

Agenda for Cabinet

Wednesday, 11 March 2015; 5.30pm



Members of the Cabinet

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

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

- 1 [Public speaking](#)
- 2 Minutes of 11 February 2015 (pages 4-16), to be signed as a true record.
- 3 Apologies
- 4 [Declarations of interest](#)
- 5 [Matters of urgency](#)
- 6 Confidential/exempt items – there is one item which officers recommend should be dealt with in this way.

- 7 Forward Plan for key decisions for the period 1 March to 30 June 2015 (pages pages 17-22)
- 8 Overview and Scrutiny Committee minutes of meetings on 26 February 2015 (to follow)
- 9 Recycling and Refuse Partnership Board minutes of a meeting held on 26 February 2015 (pages 23-26)
- 10 Arts and Culture Forum – report of a meeting on 13 February 2015 (pages 27-30)
- 11 Member Development Working Party report of a meeting on 26 February 2015 (pages 31-38). Cabinet is asked to note the work being carried out by the Working Party in respect of the post election welcome/refresher programme and to recommend the revised Member Training and Development Strategy for adoption.

Part A matters for decision – Key Decisions

- 12 **Office relocation** (pages 39-137)
To consider the report of the Deputy Chief Executive on the proposed office relocation, which includes the internal and external auditor reports. The recommendations from Cabinet, Overview and Scrutiny and Audit and Governance will be referred for determination to an Extra Ordinary meeting of full Council on 25 March 2015.
- 13 **In-house pest control service** (pages 138-139)
Report of the Principal Environmental Health Officer giving an update on the progress of the new in-house pest control service. Members were asked to endorse the good work being done by this service and in particular to acknowledge the very high levels of customer satisfaction being reported

Part A matters for decision

- 14 **Financial monitoring report 2014/15 – Month 10 – January 2015** (pages 140-146)
To consider the Council's overall financial position for 2014/15 at the end of month 10 and any corrective action required.
- 15 **Cranbrook Community questionnaire** (pages 147-151)
The report of the Community Engagement and Funding Officer outlines the feedback from the Cranbrook Community Questionnaire, which was undertaken jointly by EDDC and the Cranbrook Community Development Worker.
- 16 **Delivering the vision for Cranbrook – the future provision and management of assets** (pages 152-179)
To consider the report of the New Community Projects Officer setting out the Council's role in supporting the development of Cranbrook as a thriving community with a range of facilities and the choices, including in respect of responsibility and management of the assets, which will need to be made over time.

17 **Big Belly Bins – for Exmouth seafront area – exemption from Standing Orders** (pages 180-182)
To consider the report of the Streetscene Manager East giving the reasons for the exemption which has been granted for the lease of solar compacting bins to replace seafront litter stations.

18 **Performance monitoring report for January 2015** (pages 183-185)
The month tracking appendix (A) is attached – other appendices summarising performance are provided as links under Background Papers in the report

Private meeting: Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012: Notice is given of intention to hold this part of the meeting in private as required by the Regulations. The statements of reasons for meeting to be held in private, details of any representations received why the meeting should be open to the public in response to the '28 clear days notice' already posted on the Council's website, and the Council's response to the representations, are set out against each agenda item below. Where it has been impracticable to comply with the private meeting notice procedures, the required agreement has been obtained from the relevant chairman or vice chairman that the meeting is urgent and cannot reasonably be deferred. Notice of this agreement, if relevant to this meeting, may be viewed on the council's website. [View statutory exclusion information here.](#)

19 **The Vice Chairman to move the following:**
"that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, of the description set out on the agenda, is likely to be disclosed and on balance the public interest is in discussing this item in private session (Part B)".

Part B Matters for Decision

20 **Leisure East Devon Joint Working Group** (to follow)
Notes from a meeting held on 24 February 2015.

Reasons for consideration in Part B:

- 1) Para 3 Schedule 12A Information relating to the finance or business affairs of any particular person
- 2) The report includes details of commercially sensitive information.

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EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Cabinet held at Knowle, Sidmouth on 11 February 2015

Attendance list at end of document

The meeting started at 5.30pm and ended at 7.20 pm.

***156 Public Speaking**

The Leader welcomed Councillors and members of the public present.

***157 Minutes**

The minutes of the Cabinet meeting held on 7 January 2015 were confirmed and signed as a true record.

In response to a request seeking an update on progress in transferring responsibility for Ocean Blue, the Strategic Lead Finance advised that the facility agreement was now with solicitors acting for LED. Members of the LED Board would be kept up to date.

***158 Declarations**

Cllr Jill Elson – Min no. 167

Personal interest

Reason: Trustee and Chair of Exmouth and District Community Transport Group

Cllr Mike Allen – Min no. 169

Personal interest

Reason: Member of the Honiton Development Trust Committee

Cllr Jill Elson – Min no. 169

Personal interest

Reason: Chairman of Governors, Exmouth Community College

Cllr Andrew Moulding – Min no. 169

Personal interest

Reason: President of Cloakham Lawn Sports Centre

Cllr Ian Thomas – Min no. 169

Personal interest

Reason: Chairman of Uplyme and Lyme Regis Cricket Club

***159 Matter of urgency – Recycling and Refuse**

The Leader agreed for the minutes of the Recycling and Refuse Partnership Board to be considered as a matter of urgency. The Cabinet was being asked by the Partnership Board to endorse the preferred option for providing the recycling and refuse service in East Devon at the expiry of the current contract. With this decision made, work could be undertaken to progress this option.

(The item was considered in the private part of the meeting (Part B) as it included information relating to finance or business affairs (Para 3 Schedule 12A) and commercially sensitive information.)

***160 Exclusion of the public**

RESOLVED:

that the classification given to the documents to be submitted to the Cabinet be confirmed; (including the urgent item at minute 159) - there were therefore three items which officers recommended should be dealt with in Part B.

*161 **Forward Plan**

Members noted the contents of the forward plan for key decisions for the period 1 February to 31 May 2015.

*162 **Matters referred to the Cabinet**

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

163 **Overview and Scrutiny Committee meetings – 14 and 22 January 2015**

Members received and noted the minutes of the meetings of the Overview and Scrutiny Committee held on 14 and 22 January 2015.

The meeting on 14 January 2015 had met to consider budgets and services plans; the Committee's recommendations were taken into account later in this meeting at agenda item 12 - Revenues and Capital Estimates (2105/16).

Councillor Tim Wood, Chairman of the Committee asked Cabinet to support the recommendations in respect of Task and Finish Forum.

RESOLVED (1) that the following be taken into account at agenda item 12:

Minute 57 – Draft Budget and Service Plans for 2015/16

1. that the draft revenue and capital estimates be recommended to Council with the inclusion of: a) Tree Inspections Officer post, b) Streetscene Management/Engineer post;
2. that the prepared budgets in future years include a page collating information on sums spent on external service provision, including external consultants and external legal advice, for reasons of transparency.

RESOLVED (2) that the following decisions be supported

Minute 63 – Task and Finish Forum improvements

that the issue of agreeing a scope for a forum at committee, and the minimum number of councillors to be on a forum, be discussed further at a think tank of the Portfolio Holder – Corporate Business alongside other scrutiny issues, before being brought back to the committee for final agreement.

Minute 64 – Business Task and Finish Forum

1. that the Business Task and Finish Forum reconvene with the existing membership of Mike Allen, Vivien Duval Steer, Claire Wright, Steve Gazzard, Peter Burrows, Maddy Chapman and Alan Dent, under the chairmanship of Councillor Graham Troman;
2. that the revised scope as set out in the report, incorporating the amendments advised by the Chairman, be agreed.

Minute 65 – Evaluation and protection of trees task and finish forum

1. that the revised scope presented to the committee be adopted with the addition of reference to inclusion of conservation areas in the specific topic areas of the scope, and the addition of the Woodland Trust and the Forestry Commission to the consultees;
2. that Councillor Mike Howe be chairman of the forum.

RECOMMENDED: that the following be referred to Council for determination:

1. that the Council continue to promote efforts to transfer local facilities such as toilets, community halls, play areas, and sports pitches to local parishes or community or sports groups; effective progress in this respect would almost certainly require a district wide approach;
2. that the Asset Management Forum, in undertaking its review of public conveniences owned by the Council, take into account the views of the Budget Scrutiny Task and Finish Forum on shared ownership and community toilet schemes;
3. that the business case for an additional post to Legal Services be supported, on the grounds that overall savings can be made by undertaking more work using in-house expertise;
4. that there should be greater transparency in the Council financial information (including the Budget and Outturn report) in detailing the use and costs in obtaining external legal services and external consultancy services;
5. that consideration be given to increasing the resources, possibly in conjunction with neighbouring authorities, for the further development of a coherent strategy and plan for the maintenance and improvement of the economic well-being of the district. (There was a suspicion that inadequate resources devoted to this activity had, amongst other things actually contributed to extra costs and delay in the production of a convincing local plan);
6. that the Local Government Association be requested to pursue a review of the government requirement for reporting annual accounts with a view to simplifying the process to save significant staff time for local authorities in its production;
7. that an annual audit review of the cost and effectiveness of external consultants be undertaken.

164 Housing Review Board – meeting on 15 January 2015

Members received and noted the minutes of the meetings of the Housing Review Board held on 15 January.

Councillor Pauline Stott, Chairman of the Housing Review Board drew Members' attention to the importance to the local community of the Men's Shed initiative. She also referred to the effective work carried out by the housing team, which had significantly reduced the waiting list for Council accommodation.

The Portfolio Holder – Sustainable Homes and Communities referred to the future of support services at EDDC and advised that costs to tenants for Home Safeguard would be increased on a 3-year transitional basis with the housing service offering to meet with tenants to discuss arrangements. Mobile support would continue.

Councillor Tim Wood added his support to the effective work of the service. He reminded Councillors that the Council had been criticised last year for its cuts to the homelessness budget. However, the proactive work undertaken by the housing service to address homelessness had proved very effective; this was reflected in the reduction in the number of homeless cases within the district.

RESOLVED (1) that the following be noted:

Minute 62 – Standardised Tenants and Residents (STAR) survey results.

Minute 73 – Housing Review Board forward plan.

Minute 65 – the variances identified as part of the HRA revenue and capital monitoring process up to month eight.

Minute 68 – work of the Community Development Team.

Minute 71 – fire risk assessment report.

Minute 72 – dampness eradication programme report.

Minute 73 – annual report to tenants.

RESOLVED (2) that the following recommendations be supported:

Minute 61 – Men’s Shed Exmouth proposal

that the proposal to seek temporary accommodation for the Men’s Shed at Clayton House be agreed.

Minute 70 – Gas Safety checks – proposed changes to access procedure.

RESOLVED (3) – that the following be taken into account at agenda item 12:

that the draft budget be approved.

RECOMMENDED – that the following be referred to Council for determination:

Minute 66 – the Housing Service Plan for 2015-2016.

Minute 67 – that the following be agreed to take forward the support service from April 2015:

- Option 1b – charging for support by way of a flat rate of support to all sheltered tenants, and with housing benefit (HB) covering the current housing management element of the service (subject to meeting HB eligibility criteria).
- that the additional cost of £1400-£3000 to pay for VAT consultant advice in relation to these service models be sanctioned.

Minute 68 – that the capacity of the Community Development Team be increased by 0.6 (FTE) as well as taking on an apprentice, and increasing the budget by £10,000 per annum.

Minute 69 – the proposed updates to the Devon Home Choice policy.

***165 Community Fund Panel – meeting on 6 January 2015**

Members received the report of the meeting of the Community Fund Panel held on 6 January 2015 and approved the recommendations made – including that any uncommitted funding from the 2014/15 financial year be rolled over to add to next year’s fund if that was possible, if not, use of the funds in the current year was set out in the report as an alternative.

166 Programme of meetings 2015/16

The Cabinet considered the proposed timetable of meetings for the next Council year. It followed the previously agreed pattern of meetings which allowed the reporting flow of minutes from Overview and Scrutiny and Housing Review Board to Cabinet and then on to Council.

RECOMMENDED:

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

RESOLVED

that the 2015 Annual Council meeting be held on 27 May.

REASON

To meet the legal requirement to hold an annual meeting and also such other meetings as necessary for the conduct of the Council’s business in accordance with its constitution.

167

Draft Revenue and Capital Estimates 2015/16 – key decision

The Strategic Lead – Finance presented the revenue and capital estimates 2015/16 and reminded Members of the procedure. The Housing Review Board, Overview and Scrutiny Committee and business community had considered the budgets. No amendments were recommended other than support from the Overview and Scrutiny Committee for the inclusion of the two special item bids for a Tree Inspections Officer post and Streetscene Management/Engineer post to be met from the General Fund balance.

Councillor Tim Wood, Chairman of the Overview and Scrutiny Committee added that support for the posts reflected the Council's care for the environment and the appreciation that teams within the two sections were under great pressure.

The Cabinet was now asked to make final recommendations to Council on the draft revenue and capital estimates 2015/16. Other than including the budget for the two new posts supported by the Overview and Scrutiny Committee, the only other amendments were:

- to reduce the draft budget by £70,000 for 2015/16 under the heading 'Renovation of Public Conveniences' for reasons given in the report,
- to fund a request from Devon County Council for a capital contribution of £50,000 to help deliver the Millbrook, Axminster Flood Alleviation Scheme. Details of the scheme as detailed in the report.

The report included the proposed initial precept for Cranbrook Town Council.

Members noted the requirement on local authorities to set prudential indicators as part of the budget setting process (Prudential Code for Capital Finance in Local Authorities) as set out in the Treasury Management Strategy 2015/16- Minimum Revenue Provision policy statement and Annual Investment Strategy.

RECOMMENDED:

1. that net Revenue General Fund Estimates of £14.901m be approved, requiring £0.105m to be used from the General Fund Balance;
2. that a Council Tax requirement be set for 2015/16 at £6.733m with a resulting Council Tax Band D of £121.78;
3. that the Housing Revenue Account Estimates with a net surplus of £0.151m be approved;
4. that Council house rents be increased from April 2015 in line with the Rent Convergence restructuring scheme with the general increase being 2.44%;
5. that Council garage rents be increased from April 2015 by 1%;
6. that the Capital Budget totalling £9.860m be approved;
7. that a Council Tax requirement for Cranbrook Town Council be agreed at £44,148 for 2015/16 giving a Council Tax Band D amount of £52.

REASON:

There is 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 2015/16.

168

Treasury Management Strategy – key decision

Accountant, Claire Mitchell presented the Treasury Management Strategy and highlighted key areas. Members were reminded that the adoption of an annual Treasury Management Strategy by Council was one of the main recommendations of the CIPFA Code of Practice for Treasury Management in Public Services. The strategy for 2015/16 covered four main areas, namely the capital plans including prudential indicators, the minimum revenue provision policy, the treasury management strategy (how the investments and borrowings are organised), including treasury indicators (which limit the treasury risk and activities of the Council), and an investment strategy (the parameters on how the investments are to be managed).

The requirement to set prudential indicators relating to all treasury activities that the authority would undertake in the forthcoming financial year is also referenced in Minute 167.

RECOMMENDED:

1. that the Treasury Management Strategy, including the Prudential Indicators for 2015/16 be adopted;
2. that the Minimum Revenue Provision policy statement be approved;
3. that an interest rate of 4% above base, as determined by the authority, be applied to outstanding amounts due in line with the requirements of the Public Health Act 1936;
4. that the Strategy be used as the basis for training newly elected Councillors and for increasing the financial understanding of re-elected experienced Councillors following the May 2015 elections.

REASON:

The Council is required to formally adopt a Treasury Management Strategy and set prudential indicators before the beginning of the financial year.

*169

EDDC Playing Pitches Strategy (PPS) – key decision

The Leader invited John Drew (Withycombe Rugby Football Club) and Shaune Cox (Exmouth United Football Club) to address the Cabinet.

John Drew advised that he had been involved with rugby football for most of his life and was currently Vice President, funding officer and committee member of the Withycombe Club. The Club had senior and youth teams and its membership was growing steadily. The needs of the neighbouring Community College also had to be accommodated. There was a need for more space; he considered that the only option was an all-weather pitch with changing rooms and a clubhouse. This would attract more users and funding from sporting organisations. He believed that this could only be achieved with Council support.

Shaune Cox was a volunteer coach and spoke on behalf of the Chairman of the Football Club. The Club had used the Rolle Playing Fields but its lease had now expired and the Club was 'homeless'. Consideration had been given to using the land at St John's Road where there was adequate space to meet the Club's needs. The Club would be willing to maintain the pitches if made available. The Playing Pitches Strategy would be helpful for developing plans and securing funding/sponsorship.

Cabinet had considered the draft strategy at its meeting in October 2014 and requested that further specific work be carried out and referred back. Cabinet was now asked to allow the updated draft strategy to be approved for consultation. Feedback would then be used to produce a final draft Playing Pitch Strategy, which would be referred to Cabinet and Development Management Committee before being referred to Council for approval. Debate on the report included:

- There was a shortage of playing fields in Exmouth and Honiton. If no action was taken, the problem would be exacerbated by further anticipated growth of the towns;
- Land available for pitches was limited as there were few flat sites close to the centres and some sites had flooding issues. For example, the Allhallows playing fields were over-used and had waterlogging problems.
- The Honiton Clubs were unable to put on enough matches (due to lack of suitable pitches) to rise in the leagues.
- The Exmouth Regeneration Programme Board had undertaken an assessment of the needs of local sports clubs as part of its work.
- Much could be achieved through partnership working and negotiation - with the potential for clubs and organisations to make joint funding bids.
- The Strategy suggested preferred approaches but did not preclude alternatives – pitch provision would not be considered in isolation and would be subject to review over time. Flexibility was important.
- With a Strategy in place, individual clubs could bid for funding from sporting organisations and for Section 106 funds.
- Devon County Council should be made aware of the shortage of school pitches as Education Section 106 monies from developers could be requested towards specific educational recreational space.
- Despite a shortage of green space, school playing fields were being sold for development.
- Dual use pitches could be effective – the Cranbrook Secondary School pitches would be made available for community use.
- Work was still needed to address the problems of inadequate pitch provision but the Council was aware of the need and urgency.
- Could the land at St John's be used as a temporary measure?
- The clubs should not be asked to wait another year – immediate action to address the shortage (even if temporarily) should be taken and run in parallel with the development of the Strategy. There was potential to accelerate some stopgap provision.

RESOLVED:

1. that the revised draft East Devon Playing Pitch Strategy be endorsed for four weeks' consultation with relevant bodies;
2. that it be noted that the Playing Pitch Strategy would be a live document and work towards addressing issues through action plans would be ongoing;
3. that the Planning Policy team pursue options to address the immediate needs of clubs in Exmouth and Honiton at the same time/in parallel to developing the strategic approach to pitch provision. For example to look into the reason for the delays in respect of the St John's pitches and investigate whether this site could be used on a temporary basis.

REASON:

Although there is no requirement for consultation when producing a PPS, it is important to take account of views of a range of stakeholders. The new Sport England methodology for producing a PPS requires close working with stakeholders (especially National Governing Bodies for sports) to ensure the strategy has multiple ownerships and is able to be applied by many bodies and guide investment from multiple sources. This being the case it is important to receive feedback from key stakeholders on draft action plans.

Work to address issues highlighted by the PPS through action plans will be an ongoing process, Cabinet endorsement of the draft PPS at this stage will enable work to progress. Definitive action plans to resolve issues such as at Honiton will be developed over the

course of the next twelve months by the steering group. There is no need for this to delay the progress of the PPS towards endorsement for use in determining planning applications.

***170 Revised car parking permits**

Members considered the report of the Service Lead – Environmental Health and Car Parks, which set out two proposals:

- a new 'guest permit' to enable proprietors of guest houses and holiday lets to buy a car parking permit for use by their guests in Council car parks across East Devon;
- a new 'Sidmouth Town Centre' disabled resident's parking permit (offered to town centre disabled residents living in a property without its own off-road parking space).

In supporting the proposal, Members recognised that an East Devon-wide guest parking ticket would benefit the whole of the district.

RESOLVED:

1. that the principle of a new transferrable "guest" parking permit be approved, with the Chief Executive, in consultation with the Portfolio Holder – Environment, being given delegated authority to agree the detail of the tariff;
2. that a new Sidmouth Town Centre Disabled Residents' Parking permit be approved and made available to qualifying residents only for a charge of £520 per year.

REASON:

Section 122 of the Road Traffic Regulation Act 1984 sets out the duties of all local authorities in respect of a range of traffic related functions including the provision of off-street parking.

EDDC continues to exercise care to find the right balance between the needs of residents, especially in this case, those people who live in Sidmouth town centre with a car of their own and no access to their own off-street parking space and the likely impact on the tourism economy arising from an improved visitor package on offer from guest houses and holiday lets.

The recommendations will not interfere with the security of (or access to) any other premises and it is believed that they will not be prejudicial to the amenity of the locality. They are in all other material respects consistent with other relevant factors including the Council's desire to support its town centre and tourism economies.

***171 Changes to Non-Domestic Rates (following Autumn Statement)**

The Service Lead – Revenues and Benefits' report was in response to the Business Rate measures announced in the Chancellor of the Exchequer's Autumn Statement (3 December 2014). The report set out an explanation of the new measures and sought approval for discretionary powers to be used in order to grant a reduction in non-domestic rates where the government's eligibility criteria were met.

RESOLVED

1. that the use of discretionary powers be approved where ratepayers meet the government's qualifying criteria in respect of:

- an extension of transitional relief for 2015/16 and 2016/17;
- the level of retail rate relief has increased from £1,000 to £1,500 for 2015/16

2. that note be made of the changes to Business Rates announced in the Chancellor of the Exchequer's Autumn Statement in respect of:
 - the rating multiplier increase being capped at 2%.
 - A doubling of Small Business Rate Relief

REASON

The measures announced in the Autumn Statement will be fully funded by the government at no cost to EDDC and will provide support to businesses during this difficult economic climate.

*172 **Neighbourhood Planning Guidance**

Consideration was given to the report of the Senior Planning Officer advising of a range of material produced by Communities and Local Government in support of the production of Neighbourhood Plans. Members also noted that a time limit was to be imposed, with effect from 9 February 2015, on various stages of Neighbourhood Plan production.

Members welcomed the level of take-up from local communities, which recognised the value of the Neighbourhood Plans.

RESOLVED

1. that the publication of Neighbourhood Planning guidance be noted;
2. that delegated authority be given to the Service Lead – Planning Strategy and Development Management, in consultation with the Leader of the Council and Ward Member(s), to designate Neighbourhood Areas where the proposed area is contiguous with the parish boundary and there are no strategic sites contained within the proposed area.

REASON

To raise Members' awareness of the range of guidance being produced and made available to local communities, in addition to officer support. Delegated authority will allow EDDC to meet new guidelines (including timetable requirements) introduced by government.

*173 **Lympstone examination and decision statement**

Members considered the report giving feedback on the Lympstone Neighbourhood Plan; the Examiner has recommended that the Plan can now proceed to referendum subject to proposed modifications. Cabinet was asked to consider formally the Examiner's recommendations set out in the report with the Council's proposed response. The parish council had agreed to all the modifications and had produced a new version of the Plan to be submitted to referendum. EDDC was responsible for arranging a referendum – all electors within the parish would be invited to vote on whether the Neighbourhood Plan should be used in make planning decisions in the Parish.

Councillor David Atkins, Ward Member, welcomed the progress being made and that Lympstone was the first community in East Devon to have reached the referendum stage of the Neighbourhood Plan process.

RESOLVED

1. that the Examiner's recommendations on the Lympstone Neighbourhood Plan be endorsed;
2. that a 'referendum version' of the Neighbourhood Plan (incorporating the Examiner's modifications) proceed to referendum and a decision notice to this effect be published;
3. that the Neighbourhood Plan group be congratulated for their hard work.

REASON

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

174 Shared parental leave policy

Members considered the new shared parental leave policy – new regulations introduced a statutory right to shared parental leave for eligible parents of babies due to be born on or after 5 April 2015.

RECOMMENDED

that the draft policy be agreed, with delegated responsibility being given to the Strategic Lead – Organisational Development and Transformation to consult and agree the policy with UNISON.

REASON

To implement the new shared parental leave regulations.

***175 Exemption from standing orders – 2 x sheltered housing schemes**

Members considered a request for two sheltered housing schemes to be exempt from a tender exercise for the upgrade and renewal of maintenance on all alarm equipment installed in East Devon's sheltered housing. The two schemes required work to be carried out immediately due to problems being experienced.

RESOLVED

that approval be given for two sheltered housing schemes (Broadview and Palmer House) to be upgraded immediately and not included as part of the wider procurement exercise that is taking place across equipment in sheltered housing.

REASON

To enable the work on the two identified schemes to be carried out immediately to ensure the safety of residents living in these properties.

***176 Monthly performance report – December 2014**

The Cabinet considered the report of the Strategic Lead - Organisational Development and Transformation setting out performance information for the 2014/15 financial year for December 2014.

Most of the performance indicators showed acceptable performance, with three showing excellent performance, namely:

- percentage of planning appeal decisions where the planning inspector has disagreed with the Council's decision
- percentage of council tax collected

- percentage of invoices paid within 10 working days.

However, the performance indicator in respect of working days lost due to sickness absence continued to show concern. Analysis undertaken has highlighted an increase in the number of staff with long-term sickness issues - these cases were being dealt with on an individual basis.

RESOLVED:

that the progress and proposed improvement action for performance measures for the 2014/15 financial year for December 2014 be noted.

REASON:

The performance monitoring report highlights progress using a monthly snapshot report; SPAR reports on monthly indicators and systems thinking measures in key service areas including Streetscene, Housing, Development Management and Revenues and Benefits.

***177 Exclusion of the public**

RESOLVED

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 and referenced at Minute 159 in respect of the urgent item), is likely to be disclosed and on balance the public interest is in discussing the items in private session (Part B).

***178 Appointment of Interpretation Contractor for Seaton Jurassic – key decision**

The report of the Senior Manager – Regeneration and Economic Development advised Members of the current position regarding the appointment of the Interpretation contractor for Seaton Jurassic. The report also included an update on progress with the project and the current fundraising efforts.

RESOLVED:

1. that the appointment of Ecological Construction Solutions under a pre-construction agreement up to a sum (identified in the report) be approved to undertake the final design work for the interpretation works,
2. that delegated authority be given to the Deputy Chief Executive in conjunction with the Portfolio Holder to confirm the appointment of Ecological Construction Solutions for the Interpretation Contract subject to the final contract sum being within the budget set out in paragraph 1.1 of the report.

REASON:

The Project Team has undertaken a tender process to select the Interpretation Contractor who will construct and fit out the exhibits for Seaton Jurassic. The preferred contractor will commence work on constructing the exhibits off-site from April 2015 and then on-site from July 2015 when the main construction work has been completed.

***179 Purchase of land at Mudbank Lane**

The Strategic Lead – Housing and Environment sought Cabinet support for the purchase of specified land for a mixed tenure housing development. The proposal was for the Council to work in partnership with Devon and Cornwall Housing.

The Portfolio Holder – Sustainable Homes and Communities praised EDDC housing officers and the Devon and Cornwall Housing team for the exceptional work they had carried out to meet tight timetables to progress this opportunity.

RESOLVED

1. that the offer for the purchase of land at Mudbank Lane, Exmouth, be agreed, subject to contract;
2. that a partnership with Devon and Cornwall Housing for the redevelopment of the land purchased, be agreed.

REASON:

To secure the site for a partner to deliver a mixed tenure housing development.

*180 **East Devon Recycling and Refuse Partnership Board – 6 February 2015**

Members noted the minutes of a meeting of the Partnership Board held on 6 February 2015. Particular consideration was given to the recommendations within the minutes in respect of the integrated Devon Waste Partnership and the preferred option for delivery of the waste service. It was anticipated that the option would help increase recycling rates and reduce waste sent to landfill.

Councillor Tom Wright asked for the minutes to be corrected to include his apologies, which he had given in advance of the meeting.

RESOLVED:

1. that the Integrated Devon Waste option be not pursued at this point but the Council to continue to work with partners to investigate avoided disposal savings and sharing;
2. that Council's own contract procurement process be continued;
3. that an independent waste analysis be undertaken in the Spring to underpin decisions on service provision for the new contract – with funding (of a level detailed in the confidential Partnership Board minutes) being provided to support this essential data gathering work.

REASON

Based on the risk analysis undertaken.

Attendance list

Present:

Paul Diviani	Leader/Chairman
Andrew Moulding	Deputy Leader/Portfolio Holder Strategic Development and Partnership

Portfolio Holders:

Ray Bloxham	Corporate Business
Iain Chubb	Portfolio Holder - Environment
David Cox	Finance
Jill Elson	Sustainable Homes and Communities
Ian Thomas	Economy
Phil Twiss	Corporate Services

Deputy Portfolio Holders

Stephanie Jones	Sustainable Homes and Communities
Tom Wright	Environment

Also present:

Councillors:

Mike Allen
David Atkins
David Chapman
Maddy Chapman
Deborah Custance Baker
Alan Dent
Christine Drew
Steve Hall
Tony Howard
John Humphreys
Sheila Kerridge
Frances Newth
John O'Leary
Helen Parr
Geoff Pook
Pauline Stott
Peter Sullivan
Tim Wood

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
Karen Jenkins, Strategic Lead – Organisational Development and Transformation
Andrew Ennis, Service Lead – Environmental Health and Car Parks
Henry Gordon Lennox – Principal Solicitor
Charlie Plowden, Service Lead – Countryside and Leisure
Amanda Coombes, Democratic Services Officer
Claire Mitchell, Accountant
Graeme Thompson, Planning Policy Officer
Diana Vernon, Democratic Services Manager

Councillor apologies

Non Cabinet:

Geoff Chamberlain
Steve Gazzard
Graham Godbeer
Ken Potter
Mark Williamson

Chairman Date.....

EAST DEVON DISTRICT COUNCIL

Forward Plan of Key Decisions - For the 4 month period 1 March 2015 to 30 June 2015

[In addition Key Decisions and other decisions which are proposed to be taken in a private meeting are identified to comply with the Local Authorities (Executive Arrangements)(Meetings and Access to information)(England) Regulations 2012].

A public notice period of 28 clear days is required when a decision making body is to hold a meeting wholly or partly in private
 This document includes notice of those matters the Council intends, at this stage, should be considered in the private part of the meeting and the reason why. Any written representations that a particular decision should be moved to the public part of the meeting should be sent to the Democratic Services Team [address at the end] as soon as possible.

Key Decision	List of documents to be submitted to Cabinet [so far as known at present]. Other documents may be submitted to the Cabinet in addition.	Lead Member	Lead/reporting Officer	Proposed Consultation and meeting dates (Committees, principal groups and organisations) Members of the public are given the opportunity to speak at meetings unless shown in <i>italics</i> .	Operative Date for decision (if no call-in)	Part A = Public meeting Part B [private meeting] (and reasons)
1 Office Relocation		Portfolio Holder Strategic Development and Partnership	Deputy Chief Executive	Cabinet 11 March 2015 Council 29 April 2015	30 April 2015	Part A
2 EDDC Playing Pitch Strategy		Environment Portfolio Holder	Service Lead - Countryside & Leisure	Draft to Cabinet 11 March 2015 O/S consultation Final to Cabinet March/April	30 April 2015	Part A
3 In-house pest control service		Portfolio Holder – Environment	Strategic Lead – Housing, Health & Environment	Cabinet 11 March 2015	19 March 2015	Part A

Key Decision		List of documents to be submitted to Cabinet [so far as known at present]. Other documents may be submitted to the Cabinet in addition.	Lead Member	Lead/reporting Officer	Proposed Consultation and meeting dates (Committees, principal groups and organisations) Members of the public are given the opportunity to speak at meetings unless shown in italics.	Operative Date for decision (if no call-in)	Part A = Public meeting Part B [private meeting] (and reasons)
45	ESCO Energy Services		Portfolio Holder Strategic Development and Partnership	East of Exeter Projects Director	Cabinet 11 March 2015 Council 29 April 2015	30 April 2015	Part A
5	Safety Advisory Group (major events)		Portfolio Holder – Environment	Strategic Lead – Housing, Health & Environment	Cabinet 15 April 2015	23 April 2015	Part A
6	Empty Homes Strategy		Portfolio Holder – Sustainable Homes and Communities	Strategic Lead – Housing, Health & Environment	Cabinet 15 April 2015 Council 29 April 2015	30 April 2015	Part A
7	Annual Revenue and Capital Outturn report 2014/15		Portfolio Holder – Finance	Head of Finance	Cabinet June 2015	June 2015	Part A
8	Annual Treasury Management Report 2014/15		Portfolio Holder – Finance	Head of Finance	Cabinet June 2015	June 2015	Part A
9	Refresh of the Council Plan		Portfolio Holder - Corporate Services	Service Lead - Organisational Development & Transformation	Cabinet September 2015	September 2015	Part A

Key Decision	List of documents to be submitted to Cabinet [so far as known at present]. Other documents may be submitted to the Cabinet in addition.	Lead Member	Lead/reporting Officer	Proposed Consultation and meeting dates (Committees, principal groups and organisations) Members of the public are given the opportunity to speak at meetings unless shown in italics.	Operative Date for decision (if no call-in)	Part A = Public meeting Part B [private meeting] (and reasons)
Other decisions to be taken in Part B	Exmouth Regeneration Action Notes following regular meetings	Portfolio Holder Strategic Development and Partnership	Deputy Chief Executive (RC)	Cabinet meetings following production of Action Notes		Part B [only if commercially sensitive]
	Seaton Regeneration Action Notes following regular meetings	Portfolio Holder Economy	Deputy Chief Executive (RC)	Cabinet meetings following production of Action Notes		Part B [only if commercially sensitive]
	Leisure East Devon Joint Working Group		Chief Executive	Cabinet meetings following production of Action Notes		Part B [if commercially sensitive]

Key Decision Reminder to report writers to give due regard to equality impact as part of the report content	List of documents to be submitted to Cabinet [so far as known at present]. Other documents may be submitted to the Cabinet in addition.	Lead Member	Lead/reporting Officer	Proposed Consultation and meeting dates (Committees, principal groups and organisations) Members of the public are given the opportunity to speak at meetings unless shown in italics.	Operative Date for decision (if no call-in)	Part A = Public meeting Part B [private meeting] (and reasons)
	Capital Strategy & Allocation Group – report of a meeting		Strategic Lead – Finance	Cabinet meeting following production of notes which will be taken into account when setting the budget.		Part B

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

Future Key Decision	Lead Member	Lead Officer	Consultation and meeting dates (Committees, principal groups and organisations) To be confirmed	Operative Date for decision To be confirmed
1	Specific CIL Governance Issues	Strategic Development and Partnership PH	Deputy Chief Executive (RC)	

Future Key Decision		Lead Member	Lead Officer	Consultation and meeting dates (Committees, principal groups and organisations) To be confirmed	Operative Date for decision To be confirmed
2	Business Support – options for the future	Portfolio Holder – Economy	Deputy Chief Executive (R)		
3	Thelma Hulbert Gallery - progress	Portfolio Holder - Environment			

This plan contains all the 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 38 of the Local Government Act 2000, up-dated by the Local Authorities (Executive Arrangements)(Meetings and access to Information)(England) Regulations 2012 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 in accordance with Section 9Q of the 2000 Act (guidance).. The Cabinet may only make a key decision in accordance with the requirements of the Executive Procedure Rules set out in Part 4 of the Constitution and the Regulations. 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.

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.

The members of the Cabinet are as follows: Cllr Paul Diviani (Leader of the Council and Chairman of the Cabinet), Cllr Andrew Moulding (Strategic Development and Partnerships Portfolio Holder), Cllr Ray Bloxham (Corporate Business Portfolio Holder) Cllr Phil Twiss(Corporate Services Portfolio Holder) Cllr Ian Thomas (Economy Portfolio Holder), Cllr Iain Chubb (Environment Portfolio Holder) Cllr David Cox (Finance Portfolio Holder), Cllr Jill Elson (Sustainable Homes and Communities Portfolio Holder), and Deputy Portfolio Holders – Cllr Stephanie Jones (Deputy – Sustainable Homes and Communities) and Cllr Tom Wright (Deputy – Environment) Members of the public who wish to make any representations or comments concerning any of the key decisions referred to in this Forward Plan may do so by writing to the identified Lead Member of the Cabinet (Leader of the Council) c/o the Democratic Services Team, Council Offices, Knowle, Sidmouth, Devon, EX10 8HL. Telephone 01395 517546.

February 2015

- The following item is to be deleted:
 - Queens Drive, Exmouth
- The following item is to be added:
 - Refresh of Council Plan – September

EAST DEVON DISTRICT COUNCIL
Minutes of a meeting of the East Devon Recycling and Refuse
Partnership Board, Room 1, Knowle, on 26 February 2015

Present

Councillors:

Ian Chubb – Portfolio Holder, Environment (Chairman)
Tom Wright – Vice Chairman
David Cox - Portfolio Holder, Finance
Steve Gazzard
Geoff Pook

Apologies: None

SITA:

Andy Williams – Senior Contract Manager
Peta Johnson – Senior Municipal Development Manager
James Gatter

Officers:

John Golding – Strategic Lead, Housing, Health and Environment
Andrew Hancock – Service Lead, StreetScene
Paul McHenry – Recycling and Waste Contract Manager
Cherise Foster – Customer Services Manager
Andrew Wood - East of Exeter Projects Director
Amanda Coombes – Democratic Services Officer

The meeting started at 9.30am and ended at 1.05pm

***73 Minutes**

The minutes of the Recycling and Refuse Partnership Board meeting held on 6 February 2015 were confirmed and signed as a true record.

Cllr Tom Wright advised that his apologies had been given and asked for this to be noted.

***74 Declarations of interest**

None

***75 Matters arising**

None

***76 Statistical information**

Paul McHenry, Recycling and Waste Contract Manager reported that missed collections were very low but he had hoped to be further forward with Cloud 9 technology in each vehicle. This IT system would help eradicate missed collections. Refuse and recycling missed collections were on a downward trend with clinical waste now being delivered to the Exeter facility and not Liskeard. The yearly review of customers requiring assisted collections had just been completed; this showed a low missed collection percentage in East Devon. There were many replacement caddies and recycling boxes being delivered presently although it was not entirely understood why this was the case. The Customer Services Manager stated old boxes were becoming brittle as the shelf-life expired and bad

weather was a problem with boxes being blown away or damaged. Paul McHenry reported that there were very few customer complaints. The new developments in Cranbrook and Axminster were adding to requests for extra waste collections.

The question was raised to whether the council had any statistics on recycling participation rates. It was agreed that this information would be very useful not just for participation but to what materials were being recycled. The Cloud 9 technology may help to record some of this data.

It was highlighted that other councils charge for refuse and recycling containers or at least after the second replacement and perhaps the council should consider this option. It was discussed that this may have an adverse effect on recycling rates as residents may not bother to recycle if they have to pay for the boxes and bins to do this. It was suggested that this could possibly be looked into in the future, as ways to saving funds.

RESOLVED: that the update report be noted.

*77

SITA performance improvement report

Andy Williams, SITA Senior Contract Manager updated the Board. He and Paul McHenry would be speaking with Cloud 9 to get all the computing issues finally resolved. SITA had subcontracted the food haulage to Greendale allowing for the vehicle to be released for other purposes and the capacity of one extra driver - saving £800. Andy Williams and Paul McHenry had been looking into the use of a can separator.

The extra grey refuse bags in Cranbrook (side waste) were now being collected by an extra vehicle; this had become a regular feature – the usual service allows for just one bin to be collected. The Customer Services Manager stated the Customer Services Centre (CSC) received lots of calls from new residents stating that they could recycle a lot more from where they previously lived. It was discussed that this was the main reason for the extra grey sacks. Andrew Hancock – Service Lead, StreetScene reported that more education and communication was necessary to inform residents to what could and could not be recycled. It was suggested that the local schools be used to promote the recycling message to students who would in turn take the message home to educate their parents and families. The use of the community market on Thursday evenings was another way the message could get promoted. Continuity was the key with set collection days being kept to avoid confusion to the residents.

Staff from SITA's administration team had been working with the council's CSC staff to understand the nature of telephone queries and to get a flavour of how the service works overall from the council's perspective. Andy Williams acknowledged this had been useful.

RESOLVED: that the performance report be noted.

*78

Cranbrook – proposal to change recycling and waste collection schedule The Board was given a presentation by James Gatter from SITA on proposals to change the recycling and waste collection schedule in Cranbrook. SITA were struggling to get the refuse and recycling collection service completed in one day at Cranbrook. The single day collection round had reached its maximum capacity. The town had expanded rapidly and would continue to do so - it now had 1000 occupied properties. SITA proposed a new recycling collection day for Friday using a 20 ton lorry that had capacity to collect from 1000 properties in any one day. It was reported that the overall tonnage of recycling in Cranbrook was lower when only the recycling crew was in the area compared with the collection of

refuse and recycling collection days. SITA hoped this new collection service would be sustained until the end of their contract in 12 months. A Monday collection day was proposed for part of the town.

Andrew Wood, East of Exeter Projects Director updated the Board on Cranbrook's development. It was the fastest growing housing development in the country with 450 new builds per year. Ultimately there will be 8000 properties in Cranbrook. 50-60% of new residents had come from Exeter and the new Town Council would be elected in May. The town had a very successful FaceBook page of which James Gatter from SITA said he was aware. Andrew Wood suggested that the residents be told the facts of the high rates of contaminated recycling collections coming from the town compared with the rest of East Devon.

The Recycling and Waste Contract Manager stated the problems at Cranbrook needed to be resolved immediately and the council must make the best of the facilities presently available. He recommended that the Board agreed to go ahead with the new changes to the collection days in order to resolve the immediate issue. The Cranbrook expansion would be looked at in more detail at a later stage. There had been lots of ideas to how new changes could be introduced with the possibility that a Project Manager may need to be in place to oversee the delivery. The issue of Cranbrook as a whole would need to be addressed before any changes were made in the future, especially the question of the huge amount of waste coming from the town. It was agreed that the Board had to look for the most practical and cost effective solution for the next 12 months.

