought by the East Devon Planning Authority for the development following the grant of their planning permission. This has been a reason why further progress on concluding outstanding conditions precedent to the Development Agreement has not moved as swiftly as the council (as landowner) had hoped. Grenadier have succeeded in their appeal and the outcome is that this development will not be subject to a CIL charge. Grenadier are now focused on concluding all the conditions precedent and determining their development timetable. The conclusion of the CIL appeal process has assisted in moving forward the finalisation of conditions precedent to allow Grenadier and EDDC to reach agreement and the Watersports Centre development to start.

The following are the details of remaining conditions that officers feel have now been resolved satisfactorily with Grenadier which will mean that Grenadier will confirm that conditions precedent have been satisfied and take the lease from EDDC thereby allowing the development to begin:

1. **Development Timetable** – EDDC have negotiated that the target date for completion of development will be one year from the granting of a lease. It was originally set at four years. With the approval of this report and recommendations Grenadier estates have confirmed their willingness to commence construction this summer with a view to the Watersports Centre being operational before summer 2020.

This one year timetable carries with it a force majeure clause which allows for a longstop date of three years from grant of lease. This is a reasonable and usual condition in that, worst case scenario, were the construction to suffer a certain event such as fire or severe storm damage then further time would be needed to recover and complete the project.

The target and longstop dates are a significant shortening and improvement on previous timelines for start and completion of construction.

2. **Public Car Parking** – In the original agreement with Grenadier Estates the design was for a larger built development with less parking and with the spaces specific to staff and centre users. As the design has evolved and in response to public consultation, circa 37 public car park spaces have been designed into the site. Negotiation has been ongoing regarding the nature of the parking spaces, their management and the use of the revenues generated from charges.

The outcome, which is satisfactory to the council, is that the revenues from parking charges will initially go to pay off the capital investment into the project by Grenadier (and only to Grenadier) along with other revenues from the operation of the Watersports Centre. This will be for a number of years until such time as the capital investment is repaid. After that the revenues will go to the Community Interest Company (CIC) running the Watersports Centre and wider facilities. This means that revenues will then be able to be invested in community benefits determined by the CIC.

With the parking charge revenue helping to meet the repayment of investment Grenadier Estates have calculated that the receipts will enable the repayment period to reduce from 15 to 12 years. In other words the CIC will take over the head lease of the Watersports Centre and financial control and will be able to begin investments of community benefit three years earlier. After the final repayment is made then parking charge revenues along with other revenues will be available for the CIC to control and invest to local benefit. In addition, it has been negotiated that any element of the agreement that could have given Grenadier a right to assign the lease to someone other than a group company or the CIC has also been removed to provide additional protection for the income generated.

The user clause is being varied to allow pay and display. We as the council can if we wish negotiate to manage the car parking, although as this is outside the scope of this report this will need to be done separately.

3. **Beach Access** – Aligned with the development of the Watersports centre is the need for the construction of a ramp to enable access to the beach for water sports participants and their equipment. This has been the subject of negotiation with Grenadier within a beach access agreement.

It was intended that there would be a separate Beach Access Agreement which would facilitate Grenadier's construction of the Beach Access Ramp, however the Council's lawyers have suggested that as the ramp is to be built outside of land that is being demised to Grenadier that it would be preferable to deal with it by way of a variation to the Development Agreement and the lease that is to be entered into.

Negotiations to agree the wording have now concluded and, subject to Cabinet's approval, Officers would like to be able to complete the outstanding documents as soon as possible.

The agreed provisions in respect of the Beach Access Agreement mean that there are no significant changes to what was intended previously. Grenadier have agreed to bring forward the date by which it is required to deliver the ramp. This has been brought forward to 12 months from the date that the lease is completed (as opposed to 14 months from practical completion of the Watersports Centre). Also the longstop date for delivery of the ramp has been brought forward to 2 years from the date that the lease is completed rather than 2 years from practical completion of the Watersports Centre. This ensures that the overall development will be brought forward in a timely manner and the ramp linking the Watersports Centre to the beach will not be delayed.

4. **Other matters relevant to satisfying conditions precedent that have been resolved / addressed but which require formal written confirmation:**

- i. Highways agreement– this has been completed
- ii. Site surveys – Grenadier have confirmed that the outcomes of surveys are satisfactory
- iii. Potential for legal challenge – Grenadier have assured themselves and EDDC on the acceptability of any risk in this regard

### **Completion of documentation**

It is important that Cabinet considers and decides on the recommendation to enable ourselves and Grenadier Estates to conclude variations to the Development Agreement on the basis of the details described in this report. Time is pressing and the Council has been keen to make progress and see the Watersports centre and further development happen. The variations to the Development Agreement will be concluded contemporaneously with Grenadier confirming satisfaction of the conditions precedent which will ensure that they are bound to take the lease of the site when the road and car park works are completed.

### **Conclusions**

The council is on target to complete the new road and car park by 19 June 2019. Once the council's road and car park works are completed then under the revised Development Agreement Grenadier Estates will be required to accept the lease for the Watersports Centre site from the council within five working days.

This timeline will allow Grenadier, who have entered a pre-construction service agreement with their preferred contractor, to finalise contracts and to get on site and build out in time for the summer season of 2020. This is an especially important timeline for their tenants who, having invested in their new premises, will be business planning and expecting to be up and running in time to make the most of the high season. For EDDC a timeline that involves the Watersports

Centre in place by summer 2020 also assists in our timing for delivery of Phase 3 development on the current Queen's Drive Space and Harbour View sites.

It is important to maintain momentum on Queen's Drive especially once Phase 1 (road and car park) is complete and Phase 2 (Watersports Centre) is underway. Temporary uses will maintain vitality on the seafront for summer 2019 and our work with Hemingway Design and Lambert Smith Hampton on phase 3 will bring forward a mix of long term uses for consideration and consultation in the next few months. Phase 1 will be finished in June and, as detailed above, we expect Phase 2 to get underway in the summer. Phase 3 plans will be moving forward. The new future for Queen's Drive and Exmouth's brighter offer to its visitors and townspeople is moving forward.

## EAST DEVON DISTRICT COUNCIL

### Forward Plan - For the 4 month period: 1 April 2019 to 30 July 2019

This plan contains all **the (i) important decisions that the Council 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 are shown with a Y in the Key Decisions column.**

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 plan also identifies Key Decisions which are to be considered in the private part of the meeting (Part B) and the reason why. Any written representations that a particular decision should be moved to the public part of the meeting (Part A) 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.**

#### **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) or by calling 01395 517546.

<b>Decision</b>	<b>Relevant Officer</b>	<b>Other meetings where the matter is to be debated / considered</b>	<b>Cabinet meeting date</b>	<b>Council Meeting date (where decision is required by Council)</b>	<b>Key decision (Y/N)</b>	<b>Part A = Public meeting Part B = private meeting [and reasons]</b>
Delivery of Cranbrook Town Centre	Deputy Chief Executive		Cabinet 3 April 2019	Council 24 April 2019	N	Part A
Heart of the South West Productivity Strategy	HotSW Joint Committee		TBC			
Seaton Seafront	Deputy Chief Executive	Asset Management Forum 29 November 2018	TBC		N	Part A
Beer Pilot	Deputy Chief Executive	Asset Management Forum	Cabinet TBC	Council 24 April 2019	N	Part A

**Report of a Meeting of the Community Fund Panel held at Knowle, Sidmouth on 5 February 2019**

**Present:** Councillors:  
Dean Barrow (Chairman)  
Paul Carter  
Geoff Jung  
David Key

**Also present:** Jamie Buckley, Engagement and Funding Officer  
Chris Lane, Democratic Services Officer

**Apologies:** Councillor:  
Douglas Hull  
Marianne Rixson

The meeting started at 9:00am and ended at 9.35am.

5 **Notes of Meeting held on 13 August 2018**

The notes of the meeting held on 13 August 2018 were accepted as a true record.

6 **Eligibility Criteria for Crowdfund East Devon**

The Engagement and Funding Officer reported on the eligibility criteria for the Crowdfund East Devon pilot 2018/2019.

During discussions the following points were raised:

- Crowdfund East Devon funding is now live.
- There would be a workshop in the Council Chamber at Blackdown House on Wednesday 13 February between 4-7pm on Crowdfund East Devon. 30 voluntary and community groups had already agreed to attend, along with Council Officers and representatives of Crowdfund UK. The Engagement & Funding Officer agreed to send an email inviting all Panel members to this event.
- Crowdfund UK was a company commissioned by Devon County Council (DCC), Police, EDDC and other district councils to run Crowdfund Devon.
- Applicants for funding should go to the Crowdfund UK website and fill in the application form.
- Projects must meet a criteria where 75% of the benefits are to communities and people within East Devon.
- If a crowdfunding applications full fund raising goals were not met then funding would not be released.
- Applications for Crowdfund East Devon finished at the end of April.
- Those eligible could apply for a maximum of 50% of total project costs, with a minimum of 50% of total project costs being funded from elsewhere.
- Those eligible could apply to Crowdfund East Devon for a minimum of £2,000 and a maximum of £10,000.

**RESOLVED** that the eligibility criteria for Crowdfund East Devon as presented in the report, be noted.



7 **Brief Guidance Notes for Councillors**

The Engagement and Funding Officer reported the guidance notes for reference were as follows:

- If the project meets the eligibility criteria it should be approved and then funded. There may be very rare cases when the Panel decide that something that seems to meet the eligibility criteria shouldn't be funded, clear reasons for this would need to be recorded.
- Due to the timescales need for crowdfunding to work, decisions need to be made within a week to ten days. We have authority from the Council to make decisions by email in this case. Please respond to emails asking for your decisions as soon as you can but within a week to ten days.
- The funding is allocated on a first come first served basis, once, and if, its run out Crowdfund East Devon would close.
- To make this a success we need applications. Please publicise this funding as far and wide as you can within your Wards, to your town and parish councils and fellow Councillors.

8 **Date of Next Meeting**

Monday 4 March 2019 at 10am in the Axe Meeting Room, Blackdown House, Honiton.

**EAST DEVON DISTRICT COUNCIL****Minutes of a meeting of the Standards Committee held at Knowle, Sidmouth on Tuesday, 22 January 2019****Attendance list at the end of the document**

The meeting started at 10.00am and ended at 11.15am

**7 Public speaking**

There were no questions asked.

**8 Minutes**

The minutes of the meeting of the Standards Committee held on 14 August 2018, were confirmed and signed as a true record.

**9 Declarations of interest**

There were none.

**10 Review of Members Code of Conduct and Complaint Procedure**

The Committee considered the report of the Monitoring Officer, which reviewed the suitability of the Member's Code of Conduct and the Complaint Procedure.

Discussion included the following points:

- Did the Monitoring Officer have training on the way cases were interpreted? Yes there was regular training for Monitoring Officers.
- Concern that electronic communication was not specifically mentioned in the Members Code of conduct. It was noted that the Code covers social media, but it was accepted that a reference should be made in the Code which made it clear that it also covered social media. This would be actioned in May's annual changes.
- There was also some concern expressed over the use of private email addresses for town/parish council business.
- Gifts & Hospitality would form part of the introduction of Modern.Gov, whereby Councillors would be able to update their own Gifts & Hospitality online. The Monitoring Officer would make an annual report to the Committee on Gifts & Hospitality.
- It was not possible to require Councillors to complete a DBS check, but it should be good practice for all Councillors to complete a form after the May elections.
- There had been inconsistent messages from the Crown Prosecution Service about whether there had been criminal conduct and so this was still a matter for interpretation by the Monitoring Officer as to whether to refer matters. It was noted that individuals could still refer matters even where the Monitoring Officer had chosen not to.
- A question regarding how to deal with misinformation given out on social media.
- Councillors close family members were still included within the Code of Conduct scheme.
- Changing the title to make it clearer that it was Councillor complaints.
- A procedure form for dealing with complaints as a standard way of proceeding would be completed and referred to the Committee for their discussion at a future meeting.

The Chairman thanked the Monitoring Officer for his report.

**RESOLVED:**

1. that the Member's Code of Conduct remains fit for purpose but noting the need to include reference to social media in the changes to the Constitution presented to Annual Council.
2. that the revised Complaints Procedure at Appendix A be adopted, subject to the points raised above.
3. that the issue of Gifts & Hospitality be the subject of an annual report to the Committee by the Monitoring Officer.
4. that the Monitoring Officer prepare a new complaints form and report it to a future meeting of the Committee for approval.

11 **Review of Code of Conduct for Employees and Protocol for Relationships between Members and Officers**

Members noted that the Council regularly reviews the policies, codes and procedures that govern the way it operates. The report focused on two such documents being 1. The Code of Conduct for Employees and 2. Protocol for Relationship between Members and Officers. As both of these documents form part of the council's Constitution they could only be amended, if required, by Full Council.

The Code of Conduct for Employees governs how staff must conduct themselves when working for the Council. It was a condition of employment that they adhere to this Code. The employee code was updated in May 2018 to include reference to the Nolan principles and to make the requirements in respect of gifts and hospitality clearer and more robust. This was following recommendations from the Serious and Organised Crime Audit (Sept 17). Requirements in respect of register of interests had also been updated to reflect current practice. There had been no reported issues which would suggest that the Code was defective or ineffective at this time.

The Protocol for Relationship between Members and Officers governs the way Members and Officers interact when carrying out their respective roles and governs a fairly wide range of topics. As with the Code of Conduct for Employees there had been no reports issues or incidents that would suggest that this protocol was ineffective or defective at this time.

There have not been any national changes that would necessitate any changes being made to either the Code or Protocol. Accordingly the recommendation is that the Code and Protocol are fit for purpose and left unchanged with a further review in three years' time, unless required earlier.

**RESOLVED:** that Members agree that the Code of Conduct for Employees and Protocol for Relationship between Members and Officers are considered fit for purpose.

12 **Code Complaints update (1 May 2018 – to date)**

The Committee considered and noted the report of the Monitoring Officer, which provided an update for the Committee on new Code related cases received since 1 May 2018.

**RESOLVED:** that the report be noted.

13 **Increasing Town and Parish Council Engagement on the Code of Conduct**

The Committee considered the report of the Monitoring Officer, which addressed the issue of whether it was possible to improve engagement on Code of Conduct matters and whether they would be effective and a good use of resources.

Members accepted that the following would be good steps to undertake in future:

- a. Training to be offered after each regular election- this repeats what has been done previously. As preparation is carried out any way for the training to be provided to the district councillors, this is a relatively easy route to deliver training to those who are new and/or who want to better understand their role. The time spent is relatively small. It would be possible to consider further training on a biannual basis so that there is effectively a 'refresher' half way through but which also provides an opportunity for Councillors elected/co-opted after the regular election to attend.
- b. Attending the annual meeting of clerks. This was mentioned at the last meeting and it is agreed that this would be a useful way of liaising with the clerks to raise the profile of the code of conduct and to answer questions and seek their views on what they consider could be done to improve engagement. Unfortunately the annual meeting this year (2018) did not go ahead and is intended to be held in June / July after the election.
- d. Identify 'problem' councils and target training – this would be aimed at those councils where there are issues in relation to the behaviours of their councillors. This is likely to be a more beneficial use of resources and will target those where clearly there are issues that need to be addressed.
- e. Regular communications to the town / parish councils and clerks – this could include recent examples of cases considered by the Monitoring Officer (on a 'no-name' basis) and the issues they raised, identify good practice, highlight interesting cases from the courts and provide general useful tips and guidance.
- f. Liaising with other Monitoring Officers to share experiences and to learn what engagement tools they use, if any.

Discussion included the following points:

- Code of Conduct training was not mandatory for town/parish councillors.
- Improving training for Clerks was also a good way forward.
- Ward members organising a biannual conference amongst their parish councils could also be a good way forward.
- It was considered that Step c, which was attending town/parish meetings after the election/throughout the 4 year period, would not be a good way of using scarce staff resources and could not be recommended as a way forward.

**RESOLVED:**

1. that the content of the report be noted
2. that steps a, b, d, e and f, as above be taken to increase engagement on Code of Conduct matters.

14 **Forward Plan**

The Committee noted the contents of the Forward Plan and future meeting dates.

**Attendance list**

**Present:**

Councillors:

Andrew Moulding (Chairman)

Susie Bond

Graham Godbeer

**Co-opted non-voting members:**

Martin Goscomb, Co-opted Independent member

Frances Newth, Co-opted Parish/Town Council member

Bob Nelson, Co-opted Parish/Town Council member

**Also present:**

Alison Willan, Independent Person

**Councillors:**

Roger Giles

**Apologies:**

**Councillors:**

Douglas Hull

Stuart Hughes

Dawn Manley

Tim Swarbrick, Co-opted Independent member

**Officers:**

Henry Gordon Lennox, Monitoring Officer and Strategic Lead – Governance & Licensing

Chris Lane, Democratic Services Officer

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

**Recommendations for Cabinet that will resolve in an action being taken:****Scrutiny Committee on 7 February 2019****Minute 45 East Devon Public Health Strategic Plan 2019/23****RECOMMENDED**

1. Would like to thank the Public Health Project Officer for the excellent work being undertaken and supported by colleagues across the Council, and to endorse the East Devon Public Health Strategic Plan 2019-23,
2. Seeks to support the intention in the Plan to cover all areas of East Devon district
3. Encourages improvements to communications with Town and Parish Councils in disseminating public health messages, including increasing the use of social media
4. Requests that the MECC training programme is offered to all EDDC Councillors to help disseminate key messages about Health and Wellbeing in local communities
5. Encourages greater use of Social Prescribing and healthier lifestyles, via Leisure East Devon (LED) and community led initiatives

**Minute 50 Scrutinising the Portfolio Holder decision regarding a Discretionary Home Stay Grant repayment****RECOMMENDED**

1. In all future cases the Legal Services Team should be involved
2. In considering future applications, more and fuller information must be provided to the Portfolio Holder
3. Having examined this case, the Scrutiny Committee are concerned that the call-in period is too short and would ask Cabinet to consider recommending to Council that the constitution be amended to extend the call in period from 5 days to 10 days
4. An appeal panel to be set up for post decision appeals.

## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of a meeting of the Scrutiny Committee held at Knowle, Sidmouth on 7 February 2019**

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

The meeting started at 5.30pm and ended at 7.56pm.

#### **41 Public speaking**

There were no members of the public present.

#### **42 Minutes**

The minutes of the Scrutiny Committee held on the 22 November 2018 were confirmed and signed as a true record.

#### **43 Declarations of interest**

Councillor Jill Elson – Minute 45, East Devon Public Health Strategic Plan

Type of interest – Personal interest

Reason – Chair of Exmouth Community Transport

All Councillors present – Minute 46, EDDC Relocation – Knowle Contents Disposal

Type of interest – Personal interest

Reason – Potential interest in bidding for items available

Councillor Andrew Moulding - Minute 46, EDDC Relocation – Knowle Contents Disposal

Type of interest – Personal interest

Reason – Has placed a bid for items available

Councillor Andrew Moulding - Minute 50, Scrutinising the Portfolio Holder decision regarding a Discretionary Home Stay Grant repayment

Type of interest – Personal interest

Reason – Son had been in receipt of a Discretionary Grant

#### **44 Exclusion of the public**

There was one item that officers recommended should be dealt with in this way.

#### **45 East Devon Public Health Strategic Plan 2019/23**

Following consideration of the Public Health Strategic Plan for 2019-2023 by Cabinet on 2 January the Chair of Scrutiny Committee had requested that the document should also be considered by Scrutiny Committee on 7 February.

The strategic aims of the Plan are to help more people to be healthy and stay healthy, to enhance self-care and support community resilience, and to integrate and improve support for people in their homes.

John Golding, Strategic Lead for Health, Housing and the Environment, stated that this work was regarded as core business, with a whole range of Health and Well-being aspirations and activities enshrined in the Council Plan and throughout Service Plans. Public health is an umbrella term for a whole range of East Devon District Council (EDDC) services, from health & safety at work to the provision of nature reserves; from running volunteering events to food hygiene inspections; improving housing conditions to community development; waste collection to leisure provision.

In a multi-disciplinary approach, teams across the Council including Housing, Planning, Countryside and Environmental Health worked together with partners to combat inequalities and encourage healthier lifestyles. EDDC has sought effective and creative ways of achieving this within existing resources.

The Plan sets out the evidence base for this work and is part of a bigger picture, reflecting public health priorities identified nationally and regionally.

A function of the Public Health Intelligence team at Devon County Council is to provide analysis and interpretation of health service data to help develop understanding of the health challenges in local communities. They collate data from many sources annually into the Devon Joint Strategic Needs Assessment [JSNA], showing what is harming the health of the people and therefore indicating what it might be possible for EDDC to do to improve that situation. EDDC officers have liaised with that team, and used this and other evidence e.g. from NHS and Public Health England sources, to create the East Devon Plan, using the best available information at the time.

Comments and discussion included the following;

Loneliness was referred to in the report. The question was asked about what the Council was doing about this, to which the response was that it was difficult to capture loneliness statistically and that many assumptions are made about it, so one of the ways of tackling it is by providing a range of activities which can be accessible to as many as possible across the district.

The plan could be regarded as being urban-centric and not tackling rural isolation - Officers stated that efforts would be made to work across the whole district but with particular focus in priority communities as identified through liaison with public health colleagues at Devon County.

Reference to Parish and Town Councils appear to be missing, but activities could be linked to village halls and community centres - Officers pointed out that there was a broad range of suggestions included in the plan, and local councils could easily be engaged. Spreading ideas and facilitating others to do more locally rather than paying for EDDC staff to undertake activities directly would be a way to achieve more through limited resources.

Officers stated that EDDC has a responsibility to consider health and wellbeing in all council activities, and the Public Health Strategic Plan demonstrates how this can be achieved within current resources.

Two aspects in particular, social prescribing and Making Every Contact Count (MECC) are examples of ways in which any of the local public health priorities can be met, aligned with wider-Devon strategic themes of:

- i. Enabling more people to be healthy and stay healthy
- ii. Enhancing self-care and community resilience
- iii. Integrating and improving support for people in their homes.

MECC is a Sustainability & Transformation Partnership (STP) funded programme and MECC training gives participants the confidence and skills to use brief day-to-day conversations to support people in making positive changes to their lifestyles. The MECC training programme is intended for individuals in public-facing roles e.g. professional staff and community group leaders and Council Members may also wish to consider doing a day's training on it themselves.

Members referred to initiatives such as 'Villages in Action', and activities organised by Leisure East Devon (LED) aimed at getting local people involved, and 'Tri-hards', which was a community led initiative in Exmouth.

