

Phil Norrey
Chief Executive

To: The Chair and Members of the
Corporate Infrastructure and
Regulatory Services Scrutiny
Committee

County Hall
Topsham Road
Exeter
Devon
EX2 4QD

(See below)

Your ref :
Our ref :

Date : 19 November 2018
Please ask for : Wendy Simpson 01392 384383

Email: wendy.simpson@devon.gov.uk

**CORPORATE INFRASTRUCTURE AND REGULATORY SERVICES SCRUTINY
COMMITTEE**

Tuesday, 27th November, 2018

A meeting of the Corporate Infrastructure and Regulatory Services Scrutiny Committee is to be held on the above date at 2.15 pm at Committee Suite - County Hall to consider the following matters.

P NORREY
Chief Executive

A G E N D A

PART I - OPEN COMMITTEE

- 1 Apologies
- 2 Minutes
Minutes of the meeting held on 25 September 2018 (previously circulated).
- 3 Items Requiring Urgent Attention
Items which in the opinion of the Chairman should be considered at the meeting as matters of urgency.
- 4 Public Participation
Members of the public may make representations/presentations on any substantive matter listed in the published agenda for this meeting, as set out hereunder, relating to a specific matter or an examination of services or facilities provided or to be provided.

MATTERS FOR CONSIDERATION OR REVIEW

- 5 Service Deliveries: In-Year Briefings
- a Corporate Services
Report of the Chief Executive.
- b Highways, Infrastructure Development and Waste (Pages 1 - 6)
Report of the Chief Officer for Highways, Infrastructure Development and Waste (HIW/18/87), attached.
- c Communities, Public Health, Environment and Prosperity (Pages 7 - 12)
Report of the Chief Officer for Communities, Public Health, Environment and Prosperity, attached.
- 6 Treasury Management Stewardship Mid-Year report (Pages 13 - 18)
Report of the County Treasurer (CT/18/99), attached.
- 7 Risk Management Mid-Year Update 2018/19 (Pages 19 - 26)
Report of the County Treasurer (CT/18/96), attached.
- 8 Connecting Devon and Somerset (CDS) - Update on Gigaclear Contracts (Pages 27 - 32)
Report of the Head of Economy, Enterprise and Skills (EES/18/7), attached.
- 9 Shaldon Bridge
Report of the Chief Officer for Highways, Infrastructure Development & Waste.
- 10 Devon Cycling and Walking Strategy 2018 (Pages 33 - 40)
Report of the Head of Planning, Transportation and Environment (PTE/18/49), attached.
- 11 Street Lighting Policy (Pages 41 - 42)
Report of the Commissioning Liaison Members.
- 12 Scrutiny Work Programme
In accordance with previous practice, Scrutiny Committees are requested to review the list of forthcoming business and determine which items are to be included in the Work Programme.
- The Committee may also wish to review the content of the Cabinet Forward Plan to see if there are any specific items therein it might wish to explore further.
- The Scrutiny Work Programme and Cabinet Forward Plan can be found at:
<http://democracy.devon.gov.uk/mgPlansHome.aspx?bcr=1>

MATTERS FOR INFORMATION

- 13 Items Previously Circulated
Below is a list of information previously circulated to Members since the last meeting, relating to topical developments which have been or are currently being considered by this Scrutiny Committee.
- (a) Email circulated from the Office of the Police and Crime Commission providing an update on the proposed merger between Devon and Cornwall Police and Dorset

Police (26/9/18).

- (b) Email circulated with link to the Devon and Cornwall Police and Crime Panel Agenda on 5 October (4/10/18).
- (c) Email circulated with meeting notes on the Street Lighting Policy (26/10/18).

PART II - ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF PRESS AND PUBLIC ON THE GROUNDS THAT EXEMPT INFORMATION MAY BE DISCLOSED

Nil

Members are reminded that Part II Reports contain confidential information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Democratic Services Officer at the conclusion of the meeting for disposal.