RESOLVED: that the presentation from SITA be noted, that the new collection day proposal for Cranbrook be agreed.

79 Presentation - collection trial options for improved kerbside recycling and refuse collection

The Board was given a presentation by Peta Johnson, SITA Senior Municipal Development Manager for collection trial options for improved kerbside recycling and refuse collection. An increased recycling collection, to include card and mixed plastics, would facilitate a move to three/ four weekly residual refuse collections. The council was looking at ways to drive down residual waste collection and increase recycling, to improve recycling rates and reduced landfill/incineration disposals. The important new message to residents was that the main service was a weekly collection - with the refuse left over to be collected less frequently.

Previous discussion with the team and SITA around which areas would be the most appropriate concluded that the trial would involve 2 areas; the 3 weekly trial will cover the Colony in Exmouth and the four weekly trial will cover Feniton. Other issues surrounding the trial were:

- The trial would need to start quickly – communication with residents was key to its success.
- The trial would operate for one day on one vehicle (need to select vehicle).
- The trial would collect a larger range of materials (need to select receptacle type).
- The trial would limit residual capacity - this would lead to an increase in capture of current materials.
- The trial would require changes to the collection method (vehicles and receptacles).
- Residents would require additional capacity to present their recyclables - capacity needed to be considered as a limit on capacity was a barrier to recycling.

SITA would cost up the implementation costs of the trial. The Waste team would liaise with the Ward Members whose areas were being used in the trial to inform them of its purpose.

RECOMMENDED: that the presentation from SITA be progressed and that the trial for 3 - 4 weekly refuse collections be presented to and agreed by Cabinet.

***80 Any other business**

The question was asked about the Big Belly Bins for Exmouth seafront – these had been ordered to the depot and the Town Council with officers would decide on their fixed location.

***81 Exclusion of contractual partners due to the nature of the items which will include business plans and future contract arrangements**

The Council's contractual partners were asked to leave the meeting at this point as the Board wanted to discuss various commercially sensitive issues including business plans and future contract arrangements.

***82 Update on Integrated Devon Business Case**

John Golding, Strategic Lead, Housing, Health and Environment advised the Board that the Integrated Devon Waste partners had been informed of the council's decision to continue with the procurement process. Devon County Council (DCC) had reported there was now no Integrated Devon Waste partnership as they required all partners to be 'onboard' for it to be viable. DCC would wait until after the election in May before looking into EDDC's 3 weekly refuse collection service and the impact on avoided disposal. DCC were happy to consider sharing the savings from avoided disposal costs but wanted to talk to each authority individually.

RESOLVED: that the update be noted.

***83 Progression of collection contract procurement**

The Service Lead, StreetScene updated the Board that the notice of the new contact was being released that day, with the postponed Bidders Open day being held on 19 March 2015 at 11am.

RESOLVED: that the procurement update be noted.

***84 Collection trial of improved kerbside recycling service and three/four weekly refuse collection plus update on waste analysis**

Paul McHenry stated the Waste Analysis contract would be going out to tender soon.

***85 Any other business**

None

***86 Date of next meeting**

RESOLVED: that a meeting of the Recycling and Refuse Partnership Board be held on 9 April in the Council Chamber at Knowle.

Chairman Date.....

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of the Arts and Culture Forum held at THG, Honiton on Friday 13 February 2015

Present:	EDDC Councillors: John O'Leary – Culture Champion (Chairman) Tom Wright - Deputy Portfolio Holder Environment
	Town representatives: John Dyson - Sidmouth Douglas Hull – Axminster (Vice Chairman) Jo Talbot – Ottery St Mary
	Community representative: Nikki Milican
	Roger Werner - Villages in Action
Officers:	Angela Blackwell, Thelma Hulbert Gallery Curator Charlie Plowden, Service Lead - Countryside and Leisure John Golding, Strategic Lead – Housing, Health and Environment Amanda Coombes, Democratic Services Officer Emma Molony, Marketing and Fundraising Officer Gemma Girvan, Gallery & Shop Officer
Apologies:	Cllr Steph Jones, Cllr David Chapman Gerri Bennett – Community Representative

The meeting started at 11:35 and ended at 13:10

***32 Minutes**

The minutes of the meeting of the Arts and Culture Forum held on 5 March 2014 were confirmed as a true record.

***33 Declarations of interest**

None

***34 Cabinet Minutes**

Charlie Plowden, Service Lead - Countryside and Leisure updated the Forum on the minutes from Cabinet on 30 October 2013. With specific reference to the Thelma Hulbert Gallery and the business Survival Strategy. Referring to the Arts Council funded business report he acknowledge that there had been no document to drive the business forward. However now that there was a grant from the Arts Council the need to proceed with certain elements of the business survival report was essential. The Cabinet report on the Thelma Hulbert Gallery in January updated members on the social value of the gallery and latest activities and budget position.

Cllr Tom Wright - Deputy Portfolio Holder Environment acknowledged that Cabinet at the meeting on 7 January 2015 was more supportive of THG although he was disappointed that seeking charitable status was no longer an option. Charlie Plowden explained why this was not feasible. Smaller pots of funds could still be applied for, although a full-time officer post to lead on this was necessary for its success. John Golding confirmed that if there were clear advantages in gaining trust status the Council would still be interested in exploring this further. It was suggested that the Council's new website should have a page allocated for Arts and Culture where THG and the Manor Pavilion could be promoted as well as using more extensively the Council's weekly publication the Knowledge.

RESOLVED: that the update be noted and the Service Lead - Countryside and Leisure look into the provision of a dedicated Arts and Culture web page on the EDDC website.

*35

THG Think Tank feedback

The Service Lead, Countryside and Leisure reported the outcome of the Think Tank held earlier that day. Cabinet had recently expressed support for the gallery and although appreciated the social value of THG, reiterated the need for it to be more businesslike. Cabinet had recommended approval of the gallery's budget for 2015/16 which in the present climate of budget pressures was very positive.

Angela Blackwell updated the Forum on the awards THG had won – gold in the Devon Tourism Award, silver in the South West Tourism Awards for Access and Inclusivity as well as going forward into the National competition. The popular Matisse exhibition was the biggest the gallery had shown. Grants were awarded from the Arts Council, Heritage Lottery and smaller grants from the Prince's Trust and others. The new team of 5 (equivalent to 2.5 full-time members of staff) were doing a lot of work with schools. John Dyson congratulated the team for their success. The more THG progressed the more likely funds would become available to support the work of the gallery and local groups. It was commented on how much recent positive press coverage there had been and the profile being raised from the Tourism Award evening; attended by 300 ambassadors from across the region.

The question was asked as to how the team felt the THG website was working - do searches and hits work? It was felt that the Matisse exhibition would now bring people back to the gallery. Questionnaires were given out to provide comprehensive information about visitors and their spending habits when they visit places of interest. Brochures go out to all Tourist Information Centres. It was commented this sophisticated level of knowledge of audience footfall spending and type was very useful feedback. The cafe area just sold drinks and biscuits; Honiton had many very good cafes so THG did not want to compete, especially due to a lack of facilities. The team was considering working in partnership with these cafes.

Charlie Plowden stated that the Forum needed to understand and act on the recommendations from the Think Tank in order to move forward. These were:

1. Look into a permanent local artists' exhibition with lower cost art for sale.
Better promotion of local art when it was in the gallery.
2. Consider the future use of the 'Thelma room' and how it could bring in additional income.

3. Refresh the shop regularly. Consider charging artists for exhibiting their work.
4. Extend opening hours. Explore the operational side of the gallery and the capacity of the team.
5. Increase the use of inside and outside space to optimise capacity and income.
6. Look into external signage from the town and car parks; with 13 spaces available for short stay visits to the THG.
7. Explore opportunities for partnership/collaboration with the Beehive Centre.
8. Promote the principal of EDDC supporting Arts and Culture.

RESOLVED: that the feedback from the Environment Portfolio Holder (THG) Think Tank of 13 February 2015 be noted and the recommendations implemented.

*36 **THG Business Survival Strategy 2014/15**

Charlie Plowden informed the Forum this would be referred to in future to see how THG was performing compared with the aims, objectives and values of this strategy.

*37 **Villages in Action (VIA) update**

Roger Werner from VIA praised the team from THG on their achievements. He suggested partnering up with other galleries for joint funding opportunities and shared exhibitions.

Roger updated the Forum with VIA's plans for 2015/16. VIA was an Arts Council's Non Profit Organisation (NPO) until April 2015 when it would be able to apply for separate funding providing greater opportunity. VIA received LA funding from Teignbridge, West Devon, Mid Devon and EDDC. They had raised money for training sessions for village promoters – to help set up Facebook pages etc. and strengthen the organisation as well as enable links with other villages. There were 17 villages involved in promoting events and 34 performances had been booked. £2000 had been raised by VIA events for local venues. They continued to work with care homes for the elderly by developing a programme of afternoon shows; this was subsidised by VIA. Feedback from the care homes' staff was very positive on engagement from the residents – this made the subsidy worthwhile.

Other initiatives were:

- A "Threads 2" textile project with older people in an East Devon Community.
- "Postcards from the Path" - an Exhibition and workshop project with printmaker Anita Reynolds, inspired by her walk along the Jurassic Coast. There would be exhibitions and workshops in Colyford and Stockland in May.
- Co-commissioning a new theatre piece aimed at a wide age range - "Lost Tales of Devon" with local theatre company Theatre Rush. This would tour from Autumn 2015.
- Working with an Arts Consultant to reassess our operating model and look at ways of making VIA more resilient. They would evaluate social impact and organisational development.
- Planning a pilot project to support theatre performances in Market Town venues including the Beehive Centre; this is from Arts Council funding and if

successful will open the project up to other venues across Devon.

- On 15th May 2015 would be launching an appeal for private donations, to open up a new income strand for VIA. The high-profile launch event would be held at the Kenn Centre, Kennford and feature readings from VIA Patron Michael Morpurgo.
- A new part-time marketing assistant post would be appointed to help increase social media activity.
- Working with the Laura Ashley Foundation on textile projects.

RESOLVED: that the update be noted

*38 **Any other business**

None

*39 **Date of next meeting**

It was agreed that next meeting will be held on 18 September 2015 at 11am at the Manor Pavilion, Sidmouth.

The Chairman thanked the team and officers for attending the meeting and Think Tank.

Chairman Date

EAST DEVON DISTRICT COUNCIL

Report of a Meeting of the Member Development Working Party held at Knowle, Sidmouth on 26 February 2015

Present:

Councillors:
Maddy Chapman (Chairman)
Trevor Cope
Christine Drew
Stephanie Jones

Also present:

Ray Bloxham
Alan Dent
Paul Diviani
Steve Gazzard
Frances Newth
Pauline Stott
Peter Sullivan

Diana Vernon Democratic Services Manager
Hannah Whitfield, Democratic Services Officer

Apologies

Councillors
David Cox
Pat Graham
Phil Twiss

The meeting started at 4.30 pm and ended at 5.52 pm.

8. Previous meeting – 30 September 2014

The report of the meeting held on 30 September 2014 was noted as a true record.

9. Information for newly elected Councillors:

At its last meeting, Members had stressed the importance of avoiding 'information overload'. The suggested essential information for new Councillors based on input from the previous meeting was:

- Officer contact list – including Democratic Services – with photographs, areas of work, phone and room numbers, etc
- Council structure
- Councillor photos with ward and contact numbers
- Explanation of role of portfolio holders, champions, chairmen and vice-chairmen
- Code of Conduct
- Map of Knowle and location of services/officers.
- Link to Local Government Association guide for newly elected councillors
- Glossary of terms and acronyms

Also

- Provide empty folders that councillors can use for filing information that they find most helpful. (Note – make sure that any training handouts are hole-punched).
- Office 365 will be fully populated with reference information to meet councillor needs – including the policy register (currently available on the Council intranet) and forthcoming meeting information - and kept up to date.

Newly elected Councillors would be given a series of forms to complete including availability and committee preferences. Democratic Services would also arrange an early meeting with new councillors for an information briefing - including a 'walk through' of the Council's website, an outline of the key roles of Councillors and the importance of attending as many meetings as possible as a useful way to learn and find out more. The informal meeting would also include a tour of useful landmarks and services within the Knowle site.

Members asked for the early information to include a brief description of the Council's meetings and reporting links.

A map of the Knowle Offices and Committee reporting lines would be displayed on the notice board in the Members' Area.

10. **Welcome/Refresher sessions – 2015**

At the September meeting, Members provided the general principles that they wanted to be kept in mind when the 2015 induction/welcome programme was prepared:

- Avoid information overload
- Provide information in bite-sized pieces
- Avoid full days of training
- Most effective learning is through problem solving and working examples – making sure that councillors are fully engaged and learn through experience
- Include 'meet the team' events so that councillors have a better understanding of services
- Recognise the value of experienced councillors mentoring newly elected councillors – this to include shadowing of ward work
- Before they leave ask retiring councillors to support the new intake of councillors and share their experience
- For all councillors to take part in the welcome/refresher programme – this is a good opportunity to refresh and update knowledge as well as to be a support to newly elected councillors
- Emphasise the importance of continual learning through observation and attending meetings

These general principles were now reflected in the draft two evening programmes and the 3-month programme presented to the Working Party for their comments.

The Democratic Services Manager was also in consultation with other Devon authorities in respect of their induction plans and would share any additional best practice examples with the Working Party.

11. **3-6 month welcome/refresher programme**

The draft programme of member development opportunities included:

- a. Initial 3 month programme - May to August 2015 (this would be included with candidate packs and passed to group leaders in advance of the elections so that the dates could be included in diaries.)
- b. Proposed tours around key points within the district, (for example housing complexes and business units) and meet the team events - September to December 2015

Members emphasised the importance of giving newly elected Members early support in IT. Currently 2 evening sessions had been programmed in the early weeks following the election – these would be supplemented with other opportunities including a daytime session.

The programme also included a Chief Executive briefing on procedure before the annual council meeting and the first ordinary meeting of the Council in July. In addition, an outline of committee specific work and remit would be included within early meetings of committees for the benefit of newly elected Councillors.

It was also noted that in addition to 'meet the team' events there would be up-date events/briefings, including:

- Call in
- Called minutes
- Key decisions and the forward plan
- Role of co-optees
- Rules of debate
- Decision making – including and relevance of 'recommended' and 'resolved' and understanding the clear distinction of decision powers between Portfolio Holders/Cabinet and the full Council
- Code of Conduct
- How and when to make declarations at meetings
- Acceptance of gifts and hospitality

Members also reiterated the value of mentoring and the 'buddy system' and suggested that Honorary Aldermen could be asked to share their extensive Council experience for the benefit of newly elected councillors and those with new roles of responsibility. Note had already been made that Councillors who were going to retire at the May elections would be encouraged to maintain contact with the Council and for their skills and experience to be used for the benefit of the new Council, particularly during its early months.

12. **Elected Member Training and Development Strategy**

The current Strategy had been agreed by Council in 2007 and was now due for review to make sure that it was still relevant and fit for purpose.

A version of the Strategy with suggested up-dates is attached to these minutes as an appendix.

RECOMMENDED

That Cabinet recommend the revised Member Training and Development Strategy for adoption.

13. **South West Member Development Charter**

East Devon District Council had been awarded the South West Member Development Charter in 2010 in recognition of the standard of development and support given to elected members. This Charter was now due for reaccreditation, which was a two-part process.

The first part, now completed and sent to South West Councils, was a written submission to set out how the Council complied with the requirements of the Charter.

The second part was a visit from South West Council inspectors - arranged for Tuesday 21 April 2015. The inspectors have stipulated that they want to interview the Leader, Chief Executive, Member Development Champion and Democratic Services Manager. In addition, they want to interview Councillors in a group session and for that group to include three non-executive Members with one being recently elected if possible and from a range of political groups.

In respect of the personal development reviews referred to in the Strategy, Councillor Trevor Cope explained that these informal and confidential meetings helped to show progress in areas that Councillors wished to develop and helped identify any barriers to them fulfilling their role and ambition. Timing of the reviews would be dependent on the wishes of the newly elected councillor as some preferred to discuss development opportunities as soon as elected whilst others wanted to wait until they had a wider understanding of their role.

RESOLVED

that Councillors Trevor Cope, Alan Dent, Christine Drew, Steve Gazzard, Frances Newth, Pauline Stott, Peter Sullivan meet the Charter inspectors on 21 April 2015 for the Interview 3: Group Session subject to confirmation of their availability.

The Chairman thanked members of the Working Party and other member attendees for their valued contribution and thoughtful comments.

Appendix

East Devon District Council

Member Development and Training Strategy

Policy Approval

Original approval - July 2007 – reviewed in February 2015 by the Member Development Working Party

Reasons for introducing the policy

To set out the Council's commitment to supporting its Members in developing the necessary skills to serve the community they represent and the District Council as a whole to the best of their ability.

Policy Statement

Member Development is a key to supporting Members, whatever their political party, in their role as Ward and District Councillors. The Council is committed to ensuring that all Members have the opportunity and are encouraged to develop the necessary skills to carry out their role for the benefit of the community and the Council. The policy sets out the vision and aims of elected Member development, the values to which the Council will adhere and how development will be identified, delivered and managed.

Terms explained

Personal development reviews – these are informal, confidential one-to-one sessions between an individual councillor and a democratic services officer to explore any barriers to learning, preferred styles of learning, individual development needs to achieve goals and to log Councillors' particular areas of interest and strengths for the benefit of the Council and community.

Skills framework – this has been developed through the Devon-wide democratic service network and is used as a useful reference guide during the personal development reviews and can be used by councillors as a handy check-list.

South West Member Development Charter – this was granted to East Devon District Council in 2010 to recognise this Council's commitment to councillor development and the effective way it goes about supporting elected members.

How will we go about it?

- By delivering a welcome/induction programme to give all newly elected Councillors the basic information about the Council, its services, its purpose and direction of travel together with relevant legislation. The programme to include an explanation of the Code of Conduct and its implications. Re-elected Councillors to be encouraged to attend the welcome sessions to refresh and up-date their knowledge and so that their experience can be used for the benefit of new Councillors. Councillors who have retired and Honorary Aldermen to also be invited as their experience will benefit newly elected Councillors.
- By training Members in respect of regulatory functions – Licensing, Planning, Audit and Governance and Standards Committee.
- For all Councillors to be offered personal development reviews by democratic services, utilising the agreed Devon-wide skills framework, as appropriate, to achieve

individual development programmes for Councillors, with Councillors contributing fully to this process.

- ❑ By designing a rolling four-year programme of development for all Councillors to assist their progression and development. This programme to be delivered through methods, locations and at times that ensure equality of access for all Members' diverse personal circumstances, backgrounds and learning styles. In some instances, development will be delivered through the Council's own internal resources but where necessary, the Council will identify and buy in specialist providers with proven track records of effectiveness and value for money. Councillors will be encouraged to recognise the importance of their personal commitment to on-going development.
- ❑ By creating a learning culture at East Devon District Council that views continuous Member development as vital to its success.

Development delivery methods will include:

- ❑ Internal training courses
- ❑ Informal in-house briefings and workshops
- ❑ External conferences and seminars
- ❑ Written learning materials
- ❑ E-learning packages
- ❑ Useful web links
- ❑ Visits to other authorities/organizations.
- ❑ Coaching/mentoring
- ❑ Tours within the district
- ❑ Meet the team

There are many activities that must be undertaken and managed if this strategy is to be successful. To do this it is vital for Members themselves to be engaged in the management of the development programme. A cross-party Member Development Group, facilitated by the Member Development Champion and supported by the Portfolio Holder – Corporate Services and the Democratic Services Manager, advises the Council on all matters of Member Development. The Group will have the following areas of responsibility:

- ❑ Keeping the strategy under review to ensure that it continues to meet the needs of individual Members and the Council,
- ❑ Approving the methods of assessing Member development needs
- ❑ Identifying factors either within or outside the Council that may create additional training needs,
- ❑ Recommending development programmes
- ❑ Monitoring how programmes are being implemented and their effectiveness,
- ❑ Monitoring Member participation in the programmes,
- ❑ Monitor use of and resources required to support the Member Development Programme.

How Member development needs will be identified:

- ❑ **Corporate Training needs.** The Council will monitor its objectives, performance and external environment to identify factors that may give rise to development requirements. Such factors may include changes in corporate priorities, new legal

requirements, developments in local government services, changes in local government structures or funding, and identified areas of poorly performing services.

- ❑ **Role of Members.** It is vital that development activities relate directly to the role that Members have to fulfil. To achieve this, the Council has agreed Key Roles, Responsibilities and Skills for all Members. The Member Development Working Group will ensure that there is a programme of development so that all Members have the skills to fulfil their roles.
- ❑ **Specialist Role needs and related factors.** Many Members will have the additional roles that they currently fulfil or are likely to fulfil in the future. Many of these roles require specialist focused training/development, for example:
 - New Members requiring a welcome programme
 - Chairmen of Committees
 - Leadership
 - Regulatory Committee training
 - Overview and Scrutiny
 - Audit and Governance

- ❑ **Personal development needs and key skills** Each year, Members will be given the opportunity to take part in a personal development review regarding their progress and any support or development needs for the forthcoming year.

The Council has adopted the Devon-wide skills framework as a useful reference point and to support and structure the personal development review process. The personal review meetings and associated information are strictly confidential.

As outlined above, all Members have a range of responsibilities, and these can be discussed within their personal development review. Through discussion, the individual Councillor and democratic services will develop a personal learning plan.

With the agreement of individual Councillors, a log will be created of councillor skills to share for the benefit of the Council and a log of generic development needs identified which will be used to develop the rolling 4-year Member Development programme.

The Member Development programme will be reviewed and up-dated annually.

Specific policy areas

The Member Training and Development Strategy links directly to the Council Plan. The Council will be in a better position to achieve its priorities by developing the skills and potential of its Members.

Living in this outstanding place
Working in this outstanding place
Enjoying this outstanding place
Creating an outstanding council

Outcomes

The strategy sets out the Council's commitment to Member Development, recognising the valued contribution of Councillors to improving the Council's performance and achieving its priorities. By developing Councillors' potential, our elected Members will feel more

engaged and involved in the corporate decision making of the Council. This will benefit the Council as a whole and the community it serves.

Members will:

- Have the skills appropriate to their roles and responsibilities to help deliver high quality services for East Devon District Council.
- Confidence and understanding of their roles
- Awareness of legal requirements and matters of probity

The Council has been awarded the South West Member Development Charter and is seeking re-accreditation in 2015.

Who is responsible for delivery?

The Programme will be delivered through the Member Development Working Group with the on-going support of democratic services.

Performance Monitoring and Consultation

The Member Development Working Group and Strategic Management Team.

Related Policies and Strategies

Member Code of Conduct

Best Value and Value for Money

Council Plan

Report to: Cabinet

Date of Meeting: 11 March 2015

Public Document: Yes

Exemption: None



Agenda item: 12

Subject: Relocation Decisions

Purpose of report: Background:

- i) The relocation project has been pursued in detail since Cabinet reiterated in July 2011 its desire to investigate moving office. This report seeks Cabinet approval to recommend to Council actions to enable the sale of the defined Knowle site and to begin in detail the Council's plan its move to new and modernised offices in Honiton and Exmouth respectively. This is understandably a sensitive decision in terms of local interest but it is also a clear matter of operational consideration for a Council looking on behalf of the whole District to maintain service quality, manage cost and deliver future resilience and flexibility. The report is in Part A to ensure that the information is publicly available and members are able to discuss and decide as transparently as possible.
- ii) **Public Information:** The Council has always said that it will endeavour to make as much information publicly available as is reasonably possible. This report makes public the capital, borrowing and running costs of relocation and compares it to the equivalent costs that would be incurred in remaining on the Knowle site.
- iii) **Audit:** The report informs members of the outcomes following their request for independent audit exercises on the governance, modelling and assumptions of the relocation project and to make known the key financial details informing the relocation project, having been the subject of independent audit as required by Council. The figures have been modelled in cooperation with our independent external auditors, Grant Thornton and their cost consultants, Gleeds. Furthermore, our internal auditors, the South West Audit Partnership, have also examined the project's governance and process. Both reports are attached and both auditors will be available to answer Member's questions at Cabinet and the subsequent joint meeting on 12 March 2015 of Audit and Governance and Overview and Scrutiny committees.
- iv) At Full Council in Dec 2014 members clearly expressed their desire to engage internal and external audit while maintaining progress in the meantime. The timing of this report and Cabinet consideration enables its recommendations to be considered by an Extraordinary Full Council meeting to deal with this matter in a timely manner and prior to the delay that an important decision of this nature might incur within the run up to the May elections.
- v) **Finance:** The report explores the financial comparison between meeting the Council's desire to move its offices and remaining at the Knowle. The Council is publishing the fullest information to inform

the Council and public understanding of the financial merits of moving offices to Honiton and Exmouth. In agreement with the preferred developer, we can confirm that the offer price for the Knowle is between £7m and £8m. The exact figure, while commercially confidential for the moment, has been made known to all Members so that they are aware of the exact price to inform their consideration. The exact price has also been used in the financial modelling agreed with our independent auditors and their cost consultants therefore the costs are derived from an offer price not a professional valuation or estimate. Furthermore, the entire calculation base of the financial model developed with our independent auditors, Grant Thornton has been made available for members to peruse on a computer in the members area. The Model is extensive and is necessarily confidential because its calculations include the sale price of the Knowle site. We will look at an appropriate future date to publish.

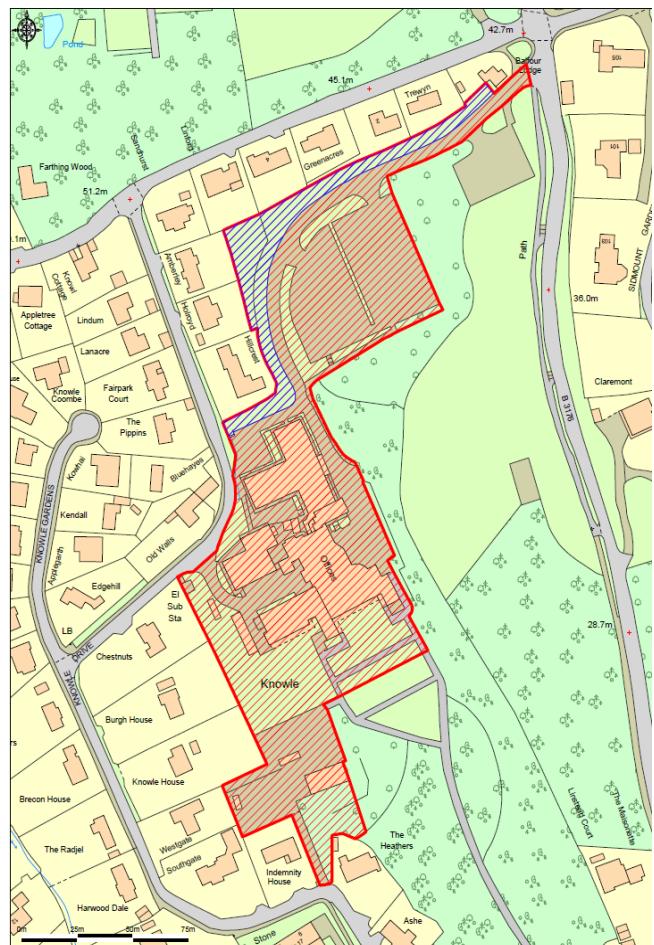
- vi) We are also now able to confirm publicly that the preferred developer is Pegasus Life Ltd, a specialist provider of residential developments offering retirement and extra care living facilities.
- vii) In relation to other financial matters, attachments to this report also include full detail of the running cost elements included in the whole life calculations (a 20 year period that reflects the timescale up to a first office refurbishment). Within the running cost calculations it is worth pointing out that we have taken on board external criticism of the previous energy cost assumptions and factored in DECC future projections of energy prices. In doing this we have consulted the South West Energy and Environment Group (SWEEG) - <http://emps.exeter.ac.uk/research/energy-environment/cee/sweeg/>.
- viii) Headline financial issues tested through the Grant Thornton Model are:
 - The most cost effective option is to refurbish Exmouth Town Hall and a new build office at Honiton Heathpark. Options of Honiton alone and combined with Exmouth are all more cost effective than staying at the Knowle with 'do minimum' investment let alone any significant modernisation. Over the 20 year period the district will be £2.8m better off if the Council moves. This compares with being £3.9m worse off by staying and carrying out 'do minimum' investment works at Knowle.
 - The Knowle site is to be sold for £7-8m and that leaves 3.5196 hectares of publicly accessible parkland available to the ownership of Sidmouth Town Council.
 - Alongside the capital receipt, the Council will prudentially borrow £2.1m from the Public Works Loan Board over a 20 year period.
 - Every year from when the Council moves, the savings in operating costs are greater than the loan repayments. For the loan period the savings improve every year in comparison to the repayment sum.
 - After 20 years the loan ends and savings continue.

ix) **Disposal of Land:** In terms of the areas of land involved:

- The Knowle park as a whole is 5.4052ha.
- For the purposes of disposal the area in question identified in total is 1.8856ha. This also includes currently developed land as well.
- Of that 1.8856ha, 1.1092ha is already developed (Council offices, depot and car parks and immediate environs) leaving 0.7764ha of what can be considered as open space to be appropriated / disposed.
- In other words, of the total parkland, 14% of open space will be included in the development boundary. EDDC wishes to transfer the remaining 3.5196ha ha of parkland, which includes the lower grasscrete car park, to Sidmouth Town Council to own and manage.

x) The report further addresses the process and associated recommendations required to dispose of the identified Knowle site for development and to meet the requirement that the Council secure best value. In pursuance of the Council's desire to relocate and to be able to take forward the previously identified Knowle site for development it is necessary that the Council agree to appropriate the land for a housing purpose and then agree to dispose of the land. This is the best mechanism by which the Council can then sell the freehold of the land for development. The matter has been advertised and responses invited. The Council has received a number of responses which are summarised, considered and addressed in further detail in the report in the section titled 'Appropriation of Land'.

In the Recommendations below and throughout the rest of the report reference to the 'Knowle Site' is to the 1.8856 hectares of land at the Knowle shown edged red on the plan below (the plan is also contained at Appendix 5)



Recommendations A

Cabinet is asked to agree the following recommendation to be submitted to Full Council for final approval:

1. Consider the findings of the audit exercises conducted by South West Audit Partnership and Grant Thornton in response to issues raised by December 2014 Full Council and to accept the conclusions set out therein.
2. Accept the analysis and conclusions on the financial basis for relocating contained within the report.
3. On the basis of the valuation advice and price offered agree that disposing of the Knowle Site would represent 'best value' in accordance with the requirements of Section 123 of the Local Government Act 1972.

Recommendations B

Cabinet is asked to agree the following recommendation to be submitted to Full Council for final approval:

4. To determine that the Knowle Site is no longer required for the purpose of public walks or as a pleasure ground under the Public Health Act 1875.
5. On the basis that the land is no longer required for those purposes to appropriate the Knowle Site to housing purposes pursuant to the powers contained in Section 122 of the Local Government Act 1972.

Recommendations C

Cabinet is asked to agree the following recommendation to be submitted to Full Council for final approval:

6. To agree to dispose of the Knowle Site for housing / extra care assisted living pursuant to Section 32 of the Housing Act 1985.
7. Agree that the Deputy Chief Executive – Development, Regeneration and Partnership under the direction of the Office Accommodation Executive Group is authorised to agree on behalf of EDDC appropriate Heads of Terms with Pegasus Life Ltd.
8. Having agreed the Heads of Terms to then allow the Deputy Chief Executive – Development, Regeneration and Partnership to enter into contract for sale of the Knowle Site conditional upon subsequent satisfactory planning approval and such other matters as the Service Lead (Legal and Democratic Services) may advise.
9. Agree to relocate EDDC operations to Honiton and Exmouth.
10. Agree that the Council will conduct consultation with relevant and interested parties to ensure Best Value outcomes are addressed within the relocation to Honiton and Exmouth.
11. Note and agree a net project budget of £2,221,445, this being the estimated cost for a new build office accommodation in Honiton (Breeam very good option) and for the modernisation of Exmouth Town Hall as identified in the table in paragraph D5.6 less the Capital Receipt for the Knowle. In addition a budget of £900,630 is required to meet loan interest costs

relating to short term and long term funding. Short term cash flow funding will be required totalling £9.2m to meet design and build costs prior to receiving the sale proceeds of £7-8m from the Knowle (financial risks are mitigated by Gateway 7 process detailed in the report). Once the capital receipt is received the balance of funding required is £2.1m to be funded from a long term loan over a 20 year period.

12. Agree that officers investigate and progress the opportunity to bring forward the refurbishment of Exmouth Town Hall and take forward new offices in Honiton.
13. Agree to commence detailed discussions on the Council's intention to transfer the retained 3.5196ha of Knowle parkland and the lower car park to Sidmouth Town Council following disposal of the Knowle Site and if the principle is accepted by Sidmouth Town Council to progress such transfer including compliance with the relevant statutory procedures for disposal of open space.

Reason for recommendation:

To consider the strategic, operational and financial reasons for sale of the Knowle Site and relocation to new and modernised offices in Honiton and Exmouth respectively. To agree recommendations as detailed above to Full Council toward sale of the Knowle Site and actions leading to modernisation of Exmouth Town Hall and new office development on Honiton Heathpark.

Officer:

Richard Cohen
Deputy Chief Executive (Development, Regeneration and Partnership)

Financial implications:

The report and appendices contain detailed financial information relating to the options considered in this report.

1. Grant Thornton were appointed to develop a financial model of the Office Relocation business case and to review and check the cost assumptions being used by the Council. The financial position presented in this report has been taken from the Model built for the Council by Grant Thornton.
- 1.1 Senior EDDC Officers and the Relocation Manager have provided Grant Thornton with all necessary information to enable them to thoroughly carry out this instruction.
- 1.2 Following Grant Thornton, and their advisor, Gleeds (specialists in property and construction costs) initial review of the business plan and associated documents, recommendations were advised to EDDC. For example whilst completing their review of the work undertaken to date, Gleeds generally found the capital allowances to be cautious in nature. They considered this to be understandable given the early stages of the project and the absence of design; however they suggested that consistent caution would have a cumulative effect that could lead to an overstatement of the capital costs.

- 1.3 Other key examples of advice provided included;
 - That energy running costs would be marginally lower for a BREEAM Excellent Building when compared to a BREEAM Very Good Building
 - That Lifecycle replacement costs (the costs associated with running a building) should be included for not only the current base, but also the other Options.
- 1.4 The Grant Thornton Model and the elements included are the outcome of detailed discussion between the Council and Grant Thornton in considering their advice on such matters as above. This included agreement that the general level of contingency for the New Office should be reduced from 20% to 15% (although for refurbishment work the allowance should remain at 20%) as well as the recommendations of BREEAM excellent savings and Lifecycle costs. These adjustments have now been included in the cashflow analysis as part of the modelling exercise undertaken and are reflected in the final figures presented in this report. There were no items remaining of difference which either party consider would alter the model materially and certainly not alter the conclusions.
- 1.5 To assist understanding of the key figures in the cost comparison of Knowle versus Honiton and Exmouth options, an extract from the Dashboard from the Final Grant Thornton Model is included in the body of the report. This advises a number of key criteria, including the Operational Expenditure Betterment across not only the range of Options but also Knowle Do Minimum possibility. A report from Grant Thornton relating to the financial model and the benchmarking exercise of cost assumptions is included as Appendix 2 to this report – this includes a glossary of terms.
- 1.6 It can be seen that both the Cashflow Analysis and the Net Present Value (NPV) Analysis indicate that:
 - a) all options to leave the Knowle are better than staying and;
 - b) The Heathpark/ Exmouth twin site solution with BREEAM Very Good option represents the best financial option for the Council as compared to remaining at the Knowle.
- 1.7 It is worth members further noting that the Grant Thornton Model shows that the construction costs projected for the refurbishment of Exmouth Town Hall and a new office building at Honiton including contingency would both have to increase by a further 42% before the Net Council Cashflow under the Knowle Do Minimum option becomes comparable. This being equivalent to a contingency of 60%. This is statement coming from the Grant Thornton report under Modelling Conclusion (2.10.3 of their report).
- 1.8 It is anticipated that the Grant Thornton Model will now be utilised during the course of the Project so that comparisons between the chosen option and Knowle (as Current Base and Do Minimum) are

available.

- 1.9 The recommendation asks for approval of a net budget of £2,221,455 (capital cost less capital receipt) in order to provide the Council with a new build office accommodation in Honiton and for the modernisation of Exmouth Town Hall. Both short-term and long-term borrowing will be required during the course of the project to meet cash flow projections.
- 1.10 Short term borrowing will be required to meet costs prior to the capital receipt being received from the Knowle Site; this will only be received upon vacant possession at the earliest. These costs are factored into the overall project costs. A project gateway process is in place to ensure cost commitments by the Council are minimised until the point legally the Council is in a secure position to receive the sale proceeds, i.e. the purchaser has secured the necessary planning permissions and thereby the contract has become unconditional. At this point the Council will start to incur significant costs in new build and modernising costs but as stated no receipt will be received until it can vacate to its new location. Members should be aware that short term borrowing required has been modelled to total £9.2m. This borrowing will have an interest cost of £0.3m.
- 1.11 Once the Council receives the capital receipt from the Knowle Site then this short term borrowing will be repaid. At this point the project will have a funding balance remaining of £2.1m which will be borrowed over 20 years requiring interest repayments modelled at £0.6m. The Grant Thornton Model shows taking all these costs into account, which include monies spent to date on the project and then comparing the savings to be made over the new locations when compared with the current cost base of the Knowle the overall project shows a positive position of £2.8m over a 20 year period with the annual betterment being greater than necessary annual loan repayments.

Legal implications:

- 1.12 The general legal rule, set out in the Local Government Act 1972, is that a council can dispose of land in any manner they wish, subject to getting the best consideration that can reasonably be obtained. Our commercial land agents, Savills, were aware of government guidance in terms of the valuer's role in assessing and demonstrating best consideration. A public tender process has been adopted, and the proposal in the main body of the report is to dispose of the Knowle Site to the bidder assessed to offer best consideration.
- 1.13 The planning history and potential Local Plan issues are relevant background to understanding possible options/strategy for the Council as landowner; without prejudice to the normal planning application processes that might follow at a later date. As members are aware, the consideration of planning applications for council owned land is a matter for the Development Management Committee and members are aware of that separation of functions.
- 1.14 The report to Cabinet on July 17 2013 identified that the Council has a best value duty toward its community. The headline duty is to

make arrangements to secure continuous improvement in the way Council functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Much of the body of the report is directed towards assessing best value in terms of the long term cost benefits of moving to modern Council offices and releasing the existing council site for sale in order to partially fund the new office building.

- 1.15 The [separate] general equality duty requires public authorities to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity, and foster good relations across all of the characteristics protected by the Equality Act 2010. EDDC will be introducing more flexible working arrangements allied to new technologies to ensure that staff and services are accessible to our resident and business communities, partners, visitors and other stakeholders. It is understood that stakeholder involvement and consultation will continue as the office relocation project moves forward to ensure that Equality Act and best value duties are complied with.
- 1.16 Other legal issues have been addressed within the body of the report.

Equalities impact:

Low Impact

- 1.17 As part of the project going forward, a full equalities impact analysis will be carried out. Equality and accessibility considerations will be thoroughly explored including both physical and remote means by which our customers can contact the Council.

Risk:

Medium Risk

- 1.18 This report seeks Cabinet agreement and recommendation on to Full Council to sell the Knowle Site and relocate to Honiton and Exmouth. The project involves a comprehensive risk register and structured management and decision making processes. This has been subject to the continued engagement of SWAP and their audit document, carried out in response to Full Council decision in Dec 2014, is attached at Appendix 1.
- 1.19 Risk remains in the project and a detailed risk register is maintained and monitored. The SWAP audit (see Appendix 1, pg 6, section 1.4) has considered and endorsed the project's professional and detailed approach to risk. As the project moves forward key gateways are identified to ensure that key risks are understood and mitigated in decision making. In particular,
 - Any contract completion for sale of the Knowle Site will be conditional upon the developer gaining planning permission.
 - Approval of a Planning Application for the New Office at Heathpark, and if applicable for the refurbishment works at Exmouth Town Hall.
 - Receipt of tenders from Contractors for the Office Relocation in comparison with the budget allowances.
- 1.20 Key risks remain and are mitigated within the gateway process of project management. Furthermore the original overall project budget included a generous 20% contingency on construction cost.

Following discussions with Grant Thornton / Gleeds the allowance for new build has been reduced to 15%. The project budget also includes potential costs that reflect attempted delay to the Council's plans by objectors such as judicial review. So far, such attempts including heritage listing and Town and Village Green status have been defended by the Council and the objections repeatedly failed.

- 1.21 Inherent in the consideration of relocation it is also vital that the project and members consider and compare the risk in remaining at Knowle and incurring unfunded but required repair, general maintenance and refurbishment costs of buildings that have no commercial value. Some proposals have been made by third parties that suggest that the Council could somehow squeeze into the rear buildings leaving the former hotel to be redeveloped into flats. This is financially and operationally impractical. Also, no commercial developer has expressed any interest in retaining any buildings on the site as part of a redevelopment.
- 1.22 This is one among a series of reports that has sought Cabinet and Council decisions on project actions and advised on project progress. As well as a managed and monitored risk review process, the regular reporting process and Member Executive Group oversight means that risk is reviewed and mitigated in a manner that has been reviewed and endorsed by SWAP.
- 1.23 Decisions in this report enable officers to take forward the sale of the Knowle Site and delivery of new offices at Honiton Heathpark and modernisation of Exmouth Town Hall.

Links to background information:

Links to:

'Serviced Workspace Demand and Delivery Appraisal' draft summary report , Aug 2014
<http://www.eastdevon.gov.uk/eddreportsummary2014.pdf>

Attached Appendices

1. South West Audit Partnership Relocation Project Review
2. Grant Thornton " Financial Model Services for the Council's Office Relocation Project and benchmarking exercise of cost assumptions" dated 3 March 2015
3. Extract from the Dashboard from Grant Thornton's Model identifying the Site Location Options Twenty Year annual running costs betterment compared with Knowle Current Base.
4. Plan showing area of land to be appropriated and disposed off
5. Plan showing extent of 'open space' to which published notices relate
6. Summary of responses to public notices of intention to dispose / appropriate
7. Gateway decision particulars

Link to Council Plan: Relocation meets a range of priorities in the Council Plan. It will provide future resilience and improved working for the council to continue to design and deliver services that suit our residents, businesses and visitors' needs. It will give the Council better control of its future cost

management and avoid future unfunded debt attached to repair and refurbishment of its current office accommodation.