The Portfolio Holder for Sustainable Homes & Communities, Councillor Jill Elson, congratulated the Public Health Project Officer for her work and also commented that Devon



County Council (DCC) were one of the few County Councils to continue to support Community Transport.

A member expressed a view that the district was dominated by the coastal strip rather than the rural hinterland and northern boundary - Officers responded by stating that the strategy is aimed at covering the whole district and would not just focus on the five priority areas referred to.

A member expressed concern that drugs were omitted from the strategy, yet there appeared to be a disproportionate number of drug related deaths in Exmouth, and was not convinced that relevant organisations involved are effective - Officers confirmed that this was a Community Safety priority, and liaison was also taking place with DCC to progress matters.

A member asked whether the role of the Public Health Project Officer role dealt with a budget. John Golding confirmed that there was a budget which covered the officer's salary but not project work. This was within the Environmental Health budget whilst project costs are covered in service budgets. Although it is a big agenda, there is sufficient budget at present to achieve a lot of the identified priorities.

Another question from members related to whether there was a mismatch between the aims of the strategy and what is available with the budgets available. John Golding responded that the budgets available will make a huge difference to people's lives.

The Chairman referred to receiving an email received from a Community Development worker who was in support of the Committee considering these important issues, but who could not attend the meeting. He went on to state that there were no external bodies present at the meeting, such as the Clinical Commissioning Group (CCG), and asked whether there were any difficulties in working with partners - Officers confirmed that they had been liaising with the Sustainability & Transformation Partnership (STP), and can see opportunities for how the role of EDDC and other districts can evolve within this partnership.

Andrew Moulding confirmed that the budgets relating to this work were largely with DCC, with whom EDDC are liaising. The Council's focus should be to focus on preventative aspects of ill health through its work undertaken e.g. via housing and leisure centres.

**RECOMMENDED** to Cabinet

That this Scrutiny Committee;

1. Would like to thank the Public Health Project Officer for the excellent work being undertaken and supported by colleagues across the Council, and to endorse the East Devon Public Health Strategic Plan 2019-23,
2. Seeks to support the intention in the Plan to cover all areas of East Devon district
3. Encourages improvements to communications with Town and Parish Councils in disseminating public health messages, including increasing the use of social media
4. Requests that the MECC training programme is offered to all EDDC Councillors to help disseminate key messages about Health and Wellbeing in local communities
5. Encourages greater use of Social Prescribing and healthier lifestyles, via Leisure East Devon (LED) and community led initiatives

**46 EDDC Relocation – Knowle contents disposal**

East Devon District Council is in the final stages of leaving its Sidmouth offices in the Knowle Park and moving to Blackdown House in Honiton. Staff will move from Sidmouth to Honiton

in three phases completing on 11 February 2019 when the Honiton office will be fully operational.

The council intends to hand over the Knowle at the earliest opportunity to PegasusLife so that they can pay the purchase price and commence their preparations for demolition and redevelopment. Prior to handover the council needs to clear the building once staff have departed.

In May 2018 the Strategic Management Team (SMT) started to oversee clearance arrangements with the detail to be worked out by the Relocation Team. Options were investigated for disposal and reported back to SMT in September 2018 with enquiries having been made of a range of potential interested parties to test interest. These included local auction houses, clearance specialists, 2<sup>nd</sup> hand furniture sellers and some not for profit groups and charities that sold on used furniture.

An opportunity was offered at SMT's behest for council staff and members to bid for items that had been attributed little or no sale value by the various professional auctioneers and ranged from standard office furniture items to cupboards, upholstered furnishings, tables, curtains for example. This element of the disposal process is likely to raise approximately £2,000 for the Chairman's chosen charities.

Members queried why an explanation about the process for disposal was not given to members before they were invited to bid for items. The Deputy Chief Executive explained that a process had been followed to ensure that all items could be disposed of in a proper manner which could, for example, generate income, or go to other local councils, such as fireplaces being offered to Sidmouth Town Council, a clock going to Honiton Town Council amongst others.

When the council has vacated the Knowle the Relocation Team will write out to town and parish councils with the remaining list to ask whether they have an interest in any items with the requirement that they transport items away themselves. Councils will also be asked if they are aware of and can contact local voluntary and charitable groups that might also be interested. Depending on the level of response the Relocation Team will arrange an open day, viewings or similar scale of access.

Members asked if a definitive list of items for disposal exist, since members have not seen one. The Deputy Chief Executive confirmed that he would ensure that a list was circulated to members.

**RECOMMENDED** to the Strategic Management Team

"That the Scrutiny Committee politely reminds the Strategic Management Team to always consider public perception of actions taken, particularly concerning the disposal of public assets."

#### **47 Joint Overview and Scrutiny Committees' meeting on 16 January**

Members of the Overview and Scrutiny committees met on 16<sup>th</sup> January 2019 to consider the Draft Revenue & Capital Budget 2019/20, and associated Draft Service Plans 2019/20, in line with the Council's Constitution (Part 2, Article 7). Recommendations were proposed separately for each committee.

The minutes of the Joint Overview and Scrutiny Committees' meeting held on 16 January were confirmed and signed as a true record by Scrutiny Committee members, from a Scrutiny Committee perspective, on the basis that this is unlikely to be done at the start of the next Joint Meeting in 2020 with potentially different councilors present. Overview Committee members will be requested to do likewise at their next meeting.

#### **48 Scrutiny forward plan**

Members confirmed that following the referral from Development Management Committee (DMC) on issues involving South West Water (SWW), they remain keen to extend an invite from the Scrutiny Committee to a representative to attend a future meeting. SWW will be asked to attend in March or April.

In relation to Fly Tipping, Councillor Rylance confirmed that she has been waiting for more information from Streetscene about this and had approached Cllr Tom Wright, specifically about per incident costings. He had informed them that this data would become available over a period of time, and so members confirmed that they would now like to invite Councillor Wright to attend the meeting in March to provide this information.

In relation to Broadband, and given the highly critical email circulated recently about Gigaclear, it was agreed to invite Gigaclear and CDS to attend one of the next two meetings to discuss issues relating to coverage in rural areas and also mobile phone coverage.

#### **49 Exclusion of the public**

That under Section 100(A) (4) of the Local Government Act 1972 and in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public (including the press) be excluded from the meeting as exempt and private information (as set out against each Part B agenda item), is likely to be disclosed and on balance the public interest is in discussing the items in private session (Part B).

#### **50 Scrutinising the Portfolio Holder decision regarding a Discretionary Home Stay Grant repayment**

This item was to provide all information on a particular case to both the Portfolio Holder who made the decision and to the subsequent Councillors queries so that the committee could scrutinise the Portfolio Holders decision. The report contains the Portfolio Holder report and subsequent documents clarifying the queries made. The report also contains the relevant information regarding the Home Stay Grant provisions and the Grant Conditions.

#### **RECOMMENDED** to Cabinet

That;

1. In all future cases the Legal Services Team should be involved
2. In considering future applications, more and fuller information must be provided to the Portfolio Holder
3. Having examined this case, the Scrutiny Committee are concerned that the call-in period is too short and would ask Cabinet to consider recommending to Council that the constitution be amended to extend the call in period from 5 days to 10 days
4. An appeal panel to be set up for post decision appeals.

The Chairman said that this was the last of very many meetings to be held at The Knowle since the inception of EDDC on 1 April 1974. He thanked officers, past and present, for their invaluable help in that time.

The Chairman closed the meeting at 7.56pm.

**Attendance list (present for all or part of the meeting):**

**Scrutiny Members present:**

Maddy Chapman  
Cathy Gardner  
Roger Giles  
Simon Grundy  
Stuart Hughes  
Val Ranger  
Marianne Rixson  
Eleanor Rylance  
Eileen Wragg

**Other Members**

Susie Bond  
John Dyson  
Jill Elson  
Andrew Moulding

**Officers present:**

Richard Cohen – Deputy Chief Executive, Development, Regeneration & Partnerships  
John Golding – Strategic Lead – Health, Housing and Environment  
Andrew Ennis – Service Lead – Environmental Health & Car Parks  
Helen Wharam - Public Health Project Officer.

Meryl Spencer – Environmental Health Manager (Private Sector Housing)

Anita Williams - Principal Solicitor & Deputy Monitoring Officer  
Sue Howl - Democratic Services Manager

**Apologies from Scrutiny Members:**

Brian Bailey  
Bruce De Saram  
Graham Godbeer  
Cherry Nicholas

**Apologies from Non – Scrutiny Members:**

Mike Howe  
Rob Longhurst  
Brenda Taylor

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

**STRATA JOINT EXECUTIVE COMMITTEE**

Monday 28 January 2019

Present:-

Councillor Peter Edwards (Chair)  
Councillors Christophers and Thomas  
Managing Director Teignbridge District Council, Chief Executive Exeter City Council, and  
Chief Executive East Devon District Council

Councillor Clarence (in attendance for Minute 4).

Also Present

Strata IT Director, Director with Responsibility for Finance, Strategic Lead Finance (East Devon District Council) Head of Security and Compliance, Head of Infrastructure and Support, Head of Business Systems and Democratic Services Officer (SLS)

1 **MINUTES**

The minutes of the meeting held on the 28 September 2018 were taken as read and signed by the Chair as correct.

2 **DECLARATIONS OF INTEREST**

No declarations of disclosable pecuniary interest were made.

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

None.

4 **QUESTIONS FROM MEMBERS OF THE COUNCILS UNDER PROCEDURAL RULES**

The following question was put by Councillor Clarence in relation to IT support.-

Following the Full Council at Teignbridge District Council meeting on 14 January, it was apparent that issuing all TDC Members with a tablet (Apple iPad) after the May 2019 elections was probably not the only IT solution that Members felt would enable them to perform their role as a Councillor. With that in mind do the TDC Executive still wish to pursue this idea or would it simply be better to allow members to function in a number of different ways with those, such as myself, using a laptop, receiving remote help by a member of Strata, with a Member's permission, with a Strata officer taking command of a members laptop remotely and showing him/her what to do? The rationale being a very cost effective way to receive the necessary IT help to function as a councillor.

Councillor Christophers thanked Councillor Clarence for the question, as colleagues at Teignbridge District Council had been working more closely with Strata and it was acknowledged that each of the District Authorities were all at different stages of their convergence journey.

A copy of the question and reply are appended to the Minutes.

**STRATA IT DIRECTOR'S REPORT - OVERVIEW OF STRATA PERFORMANCE -  
PERIOD OCTOBER - DECEMBER 2018**

The Strata IT Director presented the report on the last five months of activity the aim being to provide background to the core areas of specialisation within Strata and identifying key activities, successes and areas for improvement. The report covered Financial Management, Business Change Requests (BCR's) and Projects, Service Desk, Global Desktop Environment and main ongoing corporate projects. Key performance indicators were also provided covering incidents, service requirements, security, problems, and maintenance and business change requests.

He highlighted the following key areas:-

- they were on track to deliver the anticipated savings in excess of £382,000, overachieving against the target by approximately £110,000;
- Strata had nearly completed the City Council's Global Communications roll out to staff, at Exeter City Council and also East Devon District Councils. The project team would commence the roll out at Teignbridge District Council in March 2019;
- an investment in the global desktop had continued with a drive to look at user's email retention to improve the performance of the Outlook application;
- following a successful recruitment, a data analyst has been appointed, one task being to build a corporate dashboard for all three authorities;
- the East Devon new office fit out was on-target with over 200 staff already in place and were all connected to the IT. This had been a huge task and was the result of a phenomenal effort by all concerned;
- the One Teignbridge project had delivered real value with Teignbridge delivering a single sign-on solution to improve the resident's experience online with the authority;
- Modern.Gov was being rolled out to East Devon and Teignbridge Councillors and discussions were underway as to how best the application was delivered and accessed via Councillors whether via iPads or via existing Councillor owned devices;
- Strata was supporting the EX1 project through Environmental Health at Exeter;
- protecting the three authorities from the dangers from cyberattacks continued to be a high priority;
- the Public Services Network accreditation had been achieved for the next 12 months across all three authorities;
- the Annual Strata Conference had been held at the RAMM on 7 December 2018; and
- Strata had applied for Investors in People accreditation and they were currently awaiting the outcome of the process which had included staff interviews. He thanked Members of the Board for their support.

The Strata IT Director and Business Systems Team Lead also updated Members on progress with real time reporting on Business Change Requests (BCR) project status and real time reporting of incidents and problems. They would continue to work on the out of hour's strategy to ensure that any periods of down time were further minimised.

Strata Joint Scrutiny Committee had considered the report at its meeting on 14 January 2019 and its comments were reported.

**RESOLVED** that the report be noted.

6

#### **URL STRATA@4 UPDATE**

The Strata Director had been advised that Tim Gibson, an independent journalist, consultant and academic was invited to provide an independent view of the Strata story so far.

Members were encouraged to study Strata@4, to be found on the Strata web site at: <http://strata.solutions/strata@4/>.

7

#### **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 items on the grounds that they involved the likely disclosure of exempt information as defined in paragraph 3 of Part I, Schedule 12A of the Act.

8

#### **STRATA BUDGETING MONITORING QUARTER 3: 2018/19**

The Director responsible for Finance reported that Strata had been given a total of £6,504,000 to run the IT Services in 2018/19 along with funding for various capital projects. The Strata budget was on track to deliver around £505,000 of revenue savings for the three Councils in 2018/19. After five months, the Board was projecting savings of £504,736 against the total original target of £381,960.

The report also set out variations in the capital budget.

Strata Joint Scrutiny Committee had considered the report at its meeting on 14 January 2019 and its comments were reported.

**RESOLVED** that the report be noted.

9

#### **STRATA BUSINESS PLAN OVERVIEW AND DISCUSSION**

The Strata IT Director presented a draft of the new Strata Business Plan for 2019/20 and beyond, entitled 'The Agent for Change' which was currently being considered by client leads and Chief Executives/Managing Directors of each of the three authorities for review and comment. He sought Member's views and hoped that each of the authorities would be able to offer a complete or partial sign off. The new Business Plan was linked to Strata's overall aim of becoming more customer focused in 2019 to enable the partner authorities to define their Business and IT strategies, including the development of the transformational agenda for each authority and delivery of a cost effective, flexible and reliable modern IT platform with the infrastructure and resources to support these strategies. The Business Plan cycle also included a suggested governance model (subject to discussion) proposed adoption of a funding model and revised savings profile. Detail of the projected finance model had been supplied to the respective finance teams of each Authority. The Strata IT Director responded to a question from Councillor Thomas on the financial base used for savings over the next five years.

The Managing Director Teignbridge District Council indicated that the Authority wished to undergo a fundamental change in its infrastructure capability to enhance access across all services. He reiterated the need to ensure that the IT service met the future requirements of Teignbridge District Council during a significant period of change in its organisational arrangements. He confirmed that whilst they would continue on the convergence journey, he suggested it may be at a slightly different pace. Members agreed that there were many advantages to the convergence

approach with increased compatibility and ability to pick up and run a proper business within the three authorities. The Chief Executive Exeter City Council said that he understood the need to ensure that each authority carried out an exercise to satisfy themselves that the timeline of the convergence approach was appropriate for them. He added that the previous suggestion of a non-Executive Director, acting as a critical friend would be beneficial to the Board.

The Strata IT Director thanked Members for congratulating Strata for its excellent work, and achievements to deliver an innovative and quality service, within a price framework which met the requirements of the constituent Authorities.

Strata Joint Scrutiny Committee had considered the report at its meeting on 14 January 2019 and its comments were reported. Strata Joint Scrutiny Committee in principle supported the draft Business Plan including the capital requirements set out in the report and recommended that the Strata Joint Executive Committee approve the Plan for consideration by the three Councils.

It was agreed that the Leaders and Chief Executive of all three Authorities meet to discuss the convergence specification and timetable further as part of continual review.

10

**COUNCILLOR EDWARDS**

Members thanked Councillor Edwards for his service to the Strata Management Board, and wished him well in his forthcoming retirement as Leader and Member of Exeter City Council.

(The meeting commenced at 5.30 pm and closed at 6.45 pm)

Chair



## **QUESTION RECEIVED for Strata Executive Committee 28 January 2019**

### **Question Received from Councillor Chris Clarence Teignbridge District Council**

Following the Full Council at Teignbridge District Council meeting on 14 January, it was apparent that issuing all TDC members with a tablet after the May 2019 elections may not be the best IT solution to enable Members to function as a Councillor. With that in mind do the TDC Executive still wish to pursue this idea or would it simply be better to allow Members to function in a number of different ways with those, such as myself, using a laptop, receiving remote help by a member of Strata, with a members authority, with a Strata officer taking command of a members laptop remotely and showing him/her what to do? The rationale being a very cost effective way to receive the necessary IT help to function as a councillor.

The Strata Director also sent an email to Councillor Clarence with the detail set out below, and also provided a response at the meeting and in particular in relation to his query on receiving 'remote assistance'. The Head of Infrastructure and Support would investigate that further and seek the views of the team. A separate response would be made to the Councillor.

#### **Councillor IT Support**

As previously outlined at the Joint Scrutiny Committee meeting in September, Strata was able to support Councillor IT on a reasonable efforts basis. Any IT incident (an issue with an element of IT) needs to be raised via the Strata Service Desk (01626 215222). Once raised, an incident will be logged on the Service Desk system and an incident number allocated. The incident will then be passed to a specialist for investigation / resolution / guidance / etc.

There is in place a document entitled the Customer Service Plan, which provides details of the service, how to raise calls, how to escalate calls and how to raise a complaint. There are process flows to show how a call (incident) will be processed.

Strata handle approximately. 1600 calls / incidents / requests for service via the service desk per month at the current time.

There is also in place as part of the Strata Support Service, a 24/7/365 service which enables officers (and potentially councillors) to call Strata anytime night or day if an urgent / emergency situation should arise – with a member of Strata 1<sup>st</sup> line and 2<sup>nd</sup> line staff on call outside of normal office hours (including weekends and bank holidays).

#### **Councillor IT Training**

As discussed at the Joint Strategy Committee / Joint Strata Executive Committee in September 2018, Strata have proposed the introduction of an IT trainer to support both Officers and Councillors across the three partner authorities to boost IT training across all three authorities. A recruitment process is under way. The aim is to provide a multi-faceted approach to IT training, with classroom training, round table training, desk side training, workshops, top tips, 1 2 1's, etc. – it is expected that councillors will also be able to access the training which will be able to be booked via the Strata service desk.

The Strata team are exemplars of a high quality IT service, with highly dedicated staff working to meet the ever increasing demands of the three partner authorities. The IT

landscape is for ever changing and more and more council services are now delivered over IT. This is unlikely to decrease for the foreseeable future. The Strata team are always focussed on doing their best to keep IT systems functioning, whilst protecting the authorities from the ever present dangers of the modern cyber world.

An offer was also made for a 1-2-1 meeting to offer to answer Councillor Clarence any further questions he may have.

Councillor Clarence was also sent a copy of the Strata Customer Services Plan.



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

**Date of Meeting:** 6 March 2019

**Public Document:** Yes

**Exemption:** None

**Review date for release** None

**Agenda item:** **12**

**Subject:** **Future High Streets Fund – Expression of Interest**

**Purpose of report:** To advise members of the detail regarding the government's Future High Streets (FHS) funding opportunity and agree an approach to submitting into the Expression of Interest stage the deadline for which is 22 Mar 2019.

**Recommendation:**

- 1. Cabinet considers the attached FHS Analysis document and comparison of East Devon towns (Annex 1)**
- 2. Cabinet notes the advice from officers regarding Cranbrook and Axminster**
- 3. Cabinet agrees which, if any, town or towns to submit to the FHS Expression of Interest (Eol) process**
- 4. Cabinet delegates authority to the Deputy CEO in consultation with the Portfolio holder for Economy to prepare and submit into the Eol bidding process as specified according to Recommendation 2 above**

**Reason for recommendation:** See report.

**Officer:** Richard Cohen, Deputy Chief Executive [rcohen@eastdevon.gov.uk](mailto:rcohen@eastdevon.gov.uk)

**Financial implications:** There appears to be no direct financial implications of making a bid and no requirements it seems for match funding. There will be officer resources required in preparing the bid and if successful in delivery but these can be considered and costed into the bid.

**Legal implications:** Legal Services have no specific comment to make at this time. Legal Services will be happy to assist further with any advice relating to state aid, land ownership, statutory and regulatory advice etc. as is needed as the project progresses.

**Equalities impact:** Low Impact

**Risk:** Low Risk

This is an expression of interest application seeking revenue funding and external support to develop and take forward an ambitious town centre development strategy

**Links to background information:**

- [Future High Streets Fund: prospectus](#)
- [Future High Streets Fund: application form](#)
- [The High Street Report](#)
- [High Street 2030: Achieving Change](#)
- [High street crisis deepens: 1 in 12 shops closed in five years](#)

- See also links contained within Annex 1

**Link to Council Plan:** Developing an outstanding local economy  
Encouraging communities to be outstanding

**Report in full**

The government has committed to helping more high streets adapt and meet changing consumer expectations. It launched its Plan for the High Street in autumn 2018 with a fund of £675m. This plan includes a cut in business rates by up to a third for a wide range of retail properties for two years, a consultation on planning reform to make it simpler to create more homes, jobs and choice in town centres, and the creation of a High Streets Task Force.

The Future High Streets Fund is part of this plan. It will provide co-funding towards capital projects that bring transformative change. The intention is to bring about the regeneration of town centres through innovative proposals around transport, housing delivery and our public services. The objective of the Fund is to renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability.

The Fund guidance states that the Ministry of Housing, Communities and Local Government ‘**will not accept bids covering town centre areas that are not facing significant challenges**’. They expect places to come forward with proposals that cover high streets or town centres as defined as areas that exhibit high levels of social and economic activity, that contain a variety of uses and functions and that act as important service centres for extensive catchment populations. Bidding local authorities are expected to ‘**put forward a single, transformative submission covering one high street or town centre in their area**’.

There is little doubt that this fund will be the subject of significant competition with bids from authorities across the country. There are areas elsewhere of significant high street decline and failure therefore if East Devon is to have a chance of competing, members need to consider what would constitute the most compelling case.

We are also required to liaise with Heart of the South West Local Enterprise Partnership (HoTSWLEP) as are all bidders with their respective LEPs. HoTSWLEP has invited interested local authorities to a workshop to discuss the FHS opportunity further and the LEPs involvement in the process.

The officer assessment is that there are two towns that represent an opportunity to submit an EoI to the fund, but either or both will need to be supported by strong engagement with MHCLG.