Membership

Councillors A Dewhirst (Chair), P Colthorpe, Y Atkinson, K Ball, R Bloxham, J Hook, J Brook, P Crabb, A Eastman, R Edgell, I Hall, M Shaw, C Slade, H Ackland, J Berry and R Radford

Declaration of Interests

Members are reminded that they must declare any interest they may have in any item to be considered at this meeting, prior to any discussion taking place on that item.

Access to Information

Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact Wendy Simpson 01392 384383.

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Public Participation

Devon's residents may attend and speak at any meeting of a County Council Scrutiny Committee when it is reviewing any specific matter or examining the provision of services or facilities as listed on the agenda for that meeting.

Scrutiny Committees set aside 15 minutes at the beginning of each meeting to allow anyone who has registered to speak on any such item. Speakers are normally allowed 3 minutes each.

Anyone wishing to speak is requested to register in writing to the Clerk of the Committee (details above) by the deadline, outlined in the Council's [Public Participation Scheme](#), indicating which item they wish to speak on and giving a brief outline of the issues/ points they wish to make. The representation and the name of the person making the representation will be recorded in the minutes.

Alternatively, any Member of the public may at any time submit their views on any matter to be considered by a Scrutiny Committee at a meeting or included in its work Programme direct to the Chair or Members of that Committee or via the Democratic Services & Scrutiny Secretariat (committee@devon.gov.uk). Members of the public may also suggest topics (see: <https://new.devon.gov.uk/democracy/committee-meetings/scrutiny-committees/scrutiny-work-programme/>)

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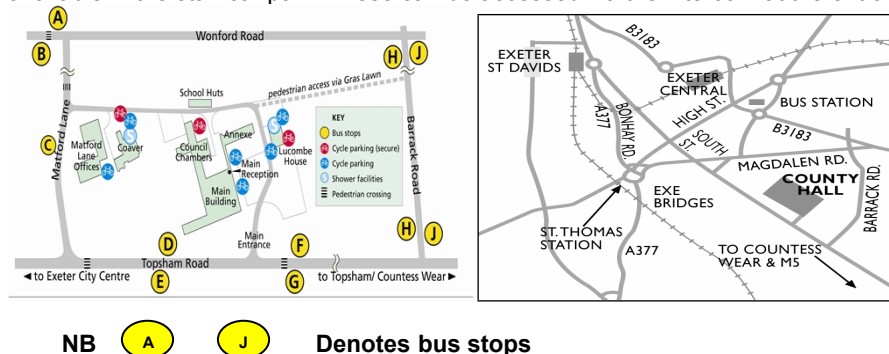
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NB   Denotes bus stops

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First Aid

Contact Main Reception (extension 2504) for a trained first aider.

HIW/18/87

Corporate, Infrastructure and Regulatory Services Scrutiny Committee
27 November 2018

Service Delivery for Highways, Infrastructure Development and Waste: In-Year Briefing

Briefing Paper by the Chief Officer for Highways, Infrastructure Development and Waste

1. Introduction

This report provides an in-year briefing on service delivery within Highways, Infrastructure Development and Waste.

2. Current Position Statements

2.1 Highways and Traffic Management

Following the winter of 2017/18, the County like most other parts of the country saw many more potholes appear than have been seen recently. This directly impacted on the performance of the service as the level of potholes being either reported or identified soared to over 12,000 in a month. This meant that operatives were diverted from programmed work to pothole filling, impacting on programme delivery. For October 2018, the number was back to a more normal level of 3435. From the lessons learnt during the early part of 2018 and in considering what matters to customers a trial has taken place in East Devon working with Skanska and looking at an alternative way of dealing with potholes reported by the public. This has involved introducing a “triage” service, where a trained inspector visits the site and identifies whether:

- It is a safety defect and needs to be dealt with in accordance with the policy timescales
- It is not a safety defect, however there is a problem which needs to be dealt with but in a less reactive way
- No action is required.

The outcomes of this trial are currently being considered, however, it is very likely it will be rolled out across the County, albeit not to the very lowest end of the network.

The Dragonpatcher has arrived in Devon, and is also helping in dealing with potholes by some targeted intervention.