EDDC is also committed to making the best use of its assets including the longer term certainty and efficiency that modern offices will provide with operational flexibility alongside more mobile working across the district.

A. Benefits of Relocation

- 2.0 **Asset Value** - Like other local authorities across the country, East Devon is looking to maintain quality of service, manage cost and make best use of its assets. Relocation is the means to make best use of the asset value of the Knowle Site to fund modern and more modestly scaled premises with functionality and flexibility for the future. Business performance and customer service will be improved in offices that are open not cellular, collaborative and connected, accessible with efficient and flexible use of space and minimised operating costs. The price agreed for the Knowle Site is the outcome of an open and competitive marketing exercise and robust selection procedure. It reflects good value when compared to the previous Red Book value estimates commissioned by the Council.
- 2.1 **Location and Mobility** – Selling the Knowle Site will help fund a move to new and modernised offices in more accessible parts of the district in both geographic and population terms. Alongside twin locations, the Council will continue its Worksmart programme promoting mobile working and service availability in locations around the district in ways that our customers want powered by flexible working practices and new technology.
- 2.3 **Office Flexibility** - A split site solution in Honiton and Exmouth is relatively straightforward in that both sites are already in EDDC ownership, one geographically central to the district and one at the heart of the largest population centre. Two sites also offers options for East Devon in facing the future and a stronger chance of retaining council services offered from local bases.
- 2.4 If council operations retrench then either building could continue to be retained for multi-agency use or as serviced small business centres in their local economies. Both Honiton and Exmouth have latent demand locally for serviced SME, micro and start up space. This has emerged in the '*Serviced Workspace Demand and Delivery Appraisal*' work commissioned by EDDC in Apr 2014. A summary of the draft final report is available in the background papers. The new office building at Heathpark could alternatively be let on the open market and based on current market values, a rent in the region of £300,000 per annum could be realised.
- 2.5 Any investment at the Knowle does not increase value of the built form. The value is in the land which the Council seeks to release to fund new and modernised offices. Members should be aware that the construction and fit out costs will be more than the estimated future market value of the new offices should the Council wish to sell them at a future date. The market value of the Honiton new build is estimated to be £3.25m in 2017 and Exmouth Town Hall had a site value estimated in 2013 as £0.9m. The sites are determined primarily on the basis that they make better financial sense than the Knowle and are located for operational rather than investment purposes.
- 2.6 **Local Government Future** - Moving has been on the Council's agenda since 2008 and a proposition pursued actively from 2011. The reasons to relocate have become even stronger over that period as government austerity cuts have increased and the prospect of further cuts is inevitable. Whatever the future of EDDC and beyond in public

governance for this area, the outmoded offices of the Knowle should not be a seat of public administration. In the 21st century, a converted hotel and 80's cellular offices are not only expensive to run but at odds with how we work. Wasteful working practices are built in to traditional ways of working and working in an outdated building exacerbates this.

2.7 Strategic use of new technologies now enables much of the work we do to be carried out from many other locations as well as offices. Transforming the way we work through new ways of working is 'not a nice to have' but the only way to make sure we provide the services our customers expect and demand now and in the future.

Working smarter means work takes place at the most effective locations and at the most effective times respecting the needs of the task, customers and staff.

Experience across the public sector shows that the outcomes of adopting new ways of working are:

- Greater productivity and services delivered more efficiently
- Costs and environmental impacts of work are reduced as space is shared and used more intensively and effectively
- Business continuity is enhanced by the ability to work in an all-electronic environment and from a wider range of locations
- Staff have more choice about when, where and how they work supported by effective and appropriate use of technology.

2.8 **Financial Certainty** – Investing in purpose built offices that have been newly built/modernised is significantly more predictable in future operational and maintenance costs than trying to predict spend on the combination of buildings on the Knowle Site. It is preferable in cost planning terms to minimise the unpredictable elements of future running costs. As well as the unexpected expenses that old, un-modernised buildings throw up in maintenance and repair costs, there is also the issue of energy cost. Whilst not a major percentage of overall running cost, energy prices are volatile and unpredictable. Energy costs for the buildings at the Knowle are a higher proportion of overall running cost than the relocation offices and that cost will increase at a faster rate at the Knowle. These running cost comparisons between the Knowle and members' preferred twin site solution have been tested through the audited modelling carried out by Grant Thornton / Gleeds.

2.9 **Knowle Buildings Cost** - The Knowle Site is currently home to a range of buildings none of which is of interest to the development market and none of which has a value worth the council spending money on even in basic repair terms, let alone further £millions of unfunded borrowing to bring any part up to a modern office standard. Basic repair costs have been reviewed as part of the independent audit exercise. The original estimates of £1.56m was calculated two years ago. An up to date and detailed comparison using indexation now puts this figure at £1.77m. Furthermore, since there are no funds within budgets available for this work, a long term loan would need to be secured.

2.10 Any significant investment in modernisation of the Knowle offices is uneconomic in comparison to selling the Knowle Site and investing the capital receipt in new and modernised alternative offices. Nevertheless and for the purposes of comparison and viability assessment it is important to understand the difference in financial terms between the overall costs of remaining or leaving the Knowle in capital and operational

cost terms. The comparison of Knowle office costs and relocated office costs has been addressed in detail in the Grant Thornton commission.

2.11 **Knowle Legacy** - The new future for the Knowle Site meets local need whether housing or extra care assisted living. Sidmouth Town Council has the opportunity to own and manage the retained parkland and lower car park for the benefit of the town. The Council's offices would be replaced by an attractive combination of bespoke buildings for a parkland setting offering retirement and extra care living for over 100 people and which may include a restaurant, spa and other facilities that the developer wants to make accessible to park users and the public in general. Sidmouth and East Devon has a demographic that means such a residential facility is in demand. Furthermore, the Knowle parkland is a less well used green space compared to other East Devon parks. New facilities would make the parkland more attractive to users.

B. Marketing and Bidding process for Knowle

- 3.0 The marketing and bidding process for the Knowle Site resulted in a total of 31 parties expressing an interest. A total of 7 bidders submitted 10 proposals on the bid return date of 22 October 2014.
- 3.1 Following review and analysis of the bid submissions, and based upon the previously advised bid evaluation criteria, four of the bidders were selected for Interview on 12 November 2014.
- 3.2 During the Interviews one of the bidders presented a new increased offer. As a result the continuing bidders were advised of the situation and were asked to consider whether they wished to revise their offers, submitting the same by 19 November 2014 – one week after the interviews.
- 3.3 Savills, the Council's appointed agent, gave their advice and recommendations and scored the submissions based upon the advised evaluation criteria which identified the highest scoring bidder. The same bidder also provided the highest financial bid.
- 3.4 Following consideration by the Office Accommodation Project Executive Group on 8 January 2015, it was agreed that their preferred bidder for Knowle Site would be the highest scoring bidder and that they should be awarded an Exclusivity Period to enable their carrying out of a due diligence review including any further investigations and pre application discussions with the LPA .
- 3.5 Following the period of exclusivity the successful bidder has confirmed the financial level of their bid and discussions regarding the draft Heads of Terms are in progress.
- 3.6 It is noted that the final bids were received on 19 November 2015, thereby falling within three months of the last valuation of the Knowle.

C. Relocation Project Audit

- 4.0 In pursuance of the direction from Full Council in Dec 2014, two audit exercises were commissioned to give independent assessment of the processes, modelling and assumptions within the relocation project. Members have sought such analysis to provide reassurance that the non-financial strategic and operational reasons for relocation are supported by robust cost calculations.
- 4.1 Attached at Appendices 1 and 2 are the documents from SWAP and Grant Thornton respectively. The former is a clear endorsement of the conduct and management of the relocation process including decision making structures, governance arrangements,

level of expertise, risk and budget management, communication. Within the overall endorsement of the Council's project governance structure and management, SWAP has identified three specific opportunities to sharpen procedure. These have been discussed with the Deputy Chief Executive and action agreed to resolve. SWAP have been keen to point out that governance is working effectively and action has been agreed with the Deputy Chief Executive to action the three improvements.

- 4.2 Following Full Council in Dec 2014 Grant Thornton, EDDC's independent external auditor, was commissioned to review the Council's modelling and assumptions informing the detailed costings of relocation including project management, design and office development. Grant Thornton also commissioned a firm of cost consultants, Gleeds, expert in new office development projects to advise on cost assumptions made. The outcome is identified within Appendix 2. Grant Thornton have worked with the Council's Strategic Head of Finance and Relocation Project Manager to model project costings. Financial figures used in this report and its appendices have been processed through the approved model.
- 4.3 The final outcome of the modelling has not altered the recommended Option as advised to Members at the Members Briefing of 3 December, Cabinet 3 December and Council 17 December 2015. The Model has identified an improved financial situation.

D. Relocation Financing

- 5.0 The Council has decided that it wishes to relocate and that a twin site approach involving Honiton and Exmouth offers significant benefits in service delivery, future resilience and flexibility.
- 5.1 The Council also wishes to be assured that the cost of relocation is acceptable, will not involve adding further to the Council Tax and makes sense compared to the alternative costs of remaining at the Knowle in terms of financial and operational considerations.
- 5.2 The Cabinet Report submitted to the December Cabinet identified summary figures from the Relocation Managers Site Options Cost Value Reconciliation Document. This document had been originally used to identify the numerous potential site options throughout the process. The document had progressively evolved and been updated as Members decisions were advised and greater certainty became available. With the commissioning of Grant Thornton and from discussion with them, there was sense in asking Grant Thornton as part of their audit process to provide a Model which would enable the effect of numerous differing sensitivities to be understood. This ability is of particular use when considering differing levels of criterion to ensure the business case is robust. Further, it is anticipated that the Model could be used during the future project processes to ensure the viability of the project is understood, and it could also enable comparisons between Knowle (Current Base) and Knowle (Do Minimum) if required.
- 5.3 As part of the Audit Process, Grant Thornton were asked to benchmark the Council's cost assumptions within the business case. For this element they engaged Gleeds, specialist management and construction consultancy, who reviewed in detail such assumptions. They also provided both a commentary and suggested a number of recommendations that were subsequently considered by the Council. For example Gleeds initially identified that they considered the construction costs based upon a rate per m² to exceed the benchmarked upper quartile costs advised within the BCIS data. However, following receipt of these comments, the Council confirmed that the construction costs had been based upon recent tender received by Aecom for similar type office development in the region. This is acknowledged in Gleeds report. Further it was also noted that the rates used were considerably below the highest costs identified within the BCIS data.

5.4 Gleeds also identified several particulars within the Council's construction and annual running costs which have been subsequently reflected upon by the Council. After careful consideration the Council instructed Grant Thornton to revise their Model to incorporate the following amendments initially suggested by Gleeds;

- Contingency. Gleeds had recommended that potentially excess caution was being exercised and advised that they would expect to see this set in the range 10 – 15%. The Council's business case had been based on a 20% contingency allowance. It was acknowledged that rates used were based upon actual tenders received within the region rather than building price book rates such as SPONS, As a result the level of cost certainty had increased from the earlier version of the business case, therefore, a level 15% for new build was agreed as being appropriate. It is noted, however, that for the refurbishment type work the level of contingency was maintained at 20% due to the potential unknown nature of the buildings being considered and thereby risk of additional work / cost being required.
- Energy cost savings based on a BREEAM Excellent standard. The Council's business case did not allow for any further savings for energy beyond that already allowed for the BREEAM Very Good standard. This was because there is no actual design at this time for the new Office. Gleeds suggested that a modest improvement of 5% should be allowed. Following consideration by the Council, this improvement has been incorporated by Grant Thornton into their Model
- Lifecycle Costs. The Council's business case did not include all allowances for Lifecycle Costs – although planned and reactive maintenance and similar costs had been included. The reason for this approach was because the Council does not currently allow for any Lifecycle costs associated with Knowle and, therefore, the business case would potentially appear unbalanced. Again, the Council have reflected on this advice, and as a result instructed Grant Thornton to incorporate Lifecycle Cost allowance within their Model.

5.5 Within the Council's business case the future cost of energy had been based upon historical data published by the Department of Energy & Climate Change (DECC). This has been challenged and so the Council looked again at this aspect of running costs. External independent advice had been sought and, following review it was recommended that the Council should also consider incorporating the advised energy cost as identified within DECC's Updated energy and emissions projections 2014, dated September 2014. Consequently, Grant Thornton included this update within their Model.

5.6 Grant Thornton's Financial Model for the Council's office relocation project and benchmarking exercise of cost assumptions is attached within Appendix 2. The key findings are;

- That the betterment over a 20 year period associated with Annual Running Costs is between £5.45m and £5.95m when the several New Office options (Exmouth and/or Honiton) are compared to Knowle (Current Base). For example this includes a reduction in electricity costs of between £1.8 - £1.96m during this period when the New Office options and Knowle (Current Base) are compared. A full break down of the respective Annual Running Costs over a twenty year period is attached at Appendix 3.
- The Total Net Council Cash position when compared to the Knowle (Current Base) advises of a credit of between £1.21 - £2.82m for the Heathpark

Options, whilst for the Knowle (with Essential Repairs) there is a cost of £3.88m. A summary of the total cost by Option is identified below. Further particulars are also included within Grant Thornton's Report.

- Total Costs by Options;

Option	Knowle – Current Base	Knowle – Do Minimum	Heathpark – 2,776 m ² Office and Refurb Exmouth TH BREEAM Very Good	Heathpark – 2,776 m ² Office and Refurb Exmouth TH BREEAM Excellent	Heathpark – 3,352 m ² BREEAM Very Good	Heathpark – 3,352 m ² BREEAM Excellent
Capital Expenditure Less Capital Receipt		(2,555,818)	(2,221,455)	(2,613,790)	(2,603,553)	(3,064,727)
Operating Expenditure Betterment		240,591	5,950,552	5,926,470	5,481,578	5,455,182
Debt Charges		(1,566,129)	(900,630)	(1,033,590)	(1,013,167)	(1,177,519)
Total Net Council Cash Position vs Knowle Current Base		(3,881,356)	2,828,467	2,279,090	1,864,858	1,212,936
Ranking		5	1	2	3	4
NPV		(1,896,903)	1,060,637	809,825	644,304	346,137
Ranking		5	1	5	3	4

Red figures in brackets equal negative amounts.

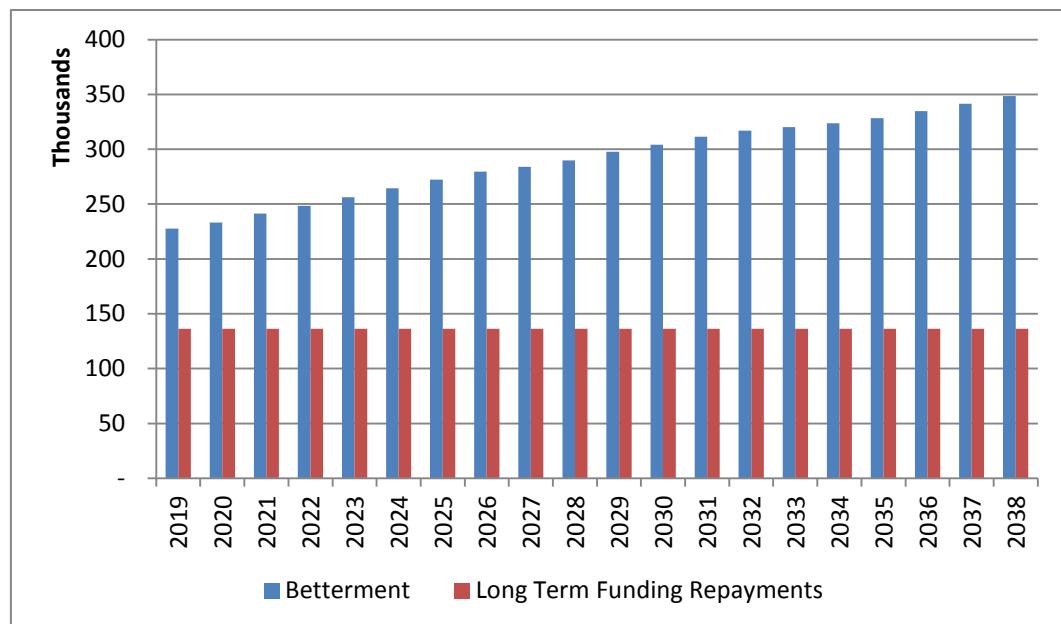
- As shown from the sensitivities the total Construction Costs, would have to increase by at least 42% before the New Council Cashflow under the Do Minimum option becomes comparable. This is equivalent to a contingency of 60%.

5.7 It is noted that Grant Thornton have within both their Cashflow Analysis and the Net Present Value Analysis indicated that the Heathpark 2,776m² BREEAM Very Good option, which includes refurbishment of Exmouth Town Hall, represents best value from a financial perspective compared to the Knowle Do Minimum scenario based upon the stated assumptions. Indeed it can be further observed from the table above that all the Heathpark Options are viable.

5.8 If the Heathpark 2,776m² BREEAM Very Good option is chosen, it is advised that the Council will be required to fund the Project on a long term, 20 year basis, on a loan of £2.1m from the PWLB or similar.

5.9 However, the Betterment achieved when compared with the Knowle Current Base, is in excess of the long term funding repayments, as demonstrated in the bar chart below. Further, it is anticipated that the Betterment will continue to increase, whilst the long term funding repayments cease after Year 20.

Betterment over long term funding repayment:



5.10 As mentioned earlier, it is proposed that the Model will be kept updated during the course of the project. It is anticipated that this will provide Members with comfort and reassurance. In addition the project programme incorporates a number of Gateways (as shown in Appendix 7 to the report) at which time the Members Executive Board or Cabinet and Council (depending on the particular Gateway) are able to reflect and confirm their opinions.

5.11 For instance Gateway Nr 7 occurs when (as anticipated by the programme) the Knowle Developer has received Planning Approval, the Heathpark New Office (with Exmouth Town Hall if applicable) has received Planning Approval and tenders for the Councils New Office (with Exmouth Town Hall) have been returned. At this time Members will then be aware that the Developers contract is unconditional, that the Planning for the New Office (and Exmouth Town Hall if applicable) is acceptable and that the level of the returned tenders is within the budget allowances. With this high level of certainty Members would be able to consider their final stage of the Project to proceed with confidence.

E. Appropriation of land

Legal Background

6.0 In pursuance of the Council's desire to relocate and to be able to take forward Knowle Site for development it is necessary that the Council agree to dispose of land. The Knowle Site is currently held pursuant to the Public Health Act 1875. The Council is obliged use this land for the purposes specified in that Act, namely, for use '*as public walks or pleasure grounds*'. It is recommended the Council appropriate the land to an alternative purpose (i.e. change the purpose for which it is held) since if redevelopment of the Knowle Site goes ahead this area will no longer be a public pleasure ground. Your Legal team's advice is that the land should be appropriated to a housing purpose pursuant to the powers of Section 122 of the Local Government Act 1972 ("LGA 72"). This section allows land owned by the Council to be appropriated to any purpose for which the Council is statutorily authorised to acquire land (subject to the requirements as set out below). Section 17(1)(a) of the Housing Act 1985 ("HA 85") permits the Council to acquire land for the purposes of erection of houses (which, for the purposes of the HA 85, would include extra care assisted living units). Finally, Section 32 of the

HA 85 permits a Council to dispose of any land held by them under Part II of the HA 85 (which includes Section 17). Such a disposal must have the consent of the Secretary of State, which, in the circumstances of this particular situation, is automatically given by The General Housing Consents 2013 issued on 26th February 2013 by DCLG, subject to the requirement to obtain market value. Any disposal pursuant to Section 32 HA 85 may be effected by the granting of an option to purchase the freehold (or any other interest) in the land and the subsequent completion of the disposal is also covered by the Secretary of State's consent.

- 6.1 In summation of the above principles, the Council currently holds the Knowle Site for public health act purposes. It is recommended that the Council changes the purpose for which the whole of the Knowle Site is held by appropriating it to a different use and Section 122 LGA 72 presents a suitable mechanism to achieve this. The Council is empowered to acquire (and thereby also appropriate) land for the purpose of the erection of houses. Once appropriated to that purpose, the Council then has the power to dispose of the freehold of that land, for example by way of the granting of an option, under the General Housing Consents.
- 6.2 There are legal requirements that apply in respect of the intended appropriation and disposal and which need to be considered and adhered to. Section 122 LGA 72 makes it clear that a Council may only appropriate land from one purpose to another where three conditions are satisfied, namely;
 - (1) The land must belong to the Council,
 - (2) The purpose for which the Council is appropriating the land must be authorised by statute, and
 - (3) The land must be '*no longer required for the purpose for which it is held immediately before the appropriation*'.
- 6.3 The Council owns all of the Knowle Site and, as set out above, the proposed appropriation is effectively authorised due to the powers within the HA 85. Consequently the remaining consideration for the Council is that it must be satisfied that the whole of the Knowle Site is no longer required for the purposes for which it is held under the Public Health Act 1875 namely, use '*as public walks or pleasure grounds*'. The Courts have considered the approach to be taken in applying this test (see R (Maries) v London Borough of Merton [2014] EWHC 2689 (rehearsing the principles of Dowty Boulton Paul v Wolverhampton Corporation 1973) and they confirm that the following principles apply, namely:
 - (1) that it is for the local authority to determine (subject to *Wednesbury* unreasonableness principles) whether land is still required for a particular purpose, in the sense of no longer being *needed* in the public interest of the locality for that purpose;
 - (2) it is the relative needs or uses for which public land is held that is relevant and it is not necessary for land to fall into disuse before it may be appropriated, and;
 - (3) an authority is entitled when exercising the appropriation power to seek to strike a balance between comparative local (public interest) needs and the possible alternative use of land with the wider community interests at heart. It is for an authority to keep under review the needs of the locality and is entitled to take a broad view of local needs.
- 6.4 The above confirms that provided the Council is able to demonstrate the purpose for the appropriation and that all relevant considerations have been taken into account then it will be solely for the local authority to determine whether or not the land is required (meaning needed) for the purpose for which it was held prior to the appropriation.

Further, in determining whether the land is needed for the existing purpose, it is entirely permissible to take a broad view of the local (public interest) needs when balancing the comparative and competing wider community needs as against the local (public interest) needs.

- 6.5 With regard to disposing of the land, Section 123 LGA 72 requires the Council not to dispose of the land '*for a consideration less than the best that can reasonably be obtained*'. Essentially this requires the Council to secure best value when disposing of land.
- 6.6 Finally, Sections 122 and 123 LGA 72 require the Council to advertise of its intention to appropriate / dispose of any land which amounts to 'open space' (as defined by that Act) and take into account any representations received when taking the decision whether to appropriate / dispose of it. The Council is of the opinion that part of the area to be appropriated and disposed of comprises 'open space'. Accordingly, and as required by Sections 122(2A) and 123(2A), the Council published notice of the intention to appropriate / dispose of such land in the Sidmouth Herald for two consecutive weeks – the adverts appearing in the papers published on 20th January 2015 and Thursday 5th February 2015. Plans showing the extent of the 'open space' the subject of these notices is contained at Appendix 5. In response to these notices the Council has received 140 objections (including 1 submitted after the deadline which has still been considered). Those objections are summarised under appropriate headings in Appendix 6.

Comment on consultation responses

- 6.7 Before considering specifically the question of appropriation and the application of the relevant tests set out above, it is necessary to address some of the objections received. A significant amount of what is said is not relevant to the issue of appropriation (or indeed disposal). So dealing with the concerns under the same headings as set out in Appendix 6;
- 6.8 '**Intended Future Use**' - clearly these concerns relate to the actual future use of the land. While they may be of concern to the correspondents, they are more appropriately dealt with in connection with any future planning application for such a use. They do not bear directly on the question of whether the land is needed for its current purpose. That said the proposed developer of the site has indicated that they would wish to fit with and treat sympathetically features such as the terraces. However such detail would need to be dealt with through the planning process. Moreover the path from the main entrance, up past the buildings and down to the Knowle Drive access together with the access higher up Knowle Drive to the rear of the offices running into the parkland should remain (it is the Council's intention to secure this as part of the Heads of Terms to be agreed with the developer), thereby ensuring a continued pleasant and safe route into Sidmouth.
- 6.9 '**Planning**' – the issue of the decision taken by the Development Management Committee in the sense of intrusion into designated open space is addressed elsewhere. However it should be remembered that that decision related to a specific application and moreover that application included additional parcels of land (particularly an area of land to the south by the access onto Knowle Drive) for development. Therefore the decision itself is of little relevance to the current considerations. In any event, the proposed developer will need to secure planning permission for the development and therefore all relevant planning issues will need to be addressed / considered at that time (including Policy RE3 of the adopted Local Plan – should it still be relevant – and Strategy 32 of the emerging Local Plan together with paragraph 74 of the NPPF). It is not necessary to have secured planning permission prior to appropriating any land, although it is something that could be done. However,

given the allocation in the emerging Local Plan, it is considered that it would be acceptable to proceed on the basis of an option to purchase (as permitted by the HA 85) and should the planning permission be refused and the site not ultimately allocated in any emerging Local Plan then it would be possible to appropriate the land to a different purpose, which could include (if determined appropriate) reversion to its current purpose.

6.10 'Procedural matters' – there is much criticism of the Council and its approach to this matter. In answer to the concerns raised;

- The Council has complied with its statutory obligation of publishing notice for two consecutive weeks in a paper circulating within the locality of the land. It is not necessary for the paper to circulate within the whole of East Devon, the requirement is for it to be in the locality of the land, which was done. There is no requirement stipulated for the size of the adverts.
- There was no statutory requirement to consult Sidmouth Town Council although they were aware of the notices as they have made comments on them.
- The statutory framework allows the Council to take decisions on matters where it has a vested financial interest and so it cannot be criticised for so doing.
- As the land is within the ownership of the Council it is entitled to appropriate / dispose of land provided it has the statutory powers to do so, which it does, irrespective of the basis upon which the land was acquired by the Council.
- Officers have reviewed the comments made (as appended to this report) and have taken them into account in writing this report. The decision whether to appropriate or not is being taken by Members and not by officers and they too will be taking into account the comments made. Accordingly there can be no suggestion that the decision is being taken behind closed doors. Officers have carefully weighed up the issues, as will the Members, and so provided the appropriate balancing exercise is done, there can be no complaint of ignoring or riding roughshod over people's views.
- The claim that some land not shown on the notice plans should have been included is misplaced. That land forms part of the depot but failing that it is not viewed as open space within the definition. In any event, should it be viewed as forming open space, given that the remainder of the open space was advertised, it is not viewed that this should prejudice the appropriation as the intention was well known and publicized.
- The matter is to be looked at by Overview and Scrutiny before Full Council takes its decision.
- There is no mechanism for the decision whether to appropriate or dispose to be taken by an independent body and provided the Council acts reasonably and in accordance with the statutory framework, it is entitled to take such decisions.
- The Legal team advises the Council on its obligations and duties and not specifically to protect open space. The involvement of the Legal team is entirely appropriate, given the nature of what is proposed.
- The political convention not to take a sensitive decision only applies when 'purdah' commences and the timings of this decision do not co-incide with purdah. Accordingly there is no reason not to take the decisions now.
- An independent auditor (in fact two of them) have been appointed to consider this matter (in respect of financial and procedural issues) and their observations are reported elsewhere in this report.
- The LGA 72 and the relevant sections are still in force. Equally, this is not an appropriation to which the provisions of the Town and Country Planning Act 1990 apply.
- Concerns over changes to the allocation boundary that occurred during the Local Plan process are not relevant to this decision.

- Equally concerns over statements made by the planning consultants commissioned by the Council are not relevant to this decision – that solely relates to the intended purchaser but in any event it is expected that they have sought their own planning advice.
- Finally, the decision to appropriate / dispose does not affect the outcome of the public rights of way inquiry happening later this year. If the order is ultimately confirmed then the rights of way will be registered, irrespective of the appropriation / disposal of land.

6.11 In light of the foregoing it is not considered that the Council will be acting *ultra vires* on the basis of the concerns as set out in that section.

6.12 '**Other**' – the requirement to return the car parks / depot to former use when no longer required does not affect the ability to appropriate the land to a different purpose. The suggestion of the three steps to be satisfied prior to appropriation would be permissible but it does not alter the legal tests necessary to effect appropriation. Similarly, the fact Local Government structures may change in the future does not preclude a decision on appropriation being taken now. The desire to seek a retention of some land as a 'green wedge' does not go to the statutory tests required to be considered. It is acknowledged that more land than shown on the notices is to be sold but that is because the notices are only required in respect of the 'open space' which is a smaller area.

6.13 The other comments under the headings '**Loss of Open Space**', '**Impact of loss**', '**Other Environmental Concerns**' and '**Economic Concerns**' are covered in the comments further below.

Consideration of appropriation test

6.14 In terms of appropriation of the Knowle Site the critical question for the Council to consider is whether the land is no longer needed, in the broad sense of the local (public interest) needs for public walks or as pleasure grounds. In considering this it is worth bearing in mind the following pieces of information when undertaking that assessment;

Figures to consider:

- The whole of the Knowle (so including offices and parkland) comprises 5.4052ha.
- The total area to be appropriated / disposed of comprises 1.8856ha.
- Of that 1.8856ha, only 0.7764ha comprises an area that is available as public walks / pleasure grounds (being the 0.6030ha of identified open space and the access road).
- The corollary of this is that of the land being appropriated / disposed of 1.1092ha is not currently available for those purposes, comprising either car parks or the office buildings and its immediate environs.
- This means that there will remain for use as parkland 3.5196ha.
- The above figures mean that in terms of total area 34.88% of the whole of the Knowle is being appropriated. However, in light of the current use of the car parks and office buildings, the actual amount of land being 'lost' from public use equates to only 14% of the useable parkland (this percentage includes the road / access area).
- This 14% can be further reduced when one considers that the 0.6030ha encompasses steep banks, roadside grass verges as well as unattractive areas (for example the land to the west of the office buildings) that are not realistically used by those visiting the parkland to any great extent.

- Policy RE1 of the Local Plan only applies to 3.63ha of the parkland and therefore the Open Space Study only relies on this figure in the calculation. The amount of land to be appropriated that is subject to Policy RE1 is 0.354ha.

6.15 In 2013 the Council carried out several snapshot surveys of usage across a number of parklands in the district. In terms of the recorded numbers of users of the Knowle parkland, and while acknowledging that this represents snapshots in time rather than sustained surveys, the following figures demonstrate the level of usage;

	Wednesday 13 th March 2013	Wednesday 17 th & Thursday 18 th July 2013	Thursday 12 th December 2013
Manor Gardens, Exmouth	1014	2908	911
Connaught Gardens, Sidmouth	515	1535	312
The Byes, Sidmouth	860	1408	678
Seafield Gardens, Sidmouth	134	325	170
Knowle, Sidmouth	57 (and 52 EDDC staff)	30 (and 62 EDDC staff)	26 (and 48 EDDC staff)

6.16 The Knowle Site does not need to be in disuse, so the fact that it is actually used does not automatically mean that is needed in the sense of the statutory test. Put another way, the fact that it is still used would still allow the Council to appropriate it if the community needs outweighed the local (public interest) needs. It is clear that part of the Knowle Site is used by members of the public, however the level of usage is low compared to other parks that EDDC own / manage. In addition the majority of the land to be appropriated, while held under the Public Health Act 1875, is not effectively available for such use, being covered in built form or used for car parking. This results in the actual amount of land to be 'lost' from the allocated purpose actually being quite small (14%) in comparison to the amount of parkland retained and even that figure is the upper amount of useable space, which will be lower due to areas being included which are not actually used as such or are not attractive for use. While it is therefore acknowledged that some useable space will be lost, it is not considered that the relatively small area to be lost will in any way jeopardize the high quality amenity value and appearance of the remainder of the parkland nor the ability to enjoy the space remaining. The remaining land will retain its amenity value and will still present an attractive and highly useable space. Officers do not consider that the loss of this, relatively small area of useable space, will spoil the ambience nor detract from the overall character of this part of Sidmouth. For the same reason it is not viewed that the attractiveness of the town to tourists will be adversely affected by the appropriation.

6.17 Specifically looking at the issue of Policy RE1 of the adopted Local Plan. This policy does not designate or allocate land as open space. Rather it sets out a policy basis for the avoidance of loss of such space (amongst others). Accordingly while some of the land may be shown as being subject to Policy RE1, it would be up to the proposed developer to ensure compliance with Policy RE1 and, to the extent necessary, provide any alternative or replacement open space. However that ultimately is a matter for any subsequent planning application to address. It should be noted that only 0.354ha of the area to be appropriated / disposed of is subject to Policy RE1.

6.18 The Council's Open Space Study Review 2014 shows that Sidmouth has 1.75ha above the minimum open space standard for Parks and Recreation Grounds for a settlement of Sidmouth's population. The Knowle parkland is included in the Open Space Study under the Parks and Recreation Grounds typology. Concerns have been raised that The Byes has been included within the calculation and if you were to remove it then there may be under provision. This was an issue raised when the planning application for the Knowle was considered in 2012/13. Following this, the Council undertook the Open Space Study Review 2014 which amongst other things specifically considered the designation of The Byes. Through this process, a large amount of The Byes that had previously been designated as Parks and Recreation Grounds was re-designated as Natural and Semi-Natural Greenspace to more accurately reflect its usage and management by the Sid Vale Association. This (along with other changes in the Review) significantly reduced the amount of Parks and Recreation Grounds from 7.33ha above the minimum standard to 1.75ha above the minimum standard. The remainder of The Byes was considered to be appropriately designated as Parks and Recreation Grounds. The Parks and Recreation Grounds figure for Sidmouth therefore now only includes the appropriate area of The Byes. Accordingly, should the 0.354ha subject to Policy RE1 be lost there would still be an excess of 1.396ha when judged against the assessment criteria.

6.19 It should also be remembered that the Council is prepared to offer the remainder of the parkland back to Sidmouth Town Council thereby alleviating residents concerns about the future of the parkland.

6.20 The relatively small area of land to be appropriated, it is considered, will not adversely affect wildlife concerns. There will remain a significant proportion of the parkland to act as habitat and wildlife corridors. Concerns over bat protection will be dealt with as part of any future planning application. Similarly with respect to trees, they would form part of the consideration of any future planning application.

6.21 Turning to look at the economic issues that are raised.

6.22 The Council currently resides in a building that is over twice the size that it needs. For its effective and cost efficient future operation the Council needs significantly smaller office accommodation that is fit for the future and affordable to operate with costs that are low and predictable. It is an operational decision of the Council to relocate and this requires the sale of an identified development boundary on the site including the small amount of open space as advertised. Whilst economic impact of relocation overall is positive for the district the potential loss of local employment was a reason cited by the Development Management Committee for refusal of the original outline planning application. This is a matter that will be addressed in a future planning process.

6.23 The financial modelling detailed previously in this report compares the options and identifies the cost effectiveness of relocating. Moving from the Knowle site over a 20 year period would save the Council operating costs of £6m. To meet the additional cost of remaining at the Knowle would place pressure on other budgets of the Council including spend on staffing, contracting and services. Reduced spend from staff wages, reduced local purchasing of goods and services and reduced investment in the district generally by the Council will have a widespread and detrimental effect on the district as a whole. The relocation of the Council will remove Council jobs from Sidmouth and relocate them to Honiton and Exmouth. The economic benefits will be retained in East Devon so there is no loss in economic impact for the district as a whole, indeed with additional jobs at the Knowle there is likely to be a net increase. When compared to the loss of a small proportion of the Knowle open space, we can

reasonably conclude that the economic wellbeing of the district, both residents and businesses, should take priority.

- 6.24 With the creation at the Knowle of a retirement and extra care living facility for over 100 people (potentially including restaurant, spa and other facilities) there will be the new local spend and jobs created within those facilities therefore the Council's relocation and sale of the Knowle site overall is likely to deliver increased spend and employment in the district. The older demographic of Sidmouth in particular and the district as a whole suggests that such a facility will also be meeting a local need.
- 6.25 The Council has determined that it wishes to relocate from its current offices and is recommended to do so elsewhere in this report on the basis of financial and non-financial considerations. Were the Council to relocate or remain at Knowle its operational model relies less on full time office based staff and more on a mobile approach. If the Council is constrained to maintain large and ageing accommodation then the cost factor is likely to impact further on overall finance including the need to reduce staff numbers and purchasing power which will have a direct economic effect on local and district-wide economy. To enable the Council to best use its future budgets and maximize benefits to the district as a whole it is comparably reasonable to dispose of a small amount of land at Knowle.
- 6.26 There are additional potential economic positives and mitigations for Sidmouth. The construction of housing and / or a retirement and extra care complex will involve construction and the potential for local contractors, construction workers and supply of goods and services. The end use of the facility will also require supply of goods and service as well as providing jobs and resident spend in the local economy eg care, personal services, repair and maintenance. The District Council would also be spending several £millions on a new office building and modernisation of existing office space in two locations elsewhere in the district. The overall economic impact in the district is therefore positive in both construction and end use.
- 6.27 Sidmouth's business community was previously concerned about the economic impact of losing the lower car park at the Knowle which has provided free weekend parking for the town. The car park will be offered to Sidmouth Town Council along with the remaining parklands.
- 6.28 It is also worth remembering the Council's transformation strategy and goal for future resilience and flexibility in working patterns and service provision and delivery. Sections A.1.0, 1.2 and 1.4 of this report provides more detail on this aspect.

Conclusion on appropriation

- 6.29 While there are local users of the parkland and there are people concerned about the loss of some of the parkland, the area of useable parkland that is to be lost is relatively small compared to the area that is to be retained (and offered to Sidmouth Town Council together with the lower car park). Further the area of parkland as a whole is according to a number of counts carried out by the Council, used less compared to other parks / gardens (those listed above) and indeed much of the areas to be appropriated, it is considered, is not well used at all. Accordingly the loss of the relatively small area to be appropriated will not result in any detrimental impact in terms of provision or quality of open space in the parkland. Additionally, it is felt that appropriating the Knowle Site will not affect the character, amenity or enjoyment of the remaining parkland which will remain available for use.
- 6.30 In terms of the wider interests, the appropriation of the Knowle Site will ensure that the Council is able to mitigate against increasing operating costs incurred by staying at the

Knowle. To find such increased costs would invariably impact on the provision of services, contracting for services and employing staff and / or result in increased Council Tax to offset the additional costs. While the jobs lost from Sidmouth will be retained with East Devon, there is, in any event, likely to be a net gain of jobs within the district which will continue to support the local economy of Sidmouth and the district.

- 6.31 In addition the disposal of the Knowle Site will help the Council deliver its transformation strategy to enable future resilience in both financial terms and service delivery.
- 6.32 When compared to the loss of a small proportion of the Knowle, we can reasonably conclude that the economic wellbeing of the district, both residents and businesses, should take priority. So having balanced the comparative and competing local (public interest) need against the wider community need it is considered that the Knowle Site should be appropriated from a purpose under the Public Health Act 1875 to a housing purpose under the HA 85.

F. Disposal of land

- 7.0 As noted in the section above, it is necessary to demonstrate that in disposing of land pursuant to the HA 85, that the land is being disposed for market value. The final written offers were received on 19th November 2014 and were therefore within the three month period required to establish this requirement. There 'market value' is being obtained for the Knowle Site.
- 7.1 The report demonstrates (in Sections A & B) that the sale of the Knowle Site represents best value following an open market tendering exercise and that therefore the requirements of S.123 LGA 72 are also satisfied.
- 7.2 In determining whether to dispose of the Knowle Site, Members are advised to consider the comments that have been received (as set out in Appendix 6). Officers consider that the issues raised are appropriately addressed in sections 6.7 & 6.13 of Part E above.

G. Summary

- 8.0 This is a public report that details the non-financial and financial reasons, together with the legal basis, that validate the Council's decision to leave the Knowle and move to twin sites in Honiton and Exmouth. The recommendations reflect the extensive detail and advice in the report on the necessary actions and decisions required to agree to appropriate the Knowle Site to an alternative purpose and dispose of that land thereafter. The final decision will be made by Full Council.
- 8.1 The Council has now been given the independent audits of its governance, modelling and assumptions across the office relocation project. Members have previously agreed that they want to leave the Knowle site in a manner that is cost effective and does not add to the Council Tax bill of East Devon's residents. An operationally and financially viable solution exists in term of Honiton and Exmouth that makes the council fit and flexible for the future in a way that the Knowle is unable to do.
- 8.2 This is a significant and sensitive decision for the Council to take. EDDC is not a Council that shies away from major decisions. There will be big decisions as we meet the challenges of the future and deliver on our transformation plans. This is a key moment in the Council's evolution and the point where EDDC takes responsibility for its future rather than waiting for change to happen to it.

SWAP RELOCATION AUDIT – EXECUTIVE SUMMARY

Purpose of Report

The Corporate Governance Framework sets out the systems and processes, cultures and values, by which the Council is directed and controlled, and through which they account to, and engage with stakeholders. The purpose of this review is to look at the Relocation Project's key decision making processes within this structure.

Summary of results

Through discussion with officers and examination of relevant documentation it was established that a suitable level of governance arrangements have been put in place for the Relocation Project.

Overall, our review found the expected governance arrangements to be in place and working effectively, with only 3 areas for improvement identified. These points have been discussed with and accepted by management as follows:

- 1) Although evidence was seen of the Council's intention to have a Terms of Reference for the Officer Working Group, no formal record of this was found at the time of the audit. There are no concerns over the effectiveness of the Officers Working Group or the decision making processes within it. The structure and operation of the Group reflects and supports the Executive Members Group, (where a Terms of Reference had been formally agreed and documented.)

Management have agreed to formally approve the Terms of Reference of the Officer Working group at the next meeting.