**Cranbrook**

Cranbrook represents a different kind of opportunity to the FHS fund in so far as it is not an established town centre and therefore FHS funding would be sought to enable the creation of a new kind of town centre that is both future proofed and could be a template for the development of town centres in new communities in delivery or planned elsewhere.

A Cranbrook bid brings with it a fast growing, young community and a local council for whom a town centre is the highest priority. Alongside this there is developer financial commitment through planning so any FHS bid carries with it substantial private sector match funding.

New towns are not precluded from bidding although MHCLG were not initially considering the opportunity presented by new communities such as Cranbrook. There are significant elements of the FHS criteria that make sense for a bid for a future town centre. A centre that is not retail

dependent and forms an economic, cultural and social core of a community in different and more diverse ways is very much a fit with the principles and some of the key criteria of FHS. A bid for Cranbrook could be an eye-catching challenge to government.

## **Axminster**

Axminster is a long established town centre in a place designated by the council as a Regeneration Town. The town has and continues to be the focus of significant housing growth which is both a challenge and an opportunity for the future of the town centre. There is long term dereliction and underuse of the Webster's garage site at the heart of the town centre and significant opportunity to strengthen and diversify the town centre through the development of this site, adjacent land ownerships, council owned assets and nearby private land ownerships as well. The council also has One Public Estate funds that can be aligned with HFS to investigate public sector asset use principally to increase the residential element in the mix of uses in and around the town centre.

Axminster has the prospect of 800+ new homes development and associated infrastructure including employment, leisure and transport investment. That represents a 26% increase in the number of households in the town. This East of Axminster development also offer the potential to substantially reduce traffic flows through the town centre and opportunities for town centre investment, public realm enhancement and a more diverse range of attractions to secure increased footfall and economic activity.

There is a shared will in Axminster to embrace good growth and a desire, expressed through Neighbourhood Plan consultation, to bring vacant and derelict sites and buildings back into use that respects the historic core of the town and provides new facilities.

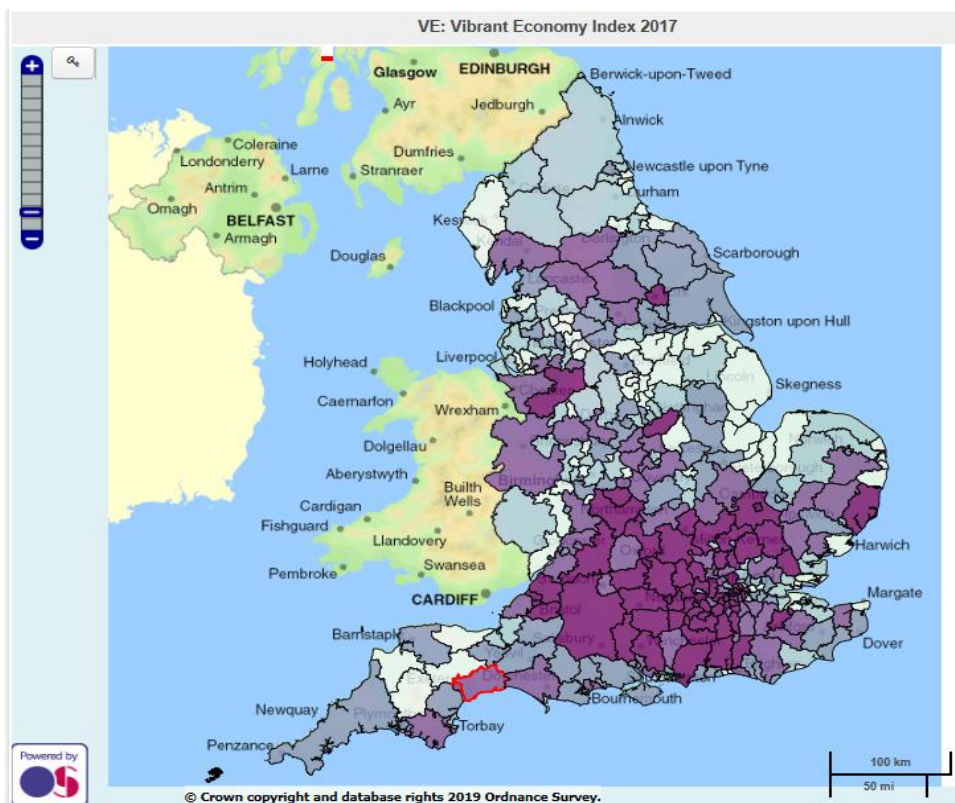
## **Comparing East Devon's town centres to Other Places**

FHS is a national funding programme. It is attracting widespread interest so we can expect fierce competition from elsewhere. East Devon's established town centres perform better than or around the national average. The Fund criteria 'Supplementary guidance for bidding authorities' states that, where there is a high volume of Expressions of Interest, factors such as ensuring a geographical spread of impact and wider economic considerations may be taken into account.

Looking at how East Devon compares with other Local Authority areas in terms of wider considerations, the **Vibrant Economy Index** looks beyond traditional measures to encompass wider social and environmental indicators. Published by Grant Thornton in September 2018, the Vibrant Economy Index takes into account economic prosperity; health and happiness; inclusion and equality; environmental resilience; and community. It paints a unique national picture of vibrancy for England, Scotland and Wales respectively, as well as providing a framework by which to understand local strengths and challenges.

- East Devon is ranked at 102 out of 324 Local Authorities, which puts it in the top third of vibrant economies.
- East Devon is the top ranking Local Authority in Devon – above Exeter, South Hams, Teignbridge, North Devon, West Devon, Mid Devon and Torridge.
- East Devon ranks 6<sup>th</sup> out of 25 South West authorities. Cotswold is top followed by Tewkesbury, Stroud, Cheltenham and West Dorset. The bottom ranking authority is West Somerset.
- Nationally, the five top ranking Local Authorities are Cambridge, Camden, Westminster, Wokingham and Richmond upon Thames. The bottom five are Blackpool, Redcar and Cleveland, Barking and Dagenham, Boston, Hartlepool.

The map below shows how all 324 authorities perform on the overall index, with a darker shade of purple indicating stronger performance. More information on the Vibrant Economy Index can be found at <https://www.grantthornton.co.uk/insights/vibrant-economy-index/>



## Deprivation

The Index of Multiple Deprivation (IMD) is based upon seven domains of deprivation: income, employment, health and disability, education skills and training, barriers to housing and services, living environment and crime. These are weighted and combined to create the IMD.

East Devon's ranking in the Indices of Multiple Deprivation is 248 out of 326 and is the least deprived Local Authority District in Devon and in the 40% least deprived nationally.

The Index of Multiple Deprivation average Super Output Area score for East Devon is low, with a score of 12.7 in 2015. By comparison, the Devon and Cornwall figure was 23.32, the South West figure was 20.21, and the England figure was 25.78.

Across the district, there are two Lower Super Output Area (LSOA)\* in the most deprived 30% of all areas across England which are contained within the wards of Exmouth Littleham and Exmouth Withycombe Raleigh. There are areas of Honiton St Michael's and Exmouth Town which are in the top 40% most deprived nationally.

\*Lower Super Output Areas (LSOAs) were developed for the 2001 Census as small area geographical units. LSOAs have between 1,000 and 3,000 people living in them, with an average population of 1,500. There are 82 in East Devon and 32,482 nationally.

## Crime

East Devon is one of the lowest crime rate areas in Britain with 19.1 offences per thousand residents in 2012. By comparison the Devon figure was 27.49 and the national figure was 37.63 offences per thousand residents.

## Conclusion

Cabinet is asked to consider the above advice and recommendations and the attached analysis with a view to recommending officer action in time to submit to the first stage of the FHS bid process by the deadline of 22 March 2019.

## Annex 1

### Future High Streets Fund – Analysis

The purpose of this document is to summarise the application process and key criteria associated with the Future High Streets (FHS) Fund, and present the potential town candidates which could form the basis of East Devon's single Expression of Interest bid.

This document has been compiled by officers across the council including planners, surveyors and economic development officers.

#### Background

The deadline for the submission of Expressions of Interest is 22 Mar 2019. There is likely to be a later opportunity to bid for the Fund as well. Initial awareness of the Fund emerged in autumn 2018 with fuller detail in December 2018 and then supplementary guidance more recently. As government has released more detailed information we have also sought clarification on what is and isn't eligible or likely to be favoured.

If we were to submit a bid for one of our established towns it should be recognised from the individual and collective analysis below that our high streets are not failing nor would those communities necessarily recognise or accept transformational intervention to solve a problem that isn't significant i.e. replacing retail with alternative high street functions.

However, it is also clear that other authorities not so different from nor far away from ours are preparing bids for some of their town centres. Government has said that it would like to see high streets across the regions benefit so it may well be willing to consider and work with bids of varying levels of under-performance to ensure a geographic spread.

We also have our new community of Cranbrook which could offer a more plausible and eye-catching proposition to government as well as being a possible blueprint for high street development in future towns.

This is an Expression of Interest rather than a full blown detailed bid at this stage and the selected locations will be able to draw down assistance to populate detailed proposals. Whether we bid for Cranbrook and/or an established community they will need to work with and seek to influence MHCLG positively to further the East Devon case.

Links to background information:

- [Future High Streets Fund: prospectus](#)
- [Future High Streets Fund: application form](#)
- [Future High Streets Fund: supplementary guidance for bidding authorities](#)
- [The High Street Report](#)
- [High Street 2030: Achieving Change](#)
- [High street crisis deepens: 1 in 12 shops closed in five years](#)

#### The Future High Streets Fund

The government has committed to helping more high streets adapt and meet changing consumer expectations. It launched its Plan for the High Street in autumn 2018 with a fund of £675m. This plan includes a cut in business rates by up to a third for a wide range of retail properties for two

years, a consultation on planning reform to make it simpler to create more homes, jobs and choice in town centres, and the creation of a High Streets Task Force.

The Future High Streets Fund is part of this plan. It will provide co-funding towards capital projects that bring transformative change. The intention is to bring about the regeneration of town centres through innovative proposals around transport, housing delivery and public services. The objective of the Fund is to renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability.

The Fund guidance states that the Ministry of Housing, Communities and Local Government (MHCLG) **'will not accept bids covering town centre areas that are not facing significant challenges'**. They expect places to come forward with proposals that cover high streets or town centres defined as areas that exhibit high levels of social and economic activity, that contain a variety of uses and functions and that act as important service centres for extensive catchment populations.

The guidance also states that ***"Single bids that cover more than one distinct town centre area are not eligible and will not be considered for funding."***

The number of Expressions of Interest that can be submitted by a Local Authority is determined by population. East Devon District Council has the maximum of **one** permitted bid for the area.

The fund is specifically deterring 'light touch interventions' in favour of bids that will make 'a transformative difference'. MHCLG expects to see a range of project sizes coming forward, many of which are in the region of £5-10 million per town centre (maximum £25 million). It is expected that projects will also bring with them public and private sector co-funding.

There are three main elements to the Expression of Interest application form:

1. Defining the Place – Population living and working in the town centre area; footfall, commercial space, retail activity, cultural activities
2. Challenges – vacant properties, opening/ closures of commercial units, surveys, air quality, crime/ safety, accessibility, housing demand
3. Strategic Ambition – Level of ambition from Local Authority, alignment with other funding streams, engagement and strategic linkages

Bids will need to demonstrate that they meet the necessary eligibility criteria for the Fund in order to be considered for funding. There are eight questions within the main elements of the Expression of Interest form. Six are scored questions that have been assigned a weighting. The total weighted score will be used to decide which of the eligible bids are successful at the Expression of Interest stage. Some questions require a score above a 'minimum threshold'. Bids will be excluded from further consideration if they score below the threshold mark for any question. The Fund criteria, 'Supplementary guidance for bidding authorities' is available [here](#).

The Fund timeline is:

- 22 March 2019: 17:00 deadline for Expressions of Interest
- Summer 2019: announcement on places moving to Phase 2 (business case development)
- Late 2019: first round of final business cases for Phase 2 to be submitted by local authorities
- Spring 2020: all remaining final business cases for Phase 2 to be submitted
- Not before 2020: Second round of applications to the Future High Streets Fund opens



## **The National picture of struggling town centres**

Total retail sales in the UK were worth £395 billion in 2017 (House of Commons 2018). Retail expenditure in town centres is now estimated to be 36.6% and is forecast to drop to 34% by 2022 (Bamfield 2018 [Retail at Bay 2018 Report](#), Centre for Retail Research)

A key driver in the continued decline in town centre retail expenditure since 2000 has been the growth in online spending. This has risen from just 1.6% in 2002 (Bamfield 2018) to 18% in October 2018 (ONS 2018). Online shopping is a much smaller percentage for food at 6.3% but higher for other goods (Bamfield 2018). According to the Centre for Retail Research, growth in online retailing is forecast to continue, reaching 30% by 2028.

Recent analysis undertaken by the Guardian newspaper reveals that the retail presence in almost every town centre in England and Wales has declined since 2013, with some losing over a fifth of stores. English and Welsh town centres have lost 8% of their shops on average since 2013. The town centre with the starkest decline is Stoke-on-Trent, which has lost 23% of its 415 stores in just five years.

The seaside towns of Eastbourne and Blackpool have seen the second and third largest reductions in store numbers, with around a fifth of stores lost since 2013. Major cities such as Southampton and Sheffield are also among the worst affected.

Not all retailing has been impacted equally. Clothing retailers have seen the biggest decline since 2013, with more than 750 shops lost nationally; on the opposite end of the spectrum, extra hair and beauty salons have sprung up in our town centres. These changes illustrate a growing shift in how consumers are using their local town centres. Convenience stores and independent supermarkets have also grown in almost all town centres. The small and independent nature of the East Devon retail offer may be one of the reasons why our high streets have demonstrated resilience to date.

There is a positive future for the reimagined and repurposed town centre. It is considered that the town centres for the future should be repositioned as places providing space and opportunities for people to come together. Retail is an element of this but so is housing, workspace, leisure and entertainment together with connectivity to transport and local services. There is a growing body of research with supporting case studies discussing the future role of our high streets/ town centres and what needs to be done now to reshape them, these include:

- Multifunctional Centres: a sustainable role for town and city centres – Institute of Place Management 2015-2016;
- The Grimsey Review 2;and
- Revitalising town centres - A handbook for council leadership Local Government Association, May 2018

## **East Devon's main town centres**

Of the main towns in the District, Exmouth, Axminster, Honiton, Ottery St Mary, Budleigh Salterton, Seaton and Sidmouth all have town centre boundaries identified in the adopted Local Plan. All provide for local shopping needs and act as focal points for development and service provision in the rural areas.

There are no Business Improvement Districts in East Devon. Exmouth and Axminster are defined as Regeneration Towns by the council and both have One Public Estate funding approved for

project development to consolidate public sector land assets. East Devon has also submitted its Stage 2 bid for Coastal Communities Fund. This bid, if successful, will bring a mix of innovations to our seaside communities to enhance their profile, accessibility and contemporary attraction. The bid includes a mix of investments including free Wi-Fi, hi-definition beach cameras, big screen equipment, motorhome facilities, and bespoke town apps for visitors and residents to discover local events, attractions, information, businesses and spending opportunities.

All of East Devon's High Streets and their communities have experienced bank branch closures. This is a national issue and bank branch networks have been contracting for many years. There are several explanations for this decline including the desire by banks to cut costs; mergers within the industry; competitive pressures from new entrants in the banking sector; changes in the nature of retail banking transactions; and a growth in alternative means of accessing bank services. Further closures of bank branches will continue to impact upon our high streets in the months and years to come. For further background information see [House of Commons Library Briefing Paper Number 385, 19 October 2018 – Bank branch closures](#).

There is an ongoing debate about the presence of Charity Shops on our High Streets. Often perceived as an indicator of a 'failing' retail environment, the reality is far more complex. Charity shops bring many positive benefits to a town, often becoming longstanding and stable rent paying tenants of available retail premises bringing a positive footfall contribution from residents and visitors who wish to either donate goods and/ or purchase pre loved or vintage items. A recent report, [Shopping for good: the social benefits of charity retail](#) (Demos, 2016) highlights the positive contributions that charity shops make to, not only their parent charity in terms of an income stream, but also in terms of providing volunteering opportunities as well as leading the way in the reuse and recycling of goods. The Charity retail sector is not immune to the changing retail environment and has also experienced a reduction in the number of stores, particularly in more 'stressed' high streets and town centres.

The sector recognises that there are opportunities for more structured volunteering opportunities and development progression (including apprenticeships), and reviewing and improving, where necessary, the pay and benefits of shop managers. The report recommends that charities undertake a comprehensive assessment of their shops' role in delivering social value within the wider community.

The following section looks at our main established towns in turn. Data is sourced from Devon County Council and The Greater Exeter Town Centre and Retail Study – Part 1 undertaken by GVA in 2017. This study is currently in draft format and will be published shortly. Budleigh Salterton is not included in the study. Officers are considering mechanisms for bi-annual monitoring of East Devon's towns which will include agreement on the scope of towns to be covered.

## Axminster

Serving a large rural catchment, Axminster is a reasonably healthy town centre that is noted for its historic character. The current land use profile identifies that the town has an above average proportion of convenience goods retailers including a large Tesco supermarket and a number of independent convenience goods retailers. However, the centre only attracts under half of first choice main food shopping trips from the local area, and just over half of top-up food shopping trips. In addition, Axminster has a slightly below average proportion of comparison and service goods retailers, although the retailers are largely dominated by local independents. The centre's market penetration for comparison goods shopping is relatively low, although performs well in the health and beauty and CDs/books sectors. The vacancy rate falls slightly above the national average.

Axminster lies outside the Exeter Travel to Work Area being located in the Sidmouth Travel to Work Area. The town does not benefit from coastal tourism. It is on the rail mainline to Waterloo and Exeter.

There are a number of local landowners and developers who have a track record of investing in good development in Axminster and its surrounds and there is the potential for this to be harnessed for a project proposal. The Webster's Garage site and neighbouring Royal Mail assets are an opportunity for some town centre transformation.

Axminster has the prospect of 800+ new homes development and associated infrastructure including employment, leisure and transport investment. These developments offer the potential to substantially reduce traffic flows through the town centre and opportunities for town centre and public realm enhancement.

Axminster area population estimate (2016) is **14,394** (All Saints, Axminster, Chardstock, Dalwood, Hawkchurch, Kilmington, Membury, Musbury, Shute, Stockland, and Uplyme)

*Data Source: Devon.gov.uk/facts and figures*

### **Land use profile of Axminster town centre, 2011-2016**

Sector	2011			2013			2016		
	No.	%	Ave	No.	%	Ave	No.	%	Ave
Convenience	11	11.0	8.8	10	10.1	9.00	10	10.6	9.4
Comparison	38	38.0	41.1	43	43.4	40.4	35	37.2	39.5
Service	34	34.0	36.4	34	34.3	37.0	35	37.2	37.9
Other	3	3.0	1.2	3	3.0	1.2	2	2.1	1.2
Vacant	14	14.0	12.6	9	9.1	12.4	12	12.8	12.2
Total	100	100	100	99	100	100	94	100	100

*Data Source: Experian GOAD and GVA land use surveys from Greater Exeter Town Centre Retail Study Part One (currently in draft form)*

## **Cranbrook**

Cranbrook is difficult to compare to other towns because it currently lacks a town centre to provide for its growing population and surrounding catchment. The town will eventually become equivalent to the size of Barnstaple in population terms.

Cranbrook began development in 2012 and planning permission for approximately 3500 homes now exists, with around 1900 of these built and occupied, giving a population of around 4500. The main planning permission for the development of the town includes for a town centre and there are a number of facilities that are intended to be located within this area, including offices for the Town Council, library, health and wellbeing centre, children's centre, youth facility and extra care housing. The town is developing a thriving community and as well as a Town Council having been formed there are around 25 different community groups established with a newly founded Community Association.

The first local shops opened in September 2015 on the western side of the town. The 7 shop units are all occupied, providing the first neighbourhood centre. The town also has a public house, which opened in Spring 2017, located within the town centre, but the remaining land allocated as town centre remains vacant.

Conversations about the concept of Cranbrook have been discussed at a regional and local level for more than 20 years. Planning of development, from planning policies, to infrastructure delivery, has involved ongoing dialogue with neighbouring local authorities, Homes England, Highways England, Heart of the South West LEP, MPs, LiveWest and many other stakeholders.

The delivery of Cranbrook has received strong local leadership from the commencement of development on site. The local partners have a solid track record of effective collaboration to support, unlock and successfully delivery major developments. Cranbrook has been a successful collaboration between Devon County Council, East Devon District Council and Exeter City Council. East Devon District Council have also supported the development of Cranbrook Town Council to ensure the town has a voice and steer future development within the town. The Town Council has taken on responsibilities over and above their statutory obligations. East Devon District Council is supportive of this approach and is seeking to asset and endow the town to support future sustainability.

The town centre land is within a single ownership but with significant changes within the retail sector, particularly challenges experienced on the high street, there is not commercial interest to develop retail space. However, the level of enquiries for occupiers remains buoyant, although these are not generally from businesses able or looking to build out their own premises.

To secure the future of Cranbrook as a town in its own right, not a suburb of Exeter, a focal point for the community is needed, with local facilities, but it is accepted that this is unlikely to be a retail led approach.

## Exmouth

Exmouth is the largest town in Devon. It is a popular tourist destination with its traditional seaside resort characteristics and remains a healthy centre with a good range of convenience, comparison and service retailers. Despite the range of convenience retailers, the centre is unable to retain a large proportion of main and top-up food shopping market share for local residents due to the size and type of retailer present within the town centre, and the majority of local shoppers continue to use the Tesco store on Salterton Road.

In terms of comparison goods shopping, the centre continues to perform reasonably well despite its proximity to Exeter and out of centre retail warehouse units. The low vacancy rate, and large number of national multiple comparison goods retailers both suggest the town centre is healthy.

The Strand is a popular focal point for residents and visitors with a strong and increasing quality of retail and food and beverage (F+B) activity signifying the importance of high quality town centre public realm. The pedestrianised shopping area, the Magnolia Centre, is an unattractive and tired shopping environment next to a popular surface car park. Aside from the closure of the post office and the nearby relocation of those functions, the shopping centre remains successful. The space does offer an opportunity for redevelopment and investment but there is no indication that the landowners are interested.