The annual highway maintenance programme of works is progressing well. Some welcome additional funding towards the beginning of the year from both Council and the DfT make this our highest value year ever with over £86M programmed. The scale of this programme has put pressure on our resources providing a challenge to identify and design at a faster pace. We have also used our extensive supply chain using a number of highway contractors in addition to Skanska to enable



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delivery. There is recognition that communication of accurate programme information is an area for improvement and we are working on how to address this.

With the lessons learnt from the first year of service delivery, Skanska has accelerated the gully cleansing programme, to give more resilience for reactive works during the winter months.

The general condition of minor roads remains a concern and the audit team are currently helping us to review that the current approach, minimises the corporate risk to the authority. The new highway code of practice 'Well Managed Highway Infrastructure' came into force last month. It advocates a risk-based approach to highway service delivery and is something we have been working towards for a number of years.

The additional £6.5m revenue money that was given to the service has been targeted at drainage (both routine and cyclic), additional patching and safety defects, including the triage trial mentioned earlier.

For volunteers wanting to assist we have so far this year:

- set up 49 new road warden agreements, bringing the total in place to 60
- trained 50 representatives from 33 parish and town council's in chapter 8 training and are now starting to receive more interest in the one-day traffic management for special event course
- introduced the Highway Safety Awareness e-learning course at the end of last year and 42 have signed up so far
- 14 Parish and Town Councils have received pothole repair material to repair non-intervention potholes in their communities
- supported 168 parishes in the P3 scheme - held workshops; issued grants and trained volunteers to help maintain the prowl network.

We have received 72 Highway Maintenance Community Enhancement Fund applications of which a total of 61 applications have been approved. The total number of approved grants is approximately £91,000.00 and will help to fund projects worth over £222,000.00.

The three-year project to upgrade over 25,000 main road, high wattage lanterns with low energy LED technology is nearing completion with only 300 lanterns to be completed by Christmas.

We have been investigating the adoption of a Roadworks Permitting scheme across Devon and this work is nearing completion and will be consulted upon in the coming months. Typically, such schemes result in a reduction in network disruption from roadworks by up to 10%.

The Civil Parking Enforcement service has recently been named the winner of the Best Overall Report at the PATROL PARC Awards (Parking Annual Report Awards by Councils); the Best Report Award being judged on how helpful it is to the local community, the policies, scheme design, the quality of the information provided as well as the overall presentation. The CPE service continues to seek opportunities to allow other Authorities to benefit from the economies provided through our in-house service, 2018 has seen a fully managed service launched for Cullompton Town Council's off-street car park, and provision of all processing services supporting Exeter City Council's Off-Street Parking service.

It is with some sadness to report that the threat of Ash dieback is becoming a reality. The number of cases identified on the highway network for the whole of 2017/2018 totalled 91,

so far this year the number of cases has risen to over 400. Due to the speed of progression in the rate of deterioration of trees a decision was taken in April to increase the frequency of tree inspections from once every 3 years to 2 years. However, on a positive note the Stover and the Grand Western Canal country parks have retained their prestigious Green Flag awards; have improved the parks in many ways – this year by establishing a new popular play area at the Grand Western Canal and have put in a bid for HLF funds at Stover.

2.2 Infrastructure Development

The Infrastructure Development service is delivering a large programme of capital funded schemes including highway (roads and bridges) schemes, schools maintenance and new schools projects.

Following the successful bid to Department for Transport for the improvements to the A361 North Devon Link Road between South Molton and Bideford, work has continued in preparing the scheme and has culminated in a planning application being submitted in October. Works to the southern half of the new Tiverton Eastern Urban Extension junction also on the A361, were completed in July and work continues on the Modbury flood risk management scheme.

October saw the A379 Slapton Line re-opening, following the damage caused during Storm Emma in March. To have re-opened the road in less than 8 months, in an area of huge environmental importance and with the need for planning permission, is a massive achievement. Work continues on site with the environmental mitigation and sea wall strengthening. In the north of the county the £1m joint replacement work at Torridge Bridge is nearing completion, and work has been completed on a number of retaining wall and embankment strengthening schemes, with more works in the pipeline.

There are currently 92 schemes within the schools' maintenance programme of which approximately 61% have already been delivered in year. The schools basic need programme saw the opening of Loddiswell Primary school on a new school site in April, and the completion of Westcliffe primary school new six class block.