- 2) The Monitoring Officer advised that the minutes of the Executive and Officer Working Group should be assessed at the point they are approved to consider the appropriateness of making them available publically. It was not clear from the minutes of these meetings whether this had been formally implemented.

Management have agreed to formally consider the appropriateness of releasing minutes into the public domain at the next Officer Working Group meeting.

- 3) The Council has responded to queries and requests for information whether raised through the Freedom of Information route or directly to officers. For the later to continue, the Council has recognised that a formal structure needs to be in place to guard against duplication of resource and ensure the information is shared appropriately.

Officers involved in this review were found to be candid and transparent in their responses to requests for information from us, and are thanked for their prompt cooperation.



Council Office Relocation Internal Audit Assurance

South West Audit Partnership

Date of last revision	16 February 2015
Auditor	Andrew Ellins/ Moya Moore
Date for next review	N/A

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Council Office Relocation

Management Summary

Project Purpose

Although the detail of the project has evolved over time, the purpose of the project remains largely unaltered. The Council identified a strategic risk in 2011 that the existing office at the Knowle was increasingly unsuitable, both in terms of maintenance and management costs of the building itself, and the restrictions it placed on improvements to service delivery, performance improvement and modern efficient working practices.

The aim of the project has therefore been to relocate the Council to more suitable premises. This is defined in the Project Programme as; "EDDC Office Relocation to a new purpose built office for 170 desks at Heathpark Honiton and refurbishment of Exmouth Town Hall to provide 80 desks". From the outset it has been clear that the current site at Knowle will be sold to fund the new offices.

Audit Objective

The objective of this audit is to independently review the Relocation Project's key decision making process which falls within the Council's Corporate Governance Framework.

Conclusion

Through discussion with officers and examination of relevant documentation it was established that a suitable level of governance arrangements have been put in place for the Relocation Project.

Governance Structure

Corporate Governance Framework

The framework sets out the systems, processes, cultures and values by which the Council is directed and controlled and through which they account to and engage with stakeholders. The Relocation Project is subject to the same principles and processes and have developed an appropriate governance structure as follows:

- Officer Working Group

This officer lead group is made up of key members of staff with the experience and expertise to consider and challenge the viability of options laid before them by the Project Manager and Deputy Chief Executive. Key documents examined in these meetings are the Project Manager's Notes and periodic Progress Reports. The meetings are formally minuted. Standing agenda items ensure that all relevant areas are covered in these meetings, which take place approximately monthly. The content of these meetings is part of this review (see Audit Findings pages 3-7 below).

- Executive Members Group

Following examination by the Officer Working Group, proposals are passed to the Executive Members Group for formal consideration. A Terms of Reference exists for this group and the meetings are minuted. The Group is made up of 4 Council members, and other key officers. They review the proposals of the Officer Working Group and make a decision based on the information provided by the officers.

- Cabinet

The Cabinet receives the recommendations of the Executive Members Group. Depending on the sensitivity of the area, it may be discussed under "Part B" if it is exempt from public disclosure under Section 100(a) (4) Local Government Act 1972. Actions arising from the Cabinet meetings are fed back to the Officer Working Group to progress.

Key Decision Timeline

July 2011	Strategic Risk 010-RK-0141 identified– Office Relocation.
10 June 2013	Establishment of the Project.
17 July 2013	Cabinet instructed Project Team to identify potential relocation sites.
27 November 2013	The Cabinet report short listed 5 out of 15 sites for the new office accommodation. It was agreed that another report would be presented to Cabinet prioritising the 5 sites, following detailed analysis. It was resolved that negotiations for the sale of Heathpark should continue and be reduced to 2 bidders. A report on the viability of the sale of Heathpark would be presented to Cabinet in February 2014.
5 February 2014	A report was presented to Cabinet which recommended the sale of Heathpark and the preferred options for the Council Office were set out (Skypark, Clyst House, Winslade Park). The Cabinet recommended the Skypark option to Full Council.
26 February 2014	Further research into the viability of the Council's office relocation options was required by Full Council.
4 June 2014	Cabinet gave Delegated Authority to appoint Savills and for the commissioning of specialist expertise to analyse office relation options specifically in relation to Skypark.
22 October 2014	Closing Date for bids on Manstone and Knowle properties.
12 November 2014	Interviews with selected bidders for Knowle and Manstone.
21 November 2014	Savills provided recommendation report to EDDC on selected bidders for Knowle and Manstone.
3 December 2014	Cabinet received a report highlighting that Skypark is no longer viable and that Heathpark had received reduced bid offers, making it unviable to sell.
17 December 2014	Full Council approve in principal to sell Knowle.
8 January 2015	Executive Member Project Board examine Savills report and identify a preferred bidder who is granted an exclusivity period.

At the current time the Council has offered the preferred bidder a period of exclusivity so that they can carry out necessary investigations and due diligence on the site. The preferred bidder will be required to confirm their bid on 13 February 2015. A recommendation report will then go to the next Cabinet meeting.

Objectives & Risks

Objective: The Corporate Governance Framework sets out the systems and processes, cultures and values, by which the Council is directed and controlled, and through which they account to, and engage with stakeholders. The Relocation Project is subject to the same principles and processes.

The audit objective is to look at the Relocation Project's key decision making process which falls within the Council's Corporate Governance Framework.

Risks:

1. The Project Team fails to take informed and transparent decisions scrutinised and risk managed.
2. The Relocation Project Team fails to engage with local people to ensure public accountability.

Audit Findings

1. Risk: The Project Team fails to take informed and transparent decisions scrutinised and risk managed.

1.1 Reliability of Management Information

The audit approach has been to confirm that the Council has appropriate structures in place to minimise the risk of errors occurring within management information. The Council has taken the following steps to ensure they base their decisions on accurate information:

- The Council has an experienced Project Manager, formally appointed through the Southwest Consultancy Framework, who prepares and maintains a standard suite of documents. These include a project programme, project risk register, project update reports, cost reports. This structure of documents enables officers to easily track information, identify variances and patterns, make comparisons, and identify missing information.
- The Council has devised a suitable structure for monitoring these documents. An Officer Working Group meets at least monthly. Attendance at this group has been reviewed and is considered reasonable, both in terms of the experience and seniority of officers and their participation in the meetings. A standing agenda ensures that all relevant information is covered in the meeting. Relevant information is provided in advance and the notes from each meeting are agreed formally as a true record at each subsequent meeting.
- Any Officer Working Group observations and recommendations are passed to the Executive Members Group for consideration. Several suitably senior officers are also present at these meetings. Although input was received from the Monitoring Officer concerning the governance arrangements of these groups, recommending that a terms of reference was set up for both, this does not appear to have been formally documented for the Officer Working Group (although it has been for the Executive Members Group).
- Where the need for specific expertise is identified, consultants have been formally appointed. The cost of these consultants is monitored by the Officers Working Group. The Council have also made use of their internal audit resources and the SWAP Audit Manager attends the monthly Officer Working Group meetings as an independent monitor of best practice. The Council's Procurement Officer is also present at these meetings and has confirmed as part of this review that he is not aware of any areas of non-compliance with Contract Standing Orders in relation to procurement of expertise.
- Where there are unknowns or variables to consider, the position has been made clear in working papers and Cabinet reports. A sample of these variables was reviewed and no issues were identified regarding their treatment.

In addition to reviewing the Council's structure to monitor and manage the project, a number of cross checks were completed to verify the accuracy of the project documents on a sample basis:

- Project Programme - this document contains references to specific dates where committee reports and working groups met. These could be cross referenced to relevant agendas and minutes.
- Cost Reports - A sample of consultant's costs were agreed to the Council's Finance System, Cedar.
- Project Progress Report - a sample of statements were selected from report No 11 and agreed to supporting records.

- Project Risk Register - a very minor discrepancy was identified whereby the total number of risks did not reflect actual number of risks on the register. This has now been corrected and was not considered a significant error.

Finally, the Cabinet Report on 3 December 2014 included a cost analysis in Appendix 1. The basis of this report was the calculation of floor space at the Knowle. The Council received a query from an external interested party, questioning the accuracy of the floor space calculation. A review was therefore carried out to consider whether the Council took reasonable steps to ensure the accuracy of this figure.

It was found that the figure was provided by an external survey specialist Thomas Lister. They calculated the gross area of existing buildings to be 7722 square metres (the figure used in the cost analysis).

The Council has taken reasonable steps to ensure the floor space figure is correct by employing external survey expertise.

1.2 Collaboration and joined up working

The Strategic Risk Register identified a need to ensure service delivery quality during the office relocation. This is achieved through collaboration of services and projects. It has been recognised from an early stage in the project that there would need to be close working with ICT and HR in terms of evolving working practices and technology. Specific projects which would help achieve this (explained in the June 2014 report to Cabinet) are the mobile device policy roll-out and Open for Business web channel.

This close working can be demonstrated through the close involvement of the Strategic Lead for Organisational Development, Equality and Transformation. She contributes to a standing item on the agenda of the Officer Working Group, as follows:

- Update on strategy, timescales for roll out of council devices for home, flexible and mobile working including phones and DCMS
- Update on Open for Business website project
- EDDC service provision across the District
- Update on the document management project, including confirmation of performance against timescale.

1.3 Expertise

The need for appropriate expertise in relation to the Office Relocation has been recognised by the Council. Two controls relating to expertise have been identified to mitigate the Strategic Risk of office relocation:

- Use of external expertise where required
- Groups in place to lead the project.

The Council has made extensive use of external expertise throughout the project so far in order to access particular skills and knowledge in the following areas:

- Project Management
- Audit
- VAT advice
- Legal advice
- Architectural services
- Land agent services
- Planning services
- Economic Impact assessments
- Marketing.

Procurement of these experts have been monitored and recorded.

As mentioned in section 1.1 above, the Council has developed an internal structure to manage the project. An Officer Working Group is made up of key staff from across a wide range of Council services and includes senior officers. The South West Audit Partnership also attends to provide ongoing audit advice.

This group formally report to the Executive Members Group. This group is attended by 4 Members and the Strategic lead officers.

Attendance at these meetings has been reviewed and is considered appropriate. The Agendas clearly set out who is responsible for contributing what to the meetings.

No issues regarding the quality or level of internal or external expertise has been identified in this review.

1.4 Risk Management

The Council has actively approached risk management from both strategic and operational directions in relation to the relocation project.

Strategic risk 010-RK-0141 "Office Relocation" is monitored by the Senior Management Team on a regular basis as part of their corporate risk management process. The risk was first identified in July 2011. In addition to the Senior Management Team's review of Strategic Risks, the Audit and Governance Committee review all medium and high risks periodically.

The Council's Risk Management Policy required the risks to be reviewed at least twice a year and this can be evidenced as having been done.

Responsibility for monitoring this risk has been assigned to the Deputy Chief Executive.

The risk has been described in the Strategic Risk Register in the following way: "Not relocating would mean the continued high cost of management and maintenance of Knowle Offices. Increasing inefficiency of current accommodation and reducing capacity to deliver improving services, modern working practices and performance improvements. Challenged ability to maintain high quality services and projects in a time of reducing funding and resources."

Nine Controls have been identified to mitigate the strategic risk relating to office relocation and these are considered adequate to mitigate the strategic risk.

An operational project risk register is maintained by the Project Manager (AECOM). The process adopted for monitoring, reviewing and updating this register is set out in the progress reports, for ease of reference by relevant officers. The Project Risk Register is included as a standing agenda item for the Officers Working Group, which meet approximately monthly.

A review of this Project Risk Register found it to be detailed, up to date and user friendly. Scoring and statuses had been applied. The risk was clearly articulated, along with the consequence, action taken and actions planned.

1.5 Records and Minutes

The meetings of both the Officer Working Group and Executive Members Group are minuted, with minutes confirmed as being an accurate record at the subsequent meeting, having been circulated in advance to all relevant officers. Responsibility for minute taking has been assigned to the Secretary to the Deputy Chief Executive. Both the agendas and the minutes of both groups are identified as confidential. Minutes are clearly marked as Draft until such time as they are formally confirmed as accurate.

Cabinet is provided with update reports on a periodic basis, written by the Deputy Chief Executive. The latest was provided on 3rd December 2014. Prior to this there was an update in June 2014, and before that was February 2014.

The minutes of the Cabinet meetings are prepared promptly by Democratic Services. Following the Cabinet Meeting of 3 December 2014, for example, the Knowledge Newsletter dated 5 December 2014, advertised the availability of the minutes. To ensure anything requiring action is acted on promptly, the agenda of the Officer Working Group includes an update from the Deputy Chief Executive.

Where a key decision is identified by the Officer Working Group and confirmed by the Executive Members Group, it is reported to Cabinet.

2. **Risk: The Relocation Project Team fails to engage with local people to ensure public accountability.**

2.1 Monitoring Officer

Although the post of Strategic Lead - Legal, Democratic Services, Licensing and Monitoring Officer is currently vacant, the Council has taken advantage of its close links with SSDC to fill this post as a temporary measure. Although this officer from SSDC is not closely involved in the Relocation Project, the Deputy Monitoring Officer (the Service Lead for Legal Services) is a member of the Officer Working Group.

Prior to leaving, the Council's monitoring officer played an active part in the Project, giving advice on relevant governance arrangements.

Public disclosure of information

A clear desire was expressed by officers interviewed as part of this review, to share information as far as possible with the public. The last two cabinet reports have been published under Part A, making them accessible to everyone.

The Council maintain a web page called "Moving and Improving" which was last updated on 28 January 2015.

The decision to take a report to Committee under Part B (public exclusion) is made by the Deputy Chief Executive, in consultation with the Officer's Working Group members. The Agenda of the Committee Meeting makes it clear that the report will be considered under Part B and confirms the reasons why.

The Council also publishes more detailed guidance on the legislative background to exclusion of information in this way on its website.

A number of requests for information have been made under the Freedom of Information Act, and these are published along with the Council's response for all to see. Freedom of Information requests are monitored by the Officer Working Party.

On 2 occasions, requesters for information under the Freedom of Information have been dissatisfied with the responses received from EDDC. Complaints were made to the Information Commissioner in relation to the project.

In one case, EDDC's decision to withhold information was upheld (July 2013). In the other case, it was only partially upheld (March 2014).

EDDC have gone to Court to defend their decision regarding the partially upheld decision. The request is in relation to the publication of the project update reports (Numbers 1-6), used by the Officer Working Group. The complainant felt that they should be made available but EDDC considers that they contain commercially sensitive information. The case is currently ongoing.

In January 2014 the Monitoring Officer advised the Deputy Chief Executive and Project Manager that discussions with the Information Commissioner in respect of these cases had been helpful in guiding the Council into making appropriate decisions over the availability of minutes and reports. She commented that she was liaising with the Democratic Services Manager to update the committee report template to prompt the author to assess when a confidential committee report may be considered appropriate to put in the public domain.

The Monitoring Officer further advised that it could be appropriate for the same assessment to be made at the time meeting notes are agreed at the Executive and Officer Group. It was not clear from the minutes of these meetings whether this had been implemented. There is a risk that a consistent approach to the publication of Executive and Office Group meeting notes may not be operating effectively.

2.2 Additional Requests for Information

In addition to responding to Individual Access Requests under the Freedom of Information Act, the Council also receives and responds to queries received directly from interested members of the public, (as well as Members). Often, the responses to these queries are necessarily time consuming to collate.

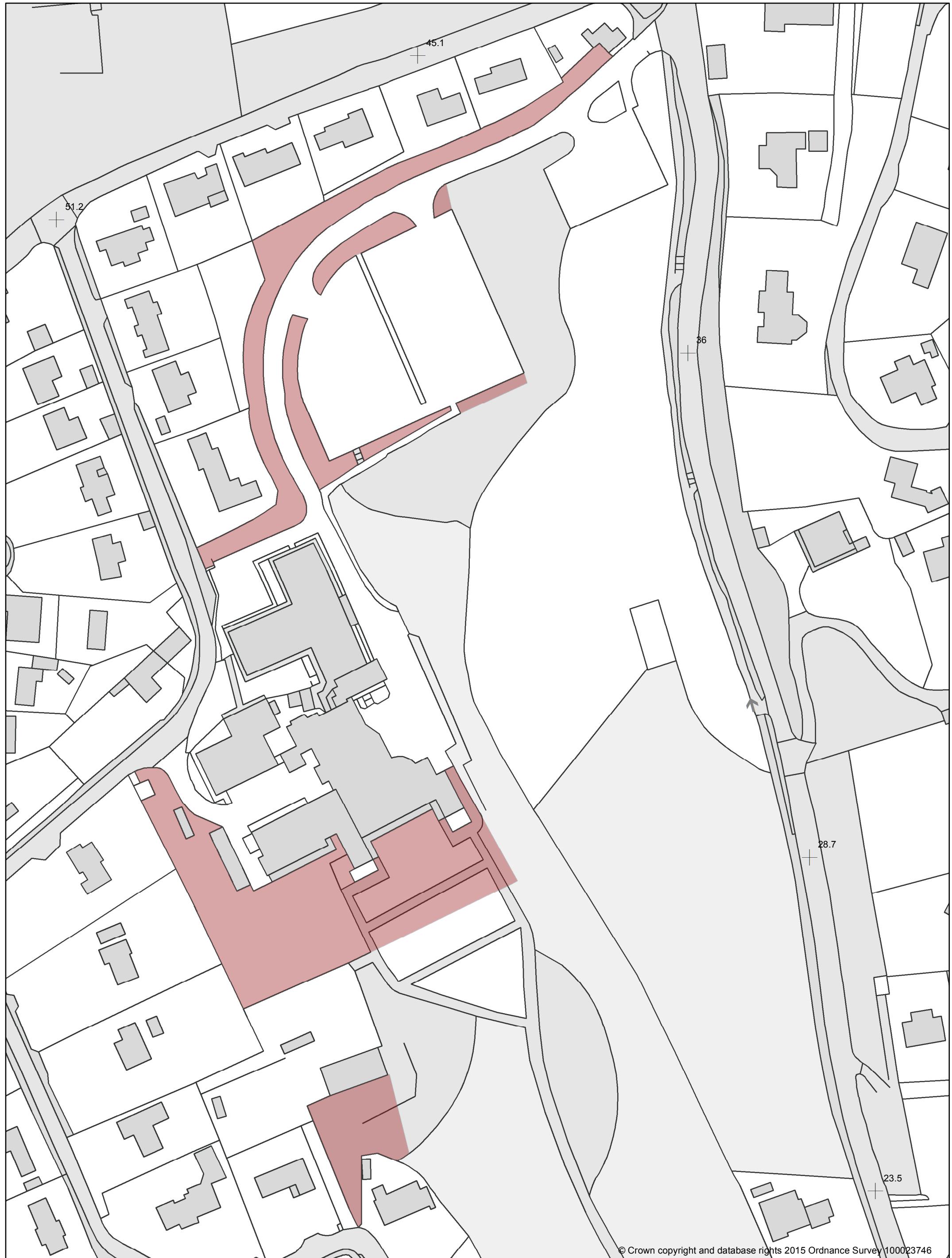
By receiving and responding to queries outside the Individual Access Request scheme there is a risk that work is duplicated where the same query is received more than once. It also means that there is no complete record of queries raised and that transparency is compromised.

Requests submitted under the Individual Access Request scheme would also receive a response within a defined timescale, which cannot be guaranteed through other means.

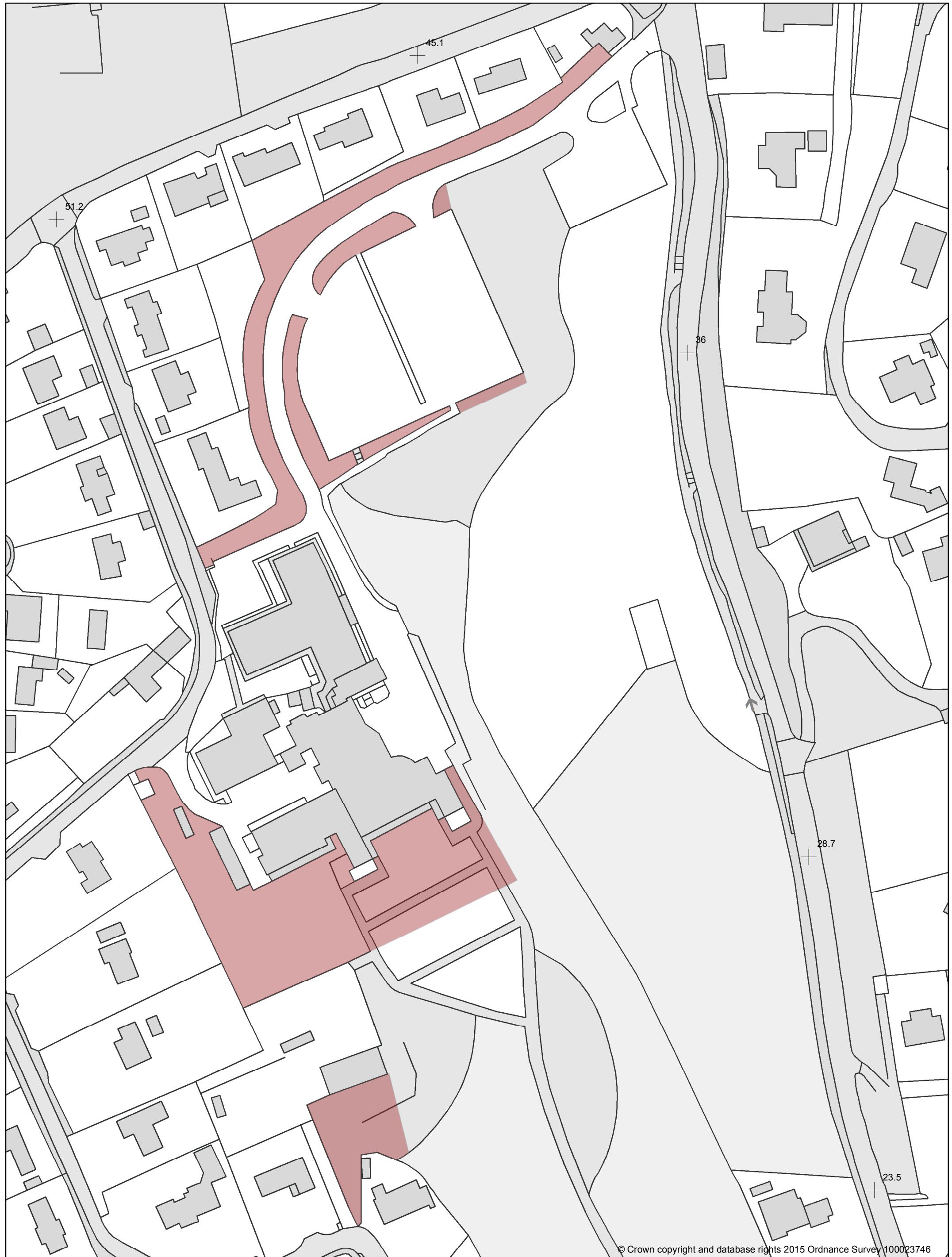
EDDC OFFICE ACCOMMODATION PROJECT

SITE LOCATION OPTIONS TWENTY YEAR ANNUAL RUNNING COSTS BETTERMENT COMPARED WITH KNOWLE CURRENT BASE

Total Betterment	Indexation	KNOWLE - CURRENT BASE	KNOWLE - DO MINIMUM	2,776 M2 OFFICE AT HEATHPARK AND REFURBISHMENT OF EXMOUTH TOWN HALL	2,776 M2 OFFICE AT HEATHPARK AND REFURBISHMENT OF EXMOUTH TOWN HALL	3.352 M2 OFFICE AT HEATHPARK	3.352 M2 OFFICE AT HEATHPARK
Business Rates	RPI		-	-1,286,906.39	-1,286,906.39	-1,991,707.30	-1,991,707.30
Planned Maintenance	RPI		-1,034,566	-30,741.83	-30,741.83	114,124.34	114,124.34
Reactive Maintenance	RPI		367,533	358,188.11	358,188.11	358,188.11	358,188.11
Electricity consumption	Electricity prices - Medium		877,627	1,801,066.42	1,829,412.49	1,930,177.75	1,964,405.43
Gas consumption	Gas prices - Medium		-27,456	359,700.28	373,413.78	394,978.82	411,537.76
Water consumption	RPI		-	38,652.76	47,967.01	71,077.43	82,324.31
Building Insurances	RPI		-	175,394.03	175,394.03	178,242.06	178,242.06
Content Insurances	RPI		-	-	-	-	-
Employee costs	RPI		57,453	1,351,779	1,351,779	1,441,651	1,441,651
Grounds Maintenance / Estate Servicing Costs	RPI		-	197,069	197,069	201,112	201,112
Other costs associated with property maintenance	RPI		-	295,231	295,231	293,859	293,859
Other running costs	RPI		-	135,546	135,546	79,937	79,937
Miscellaneous running costs	RPI		-	153,440	153,440	-48,455	-48,455
Lifecycle	RPI		-	2,402,132	2,326,678	2,458,394	2,369,964
Total Betterment		240,591	5,950,551	5,926,470	5,481,578	5,455,182	

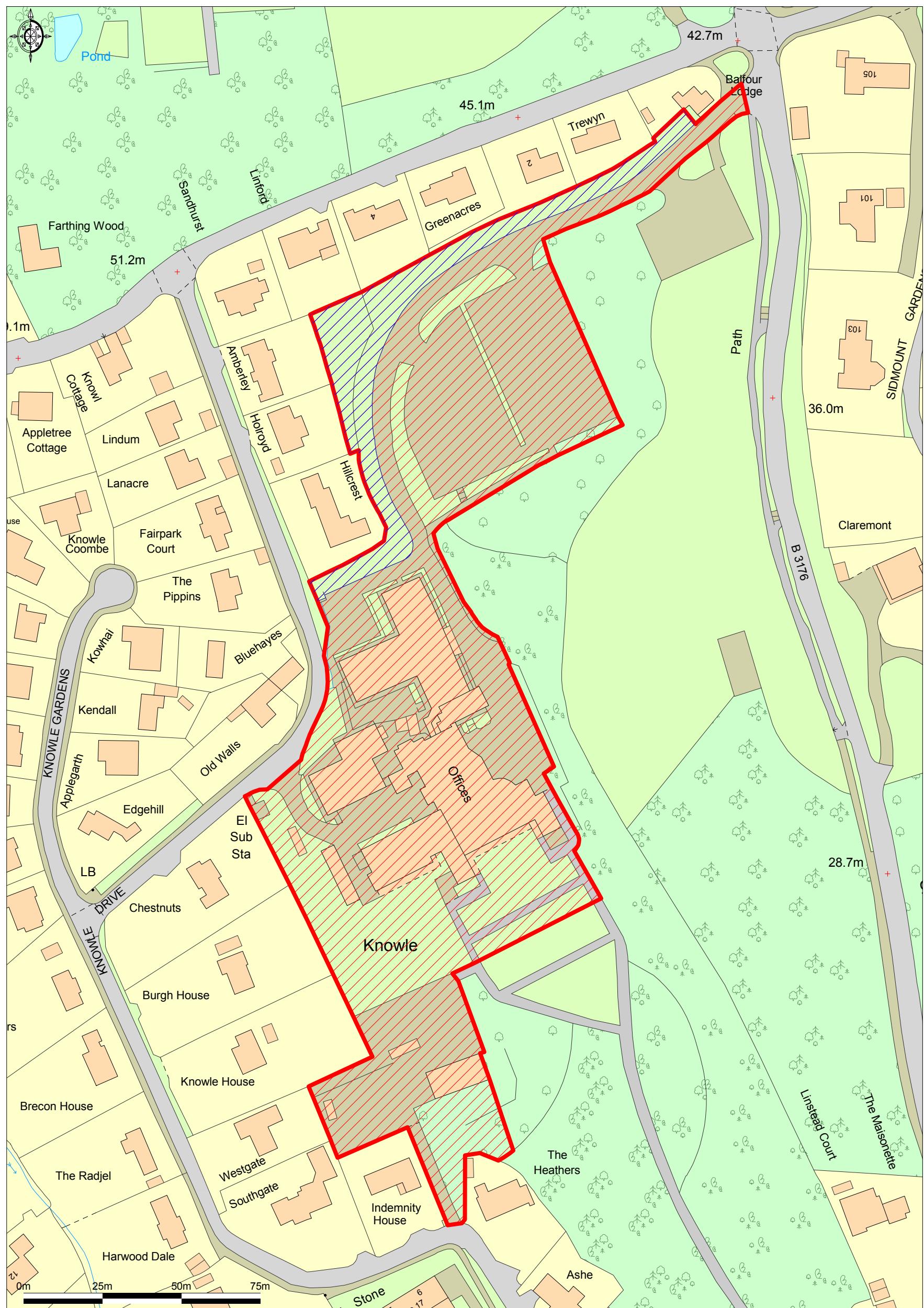


 Open Space to be appropriated



 Open Space to be disposed of

The Knowle Station Road, Sidmouth, Devon



Summary of responses to public notices of intention to dispose / appropriate

Loss of open space

Area to be lost is part of an important local amenity which is of high amenity value. Land is required, has been used for many years by the public for recreation / public open space (including garden / workshop area) and should be retained for the benefit of the local community for the designated purpose.

Land is designated recreation land within Policy RE1 of the current Local Plan (2006 – 2011) which also acknowledges (at para 13.121) that '*the town has an overall under supply of formal recreation land*'.

Public Open Space Study includes land owned by the National Trust in its calculations (The Byes) and also says that Knowle Gardens of special quality.

Should be finding an equivalent area to compensate.

No justification for the extent of areas (particularly the terraces which are the most visually prominent and attractive part of the Parkland) being appropriated / disposed of.

Not necessary to change the designation of land to the north of the access drive.

Impact of loss

Loss would spoil ambience of this part of Sidmouth

Loss would seriously adversely affect the appearance of the remainder of the public gardens.

Small area of land left after development would destroy character of the park and leave little land for enjoyment of visitors and residents.

Green spaces enhance the environment and add value to local land and businesses as well as attracting tourists - in danger of eroding characteristics of Sidmouth that make it the thriving tourist town.

Loss would reduce enjoyment of the gardens

Once sold, no retrieving public open space.

Other environmental concerns

Loss would result in loss of important trees and wildlife (including the bat colony).

Park is a wildlife corridor between various sites.

Economic concerns

No figures produced to evidence need for a care community and any replacement employment would not be 'like for like' in terms of salaries, therefore resulting in detriment to economy of Sidmouth and reduced chance for youngsters to pick up well paid employment . No justification to leave Sidmouth.

Council doesn't need new offices – there is sufficient provision which can be updated.

No business case made to the electorate and whole relocation project a waste of tax payers money.

Basis for appropriation / disposal is purely economic to raise funds for relocation purposes.

Other open spaces to be used across the district to fund relocation.

Intended future use

Incorporation of the terraces into housing would be visually disturbing and lead to diminution of quality of the landscape from the rest of the parkland.

Houses would be clearly visible and would be a major intrusion.
Spoil the view for Upper Knowle Residents including impact on health due to development
Greater risk of major flooding and increased air pollution.
Loss of weekend overflow carparking or car parks which could be used due to parking
issues in the town.
Loss of heritage asset (old hotel building).
Unsure how public / private distinction would be managed on the terraces and use by
residents would be unfair on Council Tax payers.
Drainage and roads would not cope with any more traffic.
Concerns over depot access and additional traffic to Knowle Drive.
Sidmouth Town Council voted against building on anything other than the existing footprint.
Safe route into Sidmouth.
Emerging Local Plan carries little / no weight therefore shouldn't be relying on proposed
allocation.

Planning

Development Management Committee rejected the Council's own application on the basis of
intrusion into designated open space, which should be retained for benefit of community.
Development proposals would result in the loss of employment opportunities (in conflict with
Local Plan Policy RE3 and Strategy 32 of emerging Local Plan).
Paragraph 74 of the NPPF requires an assessment to be carried out prior to being built on
and no assessment has been carried out, so disposal / appropriation contrary to NPPF.
Should not proceed without satisfying Local Plan policy requirements and having a planning
permission in place.

Procedural matters

A part of the land for disposal which is open space has not been included.
EDDC has a vested financial interest and the appropriation / disposal of open space should
not proceed when underlying reason is so widely and significantly questioned.
Gifted by people of Sidmouth to EDDC for its protection, is held in trust for the public and
intentions contravene this.
Partially owned by residents and no moral (possibly legal) right for Council to sell.
Abuse of power since appropriating contrary to public view and LPA decision.
Land is affected by claimed footpaths and appropriation / disposal now would prejudice
forthcoming inquiry and future use (including concerns over the shutting off of the access off
Upper Knowle Drive).
Concerns over statements made by Heynes Planning in tender information about extent of
land covered by RE1 .
Changes to the boundary of the southern terraces during the Local Plan process with the
intent to deceive.
Concerns over whether officers can report to Members in an unbiased and fair way on the
comments made following public notices.
Following Code of Recommended Practice on Local Authority Publicity, decision should be
delayed until after elections due to controversial nature.
Chinese Walls broken between Planning Department and Relocation Project Team
Inappropriate for Legal Department to be involved in process.
Legal Department should be seeking to protect the Open Space.

Should have published in a paper circulating in the whole of East Devon, not just Sidmouth area.

Matter should be considered by an independent body.

Concerns that decision will be taken by officers and will be behind closed doors.

Concerns over ignoring of responses.

Council not prepared to 'consider any objections'

Query over whether Local Government Act 1976 is still in force.

Council cannot take impartial decision and therefore acting 'ultra vires'.

Sidmouth Town Council not consulted.

Querying of process and that decision to appropriate and dispose should be in public.

Appointed auditor to be satisfied Council acting lawfully.

Suggestion that this is a compulsory acquisition under Town and Country Planning Act 1990 and that Secretary of State consent is required.

Ignoring local feeling and riding roughshod over views of residents.

Secretive due to small notices in paper.

Should be referred to Overview and Scrutiny to review.

Other

Depot and car park areas should be returned to previous condition (following requirement to revert to former use when no longer required) and not appropriated to an alternative purpose.

Should only proceed where (1) unambiguous support by overwhelming majority of stakeholders, (2) move would result in financial savings which are transparent, demonstrable and realizable within short to medium term and (3) enrich citizens culturally, socially, politically and financially and not enrich the already powerful and rich financially.

No development should take place until future Government structures have been decided upon (this is also the view of local MP).

Want retention of 'green wedge' between Heathers and gardening depot and object to change of use of gardening depot.

More land to be sold than shown on the notices.

EDDC OFFICE ACCOMMODATION PROJECT

GATEWAY DECISION PARTICULARS

Gateway Decision	Particulars	Forecast Date	
Gateway Decision Nr 1	Agreement to Relocate Office to Twin Option of a New Office at Heathpark and a Refurbished Office at Exmouth Town Hall	25 March 2015	
Gateway Decision Nr 2	Agreement to employ EDDC's procured Design Team	22 July 2015	*
Gateway Decision Nr 3	Approval of EDDC's Design Team Design to RIBA Workstage C, and agreement to proceed to RIBA Stage D	07 September 2015	*
Gateway Decision Nr 4	Approval of EDDC's Design Team Design to RIBA Workstage D, and agreement to proceed to RIBA Stage E. Approval to proceed to submission of Heathpark / Exmouth (if applicable) Planning Application(s). Approval to issue Notice and commence r Contractor Procurement	30 October 2015	*
Gateway Decision Nr 5	Approval of EDDC's Design Team Design to RIBA Workstage E, and agreement to proceed to RIBA Stage F & G.	11 December 2015	*
Gateway Decision Nr 6	Approval of final design	27 April 2016	*
Gateway Decision Nr 7	Confirmation of Preferred Developers unconditional bid following Planning determination. Receipt of Planning Approval for New Office at Heathpark (and Exmouth Town Hall if applicable). Agreement to Appoint procured Contractor(s).	03 June 2016	*

Notes

* - Final dates to be confirmed pending issue of Council Meeting Timetable
 Gateway Decisions 2 - 6 are generally subject to the Project Executive Board Approval, who have the option to refer to Cabinet / Council for consideration and decision.
 Information extracted from Full Overview Programme Rev AS (2) dated 28 January 2015

SWAP RELOCATION AUDIT – EXECUTIVE SUMMARY

Purpose of Report

The Corporate Governance Framework sets out the systems and processes, cultures and values, by which the Council is directed and controlled, and through which they account to, and engage with stakeholders. The purpose of this review is to look at the Relocation Project's key decision making processes within this structure.

Summary of results

Through discussion with officers and examination of relevant documentation it was established that a suitable level of governance arrangements have been put in place for the Relocation Project.

Overall, our review found the expected governance arrangements to be in place and working effectively, with only 3 areas for improvement identified. These points have been discussed with and accepted by management as follows:

- 1) Although evidence was seen of the Council's intention to have a Terms of Reference for the Officer Working Group, no formal record of this was found at the time of the audit. There are no concerns over the effectiveness of the Officers Working Group or the decision making processes within it. The structure and operation of the Group reflects and supports the Executive Members Group, (where a Terms of Reference had been formally agreed and documented.)

Management have agreed to formally approve the Terms of Reference of the Officer Working group at the next meeting.

- 2) The Monitoring Officer advised that the minutes of the Executive and Officer Working Group should be assessed at the point they are approved to consider the appropriateness of making them available publically. It was not clear from the minutes of these meetings whether this had been formally implemented.

Management have agreed to formally consider the appropriateness of releasing minutes into the public domain at the next Officer Working Group meeting.

- 3) The Council has responded to queries and requests for information whether raised through the Freedom of Information route or directly to officers. For the later to continue, the Council has recognised that a formal structure needs to be in place to guard against duplication of resource and ensure the information is shared appropriately.

Officers involved in this review were found to be candid and transparent in their responses to requests for information from us, and are thanked for their prompt cooperation.



Council Office Relocation Internal Audit Assurance

South West Audit Partnership

Date of last revision	16 February 2015
Auditor	Andrew Ellins/ Moya Moore
Date for next review	N/A

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Council Office Relocation

Management Summary

Project Purpose

Although the detail of the project has evolved over time, the purpose of the project remains largely unaltered. The Council identified a strategic risk in 2011 that the existing office at the Knowle was increasingly unsuitable, both in terms of maintenance and management costs of the building itself, and the restrictions it placed on improvements to service delivery, performance improvement and modern efficient working practices.

The aim of the project has therefore been to relocate the Council to more suitable premises. This is defined in the Project Programme as; "EDDC Office Relocation to a new purpose built office for 170 desks at Heathpark Honiton and refurbishment of Exmouth Town Hall to provide 80 desks". From the outset it has been clear that the current site at Knowle will be sold to fund the new offices.

Audit Objective

The objective of this audit is to independently review the Relocation Project's key decision making process which falls within the Council's Corporate Governance Framework.

Conclusion

Through discussion with officers and examination of relevant documentation it was established that a suitable level of governance arrangements have been put in place for the Relocation Project.

Governance Structure

Corporate Governance Framework

The framework sets out the systems, processes, cultures and values by which the Council is directed and controlled and through which they account to and engage with stakeholders. The Relocation Project is subject to the same principles and processes and have developed an appropriate governance structure as follows:

- Officer Working Group

This officer lead group is made up of key members of staff with the experience and expertise to consider and challenge the viability of options laid before them by the Project Manager and Deputy Chief Executive. Key documents examined in these meetings are the Project Manager's Notes and periodic Progress Reports. The meetings are formally minuted. Standing agenda items ensure that all relevant areas are covered in these meetings, which take place approximately monthly. The content of these meetings is part of this review (see Audit Findings pages 3-7 below).

- Executive Members Group

Following examination by the Officer Working Group, proposals are passed to the Executive Members Group for formal consideration. A Terms of Reference exists for this group and the meetings are minuted. The Group is made up of 4 Council members, and other key officers. They review the proposals of the Officer Working Group and make a decision based on the information provided by the officers.

- Cabinet

The Cabinet receives the recommendations of the Executive Members Group. Depending on the sensitivity of the area, it may be discussed under "Part B" if it is exempt from public disclosure under Section 100(a) (4) Local Government Act 1972. Actions arising from the Cabinet meetings are fed back to the Officer Working Group to progress.

Key Decision Timeline

July 2011	Strategic Risk 010-RK-0141 identified– Office Relocation.
10 June 2013	Establishment of the Project.
17 July 2013	Cabinet instructed Project Team to identify potential relocation sites.
27 November 2013	The Cabinet report short listed 5 out of 15 sites for the new office accommodation. It was agreed that another report would be presented to Cabinet prioritising the 5 sites, following detailed analysis. It was resolved that negotiations for the sale of Heathpark should continue and be reduced to 2 bidders. A report on the viability of the sale of Heathpark would be presented to Cabinet in February 2014.
5 February 2014	A report was presented to Cabinet which recommended the sale of Heathpark and the preferred options for the Council Office were set out (Skypark, Clyst House, Winslade Park). The Cabinet recommended the Skypark option to Full Council.
26 February 2014	Further research into the viability of the Council's office relocation options was required by Full Council.
4 June 2014	Cabinet gave Delegated Authority to appoint Savills and for the commissioning of specialist expertise to analyse office relation options specifically in relation to Skypark.
22 October 2014	Closing Date for bids on Manstone and Knowle properties.
12 November 2014	Interviews with selected bidders for Knowle and Manstone.
21 November 2014	Savills provided recommendation report to EDDC on selected bidders for Knowle and Manstone.
3 December 2014	Cabinet received a report highlighting that Skypark is no longer viable and that Heathpark had received reduced bid offers, making it unviable to sell.
17 December 2014	Full Council approve in principal to sell Knowle.
8 January 2015	Executive Member Project Board examine Savills report and identify a preferred bidder who is granted an exclusivity period.

At the current time the Council has offered the preferred bidder a period of exclusivity so that they can carry out necessary investigations and due diligence on the site. The preferred bidder will be required to confirm their bid on 13 February 2015. A recommendation report will then go to the next Cabinet meeting.

Objectives & Risks

Objective: The Corporate Governance Framework sets out the systems and processes, cultures and values, by which the Council is directed and controlled, and through which they account to, and engage with stakeholders. The Relocation Project is subject to the same principles and processes.