Exmouth has benefitted from substantial public and private investment in recent years including station area improvements, a Marks and Spencer's food hall, Premier Inn, Mamhead Slipway, the Strand and ongoing seafront investment. The Exeter Royal Academy for Deaf Education is preparing to relocate its campus to Exmouth in 2020, bringing its pupils and staff to the town and marking an exciting new era for the former Rolle college site.

The town has also benefitted from the redevelopment of Exmouth Town Hall as an office base for East Devon District Council. Exmouth Town Council supports a Town Team and Tourism Team, bringing forward projects to enhance the town and improve the resident/ visitor experience.

Exmouth area population estimate (2016) is **48,613** (Bicton, Budleigh Salterton, Colaton Raleigh, East Budleigh, Exmouth, Lympstone, Woodbury)

*Data Source: Devon.gov.uk/facts and figures*

### **Land use profile of Exmouth town centre, 2011-2016**

Sector	2011			2014			2016		
	No.	%	Ave	No.	%	Ave	No.	%	Ave
Convenience	25	9.1	8.8	29	10.3	9.4	29	10.4	9.4
Comparison	118	43.1	41.1	124	44.1	39.5	121	43.5	39.5
Service	104	38	36.4	110	39.2	37.9	112	40.3	37.9
Other	1	0.4	1.2	1	1.2	1.2	1	0.4	1.2
Vacant	26	9.5	12.6	17	6.1	12.2	15	5.5	12.2
Total	274	100	100	281	100	100	278	100	100

*Data Source: Experian GOAD and GVA land use surveys from Greater Exeter Town Centre Retail Study Part One (currently in draft form) Note that in reviewing this data the national averages listed for Exmouth in the draft document are incorrect and these have been corrected in this table.*

## **Honiton**

Honiton is a linear high street and historic market town. It is considered to remain a fairly healthy town centre; the centre benefiting from a below average proportion of vacant units. It has a reasonable range of convenience retailers, however the centre faces considerable competition from large out of centre stores such as Tesco, Lidl and Aldi.

Honiton town centre plays a stronger role for top-up food shopping, although over half of local residents are still using stores outside of the town centre.

Honiton has a reasonably strong representation of comparison goods retailers, and the centre is particularly well represented by furniture (due to the high number of antique traders), books, arts and crafts and gift shop retailers. This specialism has further developed in recent years with a number of high quality retailers establishing in the town showcasing the work of local artists and designers.

Honiton has a lively weekly market and in 2018 hosted its first 'Gate to Plate' event showcasing high quality food and drink retailers from the local area.

Honiton is now home to East Devon District Council's new headquarters, bringing a new workforce into the town.

The town is well connected in transport terms. It sits alongside the A30, has bus services and a mainline station to Waterloo and Exeter.

Honiton area population estimate (2016) is **16,785** (Awliscombe, Combe Raleigh, Cotleigh, Dunkeswell, Farway, Honiton, Luppitt, Monkton, Northleigh, Offwell, Uptontery, Widworthy, Yarcombe)

*Data Source: Devon.gov.uk/facts and figures*

### **Land use profile of Honiton town centre, 2009-2016**

<b>Sector</b>	<b>2009</b>			<b>2013</b>			<b>2016</b>		
	<b>No.</b>	<b>%</b>	<b>Ave</b>	<b>No.</b>	<b>%</b>	<b>Ave</b>	<b>No.</b>	<b>%</b>	<b>Ave</b>
Convenience	22	12.8	8.6	21	12.1	9.0	17	9.8	9.4
Comparison	92	53.5	41.2	91	52.3	40.4	90	51.7	39.5
Service	45	26.2	35.1	51	29.3	37.0	54	31.0	37.9
Other	2	1.2	1.2	2	1.2	1.2	2	1.2	1.2
Vacant	11	6.4	13.7	9	5.2	12.4	11	6.3	12.2
Total	172	100	100	174	100	100	174	100	100

*Data Source: Experian GOAD and GVA land use surveys from Greater Exeter Town Centre Retail Study Part One (currently in draft form)*

## **Ottery St Mary**

Ottery St Mary is a small yet functional town centre within the central part of the district. The town centre has an above average representation of convenience goods, and attracts over half of local main and top-up food trips, due to the Sainsbury's store on Hind Street which, since its development, has had a significant impact upon food shopping patterns.

The range of comparison goods retailers in the centre is modest and comprises local independent traders. The overall proportion of comparison goods and service retailers both fall below the national average, which reflects the relatively small market share of the centre in a range of comparison goods categories.

The vacancy rate has fluctuated over recent years, however, very recently there have been a number of new independent retail and F+B entrants into the town. In addition, the town has established the Ottery Food and Families Festival adding to a range of unique town events that include Pixie Day and Tar Barrels.

Traffic congestion and quality of public realm are particular local concerns addressed in the town's Public Realm Strategy.

Ottery St Mary area population estimate (2016) is **15,604** (Buckerell, Feniton, Gittisham, Ottery St Mary, Payhembury, Rockbeare, Talaton, Whimple)

*Data Source: Devon.gov.uk/facts and figures*

### **Land use profile of Ottery St Mary town centre, 2010-2016**

<b>Sector</b>	<b>2010</b>			<b>2014</b>			<b>2016</b>		
	<b>No.</b>	<b>%</b>	<b>Ave</b>	<b>No.</b>	<b>%</b>	<b>Ave</b>	<b>No.</b>	<b>%</b>	<b>Ave</b>
Convenience	9	13.0	8.6	11	15.1	9.4	12	16.7	9.4
Comparison	30	43.5	41.5	30	41.1	39.5	27	37.5	39.5
Service	20	29.0	35.1	23	31.5	37.9	22	30.6	37.9
Other	2	2.9	1.2	2	2.7	1.2	1	1.4	1.2
Vacant	8	11.6	13.7	7	9.6	12.2	10	13.9	12.2
Total	73	100	100	73	100	100	72	100	100

*Data Source: Experian GOAD and GVA land use surveys from Greater Exeter Town Centre Retail Study Part One (currently in draft form)*

## Seaton

Seaton is a traditional seaside resort, within the East Devon Area of Outstanding Natural Beauty and is popular as a residential base. As such Seaton perhaps more than our other resorts experiences issues associated with seasonality of visitor numbers. Over the past decade, Seaton has been affected by the closure of the Lyme Bay Holiday Park, with the site cleared and partially redeveloped for a Tesco supermarket, residential accommodation and most recently a Premier Inn hotel.

Seaton benefits from a low vacancy rate, the land use profile reflects its predominant function as a popular tourist destination and seaside town. The centre features an above average representation of convenience, comparison and service retailers, with a particularly high representation of cafes, restaurants and takeaways. The largest convenience goods retailer is Tesco, which attracts both main and top-up food shopping trips and helps the centre to attract over half of first choice local main food and top-up food trips.

The proportion of books/arts/crafts/gifts retailers are all above their respective national averages, further reflecting the centre's key function and market share of the centre in this range of comparison goods categories.

Seaton was at one time a Regeneration Town designated as such by the district council. The centre has continued to repurpose and has seen significant investment in visitor attractions such as Seaton Jurassic, the Tramway terminus, and a new centrally located gymnasium.

Seaton area population estimate (2016) is **12,708** (Axmouth, Beer, Colyton, Combpyne Rousdon, Seaton)

*Data Source: Devon.gov.uk/facts and figures*

### **Land use profile of Seaton town centre, 2010-2016**

Sector	2010			2014			2016		
	No.	%	Ave	No.	%	Ave	No.	%	Ave
Convenience	10	8.9	8.6	13	10.7	9.4	13	10.8	9.4
Comparison	50	44.3	41.5	50	41.0	39.5	51	42.5	39.5
Service	36	31.9	35.1	48	39.3	37.9	48	40.0	37.9
Other	2	1.8	1.2	2	1.6	1.2	2	1.7	1.2
Vacant	15	13.3	13.7	9	7.4	12.2	6	5.0	12.2
Total	113	100	100	122	100	100	120	100	100

*Data Source: Experian GOAD and GVA land use surveys from Greater Exeter Town Centre Retail Study Part One (currently in draft form)*



## Sidmouth

Sidmouth is one of the most attractive seaside towns on the south coast of England, having developed from a small market and fishing town into a very popular tourist resort in the 18<sup>th</sup> and 19<sup>th</sup> centuries. The town is framed in a narrow valley (of the River Sid) which opens to the sea and is sheltered from the east and west by imposing red sandstone cliffs.

The town centre boasts a strong representation of comparison goods retailers and above average proportion of convenience goods retailers.

However, the centre struggles to retain a large proportion of main and top-up food shopping trips from the local population due to the size of stores present, clearly catering for tourists' demands. This is also the case for comparison goods shopping market share which remains low. That said, vacancies in the centre are currently very low, which suggests the centre and its function is still an attractive location for retailers. Sidmouth is actively exploring ways to raise the profile of its town centre offer, and has added new festivals and events to the town calendar.

The district council recently relocated its HQ away from Sidmouth making way for a future 100+ apartment development which will bring further residential development near to the high street, Sidmouth has the prospect of investment and redevelopment of the former Drill Hall site adding further attraction to the town. Sidmouth also has the benefit of circa £300,000 of S106 to invest in enhancing its visitor offer which will be allocated according to a public prioritisation process.

Sidmouth area population estimate (2016) is **17,888** (Branscombe, Newton Poppleford and Harpford, Otterton, Sidmouth, Southleigh)

*Data Source: Devon.gov.uk/facts and figures*

### **Land use profile of Sidmouth town centre, 2011-2016**

Sector	2011			2013			2016		
	No.	%	Ave	No.	%	Ave	No.	%	Ave
Convenience	22	12.2	8.8	22	12.2	9.0	23	12.4	9.4
Comparison	95	52.5	41.1	93	51.7	40.4	99	53.5	39.5
Service	57	31.5	36.4	60	33.3	37.0	57	30.8	37.9
Other	0	0	1.2	7	0.6	1.2	1	0.5	1.2
Vacant	7	3.9	12.6	4	2.2	12.4	4	2.2	12.2
Total	181	100	100	180	100	100	185	100	100

*Data Source: Experian GOAD and GVA land use surveys from Greater Exeter Town Centre Retail Study Part One (currently in draft form)*



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

**Date of Meeting:** 6 March 2019

**Public Document:** Yes

**Exemption:** None

**Review date for release** None

**Agenda item:** To be completed by Democratic Services.

**Subject:** **Monthly Performance Report January 2019**

**Purpose of report:** Performance information for the 2018/19 financial year for January 2019 is supplied to allow the Cabinet to monitor progress with selected performance measures and identify any service areas where improvement is necessary.

**Recommendation:** **That the Cabinet considers the progress and proposed improvement action for performance measures for the 2018/19 financial year for January 2019.**

**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)

**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 January 2019](#)
- [Appendix B - The Performance Indicator Monitoring Report for the 2017/18 financial year up to January 2019](#)
- [Appendix C – System Thinking Reports for Revenues and Benefits, Development Management for January 2019](#)

**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 is one indicator showing excellent performance:
  - Percentage of planning appeal decisions allowed against the authority's decision to refuse
3. There are two performance indicators showing as concern for the month of January  
**Days taken to process new Housing Benefit claims** - We are currently working through a transition period to Universal Credit which is impacting on our performance. More detail can be found in Appendix C.  
**Working days lost due to sickness absence** - It is anticipated that we will be above our target for absence for 18/19. As previously reported, there has been a significant increase this year in employees who have been absent for two months or more as a result of surgery and serious health issues for 2 or months. These cases are all proactively managed and we started to see levels reduce towards the end of 2018.
4. Monthly Performance Snapshot for January 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 Revenues and Benefits and Development Management report appear in [Appendix C](#).

# Monthly Performance Snapshot – January 2019



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

- An estimated **60%** of all waste collected was recycled in January
- January donations to the Thelma Hulbert Gallery are up **24%** on January last year. Total donations so far this year up **18%** at a record **£3759**.
- **95%** of invoices received by us are paid within 10 days
- East Devon Business Centre - We welcomed 477 visitors to the Business Centre in January (compared to 335 last year) – an increase of **42%**.

Latest headlines:

- Coastal Communities Fund bid submission and assessment – The Regeneration and Economic Development team submitted East Devon’s Stage 2 bid to the Coastal Communities Fund. This was followed by a site visit and meeting with a bid assessor. ‘Access East Devon’ aims to enable more people to access and enjoy more of the East Devon coastline. The bid consists of £827k and comprises a programme to deliver free seafront Wi-Fi; electric bike and off road disability vehicle hire facilities; new provision for overnight campervan and boat storage; and a fixed cinema screen. We will hear whether we will proceed to the next stage of bidding in the next few weeks.
- More businesses in East Devon are receiving Growth Hub support than any Devon District - A report from David Hynd, Growth Hub Programme & Partnership Manager states that “East Devon is now top within the Devon County Council area; 2nd best for business engagement across the HotSW LEP area overall, behind Plymouth. A fantastic achievement and certainly the engagement and business support activity that your Economic Development team does has a positive impact on this statistic”.
- Events consultant, Andrew Hopkins is working with the R&ED team to deliver the Gate to Plate event in Honiton again this summer along with managing the entertainment events and food and drink offer at Queen’s Drive Space in Exmouth. Watch this space!
- Construction of Blackdown House was considered complete on 4 January 2019. The Contractor is currently completing the outstanding external works ready for handover in February. Following handover, the Relocation Team have been carrying out the installation of furniture, fittings and equipment ready for occupation. The first tranche of Officers were relocated from Knowle to Blackdown House over the weekend of 25 – 27 January. Two further moves are planned over the next two subsequent weekends, with Blackdown House being opening for business on Monday 11 February 2019.
- More businesses in East Devon receiving Growth Hub support than any Devon District: (Report from David Hynd; Growth Hub Programme & Partnership Manager: “East Devon is now top within the Devon County Council area; 2nd best for business engagement across the HotSW LEP

area overall, behind Plymouth. A fantastic achievement and certainly the engagement and business support activity that your teams do has a positive impact on this statistic”.

- £1.11m investment in the Open Innovation Building at Exeter Science Park approved through the Enterprise Zone programme. Fit out of the Grown On Buildings at Exeter Science Park. Second occupier confirmed for the Spec Office building at Skypark.
- Rebranded bus service to the Enterprise Zone area and Airport records 30% increase in patronage.
- Successful implementation of the Exmouth Wildlife Refuge Area (15th Sept to 31st Dec), patrolled by land and from the estuary educating users of the importance of giving migratory specific the space to feed.
- Inaugural meeting of the Exeter and Cranbrook Local Delivery Pilot Board approves ££315k of investment to support initiative to help people become more active.
- Thelma Hulbert Gallery has been shortlisted as a Finalist in the best Arts Category of the Exeter Living Awards 2019
- Thelma Hulbert Gallery has just secured a grant of £9,400 from the Heritage Lottery Fund to work in collaboration with the East Devon AONB on a new arts-based project.



**Report to:** **Cabinet**  
**Date of Meeting:** 6 March 2019  
**Public Document:** Yes  
**Exemption:** None  
**Review date for release** None

**Agenda item:** **14**

**Subject:** **Adoption of our updated Homelessness and Rough Sleeping Strategy 2019-2023**

**Purpose of report:** To present the Homelessness and Rough Sleeping Strategy 2019 – 2023 for approval and adoption as required by the Homelessness Act 2002.

The previous strategy has been reviewed alongside the current homelessness data and new responsibilities for action to prevent homelessness introduced by the Homelessness Reduction Act 2017. This places a statutory duty on local authorities to assist individuals and households who are homeless. The definition of being threatened with homelessness has been extended from 28 days to 56 days.

Our Homelessness and Rough Sleeping Strategy 2019 - 2023 is presented in full as **annex 1**.

It explains why we have prepared this strategy, the strategic context and influences on homelessness locally and nationally, and why it matters to us.

As outlined in the strategy, our key priorities are:

- Maximise prevention activities and outcomes
- Increase accommodation options
- Minimise rough sleeping
- Improve health and wellbeing

The strategy has been prepared in consultation with Members, Officers and Housing Teams internally, and representatives of local partnership and homelessness support agencies externally. We have also interviewed individuals who have experienced homelessness.

Following adoption of the Strategy, we will:

- Set up a steering group of member, customer and officer representatives to oversee implementation.
- Design and publish the strategy including pictures and quotes from customers and case studies.
- Develop an action plan with SMART objectives to progress our key priorities.
- Report progress against outcome and evaluation measurements.

<b>Recommendation:</b>	<p>(1) To recommend to Council formal adoption of the Homeless and Rough Sleeping Strategy 2019-2023; and</p> <p>(2) Give delegated authority to the Strategic Lead – Housing Health &amp; Environment in consultation with the Portfolio Holder for Homes and Communities for any minor amendments to the Strategy prior to its publication; and</p> <p>(3) The Council voices its concerns to government about the additional costs being incurred by local authorities through the Homelessness reduction Act 2017 and the trend of increased homelessness.</p>
<b>Reason for recommendation:</b>	<p>The Homelessness Act 2002 places a statutory obligation on local authorities to undertake a review of homelessness in their area and develop and publish a strategy to prevent homelessness based on the findings of the review.</p>
<b>Officer:</b>	<p>Andrew Mitchell Housing Needs and Strategy Manager  <a href="mailto:AMitchell@eastdevon.gov.uk">AMitchell@eastdevon.gov.uk</a> 01395 517469</p>
<b>Financial implications:</b>	<p>The cost implication of Homelessness is significant for the Council and this has increased with the change in local authority responsibility required under the new Act. The current year net budget is £328k which Members will be aware is currently predicted to be overspent by a further £85k by year end. New Burdens funding was provided by Government of £33k in 2017/18, £29k in 2018/19 and a final amount of £33k in 2019/20 to help address the new requirements, there is no indication of any further funding going forward. The actions identified in the Strategy should help to provide suitable accommodation going forward which in turn it is envisaged will reduce some of the costs currently incurred.</p>
<b>Legal implications:</b>	<p>The legal implications are contained within the report.</p> <p>Every local authority must carry out a homelessness review, formulate and publish a homelessness strategy based on that review.</p> <p>All authorities are required to publish homelessness strategies at least once every five years, with the exception of authorities classified as 'excellent' which were exempted from this requirement until 1 April 2017. The first homelessness strategy had to be published by 31 July 2003.</p> <p>In addition, local authorities must periodically assess the accommodation needs of people in their area. This includes those with a need for example, caravan sites or mooring for houseboats.</p>
<b>Equalities impact:</b>	<p>Medium</p>
<b>Risk:</b>	<p>Medium Risk</p> <p>Compliance with our duties under the Homelessness Act 2002 and Homelessness Reduction Act 2017.</p>
<b>Links to background information:</b>	<p><a href="#">EDDC Homelessness Review December 2018</a>  <a href="#">"Your Home, Your Wellbeing"</a> - 3 year research study with Birmingham University and LiveWest Housing Association.  <a href="#">EDDC Homelessness and Rough Sleeper Strategy 2019-2023</a></p>

**Link to Council Plan:** This report links to the Council priorities of:

- encouraging communities to be outstanding
- Delivering and promoting our outstanding environment
- Continuously improving to be an outstanding council

## 1. Background

- 1.1 We are required to have a Homelessness Strategy setting out our plans to address homelessness in the district. Our current plan expired in 2018 and since then we had the 'game changing' Homelessness Reduction Act 2017, which came into force last April.
- 1.2 This is a time when we need a clear strategic statement with increased pressures and expectations around homelessness, and the increase in rough sleeping.
- 1.3 Homelessness can be one of life's most traumatic and disruptive events, so it is critical that we have a 'fit for purpose' response. It is also one of the most onerous statutory duties the council has to manage. Tackling and attempting to manage homelessness is also quite stressful for staff, so it is important that our Housing Options team have clear guidelines and priorities to work towards, and a good understanding of how this fits in with Council priorities.
- 1.4 We say in the Strategy that there is no typical homeless household, they are all very different, and so there is no 'one size fits all' approach that is appropriate. We need an approach that is quick to respond, empathetic, and achieves the desired outcome or purpose – **Right People in the Right Home**.
- 1.5 The priorities in the strategy are straightforward – maximise homeless prevention; increase accommodation options; minimise rough sleeping; and improve the health and wellbeing of those facing homelessness. We indicate that the main causes of homelessness are the loss of private rented accommodation; relationship breakdown; and family evictions. Contributory factors include poor physical and mental health; drug and alcohol problems; bereavement; experience of the care or criminal justice systems; and poverty/unemployment/low income factors.
- 1.6 In terms of Strategy content our overriding aim is to prevent homelessness wherever possible and link with our Housing Strategy aim of **a decent home for all**. We also aim to deliver good housing outcomes for homeless households – so a suitable home – affordable, in good condition, suitably located and adequate in size.
- 1.7 This is where the challenge occurs, as there is a limited supply of housing available to us that meets these tests. Once secured, with some households the challenge moves onto ensuring that they can sustain their tenancy. Many of our clients also present with a range of problems aside from the homelessness, which can make it difficult for them to secure and sustain a tenancy.
- 1.8 It is imperative that our housing advice work is relevant and well targeted as we know that timely, accurate and comprehensive advice can prevent homelessness and empower clients to resolve their own housing problems. The Strategy recognises the importance of good advice.



- 1.9 Key indicators of homelessness are the number of cases we prevent becoming homeless and the number we accept as homeless, and recent trends are shown in the Strategy.
- 1.10 The Strategy contains evidence supporting the four priorities. It states very clearly that we believe that homelessness is preventable (in most cases); that it impacts on health and wellbeing; rough sleeping shortens life expectancy; and that we are committed to eliminating homelessness.
- 1.11 The strategy has been the subject of extensive consultation and will be accompanied by an action plan that sets out specific and updatable actions.



**Report to:** Cabinet

**Date of Meeting:** 6 March 2019

**Public Document:** Yes

**Exemption:** None

**Review date for release:** None

**Agenda item:** 15

**Subject:** **Scoping report on poverty, homelessness, human rights and health & wellbeing in East Devon.**

**Purpose of report:** In December a motion was put to full Council - "Following the findings of both the UK Equalities and Human Rights Commission and the UN Special Rapporteur on the impact of benefits changes and other spending cuts on people living in the UK, this Council will receive a report on the potential impacts on residents in East Devon and the need for further support from this Council, for example in supporting the roll-out of Universal Credit, homelessness prevention or for local food banks."

This report attempts to scope the subject and suggest themes for further investigation to provide a locally meaningful analysis of poverty and interventions that we can influence/action to alleviate the impact of poverty on individuals and communities. It is recognised that the implications highlighted are as a result of national social welfare policy decisions where we have limited influence. The report also proposes that we work with Devon County Council who are also investigating the issues and share our concerns.