In addition to these schemes the teams continue to progress a pipeline of projects including, Sherford High Street, Dinan Way, the widening of the A382, the Wray Valley Trail, and the Alma Footbridge in Sidmouth.

Work is also progressing on determining the Transport and Engineering Professional services future delivery model, for presentation to this Committee in January 2019.

2.3 Waste Management

A number of new Contracts have commenced this year including glass recycling, paper recycling, leachate treatment, Mid Devon organic waste haulage, and South Hams organic waste treatment

Construction commenced on the Brynsworthy Waste Transfer Station which will serve North Devon and Torridge and is going well and to programme. The new Ivybridge Household Waste Recycling Centre won the 2018, National 'Civic Amenity Site of the Year' Award in May 2018.

Behavioural change campaign work over the summer has included:

- food waste prevention project "Guilty Food Waste Secrets" which provided helpful tips and advice on reducing food waste

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- promoting less use of single use plastic with “Refill Devon” where retailers/cafes sign up to offering free water fill ups for those with their own water bottles, thereby reducing plastic bottle usage.

The Devon Authorities Strategic Waste Committee (DASWC) funded Waste and Recycling Advisors (WRA) contract has focussed on talking to householders’ face to face to assist them to improve their recycling habits. Over the last 18 months advisors have spoken to more than 7000 people, given out more than 5000 recycling boxes and there has been a 3% increase in people’s confidence levels in what they can put out for recycling.

Schools Waste Education continues with the new workshops on marine litter being very popular with schools during the summer term, with 23 workshops being delivered in primary schools across Devon. A New Litter Pack has been made available to schools on <http://zone.recycledevon.org/lesson-plans>. The results of some of this work include Uffculme Primary School increasing their recycling and composting rate from 11% to 84%. Additionally, 351 children and 151 adults have visited the Exeter Energy from Waste plant as part of the schools and community work.

The end of Phase 1 of Ecowaste4food a 4-year EU funded project aimed at reducing food waste in the supply chain is approaching. Phase 1 has been about exchanging and sharing knowledge and experience of innovative ways of reducing food waste from ‘farm to fork’ with our 6 EU partners. The partners visited Devon in April and we held a Food Waste Conference in September showcasing the best innovations to a variety of stakeholders.

The Devon Reuse Project has focussed on organising 6 Repair IT events over the summer – where people bring their broken electrical items for mending at locations across Devon including libraries.

The DCC Plastics Strategy and Action Plan was adopted in June 2018 and is making good progress.

The final 2017/18 data showed a welcome reduction of 1.3% in waste arisings but a small drop to 54% for the recycling rate. This was in part due to low quality wood having to be reclassified and sent for recovery, however Devon is still well placed at 6th best in the league table of Waste Disposal Authorities.

3. Budget Update - Revenue Expenditure Highways, Infrastructure Development and Waste

- 3.1 Highways, Infrastructure Development and Waste is forecasting a break-even position at Month 6.
- 3.2 Highways service managers remain confident that all planned maintenance programmes will be delivered during the financial year and that pressures associated with safety defects caused by adverse weather conditions at the end of last year are currently manageable. This will continue to be closely monitored and may be impacted by seasonal variations later in the year.
- 3.3 Waste tonnages continue to be close to budgeted levels resulting in a forecast spend in line with approved budget.

Meg Booth
Chief Officer for Highways, Infrastructure Development and Waste

Electoral Divisions: All

Cabinet Member for Highway Management: Councillor Stuart Hughes
Cabinet Member for Infrastructure Development and Waste: Councillor Andrea Davis
Cabinet Member for Community, Public Health, Transportation and Environmental Services:
Councillor Roger Croad

Local Government Act 1972: List of Background Papers

Contact for enquiries: Meg Booth

Room No: County Hall, Exeter. EX2 4QD

Tel No: 01392 383000

Background Paper	Date	File Ref.
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Nil

mb0511cirssc Briefing on Service Delivery for Highways Infrastructure Development and Waste
hk 03 151118

Service Delivery for Communities, Public Health, Environment and Prosperity: In Year Briefing

Briefing Paper by the Chief Officer for Communities, Public Health, Environment and Prosperity

1. Introduction

- 1.1 This mid-year report for Scrutiny covers the functions of Communities, Public Health, Environment and Prosperity (CoPHEP), i.e. the service areas of Communities (Head of Service: Simon Kitchen), Public Health (Director of Public Health: Virginia Pearson), Planning, Transportation and Environment (Head of Service: Dave Black) and Economy, Enterprise and Skills (Head of Service: Keri Denton).