The audit objective is to look at the Relocation Project's key decision making process which falls within the Council's Corporate Governance Framework.

Risks:

1. The Project Team fails to take informed and transparent decisions scrutinised and risk managed.
2. The Relocation Project Team fails to engage with local people to ensure public accountability.

Audit Findings

1. Risk: The Project Team fails to take informed and transparent decisions scrutinised and risk managed.

1.1 Reliability of Management Information

The audit approach has been to confirm that the Council has appropriate structures in place to minimise the risk of errors occurring within management information. The Council has taken the following steps to ensure they base their decisions on accurate information:

- The Council has an experienced Project Manager, formally appointed through the Southwest Consultancy Framework, who prepares and maintains a standard suite of documents. These include a project programme, project risk register, project update reports, cost reports. This structure of documents enables officers to easily track information, identify variances and patterns, make comparisons, and identify missing information.
- The Council has devised a suitable structure for monitoring these documents. An Officer Working Group meets at least monthly. Attendance at this group has been reviewed and is considered reasonable, both in terms of the experience and seniority of officers and their participation in the meetings. A standing agenda ensures that all relevant information is covered in the meeting. Relevant information is provided in advance and the notes from each meeting are agreed formally as a true record at each subsequent meeting.
- Any Officer Working Group observations and recommendations are passed to the Executive Members Group for consideration. Several suitably senior officers are also present at these meetings. Although input was received from the Monitoring Officer concerning the governance arrangements of these groups, recommending that a terms of reference was set up for both, this does not appear to have been formally documented for the Officer Working Group (although it has been for the Executive Members Group).
- Where the need for specific expertise is identified, consultants have been formally appointed. The cost of these consultants is monitored by the Officers Working Group. The Council have also made use of their internal audit resources and the SWAP Audit Manager attends the monthly Officer Working Group meetings as an independent monitor of best practice. The Council's Procurement Officer is also present at these meetings and has confirmed as part of this review that he is not aware of any areas of non-compliance with Contract Standing Orders in relation to procurement of expertise.
- Where there are unknowns or variables to consider, the position has been made clear in working papers and Cabinet reports. A sample of these variables was reviewed and no issues were identified regarding their treatment.

In addition to reviewing the Council's structure to monitor and manage the project, a number of cross checks were completed to verify the accuracy of the project documents on a sample basis:

- Project Programme - this document contains references to specific dates where committee reports and working groups met. These could be cross referenced to relevant agendas and minutes.
- Cost Reports - A sample of consultant's costs were agreed to the Council's Finance System, Cedar.
- Project Progress Report - a sample of statements were selected from report No 11 and agreed to supporting records.

- Project Risk Register - a very minor discrepancy was identified whereby the total number of risks did not reflect actual number of risks on the register. This has now been corrected and was not considered a significant error.

Finally, the Cabinet Report on 3 December 2014 included a cost analysis in Appendix 1. The basis of this report was the calculation of floor space at the Knowle. The Council received a query from an external interested party, questioning the accuracy of the floor space calculation. A review was therefore carried out to consider whether the Council took reasonable steps to ensure the accuracy of this figure.

It was found that the figure was provided by an external survey specialist Thomas Lister. They calculated the gross area of existing buildings to be 7722 square metres (the figure used in the cost analysis).

The Council has taken reasonable steps to ensure the floor space figure is correct by employing external survey expertise.

1.2 Collaboration and joined up working

The Strategic Risk Register identified a need to ensure service delivery quality during the office relocation. This is achieved through collaboration of services and projects. It has been recognised from an early stage in the project that there would need to be close working with ICT and HR in terms of evolving working practices and technology. Specific projects which would help achieve this (explained in the June 2014 report to Cabinet) are the mobile device policy roll-out and Open for Business web channel.

This close working can be demonstrated through the close involvement of the Strategic Lead for Organisational Development, Equality and Transformation. She contributes to a standing item on the agenda of the Officer Working Group, as follows:

- Update on strategy, timescales for roll out of council devices for home, flexible and mobile working including phones and DCMS
- Update on Open for Business website project
- EDDC service provision across the District
- Update on the document management project, including confirmation of performance against timescale.

1.3 Expertise

The need for appropriate expertise in relation to the Office Relocation has been recognised by the Council. Two controls relating to expertise have been identified to mitigate the Strategic Risk of office relocation:

- Use of external expertise where required
- Groups in place to lead the project.

The Council has made extensive use of external expertise throughout the project so far in order to access particular skills and knowledge in the following areas:

- Project Management
- Audit
- VAT advice
- Legal advice
- Architectural services
- Land agent services
- Planning services
- Economic Impact assessments
- Marketing.

Procurement of these experts have been monitored and recorded.

As mentioned in section 1.1 above, the Council has developed an internal structure to manage the project. An Officer Working Group is made up of key staff from across a wide range of Council services and includes senior officers. The South West Audit Partnership also attends to provide ongoing audit advice.

This group formally report to the Executive Members Group. This group is attended by 4 Members and the Strategic lead officers.

Attendance at these meetings has been reviewed and is considered appropriate. The Agendas clearly set out who is responsible for contributing what to the meetings.

No issues regarding the quality or level of internal or external expertise has been identified in this review.

1.4 Risk Management

The Council has actively approached risk management from both strategic and operational directions in relation to the relocation project.

Strategic risk 010-RK-0141 "Office Relocation" is monitored by the Senior Management Team on a regular basis as part of their corporate risk management process. The risk was first identified in July 2011. In addition to the Senior Management Team's review of Strategic Risks, the Audit and Governance Committee review all medium and high risks periodically.

The Council's Risk Management Policy required the risks to be reviewed at least twice a year and this can be evidenced as having been done.

Responsibility for monitoring this risk has been assigned to the Deputy Chief Executive.

The risk has been described in the Strategic Risk Register in the following way: "Not relocating would mean the continued high cost of management and maintenance of Knowle Offices. Increasing inefficiency of current accommodation and reducing capacity to deliver improving services, modern working practices and performance improvements. Challenged ability to maintain high quality services and projects in a time of reducing funding and resources."

Nine Controls have been identified to mitigate the strategic risk relating to office relocation and these are considered adequate to mitigate the strategic risk.

An operational project risk register is maintained by the Project Manager (AECOM). The process adopted for monitoring, reviewing and updating this register is set out in the progress reports, for ease of reference by relevant officers. The Project Risk Register is included as a standing agenda item for the Officers Working Group, which meet approximately monthly.

A review of this Project Risk Register found it to be detailed, up to date and user friendly. Scoring and statuses had been applied. The risk was clearly articulated, along with the consequence, action taken and actions planned.

1.5 Records and Minutes

The meetings of both the Officer Working Group and Executive Members Group are minuted, with minutes confirmed as being an accurate record at the subsequent meeting, having been circulated in advance to all relevant officers. Responsibility for minute taking has been assigned to the Secretary to the Deputy Chief Executive. Both the agendas and the minutes of both groups are identified as confidential. Minutes are clearly marked as Draft until such time as they are formally confirmed as accurate.

Cabinet is provided with update reports on a periodic basis, written by the Deputy Chief Executive. The latest was provided on 3rd December 2014. Prior to this there was an update in June 2014, and before that was February 2014.

The minutes of the Cabinet meetings are prepared promptly by Democratic Services. Following the Cabinet Meeting of 3 December 2014, for example, the Knowledge Newsletter dated 5 December 2014, advertised the availability of the minutes. To ensure anything requiring action is acted on promptly, the agenda of the Officer Working Group includes an update from the Deputy Chief Executive.

Where a key decision is identified by the Officer Working Group and confirmed by the Executive Members Group, it is reported to Cabinet.

2. **Risk: The Relocation Project Team fails to engage with local people to ensure public accountability.**

2.1 Monitoring Officer

Although the post of Strategic Lead - Legal, Democratic Services, Licensing and Monitoring Officer is currently vacant, the Council has taken advantage of its close links with SSDC to fill this post as a temporary measure. Although this officer from SSDC is not closely involved in the Relocation Project, the Deputy Monitoring Officer (the Service Lead for Legal Services) is a member of the Officer Working Group.

Prior to leaving, the Council's monitoring officer played an active part in the Project, giving advice on relevant governance arrangements.

Public disclosure of information

A clear desire was expressed by officers interviewed as part of this review, to share information as far as possible with the public. The last two cabinet reports have been published under Part A, making them accessible to everyone.

The Council maintain a web page called "Moving and Improving" which was last updated on 28 January 2015.

The decision to take a report to Committee under Part B (public exclusion) is made by the Deputy Chief Executive, in consultation with the Officer's Working Group members. The Agenda of the Committee Meeting makes it clear that the report will be considered under Part B and confirms the reasons why.

The Council also publishes more detailed guidance on the legislative background to exclusion of information in this way on its website.

A number of requests for information have been made under the Freedom of Information Act, and these are published along with the Council's response for all to see. Freedom of Information requests are monitored by the Officer Working Party.

On 2 occasions, requesters for information under the Freedom of Information have been dissatisfied with the responses received from EDDC. Complaints were made to the Information Commissioner in relation to the project.

In one case, EDDC's decision to withhold information was upheld (July 2013). In the other case, it was only partially upheld (March 2014).

EDDC have gone to Court to defend their decision regarding the partially upheld decision. The request is in relation to the publication of the project update reports (Numbers 1-6), used by the Officer Working Group. The complainant felt that they should be made available but EDDC considers that they contain commercially sensitive information. The case is currently ongoing.

In January 2014 the Monitoring Officer advised the Deputy Chief Executive and Project Manager that discussions with the Information Commissioner in respect of these cases had been helpful in guiding the Council into making appropriate decisions over the availability of minutes and reports. She commented that she was liaising with the Democratic Services Manager to update the committee report template to prompt the author to assess when a confidential committee report may be considered appropriate to put in the public domain.

The Monitoring Officer further advised that it could be appropriate for the same assessment to be made at the time meeting notes are agreed at the Executive and Officer Group. It was not clear from the minutes of these meetings whether this had been implemented. There is a risk that a consistent approach to the publication of Executive and Office Group meeting notes may not be operating effectively.

2.2 Additional Requests for Information

In addition to responding to Individual Access Requests under the Freedom of Information Act, the Council also receives and responds to queries received directly from interested members of the public, (as well as Members). Often, the responses to these queries are necessarily time consuming to collate.

By receiving and responding to queries outside the Individual Access Request scheme there is a risk that work is duplicated where the same query is received more than once. It also means that there is no complete record of queries raised and that transparency is compromised.

Requests submitted under the Individual Access Request scheme would also receive a response within a defined timescale, which cannot be guaranteed through other means.

Financial Model services for the Council's office relocation project and benchmarking exercise of cost assumptions

East Devon District Council

03 March 2015



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Our work has been conducted and our report prepared for East Devon District Council in accordance with a specified set of requirements. Accordingly, any use third parties may choose to make of our report is entirely at their own risk and we accept no responsibility whatsoever in relation to such use.

Glossary of Terms

Due to the technical nature of this review we have included this glossary to explain some of the key terms used.

Term	Description
Additional Council Funding	Contributions to the project by the Council used to cover any cashflow shortfall where Betterment does not fully cover the long term funding costs.
Betterment	Operational savings for each option as compared to the Current Base scenario.
Capex	Capital expenditure on New Buildings and improvements to Knowle.
Cash inflows	Cash receipts to the project. These include sale proceeds from existing buildings and Betterment cashflows.
Cash outflows	Cash payments from the project. These include debt service costs.
Cashflow	The net periodic sum of all cash inflows and outflows.
Council Internal Funding	£1m initial funding by the Council for project costs. This is repaid by short term funding during construction.
Dashboard	Output worksheet included in the Model.
Debt Drawdown	Cash receipt from Debt provider.
Debt Servicing	The payment of debt interest and capital in line with standard loan terms.

Term	Description
Financial Model or the Model	The option appraisal Model developed by Grant Thornton UK LLP.
Inputs (including TB and NTB)	Time Based ("TB") and Non Time Based ("NTB") Input worksheets included within the Model.
Internal Rate of Return or IRR	The return required to provide a net present value of zero
Long Term Funding	Assumed to be a debt repaid on an annuity basis (similar to a mortgage contract with payments covering both interest and principle).
NPV	Net Present Value of future cashflows. The cash equivalent in today's value of future cashflows.
Outputs	Outputs from the Model, included on the Dashboard.
Short Term Funding	Maturity based debt. Short term debt funding used to fund construction costs. This type of debt allows multiple drawdowns on a regular basis. This debt is then repaid via long term funding and capital receipts.
RPI	Retail Price Index.

1. Introduction

1.1 Background

- 1.1.1 East Devon District Council ("the Council") is seeking to dispose of the existing Council office (Knowle) in Sidmouth and complete a relocation to two other sites. The Council, with the support of Davis Langdon / Aecom, has compiled a relocation business case and developed an associated financial model. The relocation business case includes the development of two other Council sites in Exmouth and Honiton.
- 1.1.2 Summary "snapshot" outputs of the Council's financial model were presented during a Members' Briefing on 3 December 2014.
- 1.1.3 This section sets out the scope of our work and the key terms of our report.
- 1.1.4 Section 2 of our report summarises how the Financial Model (the "**Model**") was developed to evaluate the options of the relocation project, and the key findings of this work. The final version of the updated Model was handed over to the Council on the 27 February 2015. The Model includes revisions and recommendations recommended by Gleeds and Grant Thornton LLP which have been accepted by the Council.
- 1.1.5 Section 3 of our report summarises the findings from the benchmarking exercise which was undertaken by an external cost consultant Gleeds UK ("Gleeds"), in respect of the input costs assumptions. Appendix A contains the full Gleeds report.
- 1.1.6 Section 4 summarises the conclusions from our review in relation to the Model development and benchmarking exercise in respect of the input costs.

1.2 Scope of our work

- 1.2.1 Our work focused on the following areas summarised below:

1. The Council has asked Grant Thornton to develop a parallel Model which will use the same cost assumption inputs as contained within the Council's current model to recalculate the forecast project costs. The Model will independently calculate the projected costs based upon the set of cost assumptions and will include sensitivity analysis, discounted cash flow analysis including Net Present Value (NPV) and Internal Rate of Return (IRR) calculations. The Model will include a 'dashboard' to allow the user to easily see the results and compare outputs from using different sensitivities. We have passed the Model to the Council, to allow the Council to update the inputs following the completion of this engagement.

2. Benchmarking exercise - the Council also required us to perform a benchmarking assessment of the cost assumptions used in the Model that underpins the Council's business case for office relocation. Given the specialist nature of many of these assumptions, with the Council's prior approval we agreed to engage Gleeds, to support us in carrying out a benchmarking assessment of the assumptions within the Model and comment on the reasonableness of the assumptions used by the Council. For clarity, the assessment was limited to a review of the construction costs and running costs contained within the existing Model, and supporting information provided in the accompanying excel spreadsheets.

1.3 Period of our fieldwork

- 1.3.1 Our review was performed in the period between 23 January and 27 February 2015. We have not performed any further work since 27 February 2015 and, in agreement with the Council, our report may not take into account matters that have arisen since then.

1.4 Limitation of liability

- 1.4.1 We draw the Council's attention to the limitation of liability clauses in paragraphs 3.1 to 3.9 contained in appendix 1 of our engagement letter dated 23 January 2015.

1.5 Forms of report

- 1.5.1 For the Council's convenience, this report may have been made available to the Council in electronic as well as hard copy format, multiple copies and versions of this report may therefore exist in different media and in the case of any discrepancy the final signed hard copy should be regarded as definitive.

1.6 Confidentiality and reliance

- 1.6.1 Our report will be addressed to the Council. We stress that our report and other communications are confidential and prepared for the addressee only. They should not be used, reproduced or circulated for any other purpose, whether in whole or in part without our prior written consent, which consent will only be given after full consideration of the circumstances at the time.
- 1.6.2 We agree that an addressee may disclose our report to its employees, officers, directors, insurers and professional advisers in connection with the Purpose, or as required by law or regulation, the rules or order of a stock exchange, court or supervisory, regulatory, governmental or judicial authority without our prior written consent but in each case strictly on the basis that we owe no duties to any such persons. We also agree that our report may be disclosed to Members of the Council.
- 1.6.3 We have discussed with the Council and agreed that our report can be included on the public part of the council agenda for the Joint Overview & Scrutiny and Audit &

Governance Committee on the 12th March 2015. The Council has agreed that the Model will not be included due to issues of commercial confidentiality.

1.7 General

- 1.7.1 The report is issued on the understanding that the management of the Council have drawn our attention to all matters, financial or otherwise, of which they are aware which may have an impact on our report up to the date of signature of this report. Events and circumstances occurring after the date of our report will, in due course, render our report out of date and, accordingly, we will not accept a duty of care nor assume a responsibility for decisions and actions which are based upon such an out of date report. Additionally, we have no responsibility to update this report for events and circumstances occurring after this date.
- 1.7.2 We would like to thank the Council officers for making themselves available during the course of the review.

Grant Thornton UK LLP

February 2015

2. Financial Model

2.1 Financial model options appraised

2.1.1 The Financial Model has been developed to evaluate the following 6 Scenarios:

1. **Current Base** – Under this option the existing site is continued unchanged. This option is calculated to provide comparative figures for operating expenditure and betterment calculation only. This is not considered as a viable option as the Knowle office is in a state of disrepair that requires the corrective actions included in the "Do Minimum" scenario below.
2. **Do Minimum** – Under the Do Minimum option c.£1.5m of capital expenditure plus associated fees, indexation and funding costs, are required to update the existing site to replace windows and other major maintenance. Operational savings are expected to be minimal as the nature of the works is essential repair rather than upgrade.
- 3 **Heathpark 2,776 m² New Office BREAM Very Good** – Under the Heathpark 2,776m² option a 2,776m² facility is developed at Heathpark. Exmouth is refurbished to accommodate an additional 80 desks.
- 4 **Heathpark 2,776 m² New Office BREAM Excellent** – Under the Heathpark 2,776m² option a 2,776m² facility is developed at Heathpark. Exmouth is refurbished to accommodate an additional 80 desks.
- 5 **Heathpark 3,352 m² New Office BREAM Very Good** – Under the Heathpark 3,352 m² option a 3,352 m² facility is developed at Heathpark.
- 6 **Heathpark 3,352 m² New Office BREAM Excellent** – Under the Heathpark 3,352 m² option a 3,352 m² facility is developed at Heathpark.

2.1.2 The Model has been developed to compare the cashflows of each Heathpark option (scenarios 3 – 6) to both the Do Minimum and the Current Base Scenarios cashflows.

2.2 Overview of the Model development

2.2.1 The Model has been prepared to calculate the cashflow impact of the options to the Council. It has been developed in line with generally accepted financial modelling best practice principles (<http://www.icaew.com/en/technical/information-technology/excel/twenty-principles>) and designed with functionality to allow the Council to compare multiple options.

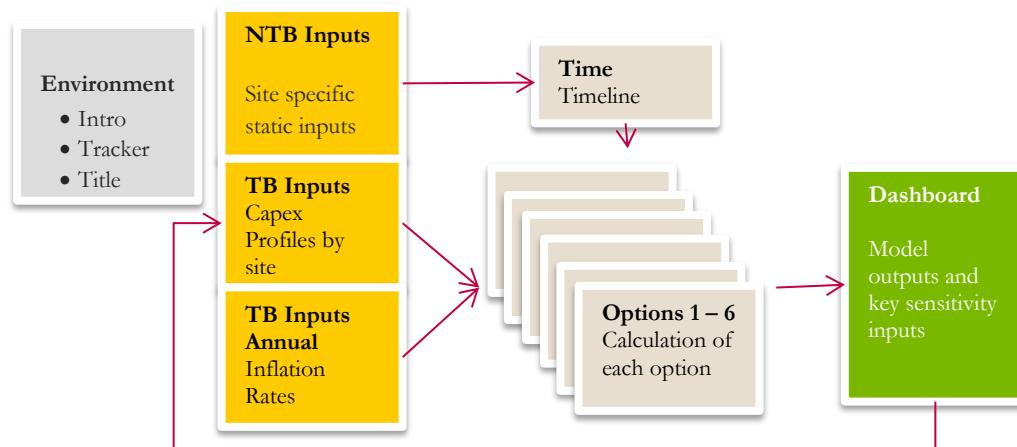
2.2.2 Initial results from the Model were compared to the original Council Model and the differences discussed and agreed. The remainder of this report summarises the outputs of

the revised model which has the additional functionality to allow for NPV and sensitivity analysis. Due to the nature of the cashflows IRR analysis has not been considered.

2.3 Model Structure

2.3.1 The Model is structured to calculate the Options (as defined in section 2.1.1 above) simultaneously. Each option is represented by a worksheet, which is identical to all other calculation worksheets contained within the Model. The Model is structured as per the Figure 1 below.

Figure 1: Model Structure



2.3.2 The model has been structured so there is a clear separation of worksheets used to capture inputs, worksheets used for calculations and outputs. Inputs are split between Non Time Based ("NTB") and Time Base ("TB").

2.3.3 Operational cost inputs have been taken from Davis Langdon / Aecom, which provides operations estimates for Heathpark 3,352 m². The Model apportions the 3,352 m² costs to 2,776 m² New Office based upon the expected floor areas of the proposed buildings. The operational cost inputs into the model therefore represent the 3,352 m² option.

2.4 Project Cashflow

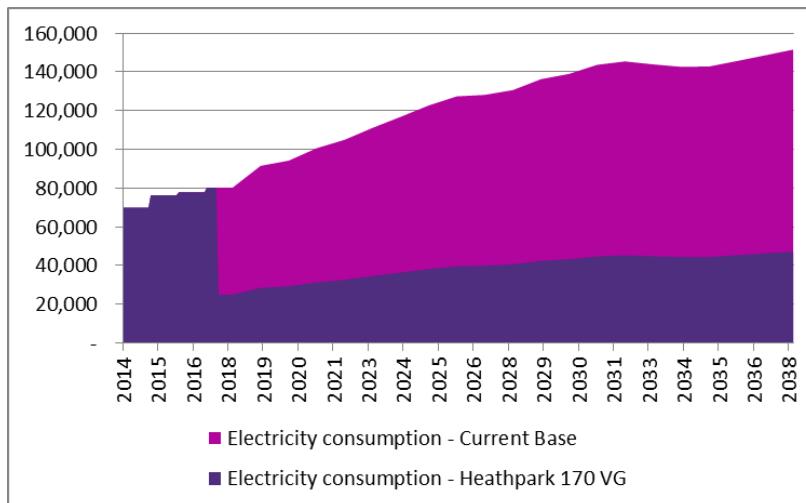
2.4.1 Project cashflows are defined as the cashflows directly attributable to this project. As capital expenditure is expected to be funded via debt the cash outflows represent debt service plus running costs after the Council has relocated and debt service begins. Prior to this date all capital expenditure and associated costs are funded from debt drawdown resulting in nil cashflow for the Council.

2.4.2 The proposed Heathpark buildings provide operational cost savings as compared to the Knowle building. The Model calculates these operational savings ("Betterment") for each option as compared to the Current Base scenario.

2.4.3 Betterment is calculated as the cashflows under the Current Base Scenario minus the cashflow under the chosen Heathpark option.

2.4.4 This is represented by the pink area in the graph in Figure 2 below:

Figure 2: Betterment



2.4.5 Due to the effects of inflation the Betterment increases over time. Table 1 below shows the Betterment for each option versus Current Base.

Table 1: 20 year Betterment vs Current Base

Scenario	Betterment (£)
Do Minimum	240,591
Heathpark 2,776 m ² VG	5,950,551
Heathpark 2,776 m ² EX	5,926,470
Heathpark 3,352 m ² VG	5,481,578
Heathpark 3,352 m ² EX	5,455,182

2.5 Funding

2.5.1 Construction period cashflows are funded via debt drawdown. The funding structure is the same for all options, as follows:

1. Council internal funding – Up to £1m – fully repaid upon drawdown of short-term funding. Interest is applied at an input rate
2. Short-term funding – drawdown to cover all costs up to the date of capital receipt. Interest is charged monthly at an input rate.
3. Long-term funding – Drawn to cover short-term funding less capital receipt. Repaid via annuity profile over 20 years from the date of capital receipt. Interest is charged at an input rate.

- 4. Additional Council funding – Used to cover any shortfall in cash requirement to pay debt service on long-term funding after Betterment. This is discussed further below.

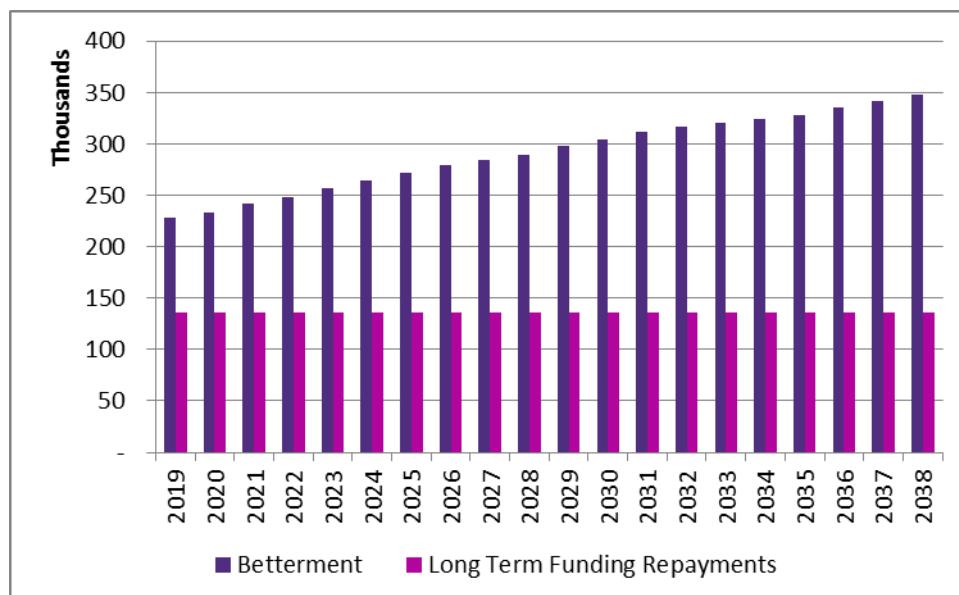
2.5.2 Additional Council Funding is used to cover any cashflow shortfall where Betterment does not fully cover the long term funding costs.

2.5.3 The Additional Council Funding balance represents the net cashflow to the Council. All other cashflows are covered by either funding drawdowns or Betterment.

2.5.4 As seen in Figure 3 below, the Betterment cashflows exceed the long term funding costs. This is primarily driven by Lifecycle savings. Under the Do Minimum option, continued lifecycle to maintain the building in its current state are expected to be approximately £145k per annum. Under the Heathpark options these all to approximately between £45k and £55k per annum.

2.5.5 Short Term Funding is repaid partly by capital receipt. We note that there is no capital receipt for Exmouth on the Heathpark 3,352 m² options. We understand that the Council would consider alternative uses for this site and as there is no Member wish to sell the building, no capital receipt has been included. It should be noted that this represents an opportunity cost to the Council, which could be reflected via the inclusion of a capital receipt equal to the cost of acquiring an alternative site to accommodate the alternative use being considered. We understand the value of the capital receipt is supported by a draft heads of terms. For the avoidance of doubt we have not undertaken any validation of the quantum of this capital receipt, because this was outside the scope of our work..

Figure 3: Long Term Funding Cashflows vs Betterment



2.5.6 Each option, with the exception of the Current Base requires long term finance as per the table below.

Table 2: Long Term Finance Drawdown

Scenario	Total Short Term Funding	Long Term Funding Drawdown
Do Minimum	2,378,594	2,584,537
Heathpark 2,776 m ² VG	9,208,829	2,094,366
Heathpark 2,776 m ² EX	9,578,584	2,490,775
Heathpark 3,352 m ² VG	9,602,659	2,473,169
Heathpark 3,352 m ² EX	10,041,506	2,937,920

2.6 Results

2.6.1 Results are displayed on the Dashboard of the Financial Model. The sections below summarise the key results in terms on Council Funding Cashflows and Net Present Value (NPV) analysis.

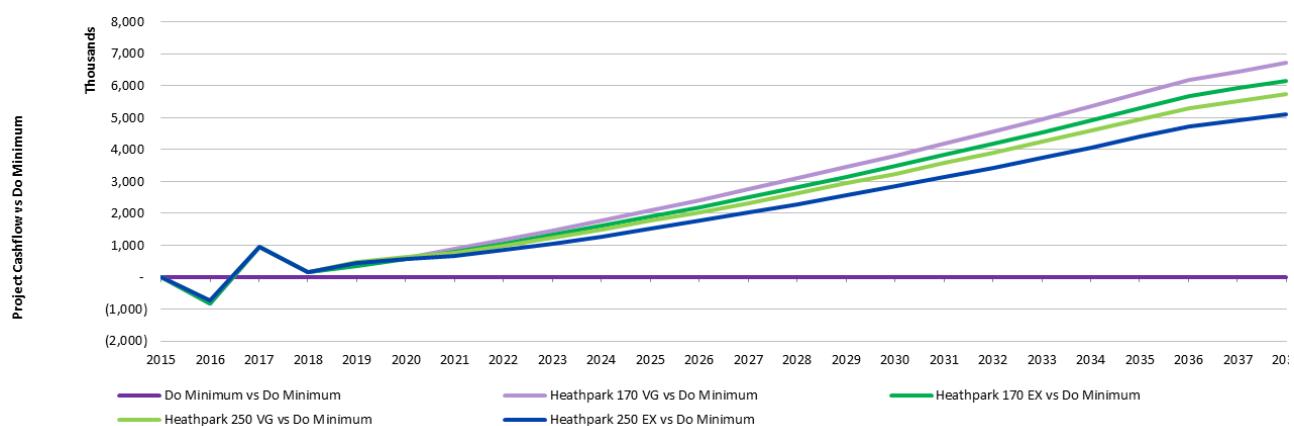
2.6.2 Results are ranked to determine the best option available for the Council.

2.7 Cashflow Comparison

2.7.1 Each Heathpark option cashflow has been appraised against the Do Minimum scenario. Figure 4 shows the net Council Cashflow versus the Do Minimum scenario.

2.7.2 It should be noted that under this assessment the capital expenditure required under the Do Minimum scenario is effectively avoided. This is represented as a positive cashflow movement on the graph in Figure 4. These projected cashflows represent an incremental improvement to the Council from the Do Minimum and, for the avoidance of doubt, does not represent a positive cash balance to the Council.

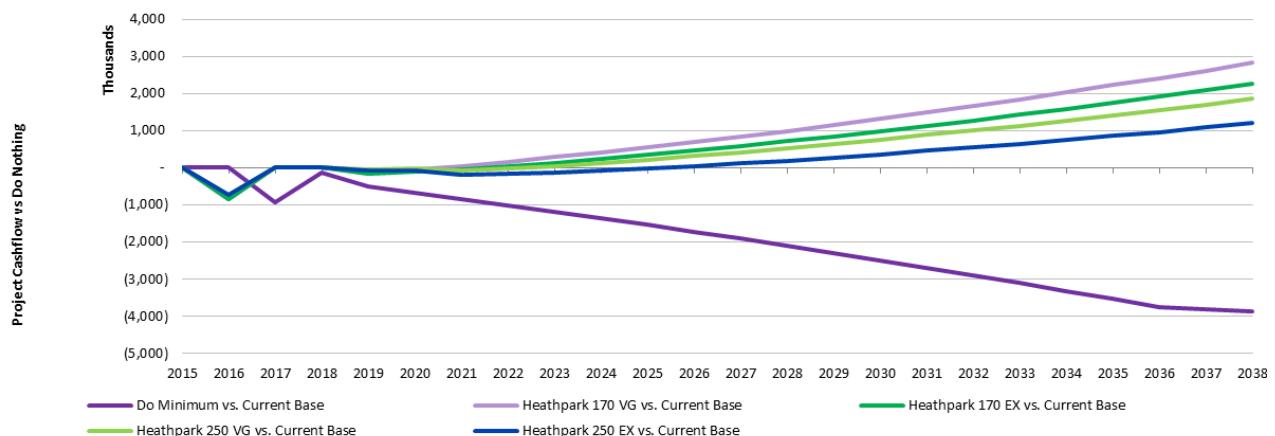
Figure 4: Summary of Cashflows vs Do Minimum



2.7.3 The net Council position should be considered in comparison to the current position of Current Base.

2.7.4 Figure 5 below shows the Net Council Cashflow versus the Current Base, which represents the cashflow incremental to the current position.

Figure 5: Summary of Cashflows vs Current Base



2.7.5 The presentation does not change the results, both graphs clearly show an incremental improvement in the Council's cashflow in comparison to the Do Minimum scenario. The results are summarised in Table 3 below:

Table 3: Cashflow

Scenario	Net Council Cash Position	Incremental Cashflow vs Do Minimum	Ranking
Do Minimum	(3,881,356)		5
Heathpark 2,776 m ² VG	2,828,467	6,709,823	1
Heathpark 2,776 m ² EX	2,279,090	6,160,445	2
Heathpark 3,352 m ² VG	1,864,858	5,746,214	3
Heathpark 3,352 m ² EX	1,212,936	5,094,292	4

2.8 Net Present Value - NPV

2.8.1 NPV analysis is traditionally used to evaluate projects, where a positive NPV is commonly an indication that the project should be committed to. With only Betterment as a "positive" cashflow it is possible for an option to have a negative NPV. In this case, to ensure a fair appraisal, the NPV of each option should be compared to the NPV of the Do Minimum, to take into account the avoided cashflows as discussed above.

Table 4: NPV

Scenario	NPV	Incremental NPV vs Do Minimum		Ranking
		Do	Minimum	
Do Minimum	(1,896,903)			5
Heathpark 2,776 m2 VG	1,060,637	2,957,540		1
Heathpark 2,776 m2 EX	809,825	2,706,729		2
Heathpark 3,352 m2 VG	644,304	2,541,207		3
Heathpark 3,352 m2 EX	346,137	2,243,040		4

2.9 Sensitivities

2.9.1 The Model is designed to be able to run sensitivities on key assumptions. The benchmarking review undertaken by Gleeds (see Appendix A), together with further discussions with the Council, notes that the following balances were identified as key sensitivities:

i. Contingency

As recommended by Gleeds the base contingency input is 15% contingency, we have run sensitivities to identify the impact of contingency.

Table 5: NPV – Contingency Sensitivity 10%

Scenario	NPV	Incremental NPV vs Do Minimum		Ranking
		Do	Minimum	
Do Minimum	(1,896,903)			5
Heathpark 2,776 m2 VG	1,231,928	3,128,831		1
Heathpark 2,776 m2 EX	991,542	2,888,445		2
Heathpark 3,352 m2 VG	850,289	2,747,192		3
Heathpark 3,352 m2 EX	567,418	2,464,322		4

Table 5 indicates there is no impact on the ranking of the options if the sensitivity is reversed to increase the contingency, and therefore the total capital expenditure

Table 6: NPV – Contingency Sensitivity plus 20%

Scenario	NPV	Incremental NPV vs Do Minimum	Ranking
Do Minimum	(1,896,903)		5
Heathpark 2,776 m2 VG	889,031	2,785,934	1
Heathpark 2,776 m2 EX	627,276	2,524,179	2
Heathpark 3,352 m2 VG	436,125	2,333,029	3
Heathpark 3,352 m2 EX	118,942	2,015,845	4

Table 6 indicates there is no impact on the ranking of the options if the sensitivity is reversed to increase the contingency, and therefore the total capital expenditure

The tables above indicate that the ranking of the options is not sensitive to the construction contingency for Heathpark. For Do Minimum to be ranked highest the construction contingency would have to increase to 60% of construction costs.

ii. Inflation - RPI

As described in paragraph 2.4.5 Betterment is a function of inflation. Two downside scenarios have been prepared to analyse the ranking:

a. Zero Indexation on operational costs

Table 7: NPV – Zero Indexation

Scenario	NPV	Incremental NPV vs Do Minimum	Ranking
Do Minimum	(1,919,969)		5
Heathpark 2,776 m2 VG	526,650	2,446,619	1
Heathpark 2,776 m2 EX	276,523	2,196,492	2
Heathpark 3,352 m2 VG	149,372	2,069,341	3
Heathpark 3,352 m2 EX	(166,344)	1,753,625	4

b. Deflation – minus 5% RPI on operational costs

Table 8: NPV – Deflation

Scenario	NPV	Incremental NPV vs Do Minimum	Ranking
Do Minimum	(1,958,046)		5
Heathpark 2,776 m2 VG	(374,093)	1,583,953	1
Heathpark 2,776 m2 EX	(658,891)	1,299,154	2
Heathpark 3,352 m2 VG	(731,916)	1,226,129	3
Heathpark 3,352 m2 EX	(1,065,230)	892,816	4

Table 7 and Table 8 above indicate that the ranking is not affected by inflation sensitivities under the range tested. It should be noted that for the purposes of the RPI sensitivity the Nominal discount rate has been maintained.

iii. Construction Costs

The long term funding costs are proportional on the capital costs. Table 9 shows capital cost sensitivities that would result in the Do Minimum option being comparable to the Heathpark.

Table 9: Capital Cost Sensitivity

Scenario	Capex Sensitivity
Do Minimum	(179%)
Heathpark 2,776 m2 VG	72%
Heathpark 2,776 m2 EX	62%
Heathpark 3,352 m2 VG	51%
Heathpark 3,352 m2 EX	42%

2.10 Modelling Conclusion

- 2.10.1 The results detailed above reflect the outputs from the Model named East Devon Council Relocation – v12a, provided to the Council via email on 27 February 2015.
- 2.10.2 The key cashflows to the Council are Long Term Funding costs and Betterment Costs. The Long Term Funding requirement under each option is within £0.5m to that under the Do Minimum scenario, therefore the ranking is dependent upon the Betterment under each option.
- 2.10.3 As can be seen from the sensitivities the total Construction Costs, would have to increase by at least 42% before the Net Council Cashflow under the Do Minimum option becomes comparable. This is equivalent to a contingency of 60%.
- 2.10.4 Both the Cashflow Analysis and the NPV Analysis indicate that the Heathpark 2,776 m2 VG option represents the best value as compared to the Do Minimum scenario.

3. Benchmarking exercise over cost assumptions

3.1 Introduction

3.1.1 Grant Thornton engaged Gleeds as an external cost consultant to undertake the specialist benchmarking exercise relating to the input costs which underpin the Council's Model options appraisal for the core civic offices requirements. The benchmark data compiled by Gleeds is based on their work with other local authorities on their office portfolios and other relevant data indices such as Building Cost information Service (BCIS).

The benchmarking covers two principal areas:

- Capital costs, which includes the assumptions on space and construction costs.
- Revenue costs, which includes the full range of operating costs that should be considered as part of an options appraisal.

3.2 Summary findings

Capital Costs

3.2.1 In completing a review of the work undertaken to date, Gleeds generally found the capital allowances made to be cautious in nature. This was considered as understandable given the early stages of the project and the absence of any design, however it should be remembered that consistent caution will have a cumulative effect that may lead to an overstatement of the capital costs.

3.2.2 The current cost/m² for the BREEAM Excellent 2,776 m² desk scheme equates to £2,439/m² which Gleeds believe to be high, albeit acknowledging the basis on which this figure has been reached (other options are slightly lower cost). We would expect this number to fall as the design develops and risk is reduced, and would suggest that any initial decision making within the Council is undertaken in full awareness of the levels of contingency that are likely to exist in this allowance, particularly if decisions relate to affordability.

3.2.3 It is acknowledged that the Council has considered this advice and as a result the general level of contingency for the new build has been reduced in the model from 20% to 15%

Operating Costs

3.2.4 In completing a review of the work undertaken to date, Gleeds found the following anomalies in the revenue costs that:

- i. have generally caused these costs to be understated; and
- ii. will have a material bearing on the options appraisal process, as the costs fail to account for some of the differing revenue costs associated with each option

3.2.5 Examples of these anomalies, and the changes made to the Model include:

Anomaly	Comment	Action
Reduction in energy consumption that would be realised as a result of increasing the BREEAM standard	No account is made of the likely reduction in energy consumption that would be realised as a result of increasing the BREEAM standard to Excellent in the construction. Whilst there will be a payback period for this additional capital investment, we would expect this to fall within the 20 year appraisal window. Thereafter, reduced energy consumption would provide savings to EDDC.	A saving has been added to the BREAM Excellent options of 5% per annum on Electricity, Gas and Water costs. All other costs are expected to be consistent.
Lifecycle Costs	No account is made for lifecycle costs in any of the options (noting that the maintenance allowances made would not account for capital replacements). It is reasonable to expect that the lifecycle costs on wholly new assets would be lower than that on options that retain existing assets where liabilities will be greater.	An annual allowance for Lifecycle costs has been included for all options. For Do Minimum a 10 year capital improvement plan has been developed indicating lifecycle costs of equivalent to £145k per annum, reflecting the age and size of the building. For Heathpark the lifecycle costs are expected to be much lower. It should be noted that these cashflows would not accrue evenly over the life of the building and a reserving mechanism should be considered. The model represents the annual contributions to such a reserving mechanism.

3.2.6 Appendix A contains the detailed results of the benchmarking exercise carried out by Gleeds.

4. Conclusions

4.1 Benchmarking

- 4.1.1 The benchmarking exercise highlighted some key considerations for the Council. The two key recommendations of BREEAM excellent savings and Lifecycle costs have been included, following consideration and agreement by the Council, in the cashflow analysis as part of the modelling exercise undertaken.
- 4.1.2 Gleeds identified that capital costs are potentially overstated for the Heathpark options. As shown in the sensitivity analysis in section 2.9, construction contingency costs would be required to increase 60% for the Do Minimum option to become comparable. It should be noted that the Knowle essential works are benchmarked to recent quotes for the work received by the Council.
- 4.1.3 Any potential saving identified by Gleeds in capital costs would therefore strengthen the financial case for the Heathpark options.