**Recommendation:** **To agree the themes for a localised investigation and analysis of poverty and related social welfare issues, working with Devon County Council, and report back on the findings.**

**Reason for recommendation:** To consider the impacts of poverty and related welfare issues locally following changes to national policy relating to welfare reform and homelessness, and the actions we can take to alleviate the effects of poverty on individuals and communities in East Devon.

**Officer:** John Golding Strategic Lead – Housing, Health & Environment.

**Financial implications:** There are no direct financial implications as a consequence of this report in relation to recommendations made.

**Legal implications:** At this stage there are no direct legal implications requiring comment.

**Equalities impact:** High – the report highlights issues of inadequate equality and impact assessments on national policy.

**Risk:** High – the impact of welfare policy changes are set out in the report and the consequences are severe on those groups highlighted.

**Links to background information:** None

**Link to Council Plan:** Outstanding communities and economy.

## **1. Background**

1.1 This is a scoping report looking at concerns in relation to the links between Universal Credit, poverty, homelessness and poor health and wellbeing and how this is impacting on a significant proportion of the population. The issues were highlighted at a Council meeting on 12<sup>th</sup> December 2019 where the following motion was agreed:

“Following the findings of both the UK Equalities and Human Rights Commission and the UN Special Rapporteur on the impact of benefits changes and other spending cuts on people living in the UK, this Council will receive a report on the potential impacts on residents in East Devon and the need for further support from this Council, for example in supporting the roll-out of Universal Credit, homelessness prevention or for local food banks.”

1.2 In November last year Special Rapporteur for the United Nations Professor Philip Alston reported on extreme poverty and human rights. The comprehensive report considered the impacts of Brexit; Universal Credit; the Digital Welfare State; local authority cuts; and a range of other factors on increasing levels of poverty.

1.3 Also in November the Equality and Human Rights Commission published a report titled - The cumulative impact on living standards of public spending changes. This report concluded that public spending changes took place against a background of a clear and overarching UK Government commitment to deficit reduction. Cuts in spending on services, alongside reductions in benefits and tax credit spending were a key component of the deficit reduction strategy. The authors are critical of the Governments impact assessments and adherence to the public sector equality duty.

1.4 I would suggest that the topic area is vast and requires investigation and careful analysis, so I have suggested we produce this scoping report to obtain agreement on our lines of enquiry, and to ensure that the report is meaningful locally. This report refers to recent reports highlighting the concerns raised at a national level, and the areas for investigation and analysis that will be relevant to the local situation. I also want to highlight the links between poverty and health & wellbeing.

1.5 There have been recent signals that Government are prepared to review Universal Credit rollout and perhaps pause in the light of compelling evidence that the new system is causing problems and not achieving the original objectives set out.

## **2. Evidence base and scale of the problem nationally**

2.1 In November 2018 a statement was published on a visit to the UK by Professor Philip Alston, **United Nations** Special Rapporteur on extreme poverty and human rights.

2.2 The report is highly critical of government policy in relation to Universal Credit, digital welfare state, changes to legal aid and local authority cuts. It is also critical of the theory that employment is the cure all for poverty and illustrates how the hardest hit are women, children, people with disabilities, pensioners, and asylum seekers and migrants.

2.3 The report indicates that 14 million people in the UK, a fifth of the population, live in poverty. This is occurring in the UK, the world’s fifth largest economy, areas of immense wealth, and its capital the centre of global finance. The author describes this a unjust and contrary to British values.

2.4 Poverty has been defined differently, but a widely accepted definition is people/households living below 60% of the nation’s median income level. Relative poverty generally means

that a person can't afford an 'ordinary living pattern'— in other words they are excluded from the activities and opportunities that the average person enjoys. A household is in relative poverty (also called relative low income) if its income is below 60% of the median household income.

- 2.5 The UN report concludes that poverty is a political choice with much of the blame attributed to Universal Credit. It suggests that local authorities be given funds to tackle poverty, and welfare reform is reviewed. The final paragraph of the report says as the country moves towards Brexit, the Government should adopt policies designed to ensure that the brunt of the resulting economic burden is not borne by its most vulnerable citizens.
- 2.6 Also in November 2018 the **Equality and Human Rights Commission** published a study titled - The cumulative impact on living standards of public spending changes. This demonstrated that the public spending changes have been taking place against a background of deficit reduction with the impact affecting protected and disadvantaged groups. It also concluded that impact assessments have been inadequate and pay insufficient regard to the Public Sector Equality Duty.
- 2.7 In December 2018 the **Joseph Rowntree Foundation** (JRF) published their annual report examining the nature and scale of poverty in this country titled – UK Poverty 2018. The research findings headlines indicated that more than one in five of our UK population (22%) are in poverty. 14.3 million people, of these 8.2 million are working-age adults, 4.1 million are children and 1.9 million are pensioners. Eight million people live in poverty in families where at least one person is in work. There has been a significant rise in poverty in the last five years.
- 2.8 The research concludes that the UK has shown that we can use policy to achieve significant falls in poverty among the groups of people most at risk, pensioners and children, through a combination of rising employment, tax credits and help with housing costs. These trends are now in reverse. Our strong employment record has been unable to counterbalance cuts in recent years to families' financial support and the impacts of high housing costs and poor quality jobs with little scope for progression.
- 2.9 Nearly half of children in lone-parent families in the UK live in poverty compared with one in four children in couple families.
- 2.10 JRF suggest that as a society we can chose to reduce the amount of people who are swept into poverty by reducing housing costs for renters, strengthening support offered by our social security system and opening opportunities for better paid employment.
- 2.11 There is now a growing body of evidence to indicate that social/welfare policy is exacerbating poverty in this country with the consequences impacting on homelessness, mental illness and health & wellbeing.

### **3 Local issues and relevant policies**

- 3.1 Whilst recognising that we have a voice to lobby for change to national policies we also have opportunities to influence local outcomes. As a local authority some of our services are geared towards supporting individuals and communities that are disadvantaged. We are uniquely placed to identify deprivation and disadvantage and act within the powers we have available to deliver our priority of outstanding communities.

- 3.2 In East Devon some 18% of children were identified as being in poverty (after housing costs) by the End Child Poverty 2014 Child Poverty Map of the UK.
- 3.3 **Universal Credit** is being rolled out in East Devon. The new system is being rolled out in stages and being administered by the Department of Work and Pensions. The original idea behind Universal Credit of combining six different benefits (Child Tax Credit; Housing Benefit; Income Support; income based Job Seekers Allowance; income related Employment Support Allowance; and Working Tax Credit) into one and making work pay were sound, but the rollout and means of accessing funds have proven controversial. It is paid monthly. Further details are on GOV.UK website <https://www.gov.uk/universal-credit>
- 3.4 The Universal Credit pilot areas have reported the new system causing hardship due to delays in payment, reduced payments, leading to rent arrears, greater use of foodbanks, hunger (House of Commons Environmental Audit Committee report January 2019) and a range of other social/welfare impacts.
- 3.5 We are aware of **Food Banks** in our main towns and several we helped set up with start-up funding. We have sporadic contact and it would be useful to know more about their activity and issues they are facing to see how any intervention from us might assist.
- 3.6 We have seen **homelessness** rise in recent years with an increasing number of homeless applicants struggling with financial and/or mental health problems. Our updated Homelessness Strategy sets out the latest position in the district and the measures we are operating to tackle homelessness locally. This is often one of the consequences of people living in poverty where they are living in poor housing or worst still lose their home because they are unable to afford the housing costs.
- 3.7 Our stance on maintaining affordable housing as a Council priority is justified whilst we are experiencing such high levels of housing need with the most acute housing need manifesting itself in homelessness. We have long recognised the need for a 'decent home for all' and the need for good quality subsidised housing let at affordable rents has never been greater, and we try to match our ambitions (set out in the **Housing Strategy and Local Plan**) with this need.
- 3.8 Our recently adopted **Public Health Strategic Plan 2019-2023** recognises the important link between poverty and health & wellbeing. Planning for healthy communities and individuals as well as addressing health inequalities requires sufficient household resources to secure good quality housing, employment, education, diet, transport and healthy lifestyle choices to achieve wellbeing. Our Public health priorities are all about preventing ill health and we know that poverty leads to health inequalities and poorer health, so addressing poverty can lead to improved health of the population.
- 3.7 Our **Corporate Debt Strategy** attempts to assist people in prioritising their debts to the Council. While we have a legal duty to recover sums due to the council, our policy aims to ensure that collection is both fair and cost effective, and that our approach across the different recovery teams will be professional, uniform and timely. We recognise that preventing debt is essential and therefore we will always:
- Have skilled and trained staff at first point of contact to ensure customers have immediate access to high quality advice.
  - Aim to distinguish effectively between debtors who cannot pay and those who will not pay.
  - Develop a culture of payment by encouraging anyone in financial difficulty to contact us promptly to discuss their circumstances.

- 3.8 We will recognise the following key principles common to all types of debt:
- The difference between priority and non-priority debts
  - To promote a professional, consistent and timely approach to recovery action
  - To maximise income by using the most appropriate and effective methods of debt recovery
  - To work with customers at the earliest stage to encourage debt prevention
  - To aim to clear annual charges within the year they are raised
  - To ensure that debts are recovered in accordance with legislation
  - To treat individuals fairly and consistently, in accordance with Human Rights, Data Protection and equalities legislation.
- 3.9 Our **Exeter and Heart of Devon shared Economic Strategy 2017-20** is a partnership strategy aimed at securing high quality jobs for the region, raising skills and ensuring that employment is well paid. Whilst the strategy does not consider poverty in any detail there is a clear ambition for well-paid employment. The region does experience high levels of employment but much of this is lower paid employment, seasonal work and it will be interesting to consider how effective we have been in delivering our strategic ambitions.
- 3.10 Our **Local Futures** dataset can be interrogated to provide us with up to date data on income, employment and living costs. This together with Office for National Statistics (ONS) data will support the build-up of an up to date local picture.
- 3.11 In Housing we have been undertaking a longitudinal study of tenants and housing register applicants titled **Your Home: Your Wellbeing**. This study with Birmingham University and LiveWest is revealing that those living in affordable, secure housing have improved wellbeing, sense of security and less anxious with fewer money problems than those in the private rented sector and seeking social housing.

#### **4 Scoping for further local investigation**

- 4.1 I suggest that our investigation into poverty is coordinated with the work that DCC are undertaking, and we consider a number of key themes – welfare benefits; homelessness; food banks; the local economy; and the health & wellbeing of individuals and communities. Terms of Reference have been produced by our officers working with DCC and these are set out in **annex 1**. We feel that the work of the Devon Strategic Partnership Welfare Task Group covers the issues raised in the Council motion. The Policy Team at DCC are able to devote some time and resource to the study.
- 4.2 There are many areas where poverty has an impact that are largely outside of our control or influence and I suggest that our joint analysis focuses on where our services are impacted or are supporting families and individuals in poverty.
- 4.3 We should consider how we can alleviate poverty locally by administering any available discretionary funding, bidding for resources, adapting service delivery, enabling the third sector to contribute and building community resilience and self-help.
- 4.4 We might also review our Council priorities as part of our investigations prior to the refresh of the Council Plan, and without prejudging the outcomes, I anticipate we will be confirming affordable housing, health & wellbeing, the local economy and welfare support as ongoing ambitions to support our residents.

- 4.5 Furthermore, to put these considerations into context, we recognise that we live in a relatively affluent area when compared to many parts of the country, and there are number of interventions and contributions that our communities can make that alleviate the worst effects of poverty. Food banks are a good example of community action. We do have areas of deprivation that are often masked by our relative affluence, so targeted interventions would be the answer. We could identify opportunities and stimulate further examples of community resilience as part of our scoping exercise.
- 4.6 To complete a comprehensive piece of work will require officer time from several different Services. It will involve research, analysis and interpretation, alongside some creative thinking. I suggest that the Service Leads for Revenues & Benefits, Housing take the lead on working with DCC and report back on the findings.

# Devon Strategic Partnership Welfare Task Group

## Draft Terms of Reference January 2019

### Background

A number of reforms have been introduced following the Welfare Reform Act 2012. Several national reports have revealed that these changes are having detrimental effects, with the poorest people and places being disproportionately affected. Particularly significant are two 2018 reports:

- The report by the Equality and Human Rights Commission (2018) on the [Cumulative impact of tax and welfare reforms](#). This revealed that the largest negative impacts of changes to taxes, benefits, tax credits and UC will be felt by those with lower incomes. The poorest 20% will lose, on average, approximately 10% of net income, with the changes having a disproportionately negative impact on several protected groups, including disabled people, certain ethnic minorities, and women.
- The [Statement on Visit to the United Kingdom](#), by Professor Philip Alston, United Nations Special Rapporteur on extreme poverty and human rights. The Special Rapporteur's report documented the growth of poverty in the UK, with 14 million people, a fifth of the population, living in poverty. The implementation of Universal Credit was identified as a cause of hardship, with detrimental effects on many claimants' mental health, finances, and work prospects.

Universal Credit, the most significant reform, is now being rolled out in Devon with a potential total of 109,000 claimants by 2023. Universal Credit aims to bring positive changes including stronger work incentives, increased employment support and an easier transition into work. However it is recognised that the delivery of this new benefit is causing hardship. Many vulnerable customers are finding the transition to Universal Credit difficult and have a wide range of support needs. As the roll out continues, we need to understand the local picture and how best to adapt our priorities and provision to alleviate the detrimental effects.

The Task group has been established initially to focus on East Devon and Exeter, to understand:

- the impacts of welfare reform at local level,
- the actions we can take to alleviate the effects of poverty on individuals and communities.

### Objectives:

To develop a good understanding of the implications of Universal Credit and other associated reforms for communities and public services, initially for East Devon and Exeter. The aim will be to widen this out to the other Local Authority areas in Devon. The task group will do this by:

1. Developing an assessment covering the following impacts on people of working age:
  - i. Poverty analysis (in particular how Universal Credit affects people across different housing tenures),
  - ii. Employment and earnings (including employment rates, income levels, numbers of people in work, in/out of work poverty)
  - iii. Homelessness (including increases in homelessness and the causes)



- iv. Debt and financial vulnerability (including reliance on foodbanks, payday loans, rent and Council Tax arrears, general indebtedness and budgeting abilities).
- v. Health & Wellbeing (including mental and physical health and health inequalities).
- vi. Social (including crime and anti-social behaviour).

2. Modelling the future extent of these impacts,
3. Mapping existing policies and means of support available to welfare claimants,
4. Using this analysis to inform policy or operational changes that may be needed and make recommendations on how we can help to alleviate the impacts.

Breaking this analysis down to geographic areas that best reflect the makeup of each Authority.

## Membership:

Represented on the Task Group will be:

- Citizens Advice Devon
- Department of Work and Pensions
- Devon County Council
- East Devon Council
- Exeter City Council
- Devon Voluntary and Community Sector
- Devon and Cornwall Police
- Public Health

With other organisations engaged as necessary.

## Governance

- The Task Group has been established under the umbrella of the Devon Strategic Partnership. The DSP brings together public, private and voluntary and community sector organisations, to address issues that require a multi sector approach. The Task Group will report progress to the Annual DSP Conference.
- The Task Group's main link will be with the Devon Benefits and Revenues Officer Group. The Task Group will report progress to DBROG each month. DBROG will guide the work of the task group and DBROG members will implement Task Group recommendations within their own organisations as necessary.

## Timeline

February 2019:	First meeting of task group to agree Terms of Reference, determine datasets and assign roles and responsibilities,
April 2019:	Completed analysis of data,
May 2019:	Completed map of policies and provisions,
June 2019:	Completed analysis and outcomes with suggested recommendations.

## Areas covered

Initially:

- East Devon District Council
- Exeter City Council

Once the initial analysis is established, to be extended to:

- Mid Devon District Council
- North Devon District Council
- Plymouth City Council
- South Hams District Council
- Teignbridge District Council
- Torbay Council
- Torridge District Council
- West Devon Borough Council



**Report to:** Cabinet  
**Date of Meeting:** 6 March 2019  
**Public Document:** Yes  
**Exemption:** None  
**Review date for release** None

**Agenda item:** To be completed by Democratic Services.

**Subject:** **Payhembury Neighbourhood Plan Examiner's Report**

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

**Recommendation:**

- 1. That Members endorse the Examiner's recommendations on the Payhembury Neighbourhood Plan (the Plan).**
- 2. That Members agree that a 'referendum version' of the Plan (incorporating the Examiner's modifications) should proceed to referendum and a decision notice to this effect be published.**
- 3. That Members congratulate the Neighbourhood Plan Steering Group on their hard work.**

**Reason for recommendation:** The legislation requires a decision notice to be produced at this stage in the process. The 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 by the Parish Council.

**Officer:** Phil Twamley, Neighbourhood Planning Officer  
[ptwamley@eastdevon.gov.uk](mailto:ptwamley@eastdevon.gov.uk) 01395 571736

**Financial implications:** There are no direct financial implications for East Devon District Council.

**Legal implications:** As set out within the report, it is a formal requirement for the Council to consider the Examiner's recommendations and satisfy itself that the proposed modified plan meets the prescribed 'Basic Conditions'. The purpose of this officer report is to satisfy this formal requirement. Assuming Members agree then the Council is obliged to publish a 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. The Inspector's report correctly refers to the transition requirements to the revised 2018 NPPF issued during the plan making process, these set out that the submitted

Neighbourhood Plan is to be examined against the 2012 NPPF. 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:** Medium 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](#)
- [Neighbourhood Planning Regulations 2012](#)
- [Neighbourhood Planning Roadmap Guide](#)
- [Payhembury Neighbourhood Plan and Examiner's Report](#)
- [EDDC Local Plan 2013-2031](#)

**Link to Council Plan:**

Neighbourhood planning helps to deliver the priorities identified in the Council plan by:

Encouraging communities to be outstanding

Developing an outstanding local economy

Delivering and promoting our outstanding environment

## 1.0 The Examination

1.1 The Payhembury Neighbourhood Plan has now been examined and, subject to modifications, it has been recommended that it proceed to referendum. The Examiner, Mary O'Rourke, was chosen by EDDC in consultation with Payhembury Parish Council.

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. The Examiner did not consider it necessary to hold a public meeting. The Plan and Examiner's report are available to download on our [website](#):

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. 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>  <b>(Paragraph 12 of Schedule 4B of TCPA 90)</b></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 and 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  (3)complies with the other legal requirements set out in Sections 38A &amp; 38B of the TCPA 90</p> <p><b>12c - Produce and publish a Decision Statement</b>  <b>(Regulation 18)</b></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. This may entail referring this matter back to the Examiner.</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>

1.4 The Examiner has recommended a five textual modifications to the Plan. The Examiner’s recommendations are as follows:

Proposed modification number (PM)	Page no./ other reference	Modification
PM1	Page 22	<p>To improve general conformity with the strategic policy contained in East Devon Local Plan, and to encourage the delivery of the identified housing need for smaller properties:</p> <p>In the last sentence of policy PNP1 delete the words ‘of brownfield sites’ and add after ‘Local Plan’ the words <b><i>‘and with the maximum internal space standard set out above’</i></b>.</p>

PM2	Page 24	<p>Suggested modification of policy PNP3 to clarify that marketing of an employment site must be for the existing or similar use:</p> <p>In policy PNP3 after the word 'marketed' add '<b>for the existing or similar employment use</b>' before 'at a realistic price .....'.</p>
PM3	Page 26	<p>The words '<i>further development of existing buildings or within their curtilage ...</i>' are not sufficiently clear and unambiguous. Further, proposals should also have regard to any impact they might have on the natural environment and biodiversity. Suggested modification to the wording along the lines suggested by the District Council:</p> <p>Reword policy PNP4 as follows:</p> <p><b><i>Proposals for individual and community scale renewable energy projects, and other forms of green technology, will be supported subject to the proposed development not having an unacceptable adverse impact on:</i></b></p> <ul style="list-style-type: none"> <li>• <b><i>the character and appearance of the area;</i></b></li> <li>• <b><i>the amenity of local residents; and</i></b></li> <li>• <b><i>the natural environment and local biodiversity.</i></b></li> </ul>
PM4	Page 31	<p>The policy, as drafted, lacks a level of clarity in its use of ambiguous words like 'safe pedestrian zones', 'possibly', 'defined walkway', and 'safe pedestrian area'. Suggested modifications to text:</p> <p>Reword policy PNP6 as follows:</p> <p><b><i>All proposals for new development should make appropriate safe provision for pedestrians. Improved or increased provision for pedestrians in the village centre will be supported.</i></b></p>
PM5	Page 30	<p>Suggested clarification on the level of protection afforded to Green Belts:</p> <p>Reword policy PNP5 as follows:</p> <p><b><i>The Church Lane Play Area, indicated in Figure 3, is designated as Local Green Space and where any proposals for development should be consistent with national Green Belt policy.</i></b></p>

- 1.5 Under para 12 of the Town and Country Planning Act it is for the Local Planning Authority (EDDC) to consider the recommendations made in the report and the reasons for them and decide what action to take in response to each recommendation.
- 1.6 The District Council must be satisfied that the Neighbourhood Plan meets the 'Basic Conditions', compatible with the convention rights and complies with the provisions under s 38A and 38B or that the draft Neighbourhood Plan would meet those conditions be compatible with those rights and comply with those provisions if modifications were made to the draft Neighbourhood Plan (whether or not recommended by the Examiner) before a referendum is held.
- 1.7 The regulations go on to state that if-

- a) the Local Planning Authority propose to make a decision which differs from that recommended by the Examiner, and
- b) the reason for the difference is (wholly or partly) as a result of new evidence or a new fact or a different view taken by the authority as to a particular fact, the authority must notify prescribed persons of their proposed decision (and reason for it) and invite representations.

1.8 The legislation, which is reflected in our protocol, requires the Council to consider and respond to this report. The amendments suggested by the Examiner, mean 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 and the 'Basic Conditions' are met, 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 and agree that a notice to this effect be published.

1.9 A revised version of the Plan (known as the 'Referendum Version'), incorporating the recommended changes, will be available to view on the EDDC website before the Cabinet meeting. The District Council will be responsible for arranging a referendum where all electors within the Parish of Payhembury 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:** 6 March 2019  
**Public Document:** Yes  
**Exemption:** None

**Agenda item:** 17

**Subject:** **Financial Monitoring Report 2018/19 - Month 10 January 2019**

**Purpose of report:** This report gives a summary of the Council's overall financial position for 2018/19 at the end of month 10 (31 January 2019).