2. Communities

Head of service: Simon Kitchen

The Communities team has responsibilities to deliver four key areas of the Council's duties:

- commissioning of Devon's youth services, support around domestic and sexual violence and library and heritage services;
- community safety and co-ordination of related work and partnerships; and statutory co-ordination to preventing extremism and radicalisation;
- community development across the county and its links to the Council's priorities; and
- work to support a range of communities including the Armed Forces Covenant partnership; the resettlement of Syrian families, gypsies and travellers and through Active Devon accessing and increasing physical activity across the County.

The team has made significant progress across each of these four areas during the past year alongside our commissioned and wider partners. The work of the team is diverse and often complex requiring a wide set of skills, networks and resources. The commissioning in these areas has been innovative and has brought additional national funding, interest and recognition. This report has outlined four examples of the team's work this year.

The Council's crowdfunding pilot, in partnership with most of Devon's District Councils and Devon and Cornwall Police, is understood to be the first of its kind nationally in drawing together such a large partnership of organisations and geography. In its first three months of deployment, hundreds of ideas have been posted on crowdfunder.uk, many being supported to deliver new and innovative local projects across Devon. Members have already used some Locality funding to support homelessness work, local economic development, and projects to promote physical activity, local events and culture, which in turn have each been funded by either private or commercial donations.

There has been recent good work in partnership to consider the needs of the Gypsy and traveller community across Devon. There remains an ongoing shortage of sites to meet

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the needs of the Gypsy and traveller population often resulting in unlawful encampments and tensions with the wider community. Resources and expertise are being increasingly shared across partners to assess encampments, solutions and action as required and there is ongoing momentum and shared commitment to consider new or alternative sites, both permanent and temporary in the future.

The Council is leading work in partnership to consider emerging threats around extremism and risks to people as a result of gang and knife crime; county lines and modern slavery. There is growing understanding around vulnerabilities and increased risks to some young people and people with disabilities around crime and being drawn into extremism. The Council's response and focus, in collaboration with partners and communities, will need to continue to evolve to reflect these risks and changes in society.

December's Full Council will see the recommitment to the Armed Forces Covenant for Devon which will outline the Council's work and commitment to support serving men and women and their families, veterans, cadets and reservists. The Council has recently been recognised for its leadership and role in local employment within the Defence Employer Recognition Scheme and will be seeking 'Gold' status within this scheme over the next 12 months. The Council continues to lead and facilitate an active Armed Forces partnership of over 70 organisations.

3. Public Health

Chief Officer/Head of service: Virginia Pearson

Public Health works across all strategic areas. Starting with the joint strategic needs assessment, priority areas are identified within Devon. These can be around any of the strategic objectives. Use of evidence contributes to making good decisions, and senior members of the public health team sit on the Health and Wellbeing and Safeguarding Boards and other strategic partnerships such as the Safer Devon Partnership.

Public Health, through the work with children and commissioning of the public health nursing service contribute to ensuring children have the best start in life.

Work with NHS partners across the Sustainability and Transformation Partnership (STP) has also contributed to supporting individuals to remain independent.

Public Health is on track to deliver the budget as agreed and currently forecasting a small underspend. There have been some areas of overspend including within sexual health services and £100,000 to extend the Early Help for Mental Health service in partnership with the CCGs until April 2019 when the new children's services contract begins. There have been some additional costs within the substance misuse contract, but these have been offset by underspends in NHS Health Checks, obesity, and smoking and tobacco work, which are dependent on demand. There have been a number of staff vacancies/secondments and where these have occurred there have been some gaps between outgoing and incoming staff and the opportunity to review staff skill mix/grade which has enabled some additional cost savings.