4.2 Financial Case

- 4.2.1 The key cashflows to the Council are Long Term Loan costs and Betterment Costs. The Long Term Funding requirement under each option are comparable to those under the Do Minimum scenario. Therefore the ranking is highly dependent upon the Betterment under each option.
- 4.2.2 As can be seen from the sensitivities the Construction Costs would have to increase by at least 42% before the Net Council Cashflow under the Do Minimum option becomes comparable.
- 4.2.3 Both the Cashflow Analysis and the NPV Analysis indicate that the Heathpark 2,776 m² VG option represents best value from a financial perspective compared to the Do Minimum scenario based upon the stated assumptions. However, it should be noted that there is an opportunity cost under the Heathpark 3,352 m² options in the sale of the Exmouth site, which is not reflected in the results above. Should this be reflected, Heathpark 3,352 m² may represent better value than Heathpark 2,776 m² VG. However the Council has informed us that there is no intention to sell this asset
- 4.2.4 The conclusions above are based solely on the results of the Model and therefore do not consider any qualitative aspects of the options, and nor have we considered the extent to which the office relocation project will meet the Council's service or efficiency aspirations/objectives

Appendices



Appendix A: Draft Gleeds Benchmarking Report



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gleeds^G

EAST DEVON DISTRICT COUNCIL
REVIEW OF COUNCIL OFFICE
RELOCATION PROJECT PROPOSALS

Version 4
3 March 2015

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Executive Summary

Gleeds, via Grant Thornton, has been engaged to complete a review of the costs underpinning East Devon District Council's Office Relocation Project proposals.

This report sets out the findings of this review. Where appropriate, we have provided suitable benchmark data compiled from our work with other local authorities on their office portfolios. Our construction benchmarks are more widely informed by similar developments for public or private sectors.

This review has been undertaken on an 'independent review' basis: we have had minimal engagement with the Council to understand its detailed requirements and offices strategy: as such we have again identified possible opportunities to enhance outcomes based on our work with other Councils.

We would of course be delighted to discuss any aspect of this report further with the Council. In the first instance, queries should be addressed to:

Darren Crocker, Director:
Gleeds Advisory Limited

m: 07790 004919
e: darren.crocker@gleeds.co.uk

We have conducted our review in two principal areas:

- Capital costs, which includes the assumptions and construction costs.
- Revenue costs, which includes the full range of operating costs that should be considered as part of an options appraisal.

Capital Costs

In completing a review of the work undertaken to date, we have generally found the capital allowances made to be cautious in nature. This is considered as understandable given the early stages of the project and the absence of any design, however it should be remembered that consistent caution will have a cumulative effect that may lead to an overstatement of the capital costs.

The current cost/m² for the BREEAM Excellent 2,776 m² desk scheme equates to £2,439/m² which we believe to be high, albeit acknowledging the basis on which this figure has been reached (other options are slightly lower cost). We would expect this number to fall as the design develops and risk is reduced, and would suggest that any initial decision making within the Council is undertaken in full awareness of the levels of contingency that are likely to exist in this allowance, particularly if decisions relate to affordability..

Revenue Costs

In completing a review of the work undertaken to date, we have found a number of anomalies in the revenue costs that:

- have generally caused these costs to be understated; and
- will have a material bearing on the options appraisal process, as the costs fail to account for some of the differing revenue costs associated with each option

Examples of such anomalies include:

- No account is made of the likely reduction in energy consumption that would be realised as a result of increasing the BREEAM standard to Excellent in the construction. Whilst there will be a payback period for this additional capital investment, we would expect this to fall within the 20 year appraisal window. Thereafter, reduced energy consumption would provide savings to EDDC.
- No account is made for lifecycle costs in any of the options (noting that the maintenance allowances made would not account for capital replacements). It is reasonable to expect that the lifecycle costs on

wholly new assets would be lower than that on options that retain existing assets where liabilities will be greater.

Conclusions

We understand that, in adopting many of the recommendations within this report, the Financial Appraisal will be re-run using the revised data highlighted at various points throughout this report. This will serve two purposes:

- To provide an updated assessment of overall cost that can be used to inform any wider discussions on affordability and deliverability
- To ensure that the various options are compared with improved recognition of the benefits and drawbacks associated with each across their respective capital and operational phases.

In reviewing the information made available, we note that the Council has defined a series of project review points as the scheme develops. With these in mind, the current level of cautiousness is understandable and we would expect these review stages to progressively firm up elements of the scheme, reducing the need for conservatism and risk allowances.

1



Review of capital and revenue Based Assumptions

DATA SOURCES

This review has been undertaken based on a number of documents provided by the Council:

- A financial model (*Preferred Site Options CVR Review – MASTER – Rev R (1) with redundant pages and links deleted.xls*), within which is a significant amount of data pertaining to several options. Our understanding is that the key options are:
 - The provision of a single new facility at Heathpark, based on 3,352 m² New Office; or
 - The provision of a new facility at Heathpark of 2,776 m² New Office, plus the refurbishment of Exmouth Town Hall.
 - Against the above two options, the 'do nothing' option of remaining in the Council's offices at Sidmouth.
- A number of supporting reports and spreadsheets that inform the above, including:
 - 20130604 Knowle Energy Use and Maintenance Cost Analysis Report Final.pdf
 - EDDC Office Accommodation – Rates Evaluations FY 14 15. Rev E 9 Feb 2015.xls
 - Spatial analysis_Rev I-3,352 m²desk.pdf
 - b1. Copy of 141029 DG EDDC New Offices – Order of Costs Rev A – 2776 m² GIA – 2,776 m² New Office.xls
 - b2. Copy of 141029 DG EDDC New Offices – Order of Costs Rev J – 3352 m² GIA – 3,352 m² New Office.xls
 - c1. EDDC Office Accommodation – Cashflow – Heathpark – 2,776 m² New Office BREEAM VG – Rev E – 3 December 2014.xls
 - c2. EDDC Office Accommodation – Cashflow – Heathpark – 2,776 m² New Office BREEAM EX – Rev D – 3 December 2014.xls
 - c3. EDDC Office Accommodation – Cashflow – Heathpark – 3,352 m² New Office BREEAM VG – Rev D – 3 December 2014.xls
 - c4. EDDC Office Accommodation – Cashflow – Heathpark – 3,352 m² New Office BREEAM EX – Rev D – 3 December 2014.xls
 - Annual Running Costs – Reference Scenario (+ Knowle Ess Reprs) Rev C – 27 1 15.xlsx

The above documents include data relating to additional schemes considering a separate turnkey solution, depots, etc. On advice from the Council, we have not considered these at this stage, instead focussing on the constituent parts of the 3 schemes above.

REVIEW AND COMMENTARY

In the interests of providing clarity, we have sought to break down our review and findings into discreet areas as set out below. There are of course interfaces and dependencies between these areas and as such, the report should be considered as a whole.

SPATIAL ALLOWANCES

We understand that the Council has already engaged professional advice from Kensington Taylor Architects and ADG Architects in respect of space allowances. In light of the above and as requested, we have not commented on the assumptions relating to space that underpin the cost assumptions.

CONSTRUCTION COSTS

Indices

Based on current BCIS data (overleaf), we would expect office accommodation (adjusted for East Devon) to cost in the region of £1,378 / m² including preliminaries and O/H&P at 4Q2014 prices. The proposed EDDC Cost Plans equate to £1,592.75 / m² for the smaller office facility and £1,566.39 / m² for the larger facility. This exceeds the benchmark costs even for an air-conditioned building, which we understand is not EDDC's intention. We understand that this higher figure has been derived from tender prices received on similar type office developments in the south west region on which AECOM are advising.

In light of the above, we have reviewed the breakdowns provided for the Initial Order of Costs estimates. Whilst we have no drawn information or specifications to undertake a detailed review of the rates used, a general overview of the rates identifies the following:

- The rate used for the substructure element appears high, particularly as it assumes that piling will not be required. We recognise however that this is one of the major risk items at this early planning stage, and caution needs to be exercised until such time as ground conditions are better understood.
- The estimate is based on a concrete framed structure. As the detailed design develops, it may be possible to switch to a more economical structural steel structure.
- The rate used for the roof finish appears high
- The rate used for cavity wall construction is high

Whilst we believe some of the M&E rates are high and some are potentially low, overall the Mechanical and Electrical installations element is circa 10-15% higher than we would expect it to be. We acknowledge however that pricing in this area is experiencing greater pressures at present than other construction trades, so caution may be appropriate.

The rate used for Preliminaries and O/H&P is reasonable, although may prove to be a little low if current market pressures continue. The BCIS all-in TPI has been updated and the data available at 9th February 2015 (below) shows inflation over this period at 4.3%, a slight reduction on that currently included. As with all indices, this remains subject to change and the TPI index remains relatively volatile at present. We would recommend that modelling exercises undertake some sensitivity analysis around these rates as part of any decision making process

Description: Rate per m² gross internal floor area for the building Cost including prelims.

Last updated: 24-Jan-2015 12:19

🕒 Rebased to 4Q 2014 (255; forecast) and East Devon

Maximum age of results: Default period

Building function (Maximum age of projects)	£/m ² gross internal floor area							Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest			
New build									
Offices									
Generally (15)	1,378	580	1,024	1,303	1,508	4,381	189		
Air-conditioned									
Generally (15)	1,501	580	1,210	1,397	1,587	4,381	67		
1-2 storey (15)	1,309	580	1,075	1,309	1,395	2,609	23		
3-5 storey (15)	1,518	938	1,223	1,413	1,566	4,381	35		
6+ storey (15)	1,911	1,334	1,504	1,631	2,172	3,330	8		
Not air-conditioned									
Generally (15)	1,305	662	960	1,206	1,483	2,494	84		
1-2 storey (15)	1,200	662	923	1,130	1,360	2,354	45		
3-5 storey (15)	1,396	715	1,098	1,343	1,535	2,494	36		
6+ storey (20)	1,805	1,378	-	1,880	-	2,084	4		

BCIS All-in TPI #101

Base date: 1985 mean = 100 | Updated: 06-Feb-2015 | #101

Date	Index	Sample	Percentage change		
			On year	On quarter	On month
1Q 2013	234	36	8.8%	4.5%	
2Q 2013	236	31	2.6%	0.9%	
3Q 2013	234	32	4.9%	-0.8%	
4Q 2013	237	32	5.8%	1.3%	
1Q 2014	241	25	3.0%	1.7%	
2Q 2014	251	22	6.4%	4.1%	
3Q 2014	251	Forecast 11	7.3%	0.0%	
4Q 2014	255	Forecast 5	7.6%	1.6%	
1Q 2015	257	Forecast	6.6%	0.8%	
2Q 2015	261	Forecast	4.0%	1.6%	
3Q 2015	264	Forecast	5.2%	1.1%	
4Q 2015	266	Forecast	4.3%	0.8%	
1Q 2016	268	Forecast	4.3%	0.8%	
2Q 2016	272	Forecast	4.2%	1.5%	
3Q 2016	275	Forecast	4.2%	1.1%	
4Q 2016	278	Forecast	4.5%	1.1%	
1Q 2017	282	Forecast	5.2%	1.4%	
2Q 2017	287	Forecast	5.5%	1.8%	
3Q 2017	290	Forecast	5.5%	1.0%	
4Q 2017	293	Forecast	5.4%	1.0%	
1Q 2018	297	Forecast	5.3%	1.4%	
2Q 2018	302	Forecast	5.2%	1.7%	
3Q 2018	306	Forecast	5.5%	1.3%	
4Q 2018	309	Forecast	5.5%	1.0%	
1Q 2019	313	Forecast	5.4%	1.3%	
2Q 2019	318	Forecast	5.3%	1.6%	
3Q 2019	321	Forecast	4.9%	0.9%	
4Q 2019	324	Forecast	4.9%	0.9%	

The construction timescales have been reviewed and would appear reasonable assessments for the scale of projects.

20% has been included in the estimates for 'Design & Construction Risk / Contingency' on instruction from within the Council. This figure is considered high even recognising the limited information available and we would advise that it should be reduced: typically we would expect this to be in the range 10-15%, with the upper end of this used given the immature level of design detail at this stage. We note that from discussions during the production of this report, that the Council has agreed that a reduction to 15% is appropriate.

With the exception of the points raised above generally with regards to on-costs, the rates used for calculation of the external works appear reasonable.

We would also note that a number of allowances have been made on an equal basis, when we would more usually expect these to be 'calibrated' to the scale of project i.e. we would expect the larger development to have a slightly higher Section 106 cost associated with it given it is almost a third larger. We recognise however that this level of granularity has not yet been reached, and therefore standard allowances are to be expected.

BREEAM Allowances

Using BRE published data "Delivering Sustainable Buildings", based on 2011 BREEAM standards, the 'premium' for capital costs is:

- 0.22% for Very Good
- 0.96% for Excellent

The new 2014 standard is more onerous, however the improved standards required to satisfy current Building Regulations have meant that the gap between a building compliant with current Building Regulations and BREEAM excellent has reduced. Current benchmark data within Gleeds implies that this increase should fall within the range of 1% to 4%, which is above the above statistics.

We would suggest a premium of around 2.5% of capital cost would be adequate to allow the step from Very Good to Excellent. However we do note that the current allowance of 6% has been derived by AECOM from their own experiences on local projects.

The actual costs of this difference can be properly calculated at minimal cost via a pre-assessment.

Refurbishment Costs

The costs and assumptions relating to the refurbishment of Exmouth Town Hall are noted however it is not possible to validate these with any credibility without a more detailed inspection of the property itself. This can be undertaken if desired.

We would note that work undertaken on historic buildings is typically more expensive and time consuming than that on other building types. We would also note that there are inherent risks in any refurbishment project. Whilst an effective contracting strategy will enable these to be effectively managed, it is prudent nonetheless to make reasonable allowances for these items.

In our view, the current allowance of £450/m² would secure:

- Some reconfiguration of services to allow alternative layouts to be implemented
- Minimal M&E upgrades in support of the above
- Cosmetic refurbishments – fabric repairs, replacement finishes to floors/walls/ceilings

The allowances in terms of Preliminaries and OHP appear reasonable, albeit the former will be substantially influenced by the delivery programme and the extent to which the construction process is affected by continued occupation. The contingency allowance is generous, but considered appropriate for such an early stage in the project process on a refurbishment scheme.

Similarly, we would need to understand additional information in respect of the existing Knowle building before we were able to validate the allowance of £1,566,000, albeit we understand that this figure is based on historic quotations received, updated using BCIS indices¹. . We note that the current schedule contained within the Knowle Report makes no allowances for enabling/consequential works, for example:

- Making good decorations and finishes following the works – in particular window replacements, removal of life-expired heating systems, lighting upgrades, etc.
- It is unclear whether costs for access are included in window replacement – this could necessitate substantial scaffolding erections
- It is unclear how much would be required in terms of pipework diversions, electricity installation upgrades, etc. in order to bring systems worked on up to current legislative standards.
- It is unclear how the works would be programmed, and whether or not there would be a need for temporary relocations

Again, these costs can be reviewed in more detail if desired. It is noted that the level of contingency for this scheme is lower at 10%, which is inconsistent with assumptions made elsewhere and given the nature of refurbishment works, should perhaps be increased to 15%.

Client Capital Costs

We are able to trace back the calculations that make the split in costs between the 2,776 m² workstations facility and the e/o for Exmouth Town Hall to the differences in proposed total area. Whilst this is a reasonable approach for initial budgetary purposes, the calculation above identifies that the two scales of building have different dynamics and as such, a straight pro-rata calculation may not be appropriate.

In terms of each individual element:

- £93.21/m² as FFE cost – we would usually anticipate seeing FFE costs in the first instance developed on a cost per workstation basis, as this better reflects intensity of use (such a calculation would make allowance for standard additional items such as storage, meeting rooms, etc.). There is clearly a very significant range in quality and price on FFE, but we would ordinarily expect a cost in the order of £1,200 to £1,400 per workstation to allow for a standard of fit out commensurate with a local authority environment.
- We have no basis on which to validate relocation costs. ICT/Equipment costs appear to have been generated internally and therefore cannot really be validated. We would note that if a move to more

¹ This is an appropriate methodology at this stage, however we would recommend that, due to the changes in the economic climate, there has been substantial movements in tender prices with some types of work more prone to increase than others. To that end, it would be prudent to validate quotations received in the event that this option remains under serious consideration.

agile working practices is sought, then our experience suggests that ICT systems require investment in order to support this. Key areas for consideration include:

- E-storage – capacity and accessibility
- Follow me technologies for mobile working – telephones, printing, computers
- Security and connectivity for remote working
- Further allowances for staff, etc. equally have been internally generated and cannot be validated. Again, our experience suggests that any adoption of more modern working practices does require some investment in HR systems, processes and procedures. In addition to updating corporate documentation, there is a need for an effective change management process at a staff level to ensure people are 'taken on the journey'.

REVENUE COSTS

Business Rates

We are not able to comment on these, as we have no means of verifying the proposed valuations. We understand that they are based on data provided by the Valuation Officer.

We note that different rates are applied to different locations which provides some differentiation, from £11.15/ft² at the lowest end to £17.19/ft² at the higher end.

Insurances

We are not able to comment on these. Any validation would necessitate the Council to engage professional insurance advice.

Energy Costs

In general terms, the methodology used to calculate energy consumption (gas and electricity) is a standard one, drawing upon relevant DECC data. When looking at how this data has been applied to the EDDC schemes, no account appears to have been taken of the slightly higher performance that should be expected from an 'Excellent' building when compared to a 'Very Good' building. In particular, it is likely that additional measures will be taken to reduce fuel consumption to achieve an 'Excellent' rating, either through thermal efficiency or increasing renewables.

Water consumption has been 'flat lined' against current use. We do not believe this to be appropriate, as water conservation is one of the key areas in BREEAM and as such, we would anticipate that consumption should decrease, especially if grey water/rainwater harvesting systems are utilised to achieve higher BREEAM ratings.

With the above in mind:

- Energy costs should be reviewed to account for increased build standards (see below)
- Water costs should be reviewed to identify if there are savings available. Given that these savings would apply to both options (albeit to a lesser extent on the smaller facility), then the impact of this on any options appraisal is thought to be minimal.

The BRE report cited in the section on BREEAM costs above identifies a range of time periods over which this investment will be returned (dependent on the individual technology used) ranging from 2 years out to 20 years. The continued lower energy costs beyond this point represent a real saving. The below table assumes a payback period of 12 years, which we believe to be very conservative.

	Base Cost – BREEAM Very Good (£)²	Additional Cost for BREEAM Excellent (£)	Annual Energy Cost Saving on Excellent Facility	20 year saving after investment recovered
Larger Building	6,388,429	159,711	13,309	106,474
Smaller Building	7,586,329	189,658	15,805	126,438

We note that the energy costs for Exmouth Town Hall are taken from existing actual data. This is a prudent approach, however the following does need to be considered:

- Is the current use of the building being changed (in particular, is use being intensified)?
- Will the refurbishment works improve efficiency in any way?

Planned & Reactive Maintenance Costs

We generally believe these costs to be low, especially when considering a 20 year period where there will be:

- A progressive deterioration in the environment through wear and tear
- A need for more substantive capital replacement/servicing works.
- There will be a number of statutory servicing requirements on lifts, etc. that are usually managed on an annual contract basis that would most likely subsume most of the current allowance.

Based on a ‘bronze standard’ maintenance regime typically associated with a local authority environment³, a reasonable annual budget would be around £5/m² pa for a naturally ventilated office building. This equates to:

² This takes the capital costs as provided by the Council, and does not account for any adjustments to this detailed elsewhere in this report.

- £16,760 pa for the larger 3,352m² building
- £13,880 pa for the smaller 2,776m² building. In addition to this, there would need to be an allowance for the Exmouth Town Hall building; whilst this will have been refurbished, as it is older we would suggest using the upper end of the bronze benchmark of £6.50/m² for this site. This secondary allowance does not appear to be included in the overall financial model.

In our experience, it is commonplace that benchmarked budgets do not deliver the savings expected from existing budgets. This is usually because:

- Existing budgets are frequently supplemented from other local budgets or centrally held 'emergency' reserves
- Current maintenance regimes are designed on a 'fix it when it is broken' basis – this inevitably leads to decreased operating life of components and an increased backlog maintenance (see below). We note that the 'planned maintenance' budget allowance is a pro-rata reduction in the existing budget, which we believe to be inappropriate.

Other Operating Costs

We note that the model does not account for other operating costs. Some of these may be material in determining the most cost effective option over a 20 year period. These include:

Cleaning Costs	The nature of modern, open plan spaces allows more efficient cleaning solutions than older/more cellular buildings.
Lifecycle Replacement Costs	<p>Capital replacements are an inevitable part of long term building occupation – from decorative finishes to major items of plant. New buildings will generally provide a low requirement in the first 20 years, with a more significant commitment in the following 10 years.</p> <p>As a broad allowance we would suggest that the equivalent of 0.7% of capex should be set aside annually for a basic lifecycle replacement strategy. Allowances for existing buildings are more complicated to estimate as it is clearly dependent on asset age and condition in each case, but these would be progressively higher. It would not be unreasonable to include a premium of 50% to 75% on the above allowances for a similar type and size building..</p> <p>More often than not, this element is seen as an 'additional' cost line for local authorities, whose planned maintenance budgets do not properly account for life cycle replacements. The discretionary nature of spend from one year to the next and the long term funding plan for future liabilities is not consistent with</p>

³ The 'bronze standard' generally equates to an environment where finishes, installations and equipment are 'standard' specifications (i.e. non-specialist/complex/maintenance intensive) and the repairs regime is not carried out under a performance based regime.

	local authority accounting arrangements. Nonetheless, this should be properly considered in any long term asset management strategy and options appraisal.
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Indices

As property is a long term consideration, the EDDC study is rightly applied over a longer period of time – in this case 20 years (attention is drawn to the comments on lifecycle above).

A number of indices have been proposed to be applied to the various cost headings. We would generally agree with the proposed indices, with perhaps the exception of:

- Those costs more closely related to property values – rates, insurance, etc. where an index including property (say RPI) would be more appropriate than CPI
- Those costs that have a high level of staff costs – employee costs, grounds maintenance, etc. where a wages index (e.g. Average Earnings Index) may be more appropriate.

It should of course be noted that any index is indicative and inherently imprecise. We would recommend that any modelling exercises allow for sensitivities to be applied to any indexation assumptions, especially where the differences between alternative options are relatively small. This will allow the robustness of any options appraisal conclusions to be properly tested.

Financing Costs

We have not commented on these, as this will be addressed by Grant Thornton.



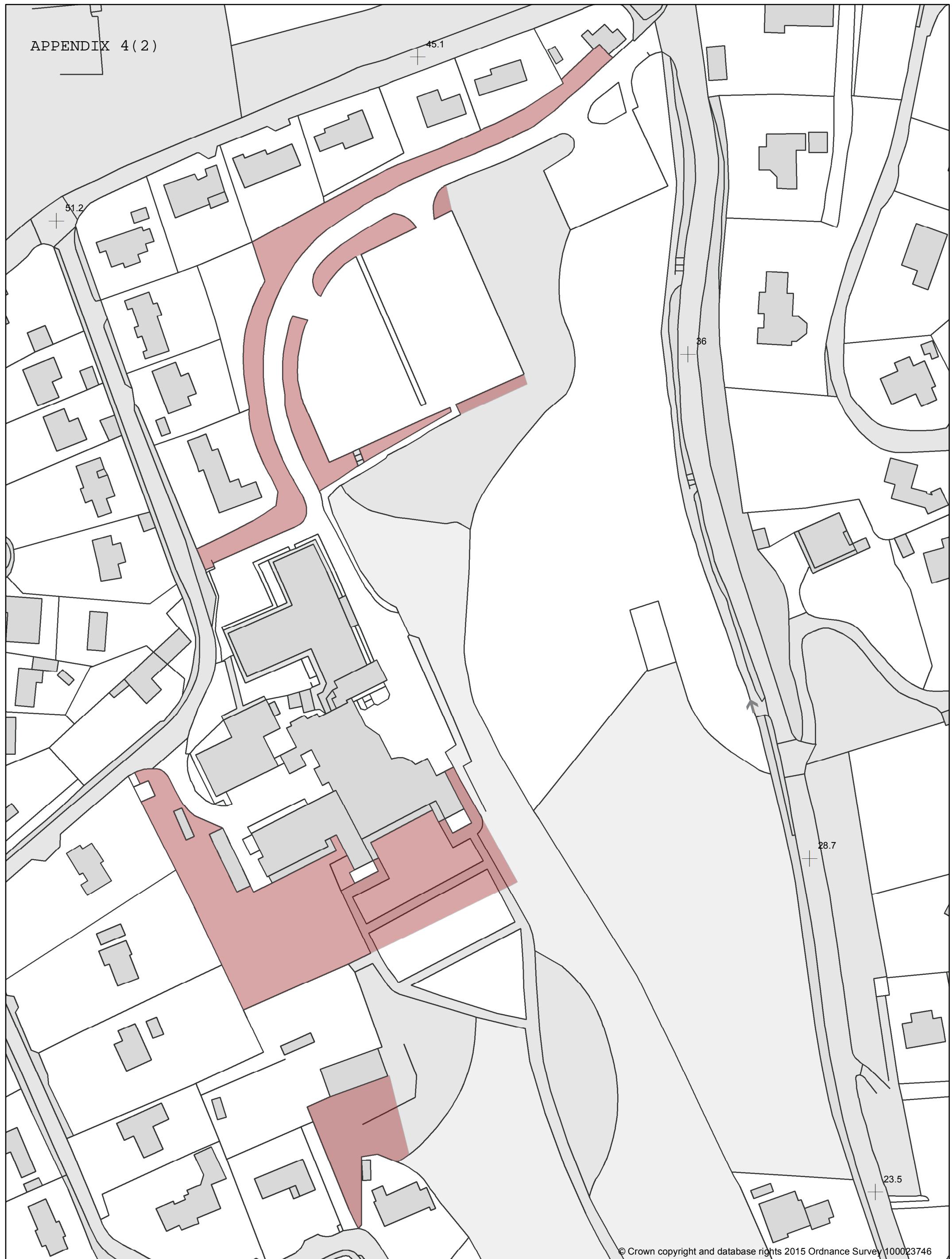
1400 Bristol Parkway North
Newbrick Road
Bristol BS34 8YU

T +44 (0) 117 317 3200

EDDC OFFICE ACCOMMODATION PROJECT

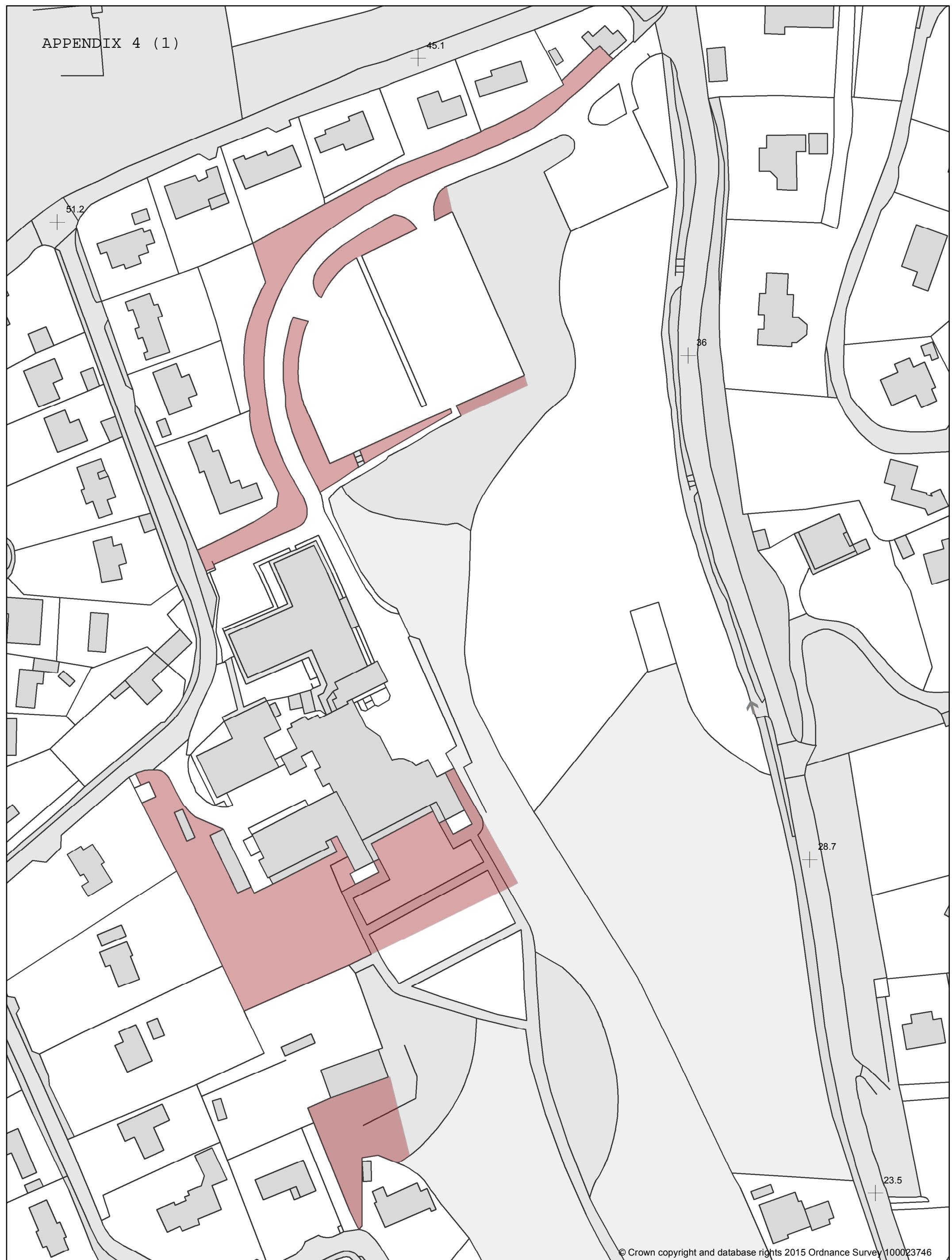
SITE LOCATION OPTIONS TWENTY YEAR ANNUAL RUNNING COSTS BETTERMENT COMPARED WITH KNOWLE CURRENT BASE

Total Betterment	Indexation	KNOWLE - CURRENT BASE	KNOWLE - DO MINIMUM	2,776 M2 OFFICE AT HEATHPARK AND REFURBISHMENT OF EXMOUTH TOWN HALL	2,776 M2 OFFICE AT HEATHPARK AND REFURBISHMENT OF EXMOUTH TOWN HALL	3.352 M2 OFFICE AT HEATHPARK	3.352 M2 OFFICE AT HEATHPARK
Business Rates	RPI		-	-1,286,906.39	-1,286,906.39	-1,991,707.30	-1,991,707.30
Planned Maintenance	RPI		-1,034,566	-30,741.83	-30,741.83	114,124.34	114,124.34
Reactive Maintenance	RPI		367,533	358,188.11	358,188.11	358,188.11	358,188.11
Electricity consumption	Electricity prices - Medium		877,627	1,801,066.42	1,829,412.49	1,930,177.75	1,964,405.43
Gas consumption	Gas prices - Medium		-27,456	359,700.28	373,413.78	394,978.82	411,537.76
Water consumption	RPI		-	38,652.76	47,967.01	71,077.43	82,324.31
Building Insurances	RPI		-	175,394.03	175,394.03	178,242.06	178,242.06
Content Insurances	RPI		-	-	-	-	-
Employee costs	RPI		57,453	1,351,779	1,351,779	1,441,651	1,441,651
Grounds Maintenance / Estate Servicing Costs	RPI		-	197,069	197,069	201,112	201,112
Other costs associated with property maintenance	RPI		-	295,231	295,231	293,859	293,859
Other running costs	RPI		-	135,546	135,546	79,937	79,937
Miscellaneous running costs	RPI		-	153,440	153,440	-48,455	-48,455
Lifecycle	RPI		-	2,402,132	2,326,678	2,458,394	2,369,964
Total Betterment			240,591	5,950,551	5,926,470	5,481,578	5,455,182



1:1,000

 Open Space to be appropriated



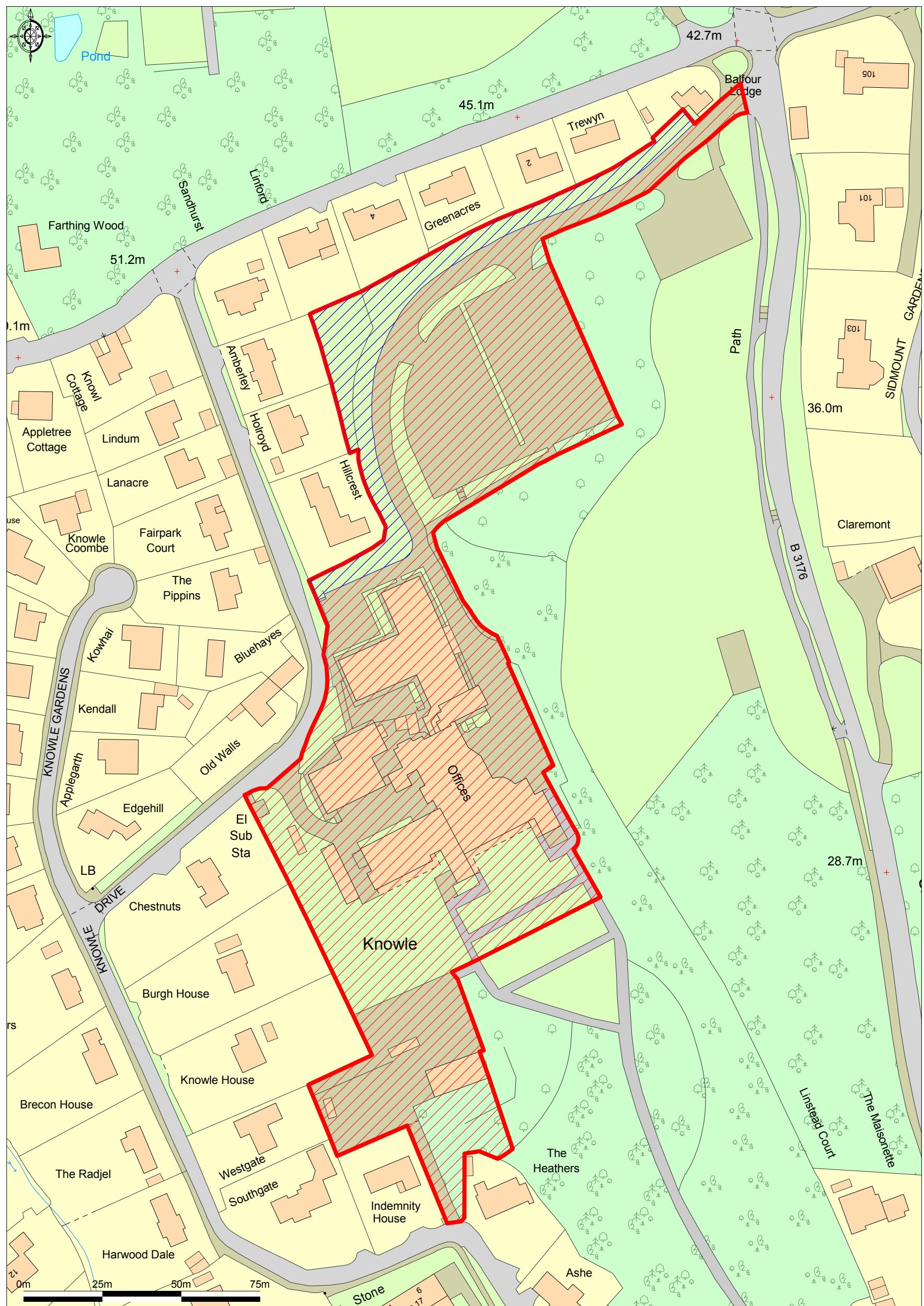
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 Open Space to be disposed of

The Knowle

Station Road, Sidmouth, Devon



For illustrative purposes only.

Summary of responses to public notices of intention to dispose / appropriate

Loss of open space

Area to be lost is part of an important local amenity which is of high amenity value. Land is required, has been used for many years by the public for recreation / public open space (including garden / workshop area) and should be retained for the benefit of the local community for the designated purpose.

Land is designated recreation land within Policy RE1 of the current Local Plan (2006 – 2011) which also acknowledges (at para 13.121) that '*the town has an overall under supply of formal recreation land*'.

Public Open Space Study includes land owned by the National Trust in its calculations (The Byes) and also says that Knowle Gardens of special quality.

Should be finding an equivalent area to compensate.

No justification for the extent of areas (particularly the terraces which are the most visually prominent and attractive part of the Parkland) being appropriated / disposed of.

Not necessary to change the designation of land to the north of the access drive.

Impact of loss

Loss would spoil ambience of this part of Sidmouth

Loss would seriously adversely affect the appearance of the remainder of the public gardens.

Small area of land left after development would destroy character of the park and leave little land for enjoyment of visitors and residents.

Green spaces enhance the environment and add value to local land and businesses as well as attracting tourists - in danger of eroding characteristics of Sidmouth that make it the thriving tourist town.

Loss would reduce enjoyment of the gardens

Once sold, no retrieving public open space.

Other environmental concerns

Loss would result in loss of important trees and wildlife (including the bat colony).

Park is a wildlife corridor between various sites.

Economic concerns

No figures produced to evidence need for a care community and any replacement employment would not be 'like for like' in terms of salaries, therefore resulting in detriment to economy of Sidmouth and reduced chance for youngsters to pick up well paid employment . No justification to leave Sidmouth.

Council doesn't need new offices – there is sufficient provision which can be updated.

No business case made to the electorate and whole relocation project a waste of tax payers money.

Basis for appropriation / disposal is purely economic to raise funds for relocation purposes.

Other open spaces to be used across the district to fund relocation.

Intended future use

Incorporation of the terraces into housing would be visually disturbing and lead to diminution of quality of the landscape from the rest of the parkland.

Houses would be clearly visible and would be a major intrusion.
Spoil the view for Upper Knowle Residents including impact on health due to development
Greater risk of major flooding and increased air pollution.
Loss of weekend overflow carparking or car parks which could be used due to parking
issues in the town.
Loss of heritage asset (old hotel building).
Unsure how public / private distinction would be managed on the terraces and use by
residents would be unfair on Council Tax payers.
Drainage and roads would not cope with any more traffic.
Concerns over depot access and additional traffic to Knowle Drive.
Sidmouth Town Council voted against building on anything other than the existing footprint.
Safe route into Sidmouth.
Emerging Local Plan carries little / no weight therefore shouldn't be relying on proposed
allocation.

Planning

Development Management Committee rejected the Council's own application on the basis of
intrusion into designated open space, which should be retained for benefit of community.
Development proposals would result in the loss of employment opportunities (in conflict with
Local Plan Policy RE3 and Strategy 32 of emerging Local Plan).
Paragraph 74 of the NPPF requires an assessment to be carried out prior to being built on
and no assessment has been carried out, so disposal / appropriation contrary to NPPF.
Should not proceed without satisfying Local Plan policy requirements and having a planning
permission in place.

Procedural matters

A part of the land for disposal which is open space has not been included.
EDDC has a vested financial interest and the appropriation / disposal of open space should
not proceed when underlying reason is so widely and significantly questioned.
Gifted by people of Sidmouth to EDDC for its protection, is held in trust for the public and
intentions contravene this.
Partially owned by residents and no moral (possibly legal) right for Council to sell.
Abuse of power since appropriating contrary to public view and LPA decision.
Land is affected by claimed footpaths and appropriation / disposal now would prejudice
forthcoming inquiry and future use (including concerns over the shutting off of the access off
Upper Knowle Drive).
Concerns over statements made by Heynes Planning in tender information about extent of
land covered by RE1 .
Changes to the boundary of the southern terraces during the Local Plan process with the
intent to deceive.
Concerns over whether officers can report to Members in an unbiased and fair way on the
comments made following public notices.
Following Code of Recommended Practice on Local Authority Publicity, decision should be
delayed until after elections due to controversial nature.
Chinese Walls broken between Planning Department and Relocation Project Team
Inappropriate for Legal Department to be involved in process.
Legal Department should be seeking to protect the Open Space.

Should have published in a paper circulating in the whole of East Devon, not just Sidmouth area.

Matter should be considered by an independent body.

Concerns that decision will be taken by officers and will be behind closed doors.

Concerns over ignoring of responses.

Council not prepared to 'consider any objections'

Query over whether Local Government Act 1976 is still in force.

Council cannot take impartial decision and therefore acting 'ultra vires'.

Sidmouth Town Council not consulted.

Querying of process and that decision to appropriate and dispose should be in public.

Appointed auditor to be satisfied Council acting lawfully.

Suggestion that this is a compulsory acquisition under Town and Country Planning Act 1990 and that Secretary of State consent is required.

Ignoring local feeling and riding roughshod over views of residents.

Secretive due to small notices in paper.

Should be referred to Overview and Scrutiny to review.

Other

Depot and car park areas should be returned to previous condition (following requirement to revert to former use when no longer required) and not appropriated to an alternative purpose.

Should only proceed where (1) unambiguous support by overwhelming majority of stakeholders, (2) move would result in financial savings which are transparent, demonstrable and realizable within short to medium term and (3) enrich citizens culturally, socially, politically and financially and not enrich the already powerful and rich financially.

No development should take place until future Government structures have been decided upon (this is also the view of local MP).

Want retention of 'green wedge' between Heathers and gardening depot and object to change of use of gardening depot.

More land to be sold than shown on the notices.