Current monitoring indicates that:

- The General Fund Balance is being maintained at or above the adopted level.
- The Housing Revenue Account Balance is being maintained at or above the adopted level.

**Recommendation:**

- 1. The variances identified as part of the Revenue and Capital Monitoring process up to Month 10 be acknowledged.**
- 2. Cabinet are asked to consider a request to use £34,000 of the Transformation Fund to replace 95 Streetscene frontline staff mobile phones.**

**Reason for recommendation:** The report updates Members on the overall financial position of the Authority at set periods and includes recommendations where corrective action is required for the remainder of the financial year.

**Officer:** Simon Davey, Strategic Lead Finance  
[sdavey@eastdevon.gov.uk](mailto:sdavey@eastdevon.gov.uk)

**Financial implications:** Contained within the report

**Legal implications:** Any legal implications are identified in the report and no further 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 Financial Plan

**Links to background information:**

**Link to Council Plan:** Funding this outstanding place

**1. Introduction**

1.1 The purpose of this monitoring report is to update members of Cabinet on the overall financial position of the Authority following the end of month ten. The reports considers expenditure to date and projections on year end spend to determine if the Council will maintain its spending within budget and maintain the General Fund Balance and the Housing Revenue Account Balance within the adopted ranges.

**2. General Fund Position as at Month 10 January 2019**

2.1 The following table shows the original budget set for the year and any supplementary estimates approved to date affecting the General Fund position. In year variances have been identified which are likely to alter the outturn position for the year as detailed below:

<b>General Fund Position</b>	<b>£000</b>
<b>Original Budget Requirement (set 28/02/18)</b>	<b>11,790</b>
Month 10 predicted over / (under) spend at year end detailed below	(142)
<b>Predicted Outturn Position 31/3/2019</b>	<b>11,648</b>

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

<b>Predicted over / (under) spends</b>	<b>Predicted Outturn Variation £000</b>
<b><u>Environment Portfolio</u></b>	
<b>Car Parks</b> Income from fees above budget, really good summer	(56)
<b>Recycling and Refuse</b> Avoided waste receipt from Devon County Council under new arrangements better than budgeted, increase recycling materials income from increased volumes, benefits of new Materials Recovery Facilities and market rates slightly better than anticipated.	(232)
Green Waste scheme has been successful but not anticipated to meet ambitious budget target of £100k net income.	31
<b>Coast &amp; Flood Prevention</b> Savings on contractors	(39)

<p><b>Beaches &amp; Foreshores</b> Additional contribution from DCC on works and additional income from Beach Huts and concessions</p>	(30)
<p><b><u>Finance Portfolio</u></b></p> <p><b>Revenues &amp; Benefits</b> Savings on staffing, additional income from initiatives and better government subsidy than budgeted.</p>	(136)
<p><b>Financial Services</b> Savings through procurement on retender of insurance</p>	(150)
<p>Investment income lower than budgeted and loan repayments greater than budgeted as the Council took a fixed £5m loan related to recycling and refuse equipment. This was expected in 2019/20 but treasury projections indicated sensible to fix loan now based on debt profile.</p>	595
<p>Additional business rates through growth and initiatives to grow the rates base.</p>	(360)
<p><b><u>Strategic Development &amp; Partnership Services</u></b></p> <p><b>Building Control</b> Increase in application numbers, increased income £25k, but ring fenced account so no effect on General Fund variance</p>	-
<p><b>Development Management</b> Fall in planning applications and associated income being offset by a reduction in expenditure used to mitigate overall reduction. This area is being monitored closely, the Service Lead and previous year trends suggest this may pick up in the last couple months of the financial year.</p>	150
<p><b><u>Sustainable Homes &amp; Communities Portfolio</u></b></p> <p><b>Homeless Persons</b> Implications on new legislation with an increase in homeless cases and expensive accommodation costs falling to the Council. Action is being taken to mitigate the costs by seeking additional accommodation that is more cost effective.</p>	85
<p><b>Staffing position across all services</b> Overall savings on budget which includes an assumption that we would save £349k through vacancies in year.</p>	-
<p><b>Predicted Outturn Total Variations General Fund</b></p>	<b>(142)</b>

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

	<b>£000</b>
<b>General Fund balance as at 1/4/2018</b>	<b>(3,666)</b>
Predicted net over / (under) spend to year end	(142)
<b>Predicted General Fund Balance 31/03/19</b>	<b>(3,808)</b>

The Council has an adopted range for the General Fund Balance to be within £2.8m to £3.6m. The predicted balance is currently within this range.

### 3. Housing Revenue Account Position

3.1 The following table shows the variation against the original budget which will affect the Housing Revenue Account year end position.

<b>Predicted over / (under) spends</b>	<b>Predicted Outturn Variation £000</b>
Income	30
Responsive Repairs	117
Programme Maintenance	(6)
Special Works	39
Supervision & Management	(322)
Other Expenditure	(51)
Major Repairs	178
<b>Predicted Outturn Total Variations HRA</b>	<b>(15)</b>

Notable items of budget variance are;

- The income from council dwellings is expected to be on budget with garage and other income showing a slight decline
- Lower than expected employee costs as recruitment progresses
- Increase costs associated with voids in Major repairs due to amount of work required on some properties.
- Increases in volumes of responsive repairs which has driven up forecast expenditure.

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

<b>HRA (Surplus)/Deficit</b>	<b>£000</b>
<b>Original Budget surplus (Council 28/2/18)</b>	<b>(1,413)</b>
Month 10 predicted net (under)/overspend to year end	(15)
<b>Predicted Budget (Surplus)/Deficit HRA</b>	<b>(1,428)</b>

The original approved budget generates a surplus of £1.413m in 2018/19. This sum was to be used to help finance the purchase of properties, continuing with the £5m annual investment programme (£3.5m from reserves/surplus and £1.5m from RTB receipts). However it was acknowledged that the budget excluded a £1.580m principle loan repayment scheduled for 2018/19, which could be achieved through raising a new loan or the surplus could be utilised. The decision will be based on Treasury advice at the point of repayment.

- 3.3 The following table shows the effect on HRA Reserve:

	<b>£000</b>
<b>HRA balance as at 1/4/2018</b>	<b>(3,100)</b>
Predicted net over / (under) spend to year end	(1,730)
<b>Predicted General Fund Balance 31/03/19</b>	<b>(4,830)</b>

The HRA Balance is required to be maintained within the adopted range of £2.1m and £3.1m, it is currently being projected to be £4.830m at the end of 2018/19. However consideration needs to be given to the loan repayment discussed above and the proposed investments in house purchases. Other reserves held by the HRA are contained in the detailed report to HRB.

#### **4. Capital Programme Position up to Month 10**

- 4.1 Below is the current position estimated for the capital programme which reflects a re-profiling of expenditure taking into account carried forward from the 2017/18 budget.

<b>Capital Programme</b>	<b>£000</b>	<b>£000</b>
<b>Net Capital Programme Budget (Council 28/02/18)</b>		<b>12,204</b>
2017/18 outturn position, budget slippage into 2018/19	8,158	
<b>Revised 2018/19 budget</b>		<b>20,362</b>
<b>Capital Programme variations</b>		
Emergency works Exmouth Sea Wall – Council Approved	600	
Environment Agency Funding	(500)	

Recycling & Refuse vehicles and depot improvements – Council Approved	767	
Beer Community Land Trust Loan approved (loan costs met by Trust)	170	
Exeter Science Park Loan – reduce sum required	(223)	
HRA additional programme costs for re-roofing	335	
<b>Predicted Capital Budget Requirement Month 6</b>		<b>21,511</b>

4.2 Details of the capital programme financing is given below:

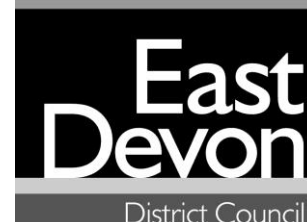
Capital Programme Financing	£000
<b>Predicted Capital Budget Requirement Month 6</b>	<b>21,511</b>
HRA Financing	(5,241)
General Fund Capital Receipts	(1,100)
New Homes Bonus	(2,593)
Section 106's & Grants	(20)
Allocated Reserves to specific capital projects	(190)
<b>Net Internal/External Borrowing</b>	<b>(12,367)</b>

4.3 The Council currently does not hold a general capital reserve and all funding needs to be found. The cash required to fund the expenditure of £12.367m can be met from internal cash balances or through raising loans, this decision is made in line with Council's Treasury Management Strategy. This position changes in future years as significant capital receipts are expected from projects currently being funded. The revenue implications of funding this position has been factored into the revenue monitoring position.

## 5. Request for funding from the Transformation Reserve

5.1 Cabinet are asked to consider a request to use £34,000 of the Transformation Fund (currently uncommitted balance remaining of £1.618m) to replace 95 Streetscene frontline staff mobile phones from the originally issued android phones which have become outdated.

5.2 By switching to iPhones this will give staff access to the new Strata designed mobile worker app which has improved facilities over the current system and includes a lone worker facility. This will save on an annual application cost of £18k per year required for the current system which is not required for in the in-house development. Another key benefit to the change is that updates and fixes can be updated automatically whereas the current system requires staff to come into the office.



**Report to:** Cabinet

**Date of Meeting:** 6 March 2019

**Public Document:** Yes

**Exemption:** None

**Review date for release:** None

**Agenda item:** 18

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

**Purpose of report:** To update Cabinet on the financial position of the Enterprise Zone to support the proposed revenue programme and capital investment.

**Recommendation:** It is recommended that Cabinet:  
Notes the progress with the operation of the Enterprise Zone designation.

**Reason for recommendation:** Cabinet last received a paper on the financial position of the EZ in April 2018. During the intervening period work has focused on gaining approval for projects that support the delivery of the EZ, in terms of overcoming identified barriers and catalytic investments that can increase the pace of delivery for new commercial space and jobs.

**Officer:** Naomi Harnett, Enterprise Zone Programme Manager  
[nharnett@eastdevon.gov.uk](mailto:nharnett@eastdevon.gov.uk) / 07580 297 059 / 01395 571 746

**Financial implications:** This report informs members of the current financial position with Enterprise Zone which as can be seen from the report is a better position than originally budgeted.

**Legal implications:** There are no legal implications arising from the content of the report.

**Equalities impact:** Low Impact  
Potential impacts on equality will be managed through the Implementation Plan for the Zone.

**Risk:** Medium Risk

**Links to background information:**

- [Overview report – January 2016](#)
- [Cabinet Paper May 2016](#)
- [Cabinet Paper November 2016](#)
- [Cabinet Paper March 2017](#)
- [Cabinet Paper November 2017](#)
- [Cabinet Paper April 2018](#)

**Link to Council Plan:** Working in and funding this outstanding place.

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.

## 1. Introduction

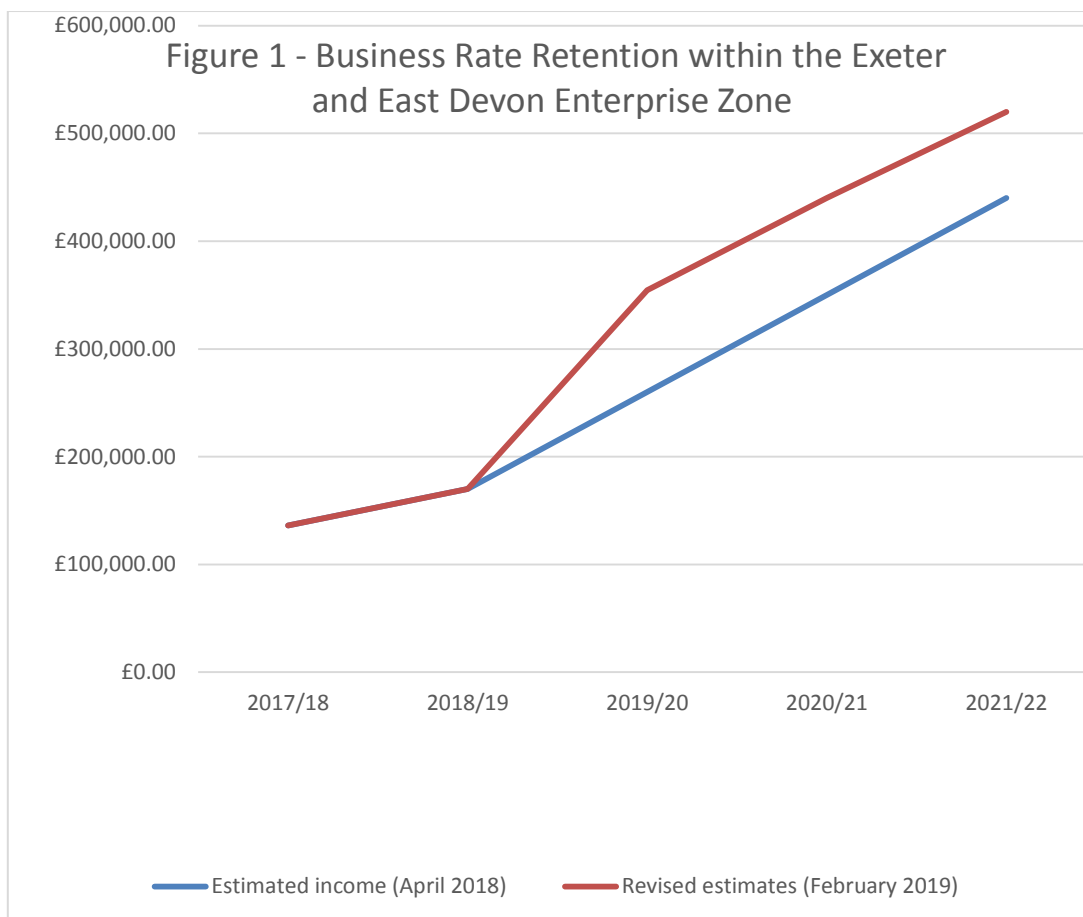
- 1.1 Cabinet has received a series of papers on the Enterprise Zone (EZ) designation since it went live in April 2017. This has included a paper in April 2018 which sought approval for borrowing against ring fenced business rates incomes from the four sites in the Zone.
- 1.2 An update paper provides an overview of the current financial forecast for the EZ and supports the other papers presented to March 2018 Cabinet on Long Lane Enhancement Scheme and Simplified Planning.

## 2. Financial position

- 2.1 In April 2018 Cabinet received a proposed Enterprise Zone Budget (Table 1). This budget had been conservatively estimated on the level of floor space likely to come forward within the EZ.

Year	Total EZ income	Programme Management	Revenue Budget (studies, professional advice, etc)	Revenue Budget to support borrowing	Total borrowing available
2017/18	£136,305	£26,500	£109,805	£0	£0
2018/19	£170,000	£27,825	£42,000	£100,175	£4,097,158
2019/20	£260,000	£29,216	£44,100	£106,684	£4,363,365
2020/21	£350,000	£30,677	£46,305	£183,018	£7,485,434
2021/22	£440,000	£32,211	£48,620	£209,169	£8,555,016
2022/23	£500,000	£33,822	£51,000	£215,178	£8,800,780

- 2.2 However, through 2018 monitoring of the Enterprise Zone has identified that progress made on site is exceeding initial estimates and we are in a moderately improved financial position (Table 2 and Figure 1).



**Table 2 – Revised Enterprise Zone Budget to support borrowing**

Year	Total EZ income	Programme Management	Revenue Budget (studies, professional advice, etc)	Revenue Budget to support borrowing	Total borrowing available
2017/18	£136,305	£26,500	£109,805	£0	£0
2018/19	£170,000	£27,825	£42,000	£100,175	£5,008,750
2019/20	£354,524	£29,216	£75,000	£140,308	£7,015,400
2020/21	£440,000	£30,677	£75,000	£160,000	£8,000,000
2021/22	£520,000	£32,211	£75,000	£160,000	£8,000,000
2022/23	£600,000	£67,644	£51,000	£160,000	£8,000,000

- 2.3 The reasons for this improved financial position are:
- Delivery of site has been quicker than estimated – the timescale for delivery of buildings on site included slippage, whereas most of the buildings have been completed on time.
  - Rateable values are higher than estimated – initial estimates were based upon a limited information due to limited number of buildings within the EZ sites

2.4 The revised budget provides an opportunity to review the EZ programme, including areas that have not progressed. Table 3 provides a revised overview, including repayment of borrowing.



### **3. Simplified Planning**

- 3.1 In July 2017 EDDC Strategic Planning Committee approved the commencement of work on an LDO at Exeter Science Park. This work was not progressed as the subsequent procurement process aimed at getting a consultancy team on board was unsuccessful.
- 3.2 The approach to introducing LDOs has been reviewed and it is now recommend that the EZ budget is used to fund an additional member of staff rather than a consultant. This will mean that the technical expertise developed will be retained in-house and the member of staff will deliver all of the proposed LDOs.
- 3.3 The revised budget provides an opportunity to have a dedicated budget for the member of staff and sufficient budget to support technical studies without impacting upon repayment of borrowing.

### **4. Provision of Grants**

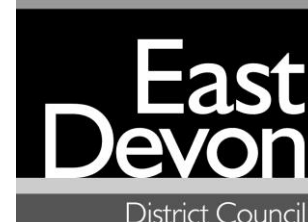
- 4.1 The initial financial programme included the provision of both grants and loans to support the barrier and catalyst projects. Therefore the initial budget included capital repayments from developers.
- 4.2 As schemes have been developed it has become apparent that some schemes will need to be part grant/part loan to ensure timely delivery of infrastructure. Particularly when schemes are delivered after development is completed as there is no legally enforceable rebate mechanism for securing contributions retrospectively.
- 4.3 Therefore provision is made within the budget for the EZ to support full capital repayment of schemes, to minimise risk to EDDC and stalling of development of the EZ. Approval will continue to be sought for each scheme through Cabinet for each investment proposition.

### **5. Conclusion**

- 5.1 The EZ designation is already demonstrating clear benefits to supporting delivery of new commercial space and jobs in the West End of the District.
- 5.2 The retained business rates are providing demonstrable support to both capital and revenue programmes. With the EZ Team developing projects that help to overcome identified barriers to delivery and/or have a catalytic impact in terms of accelerating the pace of new commerical development.

Table 3 – Revised Enterprise Zone Budget to support repayment of borrowing

Year	Total Business Rate Income	Programme Management	Simplified Planning Management	Revenue Budget (studies etc)	Revenue budget to support borrowing	Total borrowing available (to cover interest)	Budget for repayment of revenue grant borrowing	Budget for repayment of principal (capital borrowing)	Repayment of loan by third parties (developers etc)
2017/18	£136,305	£26,500	£0	£109,805	£0	£0	£0	£0	£0
2018/19	£170,000	£27,825	£0	£42,000	£100,175	£5,008,750	£0	£0	£0
2019/20	£354,524	£29,216	£60,000	£75,000	£140,308	£7,015,400	£50,000	£0	£0
2020/21	£440,000	£30,677	£63,000	£75,000	£160,000	£8,000,000	£111,320	£0	£0
2021/22	£520,000	£32,211	£66,150	£75,000	£160,000	£8,000,000	£186,636	£0	£0
2022/23	£600,000	£67,644	£0	£51,000	£160,000	£8,000,000	£262,053	£59,300	£500,000
2023/24	£741,500	£68,996	£0	£52,020	£160,000	£8,000,000	£0	£460,481	£0
2024/25	£990,402	£70,376	£0	£53,060	£160,000	£8,000,000	£0	£706,963	£500,000
2025/26	£1,267,787	£71,784	£0	£54,122	£160,000	£8,000,000	£0	£981,878	£0
2026/27	£1,541,255	£73,220	£0	£55,204	£160,000	£8,000,000	£0	£1,252,828	£0
2027/28	£2,125,793	£74,684	£0	£56,308	£160,000	£8,000,000	£0	£1,834,798	£0
2028/29	£2,508,643	£76,178	£0	£56,871	£160,000	£8,000,000	£0	£2,215,591	£0
2029/30	£2,905,171	£77,702	£0	£57,440	£0	£0	£0	£2,770,029	£0



**Report to:** Cabinet

**Date of Meeting:** 6 March 2019

**Public Document:** Yes

**Exemption:** None

**Review date for release:** None

**Agenda item:** 19

**Subject:** Long Lane Enhancement

**Purpose of report:**

- To provide an update on progress with the design of an enhancement scheme for Long Lane.
- To set out an options analysis in terms of how to proceed.
- To seek approval from Cabinet to borrow up to £3m against future ring fenced income to deliver the enhancement scheme.

**Recommendation:**

**It is recommended that Cabinet:**

- Note the progress with the design of a scheme to upgrade Long Lane
- Considers the options analysis of how to move forward
- Subject to confirmation of the final scheme design and the quantum of developer contributions being secured through a funding agreement, endorse Option 1 as the preferred way forward
- Recommend to Council the borrowing of up to £3m against ring fenced business rate income to implement the scheme and enter in to a funding agreement with Devon County Council to deliver this
- Approves a contribution of up to £5k towards the legal fees of those delivering the FAB project to progress the funding agreement prior to the final investment decision stage being reached
- Supports an investment of £5k to help provide match funding for a bid to DfT's Cycle Rail fund
- Gives delegated approval to the Chief Executive in consultation with the Leader and Strategic Leads for Finance and Governance & Licensing to agree the terms of and complete the funding agreement and any other necessary legal documentation to achieve the above recommendations.

**Reason for recommendation:**

Cabinet received a paper on the Enterprise Zone in April 2018. This sought approval for the principle of borrowing up to £8m against ring-fenced business rate income, with detailed approval for investing up to £3.4m for four specific projects. During the intervening period work has focused on the delivery of the approved projects, along with supporting the development of other opportunities. This has focused on

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overcoming barriers to delivery and bringing forward catalytic investments.

The substandard nature of Long Lane and subsequent limitations to the capacity of the current highway network are a direct barrier to the delivery of Airpark, one of the four Enterprise Zone sites. The proposed enhancement will overcome this barrier and also secure a number of wider benefits including supporting enhanced public transport connectivity and the future growth of the Airport.

**Officer:** Andy Wood, Projects Director

07740 024918 [adwood@eastdevon.gov.uk](mailto:adwood@eastdevon.gov.uk)

**Financial implications:**

The report highlights the significant financial implications and associated risks. Option 1 is being recommended which has the main risk as highlighted in the report of a £670k planned contribution from the FAB project not being realised with the Council already committed to the cost of the scheme. The overall financial imperative of schemes approved from Enterprise Zone monies is that there is sufficient future business rates receipts which will payback all costs involved which is the case with this scheme, should the contribution from the FAB project not materialise and then this will have to be factored into the financial position reducing sums available for other projects coming forward.