4. Planning, Transportation and Environment

Head of service: Dave Black

Key activity in resilience is several schemes focused on improved flood protection at Modbury, Uplyme, Bideford plus programmed schemes at Ivybridge, Sidmouth, Exeter

and Cullompton. The School Place Planning Team have delivered (or onsite) 7 new schools, Charlton Lodge, Trinity (Exeter) Kingsteignton, Okehampton, Sherford, Loddiswell and Marland also aimed at improved resilience and prosperity. The Planning Team are working with the Local Planning Authorities to ensure existing and emerging development plans are accompanied by the necessary strategic infrastructure such as education, transport, flood, health etc together with a funding stream.

Promoting sustainable travel and access to the countryside aims to improve opportunities for healthy lifestyles. New cycle routes have been delivered in Newton Abbot and Exeter plus plans to complete the Wray Valley Trail. In addition, there continues to be a programme of independent travel training for children with special needs. Working with partners and the local community to maintain momentum with the Cranbrook Healthy New Town programme.

The service is proactive in the development of Sherford and Cranbrook. In addition, there are two National Productivity Investment Funds and new bus services which are focused on enhancing prosperity of these key growth areas. Working with the Local Nature Partnership and other partners for the promotion and sustainability of Devon's Natural Capital.

The North Devon Link project and the A382 scheme are key areas where there are planned major improvements to connectivity. The recent reopening of the A379 Slapton Line 8 months after the damage caused by the "beast from the east" demonstrates how the combined resources of the Planning, Environment team and EDG can proactively assist in the delivery of a very sensitive highway scheme.

There are a series of initiatives focused on driver and cyclist use of the road network that are aimed at improving road safety. Examples of this are the "Learn to Live" initiative where we work with partners to promote a greater recognition of the potential hazards of driving to younger drivers. There continues to be a programme of accident data analysis and investigation to better inform future design criteria.

The current forecast is a break-even position for Planning, Transportation and Environment. There are no planned significant variations. There are concerns with Transport Coordination where there are a number of pressures on delivery of services as some of the operators and services are struggling under the weight of increased legislation, wage and operating inflation.

5. Economy, Enterprise and Skills

Head of service: Keri Denton

The Economy, Enterprise and Skills Service has supported the Council's strategic objectives. Set out below are some of the highlights and achievements:

The Service has delivered a community learning programme through learn Devon with a focus on supporting those furthest from the labour market. Courses to improve confidence building support, numeracy, literacy and digital skills have formed the primary support offer often being delivered in partnership, for example with Housing Associations. Learn Devon working with colleagues from Adult Social Care and Public Health has also supported placements for individuals with disabilities.

The Service is working through a range of projects to stimulate business growth securing external funding to deliver a Growth Support Programme aimed at small and micro businesses and a dedicated programme to support the social enterprise sector. The Buy

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With Confidence approved trader scheme operated under the joint Devon, Somerset and Torbay Trading Standards Service is helping to level the playing field for businesses whilst maintaining consumer confidence.

Investment in Okehampton East Park continues supporting expanding local businesses. The Service has secured additional grant funding to take forward a new Enterprise Centre at Roundswell in Barnstaple and planning permission is expected shortly. Three new grow-on buildings are nearing completion at the Exeter Science Park.

Working in partnership with partners across the Heart of the South West to promote a number of key strategic priorities continues. A Productivity Strategy has been produced which sets out an ambition to double the size of the economy and support prosperity for all. The County Council is also supporting the establishment of the Great South West partnership with Cornwall, Dorset and Wiltshire focusing on rural economic development. Key projects we are engaged in working with the LEP includes the launch of a new Careers Hub, working with 60 secondary schools and Further Education colleges to improve careers advice and guidance to young people and the first of two national pilots to create a Digital Skills Partnership.

Awareness raising activity has taken place to support vulnerable adults of scams and door step crime, with the joint Trading Standards team working with Adult Social Care colleagues and has helped reduce health problems.