EDDC OFFICE ACCOMMODATION PROJECT

GATEWAY DECISION PARTICULARS

Gateway Decision	Particulars	Forecast Date	
Gateway Decision Nr 1	Agreement to Relocate Office to Twin Option of a New Office at Heathpark and a Refurbished Office at Exmouth Town Hall	25 March 2015	
Gateway Decision Nr 2	Agreement to employ EDDC's procured Design Team	22 July 2015	*
Gateway Decision Nr 3	Approval of EDDC's Design Team Design to RIBA Workstage C, and agreement to proceed to RIBA Stage D	07 September 2015	*
Gateway Decision Nr 4	Approval of EDDC's Design Team Design to RIBA Workstage D, and agreement to proceed to RIBA Stage E. Approval to proceed to submission of Heathpark / Exmouth (if applicable) Planning Application(s). Approval to issue Notice and commence r Contractor Procurement	30 October 2015	*
Gateway Decision Nr 5	Approval of EDDC's Design Team Design to RIBA Workstage E, and agreement to proceed to RIBA Stage F & G.	11 December 2015	*
Gateway Decision Nr 6	Approval of final design	27 April 2016	*
Gateway Decision Nr 7	Confirmation of Preferred Developers unconditional bid following Planning determination. Receipt of Planning Approval for New Office at Heathpark (and Exmouth Town Hall if applicable). Agreement to Appoint procured Contractor(s).	03 June 2016	*

Notes

* - Final dates to be confirmed pending issue of Council Meeting Timetable
 Gateway Decisions 2 - 6 are generally subject to the Project Executive Board Approval, who have the option to refer to Cabinet / Council for consideration and decision.
 Information extracted from Full Overview Programme Rev AS (2) dated 28 January 2015

Report to: Cabinet

Date of Meeting: 18 March 2015

Public Document: Yes

Exemption: None

Review date for release None



Agenda item: 13

Subject: **Environmental Health Team – Interim report on progress of the new in-house Pest Control Service**

Purpose of report: To ask Members to endorse the good work being done by the Council's new in-house pest control service and in particular to acknowledge the very high levels of customer satisfaction being reported. The service was initially approved for a 1 year trial period, and the report now seeks approval for the service to become permanent.

Recommendation: **That Cabinet approve the establishment of a permanent in-house pest control service.**

Reason for recommendation: In order to continue providing a service which has been well received and appreciated by many members of the public within East Devon.

Officer: Janet Wallace, PEHO, jwallace@eastdevon.gov.uk

Financial implications: The financial implications are included in the report. The service has been included in the 2015/16 budget at a net cost of £10,630.

Legal implications: The council has the discretion to offer this service to the public. No further observation is required.

Equalities impact: Medium Impact.

The Council's pest control service gives all residents access to a competent pest control expert at a fair price. The service also enables land owned by East Devon DC, including parks, gardens and seafronts, to be effectively and routinely monitored and managed for pest control, thereby protecting the health and wellbeing of all people living in, working in and enjoying East Devon.

Risk: Low risk.

The Council has a legal duty in relation to its own land under the Prevention of Damage by Pests Act. All Devon Authorities provide some level of service, ranging from a free in-house arrangement to a non-subsidised contracted out service. We have chosen to provide our residents with a safe, affordable pest control service as a means of preventing infestations from reaching levels which might affect health and wellbeing. The cost of the services offered to residents is covered by the customer receipts together with a small annual budget which has been established for several years and the work carried out on Council land is being done at cost. The in-house service can therefore continue on its current budget sustainably.

Link to Council Plan: Living in/Working in/Enjoying this outstanding place

1. Report in full

- 1.1 The principle of an in-house pest control service was approved by Cabinet in March 2014. The agreed budget for the service was £15,820. Charges are made for the services provided and most of the costs will be covered by these charges.
- 1.2 The service started in mid-June 2014 with a technician employed on a 12 month contract. This has now been running for over 7 months. From day one demand has been high. To the end of January the following numbers of treatment courses have been carried out : 162 rats, 53 mice, 221 wasps nests and 21 flea infestations. The service has also recently been extended to include ants and cluster flies as a response to customer demand. The number of “treatment courses” carried out for rats and mice is fewer than anticipated but a review of the data provided by the 2011 contractor indicates that the figures related to “visits” rather than “treatment courses” and in the case of rats and mice each “treatment course” necessitates 3 “visits”.
- 1.3 During this first period the monthly income from treatments has exceeded £2,400 every month – with a total of £18,682 received to the end of January. The total cost of the service for the same period was £22,799. These costs include the full year cost of £2420 for leasing a van, a one-off cost of £500 for initial van hire and the one-off initial set up costs of about £1,000. The second half costs are therefore expected to be less than for the first 6 months. At this point only £4,117 of the £15,820 2014/15 budget has been spent. The charges have been set at £60(inc VAT) for rats and mice, and £30(inc VAT) for wasps and insects. We intend to review these at the end of 2015 for the 2016/17 financial year.
- 1.4 The Pest Control technician provides added value by giving practical advice to householders and others whilst undertaking treatments in order to prevent recurrent issues. He, with other colleagues in the team, has also provided information to more than 270 enquirers requesting advice or an investigation on pest control matters.
- 1.5 The technician has been provided with basic equipment and training so that he can act as a back-up for the collection of found dogs, and has been erecting signage on behalf of the team in areas covered by Dog Control Orders. There is more of this work occurring at the moment and we expect this to increase further. The technician has also treated pests on EDDC and DCC owned land and property, schools, and footpaths where the general public might be affected. The cost of some of this work has been able to be recharged.
- 1.6 The technician leaves feedback forms with some customers and to date 22 forms have been returned. We are pleased to report that feedback on these forms, and via phone and email, has been 100% positive. Prompt response times are much appreciated by customers who are often distressed by the existence of an infestation in their home. There are very few cases which have not been responded to within 1 or 2 working days – in one case a treatment was carried out within 1 hour of the request being made.
- 1.7 In view of the success of the service, the high demand from the public, and the added value that the technician provides to the team by way of found dog support and erection of signage, Cabinet is requested to approve the establishment of the service and appointment of the current technician on a permanent basis.

Report to: Cabinet
Date of Meeting: 11 March 2015
Public Document: Yes
Exemption: None



Agenda item: 14

Subject: Financial Monitoring Report 2014/15 - Month 10 January 2015

Purpose of report: This report gives a summary of the Council's overall financial position for 2014/15 at the end of month ten (31 January 2015).

Current monitoring indicates that:

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

Recommendation:

1. The variances identified as part of the Revenue and Capital Monitoring process up to Month Ten be acknowledged.

Reason for recommendation:

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

Officer:

Laurelie Gifford lgifford@eastdevon.gov.uk

Mandy White awhite@eastdevon.gov.uk

Financial implications:

Contained within the report

Legal implications:

No legal observations are required

Equalities impact:

Low Impact

Risk:

Low Risk

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

Links to background information:

-

Link to Council Plan: Funding this outstanding place

1. Report in full Introduction

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

2. Investment Income

The latest information from Capita Asset Services, EDDC's treasury management advisors, is that they do not expect the base rate to increase until March 2016, at which point they are predicting the rate to be 0.75%.

EDDC's average return on investments at 0.48% for the year to date is better than the December 2014 average LIBID rates of 0.35% for 7 Days and 0.43% for 3 Months.

Investments	Annual Budget £000	Variation as at Month 10 £000	Predicted Outturn Variation £000
External investments	(309)	21	(6)
Internal investments	(43)	(17)	(15)
Total	(352)	4	(21)

The variation to date and predicted outturn variation on internal investments is due to actual improved performance in the year. This has arisen as more funds have been held in a call account paying 0.5%, more funds have been available for internal investment, and since October 2014 funds have, for the first time, been placed on fixed deposit for longer than one month.

3. General Fund Position as at Month Ten.

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

	£000
Original Budget Requirement (set 26/02/14)	11,432
Supplementary estimates to date	1,419
Refuse & Recycling waste analysis (General Fund Balance)	25
Economic Development restructure (Transformation funded)	30
Environmental Health Grant expenditure (Ear marked reserve funded)	(15)
Month 10 predicted net over/(under) spend to Year End detailed below	(614)
Predicted Budget Outturn	12,276

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

Predicted over / (under) spends	Variation as at Month 10 £000	Predicted Outturn Variation £000
Corporate Business management restructure and part year vacancies	(171)	(187)
Corporate Services Organisational development additional Communications and HR posts Auto enrolment corporate allocation offsets overspend on all services Elections IER under spend and additional grant transferred to reserves at Year end for 2015/16	6 (115) (62)	7 (115) (30)
Economy Portfolio Building control income slightly down on estimate	9	10
Environment Portfolio Car park income (already reported £170k Outturn Variation in previous months) Arts development additional grant Income to reserves at year end Environmental health additional Air quality Monitoring income and net pest control service now in house (£20k to reserves at Year end)	194 (45) (83)	0 0 (55)
Street Scene Flood prevention - timing of inspections	(40)	0
Finance Portfolio Auto enrolment and legal fees Housing Benefit admin (includes £82k unspent Localisation project costs to reserves at Year end) Housing Benefits additional overpayments recovery and Discretionary grant received Land charges income	16 (153) (559) (60)	16 0 (290) (7)
Strategic Development & Partnership Portfolio Planning application fees - improved position due to receipt of applications for next phase of Cranbrook	(41)	(100)
Local plan inspection DCLG funding transferred to reserve at Year end for 2015/16 Three town regeneration unspent transfer to reserves year end for 2015/16	(95) (30)	0 0
Sustainable Homes & Communities Portfolio Homelessness B&B accommodation savings Outturn variation reported as at Month 8 Investment Income variations Predicted Outturn Total Variations	(25) 354 5 (895)	<p>142</p>

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

	£000
General Fund Balance 01/04/14	(3,925)
Less: Planned use/contribution to General Fund balance	(75)
New Homes Bonus Volatility Fund	400
Available General Fund balance 2014/15	(3,600)
Supplementary Estimates to date	19
Refuse & Recycling waste analysis (CAB 11/2/15)	25
Predicted net over / (under) spend to year end net of Year end transfers to Earmarked Reserves (from above)	(614)
Predicted General Fund Balance 31/03/15	(4,170)

The Council has an accepted adopted range for the General Fund Balance to be within the range of £2,800k to £3,600k. Therefore the predicted balance of £4,170k is above this range by £570k. The final position will be considered at outturn reported in June 2015.

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

	Annual Budget £000	Variation at Month 10 £000	Predicted Outturn Variation £000
Car Park income	(3,320)	194	170
Planning fees Income	(1,715)	85	0
Building Control fees	(531)	9	10
Local Land Charges income	(239)	(60)	(7)

3.4 Summary of Other Reserves:

	Balance B/f 2014/15 £000	Spend to date £000	Estimated additional Spend/ (Income) £000	Predicted Balance C/f to 2015/16 £000
Asset Management Plan Reserve	(87)	18	22	(47)
Asset Maintenance Reserve	(1,182)	70	99	(1,013)
Business Rates Volatility Reserve	(774)	0	325	(449)
LABGI	(244)	25	47	(172)
New Homes Bonus Volatility Reserve	(274)	0	(400)	(674)
Transformation Reserve	(1,238)	622	396	(220)

4. **Housing Revenue Account Position up to Month 10.**

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

	Variation at Month 10 £000	Predicted Outturn Variation £000
Downsizing - additional successful requests	(2)	15
Sheltered schemes equipment maintenance & repair – no budget included	22	25
Remodelling of sheltered schemes – revenue contribution to capital reduced as no anticipated spend on this scheme	(200)	(200)
Variations as at Month 8	0	100
		(60)

There are some variances within the Repairs & Maintenance budgets but overall these are expected to balance with budgets by the year end.

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

	£000
Original Budget surplus	(1,065)
Supplementary estimates:	
Dray Court fire risk works	120
New posts – Building Surveyor & Estate Management Officer (for 6 months in 2014/15)	28
Estate Management work (6 months in 2014/15)	5
Month 10 predicted net (under)/overspend to year end	(60)
Predicted Budget Surplus	(972)

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

	£000
Housing Revenue Account Balance (01/04/13)	(3,891)
Predicted budget requirement as above	(972)
Predicted HRA Balance (31/03/14)	(4,863)

The recommended level for the HRA balance has been agreed at £2,100k (£500 per property). The current balance is well above the recommended level and will be used for

further investment in the housing stock including buying or building new stock, to offset any adverse effects of Welfare Reform and to ensure sufficient funds are available to service the self financing loans – the first principal repayment is due at the end of this financial year. In addition £2.9m is held in a volatility reserve.

5. Capital Programme Position up to Month 10

5.1 The following tables currently estimate the total required from the Capital Reserve is £1,688k leaving £821k remaining in the reserves at year end.

Capital Reserve	£000
Brought forward balance 1 April 2014	(2,509)
Requirement as at Month 10	1,688
Balance carried forward to 2015/16	(821)

5.2 Capital Programme and financing:

	£000	£000
Net Capital Programme Budget (Council 20/02/14)		19,476
2013/14 scheme costs slipped into 2014/15 (as agreed by Cabinet 23/07/14)	8,542	
Revised 2014/15 budget		28,018
Budget variations reported previously Months 1-8		(2,887)
Budget as at Month 8		25,131
Revenues & Benefits e-Services - savings	(13)	
Devon & Cornwall Housing Association Grant - New	70	
Enabling investment Estuarieside – slip to 2015/16	(75)	
Honiton Community Centre Project - savings	(6)	
Seaton Jurassic – additional funding	(26)	
Honiton Sports Centre Car Park Resurface - savings	(15)	
Cranbrook Community Play Area - £50k pull back from 2015/16, £20 additional funded by S.106	70	
Sidmouth Shingle recycling £100k fully funded by Environment Agency	0	
Pollution Prevention - Imperial Rec Ground - savings	(26)	
Budget variations Months 9-10		(21)
Predicted Capital Budget Requirement Month 10		25,110

Capita Programme financed by	£000	£000
In Year Usable Capital Receipts	(3,564)	
PWLB Loan – Seaton workshops	(770)	
PWLB Loan – Beer Community Land Trust Loan	(755)	
PWLB Loan – LED Loan	(1,450)	
PWLB Loan – Exeter Science Park loan	(1,000)	
S.106 funding Includes £70k D&C HA above	(371)	
DCLG Grant - Growth Point	(190)	
DCLG Grant – Regional Growth Fund	(5,905)	
DCLG Grant - Heat & Light	(2,301)	
Other Capital Grants	(75)	
General Fund Revenue contribution	(264)	
HRA Contribution	(4,304)	
New Homes Bonus	(371)	
Transformation reserve	(361)	
Tesco receipt reserve	(1,741)	
Predicted Capital Reserve (Requirement) / Contribution	(1,688)	
Total Funding		(25,110)

Report to:

Cabinet

Date of Meeting:

11 March 2015

Public Document:

Yes

Exemption:

None



Agenda item:

15

Subject:

Cranbrook Community Questionnaire 2014

Purpose of report:

This report outlines the feedback from the Cranbrook Community Questionnaire which was undertaken jointly between EDDC and the Cranbrook Community Development Worker. These surveys are vital to get feedback on the progress of Cranbrook, how people feel about it and what they want to see happen in the future. This can then inform the decision making process.

Recommendation:

- To note the outcomes of the latest community questionnaire and recognise the valuable set of metrics that this provides by which to gauge progress
- To welcome the additional facilities that will be delivered to the benefit of the community during the course of 2015
- To support conducting the survey on an annual basis as the new community continues to expand

Reason for recommendation:

Our Viewpoint Surveys form a fundamental part of the commitment made in Communications Plan. The first Cranbrook Community Questionnaire was carried out in 2013 and provided us with vital feedback to help us evaluate and plan.

Officer:

Jamie Buckley – Community Engagement and Funding Officer
jbuckley@eastdevon.gov.uk

Financial implications:

No recommendations are being made which have financial implications.

Legal implications:

Under Section 3 of the Local Government Act 1999, this Council is a best value authority and therefore under a general duty of best value to *“make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”*

Consultation of local residents, and evaluating their responses to inform service provision and effective working with the public and private sector, is one method of making arrangements to secure best value. The Council can consider overall value, including economic, environmental and social value, when reviewing service provision.

Equalities impact:

Low Impact

-

Risk:

Medium Risk

There is a risk to council reputation if we do not seek feedback from our customers and stakeholders. Additionally, there is a risk to our reputation if we ask for feedback and do not take action or provide feedback as a

result of what people tell us in the survey. We will mitigate this risk by widely publishing the results of the survey and actions we are taking as a result using various forms of media.

Links to background information:

Link to Council Plan: Links to all our values, ambitions and priorities outlined in the Council Plan.

1 Introduction

The first Cranbrook Community Questionnaire was carried out in 2013. As in 2013 the latest questionnaire was undertaken jointly between EDDC and the Cranbrook Community Development Worker. It was developed by a variety of partners and stakeholders including a great deal of input from EDDC.

The original survey provided an invaluable insight as to how the first residents of East Devon's new community felt about Cranbrook as a place to live. Uniquely it has also established a baseline from which to monitor progress moving forward against a set of metrics. There are many comparisons available between the results for 2014 and 2013. In some cases the questions were changed for more timely questions relevant to work going on in 2014 and 2015.

These surveys are vital to get feedback on the progress of Cranbrook, how people feel about it and what they want to see happen in the future. This can then inform the decision making process. This report seeks to outline the key messages from the questionnaire results.

2 Cranbrook Community Questionnaire summary

As in 2013, the questionnaire was hand delivered by the Community Development Worker to all households in Cranbrook in November 2014. This year we received 138 responses which represents around a 15% response rate.

Key outcomes from the Cranbrook Community Questionnaire are as follows; please note scores may not add up to 100% as sometimes people do not express a view either way.

2.1 Your community

- 63% feel part of the community, this is 7% less people than in 2013. 14% do not feel part of their community.
- 73% regularly speak to the people they meet, against 8% who do not.
- 90% get out of the house regularly, against 4% who don't.
- 88% feel it is a good place to live, this is 6% less people than in 2013. 3% don't feel it is a good place to live.
- 86% get on well with the people they meet, 1% said they didn't.
- 63% trust the people in the local area, this is 7% less than in 2013. 14% don't trust people in the local area.

People moved to Cranbrook as it is close to Exeter but still in the countryside, closer to work and they were able to afford to buy for the first time and to be nearer to family and friends and because they wanted a brand new home.

The thing people most like about Cranbrook is the community spirit and the friendly people. What people don't like about Cranbrook is the lack of facilities and amenities, particularly a local shop.

12% were interested in finding out more about becoming a Cranbrook Town Councillor.

2.2 Services

- 37% would like more information about travel and transport, 25% about youth and play, 21% about waste and recycling and 20% about childcare and children's services. They would particularly like an update on the progress of the train station and information about the children's and youth services and activities that are available. They would also like information about future recycling opportunities.
- 51% don't feel informed about what services are available or coming to Cranbrook, 49% do feel well informed which is a rise of 6% since 2013.
- 86% feel well informed about what's going on in the community, 15% do not.
- 51% don't feel well informed about planning and development in Cranbrook, 49% do.
- 56% are satisfied with public transport this is 5% more than last year, 25% are dissatisfied mainly due to the railway station delays, that the buses are too expensive and they want more frequent buses.
- 70% are satisfied with the doorstep waste and recycling collection this is 8% more than last year, 20% are dissatisfied mainly as they cannot recycle cardboard and all plastics.
- Only 37% of people are satisfied with parks, public gardens, play areas and open spaces, however this is a rise of 30% from last year. 34% are dissatisfied mainly because there is a lack of them, the play area is unfinished and there is litter in the play area.
- 45% are satisfied with street cleaning, this is 7% more people than last year. 27% were dissatisfied.
- 87% remain satisfied with the ways they can pay Council Tax.
- 54% are satisfied with the housing provider and associated services, 11% less than last year. 20% are not, which is a rise of 7% from 2013, mainly due to the developers not correcting issues or being slow to do so.
- 74% are satisfied with their household water, 8% are not.
- 65% satisfied with the internet and telephone. 24% are dissatisfied, mainly as they have no choice so can't shop around for value for money and there is a poor hit and miss connection.
- 45% satisfied with energy services, this is a 9% fall from last year. 35% are not satisfied (a rise of 7% from last year) mainly due to poor customer service, multiple problems and incorrect or delayed billing.

The most common services or facilities people most want are shops(s), doctors, a pub, convenience store and the train station.

48% are satisfied with access to services overall in Cranbrook, 7% less people than last year. 16% are dissatisfied. When asked why they were dissatisfied they said there were no services in Cranbrook and there was a lack of services, particularly a local shop.

2.3 Younghayes Centre

- 99% of people knew about the Younghayes Centre. 44% use it more than once a month.
- The most common suggestions for activities that could be offered at the Younghayes Centre were a youth club, toddler activities and a doctors.

2.4 Outdoor activity

Residents were asked to estimate the time they spend walking, cycling and jogging or running now, and how long they would spend doing these activities after Country Park and cycleway improvements:

- 82% of residents spend over an hour a week walking now, 94% estimate they will spend over an hour walking a week after the improvements.
- 28% of residents spend over an hour a week cycling now, 74% estimate they will spend over an hour cycling a week after the improvements.
- 29% of residents spend over an hour a week jogging or running now, 49% estimate they will spend over an hour jogging or running a week after the improvements.

- 83% agreed that their local greenspaces are within easy walking distance, 5% disagreed.
- 37% felt their local greenspaces were of a high enough standard for them to want to spend time there, 33% did not.
- 47% agreed their local greenspaces were easy to get into and around, 21% disagreed.

The most common suggestions for ways to promote responsible dog ownership were to install more dog poo bins, put up signage and posters, to have a dog warden and more enforcement and fines.

2.5 About you

49% moved to Cranbrook from the Exeter area, 28% from elsewhere within East Devon and 16% from elsewhere in Devon. 7% came from outside of Devon and most of these came from the wider South West.

A large proportion of households were made up of families with both parents aged under 40 with young children.

- 51% of households contain two people who are both employed full or part time.
- 59% of working people work in Exeter, 18% elsewhere in East Devon and 13% elsewhere in Devon.
- The most common types of jobs for residents of Cranbrook were Managers, Administration/ Clerical, Teachers/ Teaching Assistant and Customer Services.
- The majority of residents travel to work by car or van.
- 4% of household had no cars or vans. 58% of households have one car or van, 35% have two cars or vans and 3% have three.
- 14% had one or more members of the household with a disability or infirmity that limits their everyday activities.
- 97% of residents were White British.
- 39% of households would describe themselves as having no religion or being atheist. 40% would describe themselves as being Christian or Church of England.

3 Analysis

The results of the latest survey highlight a number of interesting trends and it is important to try and understand the factors that may be driving these. For example the increase in the satisfaction rating for public transport is likely to be due to the decision by Stagecoach to change the boundary of the day rider ticket for Exeter to incorporate Cranbrook. This has resulted in a 40% reduction in the price of travelling to Exeter.

Access to services has been a consistent area of concern. It is important to emphasise that during 2015 we will see;

- The opening of the Doctors' surgery and separate pharmacy in the Spring, with Devon Doctors now having been appointed
- The completion of the 7 shop units in the Summer which will allow people to buy a pint of milk in Cranbrook for example
- The train station, for which there is a common perception that it is substantially delayed, is also under construction. This will provide access to Exeter Central station in under 10 minutes.
- Improved access to open spaces and play areas as the access to the country park increased and the second play area at Hayes Square is created.

There are a number of examples of where the community themselves have taken action to address specific challenges. This includes the establishment of the weekly community market and the monthly surgeries with E.On in relation to the district heat system, both instigated and organised by the Community Helpers In Cranbrook group. The Our Place plan being taken forward by the Community Development Worker is also helping to establish a business ladder approach which will help to ensure that Cranbrook develops a thriving economy in its own right including a vibrant town centre.

The following paper to this focuses on the future provision of assets and services in Cranbrook. This will in large part be determined by what role the Town Council chooses to play. The inaugural meeting will take place on the 18th May 2015.

It must also be remembered that the Consortium of developers will play a significant and ongoing role in the delivery assets, more so than in any other town in the District. This is likely to raise significant reputation issues as residents naturally assume that responsibility for certain facilities falls to the Council. For example the satisfaction rating in relation to parks and play areas is relatively low. There have been considerable efforts by the Country Park Ranger and Cranbrook Project Manager to work closely with the Consortium to address a range of issues from the emptying of dog bins and litter collection, through to access arrangements to the Country Park. Other factors highlighted in the survey will remain solely within the control of the Consortium, for example the choice of telecoms provider.

4 Conclusion

The annual Community Questionnaire is an invaluable resource which not only provides an insight into the current mood within Cranbrook but also provides the ability to track progress over time. Overall it highlights that Cranbrook is a young, dynamic and rapidly growing community with the vast majority of people feeling that it is a good place to live. There is much to look forward to in 2015 including the opening of the GP surgery, completion of the shops, train station and education campus as well as the formation of the Town Council.

Cranbrook will face its own unique challenges going forward and there is no room for complacency with the survey highlighting that levels of satisfaction have decreased in relation to certain areas in the last 12 months. It will be important that the outcome of the survey influences future decision making. This should apply not just in relation to day to day matters, but the consideration of how Cranbrook expands to a town of some 20,000 people.

Report to: Cabinet
Date of Meeting: 11 March 2015
Public Document: Yes
Exemption: None

Review date for release None

Agenda item: 16

Subject: **Delivering the vision for Cranbrook – the future provision and management of assets**

Purpose of report:

Ensuring that Cranbrook develops as a healthy, sustainable and vibrant town has been a long held objective of this Council. In order for this to be realised the community will need a range of facilities in place offering opportunities for leisure, sport and recreation to maximise wellbeing, cultural and economic development, and the delivery of key services and administrative functions. This paper considers the Council's role in supporting the development of Cranbrook as a thriving place with a range of facilities. It develops a range of scenarios which link to the choices that organisations such as Cranbrook Town Council will need to make over time in terms of what role they themselves will wish to play.

It should be emphasised that responsibility for the delivery of many of the community assets rests in the first instance with the New Community Partners developer consortium, one of the unusual features of Cranbrook, relative to other towns in the district. The Section 106 legal agreement sets out how and when premises (whether built or land-only) are to be provided, and to whom they may be transferred, but does not determine how these are to be managed and maintained over time.

The implications of assets that are programmed to be delivered through the existing legal agreement for Cranbrook are set out. In addition to assets that will become the responsibility of the Council, there are a number that the Council may decide it would like to take on should the originally intended recipient choose not to and such an opportunity is presented. In all cases the implications of the assets are considered in the report and recommendations made accordingly.

Recommendations:

Overarching Principles

- 1. Recognise the significant role that the delivery of assets and services will play in achieving the original vision for the new community and that defining the precise role that the District Council will need to play in this process will require further and**



ongoing work

2. Acknowledge that services and facilities that are not mandatory responsibilities of East Devon District Council will require alternative sources of funding such as through developers' financial contributions secured via S106 legal agreements, or the enablement of revenue streams within the service/facility itself.

Working in Partnership

3. Support the establishment of Cranbrook Town Council and once formed work with it to support and facilitate its involvement in running and delivering assets and services in the town including the play areas, open spaces, country park, allotments and Town Council offices.
4. Explore the potential for and support/enable the establishment of community and voluntary groups as asset recipients and delivery bodies for a variety of the facilities and activities that will be required by the new community.
5. Seek clarification from Devon County Council on what its intentions are with regard to the provision of Youth, Library, Extra Care and Children's Centre facilities at Cranbrook.
6. Initiate a dialogue with Devon County Council relating to the delivery of any of the above provisions by alternative bodies, including East Devon District Council, in the event of the County withdrawing from such provision.
7. Work with the emergency services to develop a joint proposal for a tri-service facility and to facilitate the transfer of the land for that facility to those services as soon as it is practical to do so following its transfer to this Council if, after full exploration, no business case for retention by East Devon District Council can be made.

Specific Actions

8. Adopt robust asset management protocols including whole life costing, flexible covenants and recovery of legal and staffing costs where appropriate together with the identification of opportunities for the assets to be self-financing, so ensuring the delivery of facilities and services necessary to the community.
9. Establish the cost of managing and maintaining open spaces, play areas, sports pitches and other assets and explore/develop revenue opportunities, through business plan preparation, in order to enter into discussions with Cranbrook Town Council and/or the New Community Partners about the potential transfer of these assets to East Devon District Council or other bodies if required.

Reason for recommendation:

To support the delivery of the vision for Cranbrook.

Officer:

Darren Summerfield, New Community Projects Officer

dsummerfield@eastdevon.gov.uk / 01395 571687

Financial implications:

This report sets out principles relating to asset ownership in Cranbrook and identifies decisions that may be required in the future over ownership

and funding. Recommendations involving financial implications are not being made at this stage

Legal implications: As is set out in the report, the planning agreement (section 106 planning obligation) for Cranbrook sets out what the developer is required to fund and/or provide in terms of community facilities, and the timing of that provision. What can be included in a planning obligation (including financial contributions and maintenance contributions) is subject to well established legal tests, including necessity and being fair and reasonable in scale and kind to the development; in practice this comes down to site by site negotiation with developers, taking into account the financial viability of the development. The Cranbrook section 106 agreement was a major project negotiated over several years with the assistance of external consultant solicitors, the legal costs of which were paid for by the developers as is the accepted practice.

Equalities impact: High Impact
It is essential to provide an appropriate range of facilities and services at Cranbrook in order to meet the needs across the community. Failure to do so will have an adverse impact on the community and in particular those in need of support.

Risk: High Risk
There are various risks associated with individual projects, timelines and asset acquisitions for Cranbrook. Achieving the vision for Cranbrook is a high corporate priority and due to its significance the risk associated with it must be considered high. The recommendations within this report will enable the Council to better assess and manage these.

Links to background information:

- [Delivering the Vision for Cranbrook Cabinet Paper 4 June 2014 \(Agenda Item 18\)](#)
- [Whole Life Costing Cabinet Paper 1 October 2014 \(Agenda Item 17\)](#)
- [Cranbrook update and resource issues Cabinet Paper 5 November 2014 \(Agenda Item 16\)](#)

Link to Council Plan: Living in an outstanding place
Working in an outstanding place
Enjoying this outstanding place
Outstanding Council

1. Introduction

1.1 Cabinet has previously considered a number of reports concerned with achieving the vision for Cranbrook. Much has been achieved already and development continues at a rapid pace, with 914 homes reported as occupied by the end of 2014. The neighbourhood shops are now well underway and scheduled for completion in the summer 2015, these will shortly be followed by the opening of the second school campus to primary and secondary school pupils in September. Alongside the opening of Cranbrook's GP surgery, pharmacy and

train station later this year, these facilities will be contributing to the development of a place that is already much more than just a housing estate.

1.2 The building of homes at Cranbrook is planned to be accompanied by a wide range of infrastructure and facilities, which together will support the development of a sustainable and functioning community. The general detail of these facilities and infrastructure and when they can be expected to be delivered, is set out in the Section 106 legal agreement that sits alongside the planning approvals for the scheme. The agreement has recently been the subject of revision through the process of a Deed of Variation following the approval of 587 homes on 24th November 2014 (13/1752/MFUL). It is therefore timely to highlight the approved programme of delivery of a number of elements of the agreement and to consider the implications of these for the Council.

1.3 The legal agreement covers the wide range of facilities that are set out below.

Open Spaces and Play Areas	Country Park	Country Park Resource Centre
Skate Park	Street Scene Compound	Youth Facilities
Sports pitches	Street Furniture and Public Art	Library
Health and Wellbeing Facilities	Allotments	Police and Ambulance facilities
Children's Centre	Town Council Facilities	Extra Care Facilities
Place of Worship Land	Nature Reserve	Public Conveniences

1.4 In addition to details of the timing and nature of infrastructure and facilities, the Section 106 agreement provides information on which organisation or body may become responsible for ongoing management and maintenance. In some cases there are a number of options for this. For example the New Community Partners may offer to the Town Council the option to take on the upkeep of play areas after a 12 month post-completion maintenance period, but the Town Council is under no obligation to take on this responsibility.

1.5 Section 9 of this report provides an overview of each asset that will be delivered under the agreement. In the cases where there are implications identified for the Council these are discussed, with further information provided in Appendix 1. Where there are options available these are explained. In addition to direct financial implications a range of other matters is considered, including the scenario of poor or non-delivery of the facility or service, and how this would affect the Council's reputation and its responsibilities and commitment to supporting the development of a sustainable community at Cranbrook, along with the quality of life of residents. The role that Council officers will need to play in planning for and working towards the delivery of assets also needs to be recognised and accounted for.

2. East Devon District Council

2.1 Cranbrook will result in the need for the Council to deliver additional services, with the requirement for this growing as the town expands. It is anticipated that those services that are the mandatory responsibility of the Council, for example the weekly domestic waste collection, are likely to be funded through revenue received through additional council tax receipts. The services and facilities that are not mandatory responsibilities of the Council, for example the provision of play areas, will need to be supported by alternative sustainable sources of funding, such as developer financial contribution through future S106 legal agreements.

3. Cranbrook Town Council

3.1 Elections will take place in May 2015 for the first Cranbrook Town Council. In addition to representing a significant milestone for the developing community in its own right, the Town Council's decisions will also have implications for the delivery and ongoing management of assets in Cranbrook. The Town Council's first precept has been set by East Devon District Council and has been set at a level which anticipates that, as the town grows, the Town Council may well be able to take on and manage assets should it decide to do so.

3.2 Section 9 of the report, along with Appendix 1, make it clear where there are provisions in the Section 106 legal agreement for the Town Council to be offered the opportunity to take on ownership of and responsibility for assets. It should be noted that the Town Council is under no obligation to take up such offers. In such a case the default position in the legal agreement is for the asset in question to remain the responsibility of the developers, unless otherwise agreed with East Devon District Council.

3.3 In addition to the anticipated assets that are identified and discussed in this report, the Town Council is also the potential recipient of the Younghayes Centre should they wish to take it on. A business plan for the Centre is being prepared in conjunction with members of the community and officers will discuss the future of the building with the Town Council once it is established.

3.4 The original Section 106 was predicated on the assumption that the Town Council would be in the best position to deliver many local services in Cranbrook. East Devon District Council will work with the newly formed Town Council to support and facilitate its involvement in running and delivering the services that it chooses to run to ensure as much local control over these as is possible and appropriate. Where the Town Council is not willing or able to take responsibility for assets and services offered to it, a range of other delivery mechanisms will need to be explored.

4. Alternative models of asset management

4.1 Community Assets are land, buildings and services that are owned and managed by community organisations. These assets can include town halls, renewable energy generation, community centres, enterprise centres, open spaces, cultural facilities, sports facilities, affordable housing, workspaces and businesses. Over the past 10 years there has been an increasing policy interest in such asset development supported by Government, Charitable Foundations and Non-Governmental Organisations. The benefits of community ownership of assets are now well documented and evidenced. They create a sense of identity and pride; increased confidence, skills and aspirations; improved access to services and activities; jobs, training and business opportunities; and physical improvements to an area. They help community organisations achieve financial sustainability and greater credibility with their partners. Suitable legal structures are well tested and the network of community owned companies is well supported and able to be resourced from grant and other financial support agencies not open to local authorities.

4.2 Community ownership of assets can play a significant role in the development of Cranbrook. It can combine the community building and financial advantages of community ownership to help create a sustainable and engaged community. The early work on the Our Place Plan and the Economic Development Strategy has highlighted particular opportunities around the business ladder and the enterprise agenda. This will bring added value and new investment opportunities to this critical part of creating a thriving community.

4.3 If the Town, District or indeed County Council decides not to take on an asset then community ownership could be an alternative option to the developer retaining

responsibility. The potential for this should be explored and assessed in each case, especially where the facility may not otherwise be delivered at all, in the event of a valid offer to transfer being made and declined. In certain cases the obligation on the New Community Partners to provide land/facilities falls if there is no take up by the intended recipient.

5. Our Place Plan

5.1 The Community Development Worker is leading a grant funded project in conjunction with the community to develop a locally-led Our Place plan for Cranbrook. This includes the development of an operational plan for a 'business ladder' for Cranbrook that will support businesses from start up through to establishment. In concert with this, East Devon District Council has commissioned the preparation of an Economic Development Strategy (EDS) for Cranbrook. A specific outcome of both the Our Place and EDS work is to explore and select models of community ownership and establish how these might best work for the town. To this end a Community Benefit Company is being initiated currently. Progress on this work will be the subject of a separate report to Cabinet at a later date.

6. Whole life costing

6.1 At its meeting in October 2014 Cabinet approved the adoption of whole life costing analysis as part of its property decision making processes. These principles need to be applied when considering the detailed implications of assets at Cranbrook. Whilst a number of these will/could be transferred to the Council without any initial capital expenditure, there are ongoing revenue implications that will need to be considered and budgeted for.

6.2 As set out above the existing Section 106 legal agreement for Cranbrook only relates to the initial planning application for 2900 homes and the more recent approval of a further 587 homes. It is possible for the signatories to revisit voluntarily this agreement through a further Deed of Variation to secure additional funding, perhaps for the build out of facilities for which land only has been secured to date, but it would be unreasonable/impossible to seek additional funds to support ongoing costs of assets. However, these implications need to be considered fully and whole life costing principles should be embedded in future negotiations for the town's expansion to help ensure that the full cost of assets is understood.

6.3 Under the current Section 106 regime we cannot cover the long-term maintenance costs of assets, only pump prime them. It is understood that this will not change in April 2015, although other measures (restricting the number of agreements from which contributions can be pooled for a particular project) will come into force at that time. The Council has not yet fixed its CIL arrangements, so while future funding for projects may come through this new mechanism, it should not be assumed that maintenance can be covered by this route either. It should be noted that applications for the expansion areas are likely to be processed under the current regime so separate non-106 funding will need to be secured, arranged or budgeted for to cover the long term maintenance costs of assets.

7. Covenants

7.1 It is increasingly likely that innovative approaches will need to be taken to manage assets and deliver services in the future. The imposition of restrictive covenants can limit the ability to do this. For example an element of commercial activity or residential development may be essential in order to support the delivery of a service from within an asset that is in place to provide a public service such as a children's centre or library. In future negotiations the Council will seek to secure the highest amount of flexibility with regard to covenants to ensure that restrictions do not impinge upon service delivery. Such flexibility will, of course, be framed so to preserve the function of the asset as originally required.

8. Legal and officer costs

8.1 The legal costs associated with the transfer of assets are significant, with each transfer of an asset to East Devon District Council estimated to cost between £2000 and £3500 depending upon its complexity. The transfer of assets from the Council to another party is estimated to cost between £1000 and £2000. On this basis the cost to this Council of the transfer of assets set out in the existing legal agreement could amount to in the region of £54,500 over the next 5 to 6 years depending upon the rate of delivery. Similarly, the Town Council, should be aware of its potential legal fees outlay in acquiring assets that may be offered to it by the NCP. Costs of this nature need to be taken into account during future S106 negotiations to ensure that they do not act as a deterrent to asset acquisition by an appropriate recipient, and that where necessary and possible they are covered by the provisions of any such agreement.

8.2 The delivery of the facilities and assets outlined in the legal agreement will have implications for the Council in terms of officer time. For example engineers will have a hands on role to play in the design and implementation of play areas and a skate park. Similarly, there are also implications for officers within the Council's Estates and Property Services departments, with the transfer of assets, even if only on a temporary basis, generating a significant amount of work. These costs associated with the development may be significant, and while to a degree could be considered as part of the mandatory duties of the Council it is not unreasonable to expect that a proportion should be met by the developer. The proportion of such costs to be borne by the developer should also feature during future S106 agreement negotiations.

9. Assets and their implications

9.1 The Section 106 legal agreement includes a number of 'trigger points' for delivery of assets. These are linked to the occupation of homes. The table below provides an indication of when these are anticipated to come forward. It must be noted that this is an estimate only that has been made on the basis of three alternative rates of occupation per annum. The build out rate may well be subject to even greater fluctuations over the life of the development and this will in turn have an effect on when facilities can be expected. Experience to date also demonstrates that the actual point of delivery will not always strictly accord with the provisions set out in the legal agreement. The complexity of delivering a development of this scale inevitably means that there are triggers that will be met and those that for a variety of reasons may have cause to slip. Where the latter is the case officers will work with the New Community Partners and other stakeholders to resolve the outstanding issues that may be causing the delay.

Number of dwellings	Estimated point of delivery at 450 per annum	Estimated point of delivery at 350 per annum	Estimated point of delivery at 500 per annum
914	4 th Qtr 2014 (actual)		
1250	3 rd Qtr 2015	4 th Qtr 2015	3 rd Qtr 2015
1500	2 nd Qtr 2016	3 rd Qtr 2016	1 st Qtr 2016
1750	4 th Qtr 2016	2 nd Qtr 2017	3 rd Qtr 2016
2000	2 nd Qtr 2017	1 st Qtr 2018	1 st Qtr 2017
2500	2 nd Qtr 2018	4 th Qtr 2019	1 st Qtr 2018

2750	4 th Qtr 2018	3 rd Qtr 2020	3 rd Qtr 2018
3250	4 th Qtr 2019	1 st Qtr 2021	3 rd Qtr 2019
3487	2 nd Qtr 2020	4 th Qtr 2021	1 st Qtr 2020

9.2 The following paragraphs set out the recommendations for each asset identified in the legal agreement. Where appropriate assets are grouped together and accordingly may be covered by a single recommendation. Further detailed background information for each asset is provided in Appendix 1. The identified 'schedule' relates to the relevant part of the legal agreement.

9.3 It should be noted that whilst assets are identified in the legal agreement under separate areas there may be opportunities and advantages for these to be co-located. For example the Town Council Offices and Library could potentially sit alongside one another within the same building, even though ownership of these different assets is intended to be transferred to the Town Council or East Devon District Council in respect of the Town Council offices and the County Council in respect of the Library. There is now flexibility built into the varied agreement to support this and it will be explored as part of the more detailed work to develop proposals which needs to commence shortly, given the requirement to fix locations for many of the assets at 1250 occupations.

Open Spaces and Play Areas (Schedule 8) and Sport Pitches (Schedule 9)

9.4 Open spaces, play areas and sport pitches will be delivered in accordance with details and a timetable agreed with the East Devon District Council. After a maintenance period of 12 months the developers may offer to transfer these to the Town Council. If the Town Council decides not to take on responsibility then this remains with the developers, unless other arrangements are agreed with the District Council.

9.5 The management and maintenance of these assets could be a significant cost to East Devon District Council. However, if the Town Council do not take on the responsibility then the Council may wish to offer to do so. Such action would ensure the delivery of high quality facilities and accompanying service to Cranbrook residents that would be consistent with that offered to other communities across the district. However, if the Council were to do this it would need to be done without incurring additional costs that would be a financial burden, particularly in a period of budget constraints. To understand how this can be done will require a detailed assessment and it is recommended that officers carry this out and return to Cabinet at a later date. Once costs have been established the Council will be in a position to decide whether to enter into discussion with the developers should the situation arise where this is necessary.