**Legal implications:**

The principle of borrowing against future income is acceptable. While state aid advice has been procured by the Growth Point team, it will be necessary for the Council to satisfy itself that this project is legally compliant and moreover that appropriate legal documentation is in place in respect of the funding. In that regard the legal team will carry out appropriate due diligence in relation to this project (including reviewing the State Aid advice) and ensure that it is legally sound and that appropriate documentation is drawn up and entered into. While unusual the £5k contribution towards the legal costs of those delivering the FAB link project is permissible.

**Equalities impact:**

Low Impact

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

**Risk:**

High Risk

This paper details four main risks associated with the project and their potential mitigation. Of particular note is the risk that the France-Alderney-Britain (FAB) Connector project not proceed. This has been delayed due to Brexit and the need for approval from the French regulator. If the project does not proceed a capital contribution of £670k towards the scheme would not be forthcoming.

Set against this is the risk that if the enhancement scheme never proceeds no development can come forward at the Airpark site. Business Rate income from site is estimated at £10m over the remaining 23 years of the designation.

**Links to background information:**

- [Overview report – January 2016](#)
- [Cabinet Paper May 2016](#)

- [Cabinet Paper November 2016](#)
- [Cabinet Paper March 2017](#)
- [Cabinet Paper November 2017](#)
- [Cabinet Paper April 2018](#)

**Link to Council Plan:** Working in and funding this outstanding place.

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.

## 1. Introduction

- 1.1 Long Lane runs in an east/west direction to the south of Exeter Airport. It connects to the B3184 and provides the main point of access to the Airport, Flybe Hangar and Training Academy and the Airport Hotel. When travelling in an easterly direction the Lane quickly narrows to below the standard (6.5m) needed to accommodate the two way flow of HGV traffic. This includes substantial stretches of single carriageway. An aerial picture showing Long Lane is included at Appendix A.
- 1.2 Cabinet has received a series of papers on the Enterprise Zone (EZ) designation which went live in April 2017. Borrowing of up to £8m was approved in April 2018 to invest in projects that either overcame barriers to delivery or which have a catalytic impact in terms of accelerating investment.
- 1.3 In conjunction with Devon County Council, £80k of funding from the Enterprise Zone programme had been used to commission highway consultant Jacobs to progress the design of an enhancement scheme for Long Lane. There had been extensive engagement during the course of the past year with a wide range of partners and stakeholders to agree the design of the scheme.
- 1.4 The scheme design is now close to being finalised. The final outstanding issue concerns the addition of a roundabout at the eastern end of Car Park 1 at the Airport. This will facilitate the provision of a bus loop whereby buses will be able to both enter and exit the airport forecourt area from Long Lane, thereby also enhancing public transport accessibility for the Flybe Hangar and Training Academy, Airpark and the Airport Hotel. .

## 2. Why is the scheme required?

- 2.1 The Long Lane enhancement scheme is required to overcome a key barrier to the delivery of the Airpark scheme, namely the inadequate capacity of the current highway network. Without this no development at the 17 acre Airpark site can come forward.
- 2.2 In addition to this the scheme will also help to;
  - improve the approach to Exeter Airport as a major gateway to the region
  - improve pedestrian and cycling links and signage
  - facilitate enhanced public transport connectivity to the Airpark site, Flybe Hangar and Training Academy and the Airport Hotel
  - support wider investment, in particular the France-Alderney-Britain (FAB) connector project
  - enable prospective future development, including the expansion of the Airport, to come forward
- 2.3 In terms of the FAB project the proposed site of the convertor station is approximately 500m beyond the Airpark site. Whilst the actual operation of this facility will generate

minimal traffic, the construction phase, including the need to transport 7 x 500 tonne transformers, will require improvements to the Lane. A scheme comprising passing bays forms part of the conditions attached to the planning permission for this facility.

- 2.4 This is not the first time that efforts to improve the Lane have been made. Monies were secured in 2014 from the Regional Growth Fund to improve the B3184 and Long Lane. Due to the fact that the widening works for the Lane would have necessitated the closure of the road for a considerable period and that the diversionary route was lengthy (via Aylesbeare), the impact on local businesses was enough to mean that this scheme was undeliverable. Only the widening of the B3184 proceeded.
- 2.5 Crucially the enhancement scheme now includes a link between Long Lane and the Silverdown Lane which can act as a diversionary route and overcome the reason why the 2014 scheme failed.

### **3. What does the scheme comprise?**

- 3.1 In order to ensure that the enhancement scheme has as wide support as possible a total of 6 meetings have been held with an extensive range of partners and stakeholders. As well as representatives of Airpark this has included the Airport, Flybe, Airport Hotel, FAB project, Highways England and the main landowners. A key principle that emerged at an early stage was the need to do 'one scheme once' – in other words to try to implement all elements of a preferred scheme in one go.
- 3.2 The overall scheme was broken down in to four constituent parts;
  - B3184 to Car Park 1
  - Long Lane 2014 scheme
  - Silverdown Lane link
  - Hotel junction to Harrier Court

A plan showing these sections and their associated cost is included at Appendix B.

- 3.3 It should be recognised that the proposed scheme includes elements of enhancement that are above and beyond the minimum necessary to unlock the proposed developments in terms of vehicular access. For example the Silverdown Lane link has been designed as a two way link rather than a single carriageway in order to facilitate bus circulation as well as enhancing cycling infrastructure. This necessarily entails additional cost.
- 3.4 Equally the stretch of Lane from the Flybe Academy junction to Harrier Court has been designed to be widened to 6.5m to accommodate the two way flow of HGV traffic along its length. Again this is above and beyond what is needed to accommodate the traffic associated with the construction phase of the FAB project (a scheme of passing bays) alone. There is, therefore, a significant element of future proofing allowed for in the scheme. This will help to facilitate future development including expansion of the Airport and additional airside development going forward.

### **4. Co-Bikes**

- 4.1 The County Council has agreed a scheme to roll out the network of electric Co-bike docks which are currently operational in Exeter to the Enterprise Zone area. There is an opportunity to support a bid to round 5 of the DfT's Cycle Rail fund to further augment this. A £5k contribution would help to deliver a 'super dock' of 20 bikes at Cranbrook station. Alongside the wider roll out of further docks, for example at the Science Park and Skypark, this investment would help to enhance connectivity with rail services. It is part of the recommendations of this paper that a £5k contribution to this bid is approved.

### **5. Funding mechanism**

- 5.1 The key ingredients of the expected funding mechanism are as follows;
- EDDC borrows the necessary monies to forward fund the improvements through the Enterprise Zone programme and enters in to a legal agreement with DCC to deliver the scheme. DCC would then be responsible for commissioning a contractor(s) to deliver the scheme.
  - Contributions towards the scheme costs are secured from relevant developers through a funding agreement based on the LEP's Growing Places fund. This is subject to detailed trigger points (in terms of payments) being agreed and a satisfactory State Aid assessment being completed
  - Business rate income in conjunction with developer obligations is used to recoup the funds
- 5.2 The individual components of the scheme have been tendered through the Devon Minor Works Framework. With allowance for elements such as stats diversions, supervision and risk the costs of the cheapest tenders sum to a total of £2.990m.

## 6. Value for money

- 6.1 A key consideration in delivering the enhancement scheme and crafting the associated investment proposal has been value for money. This particularly relates to the ability to secure contributions from developments that will benefit from the upgraded scheme. As a matter of principle it is important that developers mitigate the impact of their development.
- 6.2 Negotiations have been undertaken with the main developer parties (AD Land as the owners of the Airpark site and the FAB Projects) in order to agree a methodology to secure proportionate contributions in this respect. A starting point has been the Community Infrastructure Levy Regulations which sets out the following principles;
- necessary to make the development acceptable in planning terms
  - directly related to the development
  - and fairly and reasonably related in scale and kind
- 6.3 The lack of a single common denominator (e.g. floorspace) has meant that it has been difficult to define a truly scientific methodology by which to apportion costs between the different developments. Nonetheless it was an important part of the overall approach that contributions should be secured from the two developments that are broadly proportional to the costs that would have to be incurred if they were to be delivered in isolation i.e. in the scenario that there was no wider enhancement scheme.
- 6.4 As well as value for money considerations this is important from a State Aid perspective. To remain State Aid compliant a developer cannot be released from a legitimate planning obligation or receive a selective benefit. Equally contributions can only be secured towards the upgraded scheme before the improvements are actually made. In other words there is no legally enforceable rebate mechanism for securing contributions retrospectively.
- 6.5 There has been extensive negotiations to agree contributions towards the scheme. The proposed figures are;
- |             |       |
|-------------|-------|
| Airpark     | £300k |
| FAB project | £670k |
- 6.6 The precise timing and scheduling of payments (including trigger points and long stop dates) still need to be confirmed and enshrined within a bespoke funding agreement. It

should also be highlighted that the contribution from the FAB project is dependent upon the project proceeding. As this has been delayed by the Brexit process and is dependent upon approval of the French regulator and final investment approval, the project currently has an embargo on incurring further fees which is expected to last for 12 months. Subsequently this presents an issue in terms of progressing the funding agreement. To overcome this it is a specific recommendation of this paper that a contribution of up to £5k is made towards the legal fees that might be incurred by those progressing the FAB project in finalising the agreement in advance of the Final Investment Decision for the project being made. This will allow the contribution towards the enhancement scheme to be secured prior to the scheme being implemented.

6.7 One final consideration relates to the Airport. It is proposed that the new roundabout at the eastern end of the scheme falls within the scope of the scheme. This will enable buses to travel in both directions along Long Lane whilst still accessing the Airport forecourt area. The Rigby Group have confirmed that match funding will be made available to invest in the adjacent service roads within the Airport forecourt area to support this. Compliance with airport safeguarding measures will be necessary for safety and security purposes. Part of the land is also let to Flybe and their cooperation will be required to deliver the improvements the Airport need to carry out.

## **7. Options assessment**

7.1 Good progress has been made towards agreeing an overall scheme to upgrade and enhance Long Lane. It is considered that there are three main options in terms of how to proceed in terms of the funding and delivery of these works. These are set out below;

1) Implement the full scheme now

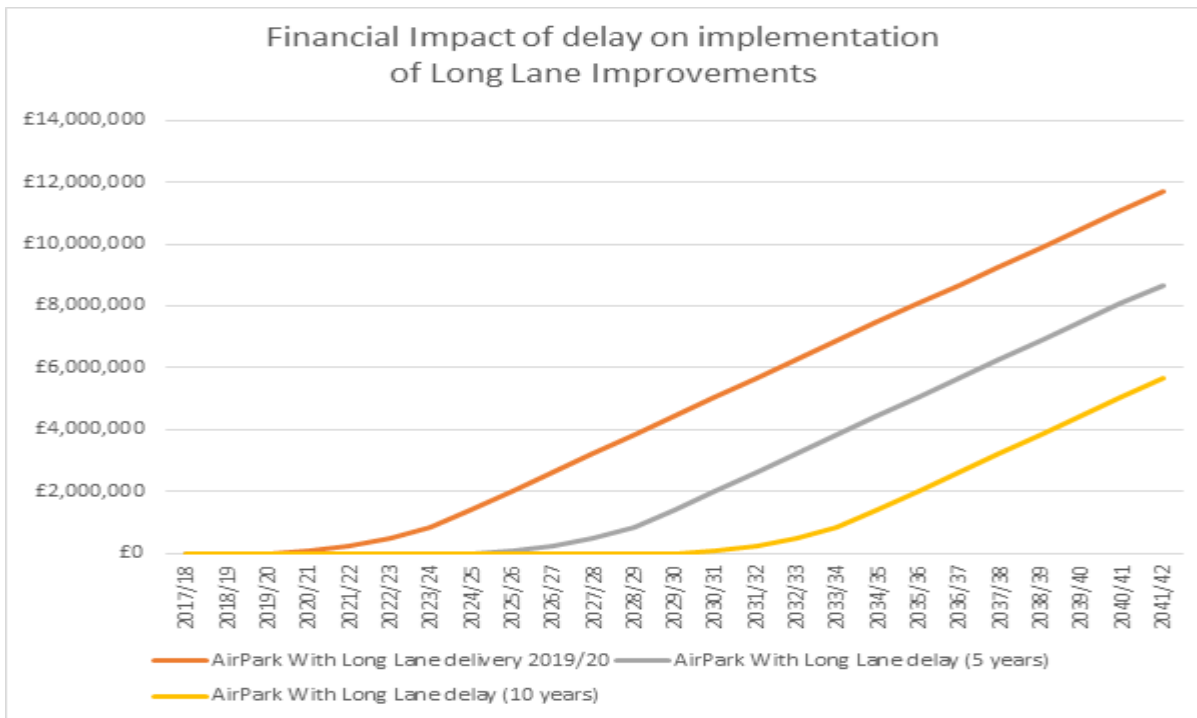
The earliest the scheme could commence is the summer of this year and would take approximately 6 months to complete. This would provide the earliest means of the unlocking the Airpark site. This would also offer a number of wider benefits, not least in terms of supporting both the Airport and Flybe at a critical time in their history. Set against this is value for money. A contribution of £300k can be secured from Airpark and £670k from the FAB project but these are contingent upon these development projects being realised.

2) Delay implementation of the full scheme until such time as confirmation has been received that the FAB project is proceeding

7.2 This option would entail a minimum of a 12 month delay with knock on implications for the Airpark site. It would though enable greater certainty in terms of securing the £670k contribution towards the scheme from the FAB project. There is always the associated risk that the project never gets final investment approval and that the 12 month delay would have been nugatory.

The impact of a delay to the project on the collection of business rate income is set out below;





On average every year of delay will cost circa £420,000 of lost business rate income

3) Implement a reduced scheme now

7.3 The minimum scheme necessary to unlock the Airpark site would entail the widening of the initial stretch of Long Lane and the delivery of the Silverdown Lane link at an estimated cost of circa £1.4m. Subject to securing a proportionate contribution to these works from the Airpark site these scheme could then be progressed and potentially completed by the end of 2019. However there would be no ability to secure a contribution from the FAB Project and further works would be required if this scheme were to progress or, in the event that it didn't, to support the future growth of the Airport. There is also the risk that key landowners will no longer cooperate with the implementation of the scheme as the potential to unlock strategic development land is diminished.

7.4 Ultimately none of the three options set out above is completely satisfactory. Each has its own drawbacks and disadvantages. On balance, and weighing up various factors including addressing the uncertainty created by Brexit and the potential for short term shocks to the local economy, it is recommended that Option1 is pursued. As set out in the recommendations this is subject to confirmation of the final scheme design and the quantum and timing of developer contributions being confirmed.

**8. Project appraisal**

8.1 A project appraisal has been commissioned for the Long Lane enhancement works. This concludes that the investment offers very good value for money, with a Net Present Value of more than £150m over 20 years and an Economic Benefit to Cost ratio of 83 if the full £970k of private sector contributions are forthcoming or 63 if the lower amount is secured.

**9. State Aid Assessment**

9.1 A State Aid assessment has been commissioned from Ashfords. This confirms that the proposal is State Aid compliant.

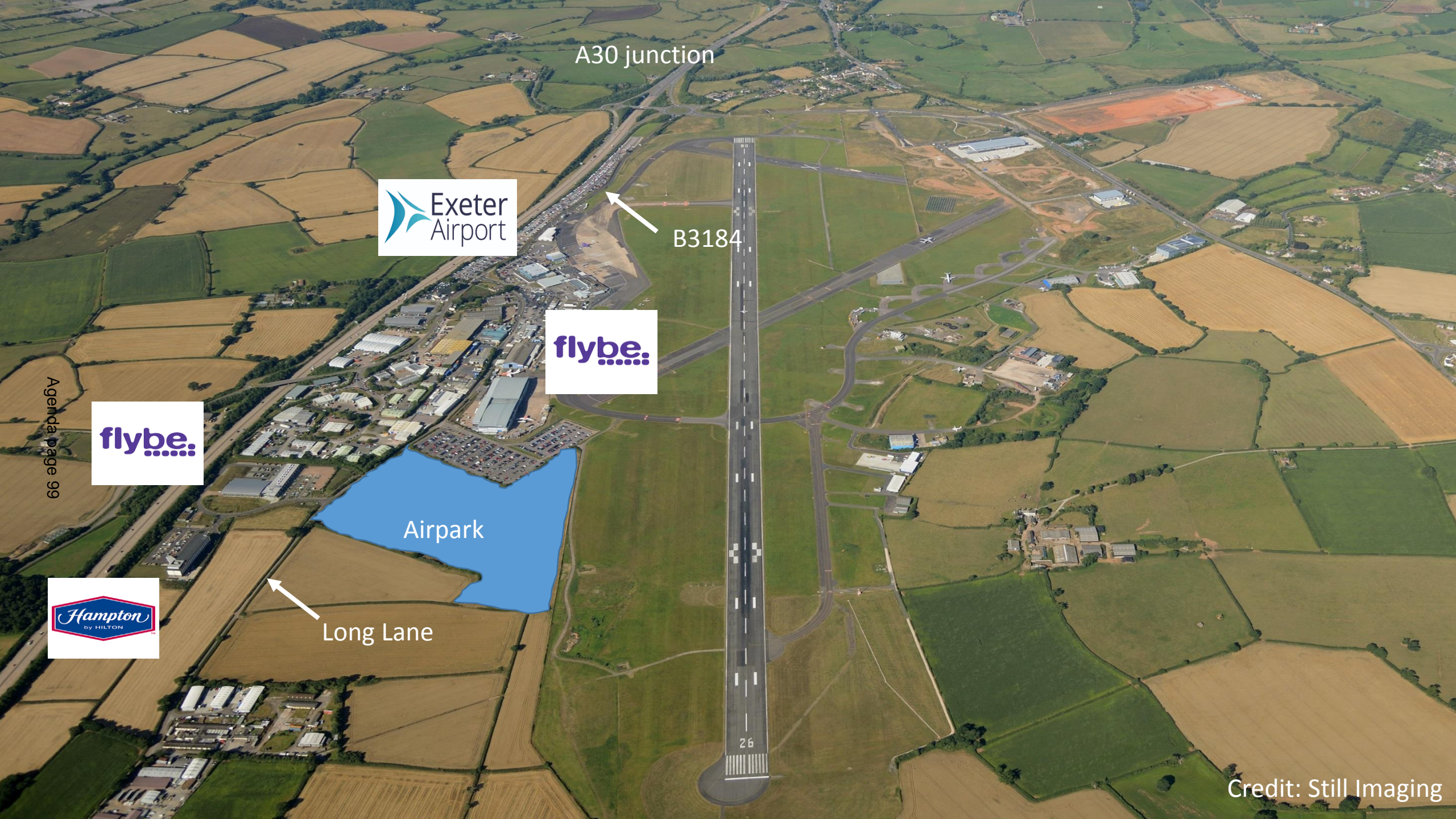
## 10. Risks

There are four main risks associated with the proposals;

- 1) Scheme programme and costs – total scheme costs are estimated to be just below £3m in line with the tenders received through the Devon Minor Works framework. A detailed delivery programme needs to be worked up including mitigating associated risks of cost overruns etc. The works will need to start with the Silverdown Lane link in order to provide the diversionary route. Works to Long Lane itself will need to avoid the busy summer period
- 2) Funding package – whilst contributions totalling £970k have been agreed a formal funding agreement, including trigger points for payment, has yet to be concluded. This will need to be the subject of further negotiation.
- 3) Progression of the FAB project – this is a major infrastructure project which will cost circa £1bn to deliver. Regulatory approval has been delayed by the uncertainties associated with Brexit and ultimately may never proceed.
- 4) Landowner consent – the scheme has progressed on the basis that there is no allowance in the budget for land acquisition. This is on the understanding that all of the landowners should ultimately benefit from the enhanced scheme. Whilst negotiations have progressed well to date, legal confirmation and sign up from landowners has yet to be finally secured. Ultimately this may not be forthcoming, particularly if the scaled back scheme is pursued.

## Conclusion

The Long Lane enhancement scheme is a vital infrastructure improvement that is needed to unlock development at the Airpark site as well as to secure a wider set benefits. This paper sets out an investment proposition for how this scheme can be funded and delivered.



A30 junction



B3184



Agenda page 99

Airpark



Long Lane

26

Credit: Still Imaging



- NOTES**
1. DO NOT SCALE FROM THIS DRAWING.
  2. ALL DIMENSIONS ARE IN METRES UNLESS OTHERWISE STATED.
  3. DRAWING TO BE PRINTED IN COLOUR.

**KEY**

Rev	Rev. Date	Purpose of revision	Drawn	Checked	Rev'd	Approved
A.2	28/01/19	FOR INFORMATION	SL	MC	MM	MM
A.1	18/01/18	FOR INFORMATION	TS	MC	MM	MM



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**Project**  
 LONG LANE ENHANCEMENT  
 AND SILVERDOWN LINK

**Drawing title**  
 LONGLANE & SILVERDOWN LINK  
 SCHEME LAYOUT  
 SHEET 1 OF 1

**Drawing status**  
 Fit for Information  
 Scale: 1:2500@A1 DO NOT SCALE

**Drawing number**  
 B23006BZ-01-017 Rev: A.2

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**Report to:** Cabinet

**Date of Meeting:** 6 March 2019

**Public Document:** Yes

**Exemption:** None

**Review date for release:** None

**Agenda item:** 20

**Subject:** Simplified Planning in the Enterprise Zone

**Purpose of report:** This paper puts forward the recommended approach for the introduction of a simplified planning regime for the Enterprise Zone (EZ) sites.

**Recommendation:**

1. Approve the recruitment of a dedicated post to progress Local Development Orders for each of the EZ sites.
2. Approve Option 1, starting with the Airpark and Science Park sites, as the best way forward.

**Reason for recommendation:** Simplified planning is part of the overall EZ offer to businesses. A dedicated officer will be able to progress the introduction of site specific Local Development Orders at pace thereby helping to encourage future investment.

**Officer:** Naomi Harnett, Enterprise Zone Programme Manager  
07580 297 059 / [nharnett@eastdevon.gov.uk](mailto:nharnett@eastdevon.gov.uk)

**Financial implications:** The financial implication are highlighted in the report and have been factored into the overall position of Enterprise Zone's financial position.

**Legal implications:** The report raises no legal implications which require comment.

**Equalities impact:** Low Impact  
Potential impacts on equality will be managed through the Implementation Plan for the Enterprise Zone.

**Risk:** Medium Risk  
There are two main risks associated with the recommendation:

- EDDC is unable to appoint a candidate with appropriate experience.
- EDDC are unable to deliver the LDOs in a reasonable timescale.

The report details the approach to mitigating these risks.

**Links to background information:**

- [Overview report – January 2016](#)
- [Cabinet Paper May 2016](#)
- [Cabinet Paper November 2016](#)
- [Cabinet Paper March 2017](#)
- [Cabinet Paper November 2017](#)

- [Cabinet Paper April 2018](#)

**Link to Council Plan:** Working in and funding this outstanding place.

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.

## 1. Background:

- 1.1 Simplified planning is part of the overall offer and benefit of Enterprise Zone designations and has been included in the work programme from the commencement of the designation in April 2017.
- 1.2 The purpose of a simplified planning regime is to assist in improving the delivery timescales of a new building from concept through to commencement on site, along with the certainty of planning approval. There are a variety of mechanisms that can be used to provide simplified planning these include: Local Development Orders (LDOs) which can enable development within particular categories of development without the need for planning permission; and a Planning Charter for business which sets out the Local Planning Authorities aims in timescales and customer service, but is not a formal designation.
- 1.3 The use of LDOs within a simplified planning regime is recognised to provide certainty to potential investors and encourage new development, with occupiers benefiting from reducing planning costs and accelerated delivery. LDOs have been introduced on sites both with (e.g. Newquay Aerohub) and without EZ status (e.g. the Nexus 25 development at Taunton).

## 2. Progress to date:

- 2.1 In July 2017 EDDC Strategic Planning Committee approved the commencement of work on an LDO at Exeter Science Park. This work was not progressed as the subsequent procurement process aimed at getting a consultancy team on board was unsuccessful. The wide variance between the tender submissions, particularly reflected in terms of the proposed budgets, highlighted the need for greater precision and clarity in terms of what is required to progress an LDO.
- 2.2 In the interim period the work of the team has focused on delivery of key infrastructure within the EZ, rather than on LDOs. This has been largely successful with the following achieved:
  - Instrument Landing System – likely to be delivered by a third party, the upgraded system will remove a key barrier to the delivery of Skypark and Airpark (alongside Exeter Logistics Park).
  - Long Lane – the design of an improvement scheme has been completed and is being considered in a separate paper to this Board.
- 2.3 The progress made towards delivering key infrastructure is important in the LDO process. It means that the resulting LDOs will be less complex to deliver as there are no longer significant infrastructure barriers that will first need to be resolved to unlock the relevant sites.

- 2.4 The approach to introducing LDOs has been reviewed and it is now recommend that the EZ budget is used to fund an additional member of staff rather than a consultant. This will mean that the technical expertise developed will be retained in-house and the member of staff will deliver all of the proposed LDOs.

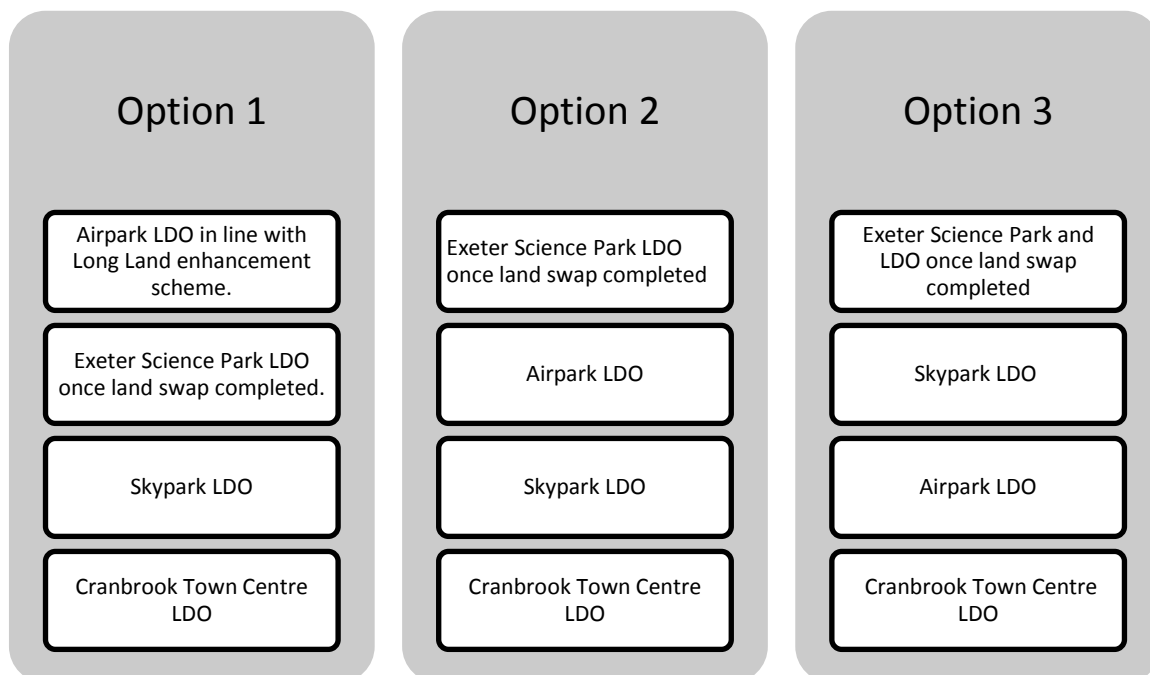
### 3. Proposed approach

- 3.1 To support the delivery of the LDO an Officer Working Group (OWG) will be established within EDDC as local planning authority. This OWG will consist of the LDO Project Officer, Enterprise Zone Programme Manager, Major Projects Team Leader, Head of Development Management and Strategic Planning Manager. The group will meet every 6-8 weeks, with additional meetings as required, to ensure an effective process.
- 3.2 The proposed approach is to develop an LDO for each of the EZ sites. It is expected that each LDO will take approximately 9-12 months to complete, following master planning and completion of environmental surveys and assessment. It is suggested that the commencement of each LDO is staggered to ensure the process meets the individual site requirements.
- 3.3 The Airpark site is the only EZ site that does not currently benefit from an outline planning permission. It therefore makes most sense to progress the LDO in line with the Long Lane enhancement scheme rather than to embark on a more traditional approach in terms of preparing an outline planning application for the site. The Air Park site boundary is a departure from the Local Plan allocation, but this would not be an issue in developing an LDO for the site.
- 3.4 Exeter Science Park would benefit from an LDO once the land swap is completed. The outline planning permission will no longer reflect the boundary of the site. An LDO process could be undertaken alongside a revised masterplan for the site.
- 3.5 Skypark development follows the existing outline planning permission but an LDO would enable accelerated deliver of the site.
- 3.6 Cranbrook Town Centre would benefit from an LDO once the Development Plan Document has been adopted. The requirements of the Cranbrook LDO are significantly different to the other EZ sites, developed in conjunction with the Cranbrook Planning Team.

### 4. Options and Priorities

- 4.1 There are 3 suggested options to developing the LDOs.
- 4.2 **Option 1** – this approach focuses on securing an LDO on the site without consent (Airpark), which is also a departure from the Local Plan. Then commencing on the Science Park LDO when the land swap is complete and the existing outline planning permission does not cover the right land area. The Skypark outline planning permission boundary has not changed, but the LDO would support accelerated delivery. The Cranbrook LDO would be commenced once the DPD is approved and there is greater certainty about the type of development being proposed in the town centre.

- 4.3 **Option 2** – This approach would focus on the Science Park LDO being commenced when the land swap is complete. Then working to secure an LDO on Airpark. Followed Skypark and then the town centre.
- 4.4 **Option 3** – this approach acknowledges that Science Park and Skypark are the larger EZ sites and that an approach could be to focus progressing the LDOs for the larger sites which are likely to generate higher benefits in terms of retained business rates. Work would start on the Science Park LDO and then focus on the Skypark LDO. Once the LDOs are completed on the larger sites work could commence on the LDOs for Air Park and finally Cranbrook. But this approach will create more work for the planning team as it is likely that an outline permission would be submitted for the Airpark site.



- 4.5 Of these Option 1, starting with the Airpark and Science Park sites, is considered to represent the best way forward.

## 5. Funding and delivery

- 5.1 The EZ Implementation Plan included a budget of £30k per year in 2017/18 and 2018/19. To date this budget has not been spent. This budget can be used to fund the salary of a new member of staff and provide a budget for studies/technical work that requires specialist skill.
- 5.2 In order to ensure that we can attract the calibre of person to progress this important area of work the proposed salary for the post is £45k. Together with on costs this gives a cost of circa £60k p.a. that will need to be met from the EZ budget. It is proposed that this is a fixed term 3 year appointment.
- 5.3 In addition to salary costs it is expected that an additional budget of £20k p.a. will be required to help progress the LDOs.
- 5.4 The proposed approach will require the support of site owners. It is important to emphasise that the expectation is still that site owners will still need to progress key background and technical documents, such as masterplans and Environment Statements, at their own expense.



## **6. Risks**

6.1 There are two main risks to this approach:

- inability to appoint a suitably qualified person with appropriate experience. This risk is reduced by advertising the role at an enhanced salary.
- unable to deliver the LDOs in a reasonable timescale. When the post holder is appointed a work programme for the LDO process will be completed and progress report to EZ Board meetings. This will ensure that site owners/manager are aware of progress being made and where delays may occur. This will need to include robust programme management arrangements within the Council.

## **7. Conclusion**

7.1 This report recommends that EZ funds are utilised to support a specific post to lead the introduction of Local Development Order across the Enterprise Zone sites. Subject to a successful recruitment exercise it is anticipated that a post holder should be in place during Summer 2019 to commence work on the LDOs. It recommended that the focus of this post should first be on progressing LDOs for the Airpark and Science Park sites.



**Report to:** Cabinet  
**Date of Meeting:** 6 March 2019  
**Public Document:** Yes  
**Exemption:** None  
**Review date for release:** None

**Agenda item:** 21

**Subject:** Sidmouth Drill Hall Site

**Purpose of report:** The purpose of this report is to provide an update to members on the outcome of the marketing exercise and selection process for the Drill Hall site in Sidmouth and to make a recommendation for the selection of the preferred developer.

**Recommendation:**

- 1. That members approve the selection of Offer 2 as preferred bidder for the site.**
- 2. That members give delegated authority for the Deputy CEO in conjunction with the Strategic Lead for Legal and Democratic Services to enter into negotiations with the approved bidder:**
  - (a) for the disposal of the Drill Hall site, and**
  - (b) to explore the disposal of the neighbouring toilet block site for incorporation into the new restaurant offer on the basis that a replacement public toilet facility is provided .**

**Reason for recommendation:**

To meet the council's commitment to the redevelopment and renewal of the Drill Hall site on Sidmouth's seafront. To enable officers to enter into further negotiations with the preferred bidder leading to the necessary contract documentation being drawn up for the long leasehold interest to be granted to them.

**Officer:** Richard Cohen, Deputy Chief Executive, 01395 517535

**Financial implications:** The financial details are contained in the report and further information of the winning bid is contained in the Annex

**Legal implications:** This tender exercise has been rigorously carried out to ensure that a fair and a compliant process has been conducted and has had legal oversight throughout. While the Council has made it clear that it is not obliged to accept the highest tender (i.e. the highest price) or any tender, if we are to award then it must be on the basis of the best overall score (calculated in accordance with the published evaluation criteria) and so we must adhere to this requirement. Essentially this means that if we are to award the tender then it must be to Offer 2 as the highest scoring bidder. The alternative is to decide not to award the

sale contract and carry out a re-tender process. However, given the amount of time, cost and effort that has gone in to the process this is not recommended. As the report identifies legal will be involved in concluding the relevant documentation. There are no other legal implications requiring comment.

**Equalities impact:** Low Impact

**Risk:** Low Risk

**Links to background information:**

- [Report to cabinet February 2018](#)
- [Report to cabinet January 6 2016](#)
- [Report to cabinet September 14 2016](#)

**Link to Council Plan:** Developing an Outstanding Local Economy  
Developing an Outstanding Local Environment

## Report in full

### 1. Introduction

- 1.1 Cabinet approved the marketing of the Drill Hall site in February 2018, following the conclusion of the Scoping Study for the Port Royal area Sidmouth. A tender process was entered into to select a marketing agent for the site, following which Jones Lang LaSalle (JLL) were selected to act as marketing agent for the site. The marketing exercise would involve a 6 month marketing period with half of that period dedicated to enable community groups some additional time to prepare bids for the site should they wish to do so.
- 1.2 A Core Group of councillors was established to ensure both district and town elected member representation and lead in the consideration of bids and any recommendations arising regarding disposal of the site.
- 1.3 The community-focused marketing exercise commenced in August 2018. Relevant marketing information was prepared and an information portal was set up by JLL to hold all relevant reports and documents relating to the Drill Hall. This ensured that all interested community groups had access to the same information. JLL were available to representatives from community groups and access was made available to the Drill Hall site.
- 1.4 The commercial marketing exercise commenced in November 2018. The marketing details were emailed to over 3000 contacts on the JLL database. Adverts were placed in the Estates Gazette and the Western Morning News and on the JLL website. During that period JLL received interest from a number of developers/leisure operators who were interested in the site.

At the time of publication of this report the Bidders' price submissions remain confidential, although they will be presented at the Cabinet meeting. Annex 1 (Bidder Analysis) provided as Part B paper shows the financial offer from each bidder.

## 2 **Review of Tenders Received**

2.1 Three tenders of a commercial nature were received by the deadline of 4 February 2019. No offers were received from community organisations. The tenders received were scored on the basis of the initial premium that was offered in each bid.

### 2.2 **OFFER 1**

This offer would see the site be delivered in two phases. The first would consider a short term solution for the Drill Hall itself. A second phase would be to take the further area of Port Royal into account. The bid information suggests that the second phase would take up to 10 years to deliver and extended into the wider Port Royal area.

The offer is made on an unconditional basis, ie. It is not conditional on securing planning permission. The intention for phase 1 would be for the Drill hall, to form a bar/restaurant which would be run by the bidder's family and would include some offer to the community for ongoing community use for promotion of events.

A sum has been allocated for the refurbishment of the building and the opening of the restaurant and the business plan shows an employment of four full time staff and up to 10 part time staff.

The financial offer for this bid does not form a cash bid for the site, but has offered an exchange of land for the Drill Hall, and a further exchange of land for the toilet block. The land for the Drill Hall incorporates a parcel of land local to Sidmouth, which is stated as 15 acres. The bidder has attached a value to this land but is not verified within the bid by a commercial advisor. A further 10 acres of agricultural land has also been offered for the purchase the toilet block which sits alongside the Drill Hall. The bidder has also attached a value to this land but, again, this has not been verified by a commercial advisor.

### 2.3 **OFFER 2**

Two financial offers were made involving a 125 year leasehold arrangement. Offer 1 is based on the requirements of the marketing document and is for a purchase of 125 year lease at a ground rent of £1 per annum, with an initial premium. This was the bid that was scored by the Core Group.

A second offer from this bidder was based on a 125 year lease at an initial premium and paying a geared ground rent of £1 increasing by seven and a half times every 20 years. This would see a total payable over 125 years of approximately 3.5 times the initial premium. This offer was not considered in the scoring process since it includes an offer above and beyond the initial premium. However, it offers an additional receipt to the council albeit end-loaded in the 125 year leasehold period. This will be explored in further negotiation.

The Drill Hall would be extensively and sympathetically refurbished with some external alterations to create a balcony/terrace at the front of the site. The building would be

operated as a restaurant. The restaurant company is an established brand in the South West of with restaurants in several Devon towns and Exeter.

The offer is made subject to planning and licensing approvals being secured. A structural survey has been undertaken internally and externally and it is estimated by the bidder that they would need to invest a significant refurbishment cost to bring the building into use for their purposes.

The bidder would also consider incorporating the toilet block into the site and this opportunity would be explored as part of the negotiation process going forward.

## 2.4 OFFER 3

The offer is based on a straightforward 125 year lease with a monetary offer of subject to an uplift clause if a planning approval is given for a further floor at the building. The offer is made subject to planning and to a loan agreement being agreed with the bank, with two properties being mortgaged to raise appropriate finance.

The offer is made for a reuse of the Drill Hall, comprising a community function room with pop up restaurant in the basement, living space on the ground floor and office space at the existing first floor space. An alternative offer would see the ground floor used as a restaurant/community use with a new first floor created (subject to planning) which would offer chef/owner accommodation. An external inspection has been made by a chartered engineer. The cost estimate indicates a cost to bring the building back into use.

## 3 Review and Analysis

3.1 The Core Group has reviewed the offers made and met to assess the offers against the selection criteria made available through the marketing process. The selection criteria is attached for information at Annex 2. The assessment and scores for each are detailed below.

### 3.2 OFFER 1

3.3 There is no monetary offer for this site, but instead a land swap. This is not compliant with the tender documentation and the financial offer was therefore scored at zero.

A further point to note regarding the offer is that it is unconditional on securing planning permission for the final proposals for the site. This represents a risk whereby the council would be relinquishing control of the site without knowing what is happening to it or any clear timescale for delivery.

It is not clear how much the bidder has investigated the condition of the building and has given an estimate of refurbishment costs when compared with one of the other offers where a structural survey has investigated the building, this appears to be low.

Proposals have been made for a short term use of the property by undertaking a "tidy up" of the building and then creating a restaurant offer. There are no details about what the longer term solution would be for the building, other than it would become part of a more extensive site incorporating other buildings within the Port Royal area. This represents a risk to the council in that a viable redevelopment of the Port Royal area

might not be forthcoming and that therefore this building could stay in its current condition for some time, without a permanent solution being identified.

The Business plan includes some details but is light on detail about the relevant method of delivering the proposals, and again, these proposals are only for the first phase. There is no detail for the longer term solution. This would be a family acquisition and there is some local track record in terms of property development and business operations. The bidder is familiar with the town and its community and understands the local market. Details are provided on projected job creation numbers and turnover.

The qualitative score for Offer 1 was 34 giving a total score of 34.

### 3.4 **OFFER 2**

There is a clear financial offer for the building. Offer 2 was not the most financially advantageous offer based on the initial premium alone. The bidder has also offered an option of an increasing ground rent that would bring additional financial benefit in the longer term. This has not been included in the comparative assessment of bids but can be pursued in negotiation. The financial offer forms 40% of the assessment. The offer was scored relative to the highest offer (which receives a score of 40). This offer scored 30.

The funding for acquiring and refurbishing the building is viable and is significantly higher than the sums advised by other bidders for refurbishment and fit out. Assurance was provided by their professional advisor that funding will come from their own funding resources (we would nevertheless seek confirmation by letter from their accountant/bank).

The offer is conditional on securing planning permission and licensing which is the normal basis for an offer within this sector. This gives more certainty to the council as it would not be granting the 125 year lease until the fully detailed proposals were known.

The suggested refurbishment cost proposed by this bidder appears reasonable and is informed by a structural survey.

Information was provided regarding the successful operation of this bidder's restaurants elsewhere and how they would propose to run this offer in Sidmouth. The information provided gives a confident description of their approach. They are a recognised entity that operates effectively and popularly elsewhere.

The offer reflects the expectations of the brief including high sustainability through none use of single use plastics, sourcing local produce and providing a water fountain outside its buildings.

Details of the number of jobs were not included in the original offer. This offer would be expected to draw people into the town based on their name/reputation. They have been a catalyst elsewhere where their presence has turned around parts of town centres. Visual impact would be created with the balcony at the front of the building.

Offer 2 scored 49 on the quality assessment, giving a total score of 79.

### 3.5 **OFFER 3**

The financial offer was the highest offer based on the initial premium alone. This receives a score of 40.

There is some uncertainty around the funding as it needs to be raised via mortgage on two buildings and there is no confirmation provided from a bank that this could be supported.

Only an external survey has been done which gives some concern regarding the estimated conversion costs given which are significantly lower than those advised by Offer 2 (bearing in mind that the development mix proposed is also different)

The offer provides little detail of what would be offered at the venue and there is no evidence to back up experience of offering pop up restaurants and working with celebrity chefs on this sort of offer. Their experience is residential and the offer includes residential at ground floor which is not in line with the expectations of the brief. A community offer in the basement is not considered an attractive proposition. There is no information on how they will create the throughput of visitors in the town and no recognised branding for their offer that would attract people to visit.

The bidder scored 23 on the quality assessment giving a total score of 63.

#### **4. Conclusion**

4.1 Following the analysis and assessment of the bids offered, the Core Group considered that the Offer 2 should be explored further and a meeting with the restaurant company's bidding team was carried out. They were able to provide further information regarding certainty on their funding, details of their ethical and environmental approach and job numbers. The Sidmouth restaurant would expect to create 25 – 30 full time and part time jobs. They would operate 7 days a week from midday to 9.30pm (kitchen closing time, not restaurant closing time).

They confirmed that they do not use single use plastics or polystyrene. They have applied for Marine Stewardship Council status which is equivalent to Fairtrade. They have a proven track record in supporting local charities and community groups in the towns in which they are located.

4.2 Having completed the marketing exercise, receiving the offers, assessing and analysing these, the Core Group considers that Offer 2 represents an exciting and viable offer for the town. It is recommended that the restaurant company should be taken forward as the preferred bidder for the site for more detailed proposals to be prepared and negotiations to be undertaken between the parties leading to a disposal of the site on the long leasehold basis.

## **Selection criteria and weighting to inform assessment of bids by Core Group:**

**Price - 40%**

**Quality - 60% (divided as follows):**

### **Financing**

1. Funding secured for purchase e.g. letters of support, proof of funding. Funding secured for refurbishment/development proposal e.g. letters of support, proof of funding **10%**

### **Delivery**

2. Deliverability and timing of proposed development/refurbishment to include milestones, anticipated completion and operational dates and risk analysis **10%**
3. Quality and robustness of end-use Business Plan **10%**

### **Governance**

4. Information regarding purchasing entity e.g. legal status and track record. Assessment of extent and depth of project management and professional input utilised by bidders **10%**

### **Outcomes**

5. How the proposal will reflect local expectations e.g. design quality, high standards of sustainability, attractive use and be of benefit to Sidmouth residents (including reference to Scoping Study consultation responses and the emerging Sid Valley Neighbourhood Plan) **10%**
6. Enhancement to Sidmouth economy e.g. improved visitor offer, enhanced town profile and job creation (including reference to Scoping Study consultation responses and the emerging Sid Valley Neighbourhood Plan) **10%**