9.6 It may well be the case that should the Town Council decide to take on these assets that they in turn look to contract the District Council or another body such as the Community Benefit Company to carry out the works. Establishing the cost of ongoing management and maintenance will also be necessary in order to enter into discussions with the Town Council.

Country Park and Nature Reserve and Street Scene Compound (Schedule 10)

9.7 The Country Park will be delivered by the developer in accordance with the details and timetable that will be set out in the Country Park Specification and Management Plan and Nature Reserve Specification and Management Plan, both of which are yet to be agreed. After a post-completion maintenance period of 12 months the developers may offer to

transfer these assets to the Town Council. If the Town Council decides not to take on ownership and responsibility then these remain with the developer, unless other arrangements are agreed with East Devon District Council.

- 9.8 The Country Park is the most important area of green space for Cranbrook. It is effectively the 'green lung' for the town and its future management is of great importance to the community and to the Council's reputation. The Countryside Team has already drafted a management proposal for the Country Park clearly outlining how we would manage the site through the Country Park Ranger, even if the Town Council takes on the ownership. The proposals within it were rejected by the New Community Partners as they do not want to commit to anything until they can handover the asset to the Town Council or District Council.
- 9.9 The country park is some way off of completion and with the 12 month maintenance that follows that, there is time to discuss the issues associated with its future management with interested parties. It is recommended that the proposal remains 'on the table' and that this matter is revisited at an appropriate time once the Town Council is in place. It should be noted that experience elsewhere indicates that it would be very unlikely for an organisation like a Town Council to take on the direct responsibility for the specialist task of managing a country park.
- 9.10 The Country Park Resource Centre (CPCR) is the key piece of infrastructure that is needed for the Country Park to function properly. This will be provided by the developer in a location and in accordance with a specification yet to be agreed by East Devon District Council. There are no provisions within the agreement to secure a contribution towards ongoing revenue costs. The CPRC will be an essential part of the 'offer' for the local community, schools and visitors to the town. The construction should be of a design to enable running and maintenance costs to be kept at a minimum. The option to convert and re-use some of the Listed Buildings at Tilhouse Farm to serve as the CPRC should be further explored. It is understood that the NCP have resolved to dispose of these buildings into the open market in the future.
- 9.11 In order to understand fully the implications for the Council of acquiring and running the CPRC a business plan for it will need to be prepared by the Countryside Team in conjunction with the Estates Team and as necessary, the Council's specialist Heritage advisor. This will need to consider the whole life cost of the asset and will allow the Countryside Service to budget accordingly for the ongoing provision of what has been identified as an essential facility to support the enjoyment and management of the Country Park itself.
- 9.12 A street scene compound will be provided by the developer in a location and in accordance with details yet to be agreed with East Devon District Council. (An application for the Approval of Reserved Matters for sports pitches, allotments and housing has been submitted, which also includes the location of a street scene compound. This application is in its very early stages of assessment). There will be ongoing costs associated with the operation of such a facility and these will need to be borne by the Council. However, an assessment of these costs, on the basis of its whole life, should be compared with the cost of not having an on-site compound, such as additional transport costs for bringing materials and equipment to Cranbrook, and costs for the storage of these materials and equipment elsewhere in the District. Budgeting to cover both these scenarios should be made accordingly

Public Conveniences (Schedule 13)

9.13 Land and a built asset are to be transferred to East Devon District Council, if the public conveniences are not provided within a commercial building. The asset would be transferred with a commuted sum of £200,000.00, linked to the BCIS index from October 2010. An assessment of the whole life cost of the Public Conveniences should be carried out in order to fully understand the implications of ongoing management and to be able to budget accordingly.

Public Realm and Public Art (Schedule 15)

9.14 Street furniture will be delivered by the developer in the parcels with planning approval, in accordance with the details to be agreed with East Devon District Council. This will take place after the completion of each sub phase of the development, after which time the Council will assume responsibility for maintenance, but not ownership of the items.

9.15 Whilst the agreement makes provisions for a commuted sum equivalent to the cost of 10 years of maintenance of each item of street furniture, there are no provisions made for additional costs associated with these items beyond that. Following the transfer of responsibility for street furniture to East Devon District Council, the Council will be fully responsible for its ongoing upkeep, which will represent an additional cost. This matter should be addressed in negotiations for future legal agreements to ensure that the full cost of the provision of further street furniture is taken into account fully, including ongoing maintenance, and that appropriate financial arrangements are in place accordingly.

Youth Facilities (Schedule 17), Library Facilities and Mobile Library Contribution (Schedule 19), Extra Care (Schedule 30) and Children's Centre Facilities (Schedule 31)

9.16 There are a number of facilities identified within the S106 agreement that from the outset have been intended for transfer to Devon County Council to support the delivery of that Council's services. Ongoing budget pressures mean that the role that the County Council will play in Cranbrook may be subject to review. The County Council is currently consulting widely on its budget spending priorities and the outcome of that exercise will be published in due course. However, the provision of the services associated with each facility remains crucial to the development of Cranbrook and to meeting the needs of its community. East Devon District Council expects the County Council to recognise the responsibility that it has and the role that it has to play in this regard, to factor the need to support the development of a sustainable community in Cranbrook and to budget accordingly to be able to do so through the delivery of facilities and services. To ensure that in the future East Devon District Council does not need to take emergency or unplanned action on the delivery of such services, discussions for contingency/succession models, including with other delivery organisations, should be initiated with the County soon.

Fire and Rescue, Police and Ambulance Facilities (Schedule 20)

9.17 Devon and Cornwall Police, Devon and Somerset Fire and Rescue and South West Ambulance Service are developing proposals for a tri-service facility in Cranbrook. Whilst at an early stage it is envisaged that by agreement this facility will be delivered on the land to be identified in the S106 agreement for police and ambulance facilities.

9.18 The legal agreement makes provisions for the site in question to be transferred to East Devon District Council. It is proposed that officers continue to work with the NCP and the emergency services while they develop their joint proposal and that the Council facilitate the transfer of the asset to those services as soon as it is practical to do so following its

transfer from the developer, if the business case shows that retention and leasing of the facility by East Devon District Council is undesirable.

Health and Wellbeing Land (Schedule 21)

9.19 Serviced land for a Health and Wellbeing facility will be transferred to East Devon District Council by the developers. There is currently no capital funding provided for construction within the agreement or budgeted for elsewhere. Officers are at an early stage of developing an initial concept for such a facility. The further development of a more detailed proposal will require the involvement of a range of stakeholders, including the health providers, NCP and the community.

9.20 As the proposal develops it is essential that the potential implications and opportunities of such an asset to the Council are fully assessed on the basis of its whole life cost. It is also necessary to assess the impact of the non-delivery of such a facility, in social and health terms. The findings of both sets of analysis will be used to inform decision making, with the implications being subject to a report to Cabinet at a later date.

Place of Worship Land (Schedule 22)

9.21 An area of 0.2 hectares adjacent to St Martin's Primary School fronting Younghayes Road has been secured in the Section 106 for the provision of a place of worship. Temporary (5 years) consent for a community garden on the site was granted in 2013 following an application for reserved matters from the New Community Partners. The specification for the community garden (paths, lawns, canopy etc) was approved for both reserved matters and Section 106 obligation purposes.

9.22 The original intention was that the site would be leased to Cornerstone Church on a temporary basis while the site was in use as a community garden and that the matter of a permanent transfer would be explored at a later date when the future of the site was decided. However, on behalf of Churches Together in Devon and Cornerstone Church, the Diocese of Exeter have recently made a request for the site to be transferred to them on a permanent basis ahead of the implementation of the planning permission for the community garden. The Council will shortly be consulting the community and carrying out an Equalities Impact Assessment of this proposal as a first step towards determining if it is an appropriate course of action.

9.23 Another temporary use of part of the site, as a compound for the Charles Church construction operations, has been in place for some 8 months, although it is understood that this will cease some time later in the spring. Some ground works (such as gravel overlaying) have taken place to enable this compound use. There are implications of liability for the Council in assuming ownership of the land in its present condition and in advance of it being laid out to the approved specification these should be explored fully before any transfer from the New Community Partners is undertaken.

Allotments (Schedule 27)

9.24 Allotments will be delivered by the developer in location(s) and in accordance with an Allotment Specification and Delivery Programme which is yet to be agreed. (As noted in 9.12 above an application for the Approval of Reserved Matters for sports pitches, allotments and housing has been submitted, which also includes the location of a street scene compound. This application is in its very early stages of assessment). Allotments are traditionally the responsibility of the Parish or Town Council; however, there will be no obligation for Cranbrook Town Council to take on responsibility for the asset. Should that be the case then the provisions of the agreement require that they remain the responsibility of the developer, unless otherwise agreed by East Devon District Council.

9.25 East Devon District Council is not planning to expand its involvement in managing allotments. It is recommended that officers work with Cranbrook Town Council or other suitable community body to secure the transfer of the allotments to that Council, or to an alternative appropriate community organisation. Should this not be possible then the allotments should remain the responsibility of the developer as set out in the legal agreement.

Town Council Facilities (Schedule 32)

9.26 The Town Council facilities are to be constructed in a location and in accordance with a specification yet to be agreed. This is programmed for completion prior to the occupation of the 3450th dwelling, which at the current rate of house building is anticipated to be the 2nd quarter of 2020. The building will be transferred to East Devon District Council or to the Town Council, provided it is willing and able to take on the responsibility for the asset. There will be no obligation for the Town Council to do so, however it would be appropriate if this were to be the case and this should be fully explored in the first instance. Should the Town Council decide not to take on the asset then options for its transfer to an appropriate alternative community lead organisation should be explored. Should neither of these options be workable then East Devon District Council should acquire and become responsible for the asset. If this is the case then it will be necessary to plan and budget accordingly, including the preparation of a business plan, which will explore leasing and other revenue opportunities.

9.27 As part of the work to progress the expansion area planning applications, and as acknowledged in the 2014 Addendum to the Strategic Design Guide, consideration will be given to whether the current proposals for the town centre remain appropriate or are in need of revision. The NCP are keen to engage with East Devon District Council in order to explore the potential to support the outcomes of the emerging Economic Development Strategy and Our Place plan, for example to bring forward an enterprise centre. This will be an important area of work to progress during 2015 in conjunction with the determination of the planning applications.

Appendix 1

Open Spaces and Play Areas (Schedule 8)

Item	Open Space and Play Areas
How	Delivered by Owner in accordance with details and timetable with the approved Open Space Specification. Designed in partnership between the Owners and EDDC with community involvement.
When	<p>1st NEAP – prior to first occupation of 500 dwellings</p> <p>2nd NEAP – prior to the earlier of the First Occupation of 2000 Dwellings and the opening of the Secondary School</p> <p>1st LEAP prior to First Occupation of 500 Dwellings</p> <p>2nd LEAP prior to First Occupation of the 100th Dwelling to be First Occupied within the 587 Dwelling Phase</p> <p>3rd LEAP prior to First Occupation of 1200 Dwelling</p> <p>4th LEAP prior to First Occupation of 1750 Dwellings</p> <p>5th LEAP prior to the earlier of the First Occupation of 2000 Dwellings and the opening of the Secondary School</p> <p>6th LEAP prior to First Occupation of 2750 Dwellings</p> <p>7th LEAP prior to the First Occupation of 3250 Dwellings</p> <p>Skateboard Park prior to the earlier of the First Occupation of 2000 Dwellings and the opening of the Secondary School</p>
Initial capital and set up costs	Developer funded.
Options for ownership	<p>Developer responsibility for 12 months from completion.</p> <p>Owners may transfer to Town Council after 12 months (subject to TC being willing and able to take on responsibility).</p> <p>If not transferred to Town Council then Owners shall continue to maintain unless other arrangements agreed with EDDC.</p>
Assessment of implications for East Devon District Council	<p>Officer time, both at the design and implementation stages.</p> <p>Town Council not obliged to take up offer of assets. If so owners will be required to maintain the play areas and public open spaces unless other arrangements are agreed with EDDC.</p> <p>If EDDC were responsible for the maintenance of these assets additional staff and equipment resources required.</p> <p>Legal cost for EDDC to acquire each freehold asset £3000 - £3500.</p> <p>EDDC reputation impacted by the quality of the facility.</p>
Assessment of implications for the community	<p>Quality of life, health and wellbeing benefits from recreational facilities in close proximity to dwellings. Poor or non-provision of open space and play areas would reduce these benefits, and instead raise the potential risk of anti-social behaviour.</p> <p>High quality areas and open spaces help to ensure use is maximised.</p> <p>Break up the urban pattern and can provide some biodiversity</p>

	benefits which are beneficial intrinsically, but also contribute to the enjoyment of the place.
Recommendation	Establish cost of managing and maintaining open spaces and play areas in order to inform discussions about the potential transfer of these assets to EDDC or to another body (CBC?) and/or the management by EDDC or another body on behalf of the Town Council.

Sports Pitches (Schedule 9)

Item	Sport Pitches
How	Delivered by Owner in accordance with details and timetable with the Sports Pitch Specification
When	<p>Identify location prior to occupation 1250th dwelling.</p> <p>Written approval of Sports Pitch Specification and Delivery Programme prior to occupation of 1250th dwelling.</p> <p>Reasonable endeavours to complete Sport Pitches and make them available for first use by the occupation of 1250th dwelling, with requirement to install, complete and make available by occupation of 1700th dwelling.</p>
Initial capital and set up costs	Developer funded.
Options for ownership	<p>Developer responsibility for period of 12 months after completion.</p> <p>Owners may transfer to Town Council after 12 months (subject to TC being willing and able to take on responsibility).</p> <p>If not transferred to Town Council then Owners shall continue to maintain unless other arrangements agreed with EDDC.</p>
Assessment of implications for East Devon District Council	<p>Officer time at both design and implementation stages.</p> <p>Town Council not obliged to take up offer of transfer assets. If so owners will be required to maintain the sports pitches unless other arrangements are agreed with EDDC.</p> <p>If EDDC were to be responsible for the maintenance of these assets additional staff and equipment resources required.</p> <p>Legal cost for EDDC to acquire each freehold asset £3000 - £3500.</p> <p>EDDC reputation and provision of quality facility.</p>
Assessment of implications for the community	<p>Quality of life, health and wellbeing benefits from sports facilities in reasonably accessible locations.</p> <p>High quality facilities help to ensure use is maximised.</p> <p>Break up the urban pattern and can provide some biodiversity benefits which are beneficial intrinsically, but also which contribute to enjoyment of the place.</p> <p>Social benefits of organised sport and its role in fostering community cohesion.</p> <p>Poor or non-provision of sports facilities would reduce quality of life and health and well-being benefits, and instead raise the potential risk of anti-social behaviour and poor community cohesion</p>
Recommendation	Establish cost of managing and maintaining sports pitches in order to inform discussions about the potential transfer of these assets to EDDC or to another body (CBC?) and/or its management by EDDC or another body on behalf of the Town Council.

Country Park and Nature Reserve and Street Scene Compound (Schedule 10)

Item	Country Park and Nature Reserve
How	Delivered by Owner in accordance with details and timetable with the Country Park Specification and Management Plan.
When	Timetable for delivery of the Country Park and Nature Reserve to be set out in a revised Plan 5 of the LBDS, to be submitted to EDDC by 24 th February 2015. Specification and Management Plan for Country Park to be submitted to EDDC for approval prior to occupation of 1250 th dwelling. Specification and Management Plan for Nature Reserve to be submitted to EDDC for approval prior to occupation of 1500 th dwelling. Laying out and completion of the Country Park and of the Nature Reserve in accordance with the revised Plan 5 of the LBDS.
Initial capital and set up costs	Developer funded.
Options for ownership	Developer responsibility for period of 12 months after completion Owners may transfer to Town Council after 12 months (subject to TC being willing and able to take on responsibility). If not transferred to Town Council then Owners shall continue to maintain unless other arrangements agreed with EDDC.
Assessment of implications for East Devon District Council	<p>This is the most important area of green space for Cranbrook it is effectively the “green lung” for the town, therefore its future management is of great importance to EDDC’s reputation management. EDDC Countryside Team has already drafted a management proposal for the Country Park clearly outlining how we would manage (through the Country Park Ranger) the site even if the Town Council takes on the ownership of the site. The proposals within it were rejected by the Consortium as they do not want to commit to anything until they can handover the “asset” to the TC or EDDC. Ideally EDDC would be the owner due to its strategic fit with our corporate objective of “Enjoying this outstanding place”. The opportunities to deliver and manage an area of green space that can help create a sense of civic pride through community engagement are at the heart of what the Countryside Team wish to drive forward. The Country Park Ranger has already set up volunteer parties, programmed in public events and is working with St Martin’s School. The transfer of this asset into our ownership and management is a compelling and obvious decision to make.</p> <p>Costs for managing the Country Park may come over the next 5-10 years through the proposal put forward and approved by SMT to secure £30 per household p.a from the £150 p.a per household currently charged by the Owners to each household for the annual ground rent.</p> <p>Costs have been estimated and are set out in a management proposal with suggestion that Owners make a payment to EDDC of £30 per household p.a.. Previously presented to the Owners and rejected.</p> <p>Legal cost for EDDC to acquire freehold asset £3000 - £3500.</p>
Assessment of implications for	Quality of life, health and wellbeing benefits of natural space for recreation in close proximity to dwellings. Poor or non-provision

the community	<p>would reduce these benefits, High quality facilities help to ensure use is maximised. Break up the urban pattern and provide significant biodiversity benefits. Poor or non-provision would fail to mitigate the impact of the development on the natural environment</p> <p>Orchard provides opportunity for access to locally grown food.</p> <p>Provide an important drainage function for Cranbrook.</p>
Recommendation	<p>The management proposal for Cranbrook Country Park should remain on offer and should be re-visited with Cranbrook Town Council and/or the New Community Partners within 12 months of the completion of Phase 1 of the Country Park.</p>
Item	Country Park Resource Centre
How	Delivered by Owners in location and to specification agreed by EDDC.
When	Prior to first occupation of 1500 th dwelling the Owners shall lay out and complete the Country Park Resource Centre. Set location of CPRC by 1250 th occupation.
Initial capital and set up costs	Developer funded land and building.
Options for ownership	On completion the Owners shall transfer to EDDC, or Town Council if directed to do so by EDDC.
Assessment of implications for East Devon District Council	<p>The Country Park Resource Centre is the key piece of infrastructure for the Country Park to function properly. The Centre will be an essential part of the “offer” for the local community, schools and visitors to the town. There are strong implications for the reputation of East Devon District Council in the successful delivery of CP services.</p> <p>The construction is to be of an appropriate design and build (if not Tilhouse) to enable running and maintenance costs to be kept at a minimum. Potentially maintaining the building could be carried out in part by volunteers as is the case on the Seaton Wetlands buildings.</p> <p>Officer involvement in the project to develop specification, including technical work to assess Tilhouse Farm.</p> <p>Ongoing cost of maintenance and management cost, with the potential for income generation (events, room hire) to cover at least part of these.</p> <p>Legal cost for EDDC to acquire each freehold asset £3000 - £3500.</p>
Assessment of implications for the community	Provides opportunities for interpretation and education.

	<p>Supports biodiversity improvements and community involvement by providing a location to coordinate efforts of volunteers.</p> <p>Management, coordination and education/interpretation will be much more difficult if not done locally.</p>
Recommendation	Prepare a business plan for the Country Park Resource Centre in order to understand fully the implications of its ongoing management and to budget accordingly.
Item	Street Scene Compound
How	Delivered by Owners in location and to specification agreed by EDDC.
When	Prior to first occupation of 1700 th dwelling the Owners shall lay out and complete the Street Scene Compound.
Initial capital and set up costs	Developer funded.
Options for ownership	On completion the Owners shall transfer to EDDC, or Town Council if directed to do so by EDDC.
Assessment of implications for East Devon District Council	<p>Street Scene and Property Services officer involvement at design and project implementation stages.</p> <p>Ongoing cost of occupation and maintenance.</p> <p>Potential to sub-let to Town Council /other service delivery body and generate some income.</p> <p>Legal cost for EDDC to acquire each freehold asset £3000 - £3500.</p>
Assessment of implications for the community	Enable provision of efficient and prompt service to residents that would not otherwise be possible if not located in close proximity to the town.
Recommendation	Assessment of the whole life cost of the Street Scene Compound is carried out in order to understand fully the implications of its ongoing management and to budget accordingly.

Public Conveniences (Schedule 13)

Item	Public Conveniences
How	Delivered by the Owners in location and to specification agreed by EDDC.
When	Prior to the occupation of 2000 th dwelling.
Initial capital and set up costs	Developer funded.
Options for ownership	<p>On completion the Owners shall offer to transfer to EDDC. On transfer the Owners shall pay EDDC the commuted sum of £200,000.00 linked to BCIS index from October 2010.</p> <p>However, if the Public Convenience Building is comprised within a commercially provided building it shall not be required to be</p>

	transferred to EDDC. This is provided that it shall have an independent external entrance which shall be open to the public as a minimum between 8am and 5pm 7 days per week (but not bank holidays).
Assessment of implications for East Devon District Council	Officer involvement at design and project implementation stages. Ongoing cost of maintenance. Legal cost for EDDC to acquire each freehold asset £3000 - £3500.
Assessment of implications for the community	Will provide an important public amenity. Lack of public provision may become a health/nuisance issue.
Recommendation	Assessment of the whole life cost of the Public Conveniences is carried out in order to understand fully the implications of its ongoing management and to budget accordingly.

Public Realm and Public Art (Schedule 15)

Item	Street Furniture and Public Art
How	Delivered by Owner in accordance with details agreed with EDDC.
When	Installation to take place as soon as reasonably practicable following approval of the details.
Initial capital and set up costs	Initial cost and commuted sum covered by developer contribution.
Options for ownership	There is no asset transfer here, only assumption by EDDC of responsibility for maintenance of signs and street furniture, which remain in the ownership of the NCP following the completion of each sub-phase.
Assessment of implications for East Devon District Council	<p>.</p> <p>Commuted sum allows for ten years' maintenance costs for street furniture. .Costs of maintenance and replacement beyond this date are not factored.</p> <p>A Cultural Strategy for Cranbrook will be prepared, and the provision of Public Art (whether in physical form, or activities) together with its funding in the town will be guided by the Strategy.,</p>
Assessment of implications for the community	<p>Street furniture adds to appearance of the urban form and performs essential functions – provision of bins, bus stops and benches all impact on resident's quality of life.</p> <p>Public Art performs an important cultural development role.</p>
Recommendation	Future negotiations related to the provision of Street Furniture and the quality of the Public Realm should acknowledge the need for ongoing maintenance.

Youth Facilities (Schedule 17)

Item	Permanent Youth Facilities
How	Delivered by Owner in accordance with details agreed with DCC.
When	Prior to first occupation of 3450 th dwelling owners shall agree specification with DCC and lay and construct in accordance with specification.
Initial capital and set up costs	Developer funded land and building.
Options for ownership	On completion Owners shall offer to transfer to DCC or if jointly directed by EDDC and DCC to EDDC or such other organisation.
Assessment of implications for East Devon District Council	<p>Anticipate delivery in Summer 2020.</p> <p>If DCC do not deliver then still essential resource.</p> <p>EDDC may be required to facilitate alternative provision. If so then implications in terms of officer time to develop specification and manage delivery.</p> <p>Potential source of income but Estates and Property Services officer involvement if occupier a tenant. Could consider transfer to provider.</p> <p>Legal costs if transferred to EDDC £3000 to £3500. Legal costs of transfer freehold to third party £1500 to £2000.</p>
Assessment of implications for the community	<p>Cranbrook's community is recognised as being currently particularly young in terms of demographics and this will generate a demand for appropriate support services, including for youth.</p> <p>Facilitate community's involvement in town's development – helping to engender a sense of 'belonging' and community cohesion.</p> <p>Poor or non-provision may result in lack of engagement of young people in the new community, and risks anti-social behaviour.</p>
Recommendation	Seek clarification from Devon County Council on what the Council's intentions are with regard to the provision of Youth, Library, Extra Care and Children's Centre facilities at Cranbrook.

Library Facilities and Mobile Library Contribution (Schedule 19)

Item	Library Facilities
How	Delivered by Owner in accordance with details agreed with DCC.
When	Prior to first occupation of 3450 th dwelling owners shall agree specification with DCC and lay and construct in accordance with specification.
Initial capital and set up costs	Developer funded land and building.
Options for ownership	On completion Owners shall offer to transfer to DCC or if jointly directed by EDDC and DCC to EDDC or such other organisation.
Assessment of implications for East Devon District Council	<p>Anticipate delivery in Summer 2020.</p> <p>If DCC do not deliver then still essential resource EDDC may be able to facilitate alternative provision. If so then implications in terms of officer time to develop specification and manage delivery.</p> <p>Potential source of income but Estates and Property Services officer involvement if occupier a tenant. Could consider transfer to provider.</p> <p>Legal costs if transferred to EDDC £3000 to £3500. Legal costs of transfer freehold to third party £1500 to £2000.</p>
Assessment of implications for the community	<p>Provides a range of important services to the community.</p> <p>Helps to meet needs for access to information technology.</p> <p>Facilitate community cohesion.</p> <p>Lack of provision would impoverish the cultural development and social cohesion of the town.</p>
Recommendation	Seek clarification from Devon County Council on what the Council's intentions are with regard to the provision of Youth, Library, Extra Care and Children's Centre facilities at Cranbrook.

Fire and Rescue, Police and Ambulance Facilities (Schedule 20)

Item	Police and Ambulance Facilities
How	Serviced land in accordance with approved location to be set by 1250 th occupation.
When	Prior to first occupation of 2500 th dwelling
Initial capital and set up costs	Developer funded land.
Options for ownership	Transferred to EDDC
Assessment of implications for East Devon District Council	<p>Anticipate delivery Summer 2018.</p> <p>Legal cost of transfer to EDDC £3000 to £3500.</p> <p>Legal cost of transfer of Freehold to third party £1500 to £2000.</p> <p>Officer time on negotiation of inclusion of fire and rescue facilities in</p>

	asset development (not presently secured in 106)
Assessment of implications for the community	Will ensure the provision of essential services in an appropriate location.
Recommendation	Work with the emergency services to develop a joint proposal for a tri-service facility and to facilitate the transfer of the land for that facility to those services as soon as it is practical to do so following its transfer to EDDC, if the business case shows that retention and leasing of the facility by EDDC is undesirable.

Health and Wellbeing Land (Schedule 21)

Item	Health and Wellbeing Land
How	Serviced land in accordance with approved location to be set by 1250 th occupation.
When	Prior to first occupation of 2500 th dwelling
Initial capital and set up costs	Developer funded land.
Options for ownership	Transferred to EDDC. If jointly directed by EDDC and DCC to DCC or such other organisation.
Assessment of implications for East Devon District Council	Anticipate delivery Summer 2018. Officer time in re-negotiation of legal agreement (expansion areas) of design and funding for build-out of facilities (land only secured at present) Potential source of income but Estates and Property Services officer involvement if occupier a tenant. Could consider transfer to provider. Legal cost of transfer to EDDC £3000 to £3500. Legal cost of transfer of Freehold to third party £1500 to £2000.
Assessment of implications for the community	Be tailored to meet the needs to the community that it serves. Will form part of the package of facilities and services that will be required to meet the community's needs. Poor or non-provision will leave community's needs unsatisfied in crucial aspect of quality of life.
Recommendation	Established EDDC working group to develop concept for the facility prior to engagement/involvement of wider stakeholder group.

Place of Worship Land (Schedule 22)

Item	Place of Worship Land
How	Laid out in accordance with the specification and to a completion standard
When	Prior to first occupation of 500 th dwelling
Initial capital and set up costs	Developer funded.
Options for ownership	Transferred to EDDC.
Assessment of implications for East Devon District Council	Proposal for the land to be transferred to Diocese of Exeter following transfer to East Devon District Council has implications for Council liability on ground conditions, planning enforcement issues and equalities impact matters. . Is currently undergoing Equalities Impact Assessment. Legal cost of transfer to EDDC £3000 to £3500.

	Legal cost of transfer of Freehold to third party £1500 to £2000.
Assessment of implications for the community	Implementation of temporary planning permission as spiritual garden will fulfil important spiritual/cultural role in the town. Support for community cohesion and development.
Recommendation	Carry out equalities impact assessment of proposal to transfer to Diocese of Exeter. Ensure implementation of agreed garden specification.

Allotments (Schedule 27)

Item	Allotments
How	Delivered by Owner in accordance with Allotment Specification and Delivery Programme.
When	Owners shall use reasonable endeavours to complete the allotments by first occupation of the 1250 th dwelling and by the first occupation of the 1700 th dwelling.
Initial capital and set up costs	Developer funded.
Options for ownership	Developer responsibility for period of 12 months after completion. Owners may transfer to Town Council after 12 months (subject to TC being willing and able to take on responsibility). If not transferred to Town Council then Owners shall continue to maintain unless other arrangements agreed with EDDC.
Assessment of implications for East Devon District Council	The management of allotments would require EDDC officer time and resources. EDDC is not currently involved in the running allotments and there are no plans to expand the Council's work in this area.
Assessment of implications for the community	Anecdotal evidence that demand for allotments is high. Offer a range of health and wellbeing and quality of life benefits as well as supporting community cohesion and local food production Biodiversity/landscape benefits.
Recommendation	Support the transfer of the allotments to Cranbrook Town Council, or to an alternative appropriate community organisation. Should this not be possible then the allotments to remain the responsibility of the developers as set out in the Section 106 agreement.

Extra Care (Schedule 30)

Item	Extra Care Facilities
How	Serviced land provided in an approved location.
When	Prior to the occupation of the 2500 th dwelling.
Initial capital and set up costs	Developer funded land.
Options for ownership	On completion Owners shall offer to transfer to DCC or if jointly directed by EDDC and DCC to EDDC or such other organisation.
Assessment of implications for East Devon District Council	Anticipate delivery in Summer 2018. If DCC do not deliver then still essential resource. In which case EDDC may be able to facilitate alternative provision. If so then implications in terms of officer time to manage this process. Potential source of income but Estates and Property Services officer involvement if occupier a tenant. Could consider transfer to provider.
Assessment of implications for the community	Will help to meet an anticipated need within the community for those who require additional support.

	In addition to the elderly this may provide a facility for people with other needs such as learning difficulties or physical disabilities.
Recommendation	Seek clarification from Devon County Council on what the Council's intentions are with regard to the provision of Youth, Library, Extra Care and Children's Centre facilities at Cranbrook.

Children's Centre Facilities (Schedule 31)

Item	Children's Centre
How	Facilities provided by the Owners in accordance with an agreed specification or serviced land and financial contribution.
When	Prior to the occupation of 2500 th dwelling.
Initial capital and set up costs	Land and facilities or land and contribution provided by the Owner.
Options for ownership	On completion Owners shall offer to transfer to DCC or if jointly directed by EDDC and DCC to EDDC or such other organisation.
Assessment of implications for East Devon District Council	<p>Anticipate delivery in Summer 2018.</p> <p>If DCC do not deliver then still essential resource. In which case EDDC to facilitate alternative provision? If so then implications in terms of officer time to manage the design and commissioning process, in addition to on-going management.</p> <p>Potential source of income but Estates and Property Services officer involvement if occupier a tenant. Could consider transfer to provider.</p> <p>Legal costs if transferred to EDDC £3000 to £3500.</p> <p>Legal costs of transfer freehold to third party £1500 to £2000.</p>
Assessment of implications for the community	<p>Cranbrook's community is recognised as being currently particularly young in terms of demographics and this will generate a demand for appropriate support services, including for children's services.</p> <p>Facilitate community's involvement in Cranbrook's development – helping to engender a sense of 'belonging'.</p> <p>Support the delivery of essential health related services.</p> <p>Facilitate community cohesion.</p> <p>Poor or non-provision will have a significant impact on the quality of life of residents, leaving the community's needs unmet.</p>
Recommendation	Seek clarification from Devon County Council on what the Council's intentions are with regard to the provision of Youth, Library, Extra Care and Children's Centre facilities at Cranbrook.

Town Council Facilities (Schedule 32)

Item	Town Council Facilities
How	The Owners shall layout and construct in accordance with an agreed location and specification.
When	Prior to the occupation of the 3450 th dwelling.
Initial capital and set up costs	Developer funded land and building.
Options for ownership	Transferred to EDDC or the Town Council in the event that a Town Council has been formed which is willing and able to take on responsibility for the Town Council Facilities.
Assessment of implications for East Devon District Council	<p>Need to make temporary provision to deal with time lag between establishment of new Town Council and provision of Town Council facilities (from May 2015 to Summer 2020)</p> <p>Equal first refusal goes to EDDC for these facilities, rather than EDDC being a back-stop position for the transfer. Town Council not obliged to take up offer of transfer assets.</p> <p>Potential source of income but Estates and Property Services officer involvement if occupier a tenant.</p> <p>Legal cost of transfer to EDDC £3000 to £3500.</p> <p>Legal cost of transfer of Freehold to third party £1500 to £2000, although no cost to EDDC if asset is transferred directly to the Town Council in the first place.</p>
Assessment of implications for the community	<p>Provision of an important civic building and associated service provision.</p> <p>Support the development of civic pride and effective local governance.</p> <p>Interim provision of accommodation for new Town Council</p>
Recommendation	Work with Town Council when formed to secure temporary accommodation and to develop specification of permanent facilities. Secure transfer direct to the Town Council or other suitable body (CBC?) if business case for East Devon District Council retention is not made

Report to: Cabinet

Date of Meeting: 11 March 2015

Public Document: Yes

Exemption: None



Agenda item: 17

Subject: Standing orders exemption covering report for lease purchase of Big Belly bins for Exmouth seafront

Purpose of report: To note the reasons for the exemption which has been granted for the lease of solar compacting bins to replace our seafront litter stations. The exemption was granted on the grounds that Big Belly Solar is the sole supplier in the UK offering this type of bin.

Existing litter stations in seafront areas are now quite old and many need replacing. The litter stations have served us well but it is felt that it is time for something new. 1 big belly bin will replace a large 4 wheelie bin litter station, giving a much tidier appearance. The big belly solar compactor will improve the look of our seafronts; takes up less space than existing bins; will be installed next to new recycling bins in some locations; and will be capable of Wi-Fi hot spot advertising in the near future giving us another communication channel with our customers allowing us to draw visitors attention to the great services, beaches and local businesses in our towns. We installed these bins across our seafronts at Sidmouth, Seaton and Budleigh last year and they have been very successful. We trailed the bins at Exmouth last year and now want to install them from Mamhead to Foxholes.

Where the big belly bins replace a number of smaller Neapolitan bins, they will also reduce the problem of seagulls spreading litter (as the big belly bins have a closed Shute) and the issue of overflowing bins from bulky but lightweight chip papers and cartons.

The Big Belly bins cost £988 each per annum. We have entered into a 5 year lease for 16 bins. The annual cost is £15,808 with a total contract value of £79,040 over 5 years.

We have not increased our base budget in procuring these bins; instead we are making savings from agency and overtime budgets which cover the costs of the bins. Around £15k of the saving comes from not employing an agency worker in Exmouth. The decreased frequency of emptying the seafront bins is primarily what allows this to work. We may find further savings in this manner as the bins are used elsewhere.

In an effort to further reduce the cost of these bins we will also be instigating advertising services in conjunction with Big Belly Bins. We will start with static advertising panels in the Summer followed by Wi-Fi hotspot advertising. This has the potential to generate small revenues which might cover the cost of some of the bins as well as adding another communication channel we can use to market what East Devon has to offer.

Recommendation:

Cabinet notes the exemption and reasons for entering into a lease arrangement for 16 Big Belly bins.

Reason for recommendation:

Big Belly bins are the only solar compactor bins on the market which have a compactor which allows the bin to accept up to 8x the volume of a regular bin. The bins are constructed to a high standard with simple and strong manufacturing, so there is little to go wrong. There is only a motor, a sprocket, and a chain attached to the ram involved with the compactor. All the bins have self diagnostics, so will alert us and Big Belly to any potential issues. The lease includes full servicing and warranty cover for 2 years and extended cover can be purchased if required.

These bins will allow us to reduce our emptying frequency whilst maintaining the same service level (the bin has telemetrics which tell us how full they are and when they need emptying) the time saving can be re-invested into street cleaning.

In our trial in Sidmouth during the summer of 2013 we found that 1 Big Belly bin could replace a quad litter station (4 x 240ltr), needing emptying only once a day as opposed to 2-3 empties a litter station had needed previously. In certain locations the bins will also allow us to make savings on agency staff and overtime, so we have covered the cost of leasing the bins without increasing our base budget.

Bournemouth has 30 bins along the sea front which have been in place for 4 years with only one broken lock, and one SIM card error. They have 70 bins in total and are looking at getting more.

Officer:

Tim Harris, Area Manager East

Email: tharris@eastdevon.gov.uk

Tel: 01395 571611

Financial implications:

As mentioned in the report the budget for the bins has been created from savings in other budget areas, as such overall there is no additional cost to the Council.

Legal implications:

The contract value falls below the threshold set out in the Public Contracts Regulations 2006 and therefore the EU procurement procedure does not apply and an exemption can be validly given pursuant to the Council's Contract Standing Orders Rule 3.1.

The basis for the exemption (being a limited market) appears sound and as such the exemption has been legitimately secured. Accordingly there are no legal implications arising and Cabinet can note / endorse the exemption.

Equalities impact:

Low Impact

Bins will be sited in similar locations to existing bins, limiting impact on partially sighted users of our seafronts.

Risk:

Low Risk

No different/greater risk than the bins they replace, except in regard to cost and public perception.

- 1) The bins cost £988 p.a. This may appear too expensive to some and could cause reputational issues. We would counter this by focussing on the positive aspects of improved service and no net increase to base budget (bin cost is met by savings on overtime and agency staff).
- 2) In some locations 1 big belly bin replaces a number of smaller Neapolitan bins. Some people may feel this is an overall reduction in bin provision – could lead to negative reputational impacts. Whilst we would reduce overall bin numbers, the capacity of each Big Belly bin is far greater, so overall capacity is increased, leading to less wind blow/overspill litter.
- 3) If the bin is damaged beyond reasonable repair from for example a vehicle strike we would be responsible for replacement. General breakdowns and material defects are covered by the lease. We will insure the bins to cover replacement should this be necessary. However case history from other users such as Bournemouth suggests they are very robust.
- 4) Bins compactors or electronics break down. The bins have self diagnostics and will alert us to any potential issues. The lease also includes full servicing and warranty cover.
- 5) Warranty cover for the bins is for 2 years only. There is the option to extend at £50 p.a. which we will do.

Links to background information:

[Exemption from Contract Standing Orders](#)

Link to Council Plan:

Priorities 1 – 3

Living in / Working in / Enjoying this Outstanding Place

Report to: Cabinet

Date of Meeting: 11 March 2015

Public Document: Yes

Exemption: None



Agenda item: 18

Subject: **Monthly Performance Report January 2015**

Purpose of report: Performance information for the 2014/15 financial year for January 2015 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 2014/15 financial year for January 2015.**

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 Streetscene, Housing and Revenues and Benefits.

Officer: Karen Jenkins, Strategic Lead – Organisational Development and Transformation

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ext 2762

Financial implications: There are no direct financial implications.

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

Equalities impact: Low Impact

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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:

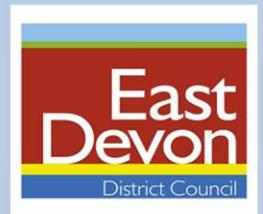
- [Appendix A – Monthly performance snapshot for January 2015](#)
- [Appendix B - The performance indicator monitoring report for the 2013/14 financial year up to January 2015](#)
- [Appendix C – System Thinking Reports for Housing, Streetscene and Revenues and Benefits for January 2015](#)
- [Appendix D - Explanations and definitions.](#)

Link to Council Plan: Living, working, enjoying and outstanding Council

Report in full

1. Performance information is provided on a monthly basis. In summary most of the measures are showing acceptable performance.
2. There are 3 indicators that are showing excellent performance,
 - Percentage of planning appeal decisions where the planning inspector has disagreed with the Council's decision
 - Percentage of Council Tax collected
 - % of invoices paid within 10 days
3. There is one performance indicator showing as concern.
Working days lost due to sickness absence – We have undertaken some analysis of our sickness absence which has highlighted an increased number of staff with long term sickness issues. We are dealing with each of these cases individually however they are contributing to the higher overall level of absence within the Council.
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 Housing, Streetscene and Revenues and Benefits appear in [Appendix C](#).
7. An explanation and definitions of these measures can be found in [Appendix D](#).

Monthly Performance Snapshot – January 2015



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

- 99.60% of rent due on council owned homes collected
- **6 days** to process your Housing or Council Tax Benefit claims
- **94%** of invoices received by us are paid within 10 days
- Less than **3.5 days** on average to clear fly tipping cases, dealing with 56 cases this month, up from 38 cases last month

Latest headlines:

- Our Housing Service delivered a Discovery Day at The Beehive in Honiton and held Estate Walkabouts on the Littleham Estate in Exmouth
- Property Services dealt with 157 reactive maintenance cases on the Council's public buildings in January. This compares to 136 in the month before.
- The Lympstone Neighbourhood Plan (the first in East Devon) will proceed to public referendum on 26th March 2015. If the majority of electors vote 'yes' it will be adopted and used, with the Local Plan, to make planning decisions in the Parish.
- 'Matisse: Drawing With Scissors' exhibition came to East Devon's Thelma Hulbert Gallery from the Southbank Centre, London, and continues to early February. The popularity of this once in a lifetime exhibition saw THG's January 2015 visitor figures reach 1793, a rise of 429% on January 2014's figures. Shop takings were also up a staggering 820% to £4,270 for January 2015 and donations up 527% to £953.
- A new Watersports Centre proposal has been announced for Queen's Drive, Exmouth.
- Exmouth Sea Cadets are to receive Council funding towards the cost of their new premises