The Service has operated within its set budget, and has maximised external funding and other sources of incomes wherever possible. Examples are Innovate UK funding of circa £60,000 to pilot rural business support and £300k to support adult retraining working with Department for Education. There are no current significant variations from planned spend.

Dr Virginia Pearson
Chief Officer for Communities, Public Health, Environment and Prosperity

Electoral Divisions: All

Cabinet Member for Policy, Corporate and Asset Management: Councillor John Hart

Cabinet Member for Resources Management: Councillor Stuart Barker

Cabinet Member for Adult Social Care and Health Services and Cabinet Liaison for Exeter: Councillor Andrew Leadbetter

Cabinet Member for Children's Services and Schools: Councillor James McInnes

Cabinet Member for Highway Management: Councillor Stuart Hughes

Cabinet Member for Infrastructure Development and Waste: Councillor Andrea Davis

Cabinet Member for Economy and Skills: Councillor Rufus Gilbert

Cabinet Member for Community, Public Health, Transportation and Environmental Services:
Councillor Roger Croad

Cabinet Member for Organisational Development and Digital Transformation: Councillor Barry
Parsons

Local Government Act 1972: List of Background Papers

Contact for enquiries: Dr Virginia Pearson

Room No. 142 County Hall Topsham Road, Exeter, EX2 4QD

Tel No: (01392) 383000

Background Paper	Date	File Ref.
Nil		

Treasury Management - Mid Year Stewardship Report 2018/19

Report of the County Treasurer

All recommendations contained in this report are subject to confirmation by the Committee before taking effect.

Recommendation: That the Committee consider whether it wishes to draw to the attention of the Cabinet any observations on the Treasury Management Mid Year Stewardship Report.

1. Introduction

- 1.1. The County Council has adopted the CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management in the Public Services. A revised Code of Practice was published by CIPFA in December 2017 and a revised Policy Statement and Treasury Management Practices (TMPs) were agreed by Council in February 2018. The Treasury Management and Investment Strategy for 2018/19 was agreed by Council in February 2018 and forms part of the published budget book.
- 1.2. The purpose of this report is to inform members of any key matters arising from the Council's Treasury and Debt Management activities during the first seven months of the 2018/19 financial year. It is intended to enable members to ensure that agreed policy is being implemented. This report, together with any comments offered by this committee, will be considered by Cabinet on 12th December.

2. Borrowing Strategy for 2018/19 – 2020/21

- 2.1. The overall aims of the Council's borrowing strategy are to achieve:
 - Borrowing at the lowest rates possible in the most appropriate periods;
 - The minimum borrowing costs and expenses;
 - A reduction in the average interest rate of the debt portfolio.
- 2.2. The Medium Term Financial Strategy assumes that, over the three year period, no new long-term borrowing will be required, although this will be kept under review. The majority of the capital programme is funded by capital grants or use of capital receipts. Some use is made of internal borrowing from the Council's cash resources, and prudent management of the capital programme aims to ensure that there is no requirement to take on additional external borrowing.
- 2.3. If short-term borrowing is required to aid cashflow, this will be targeted at an average rate of 0.4%.

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3. Implementation of the borrowing strategy in 2018/19

- 3.1. Active treasury management and the maintenance of levels of liquidity have ensured that no short term borrowing has been required for the financial year to date. Cash positions are monitored daily and modelled over a monthly horizon to ensure that anticipated liquidity levels are forecast accurately. Should short term borrowing be required, the target rate of 0.4% would be difficult to achieve following the increase in the Bank of England base rate, and a rate of around 0.7% would probably be more realistic.
- 3.2. In accordance with the Medium Term Financial Strategy no long term external borrowing has been undertaken this financial year. Instead all borrowing required to fund capital expenditure has been funded by internal cash balances. This position will be kept under review, but the expectation remains that no new external borrowing will be required during the three year period.
- 3.3. At 31st October 2018 the level of long term debt is £507.85m as detailed in the table below.

Analysis of Long Term Debt

	Actual 31.03.18 £'m	Interest Rate %	Actual 31.10.18 £'m	Interest Rate %
Fixed Rate Debt				
PWLB	436.35	4.99	436.35	4.99
Money Market	71.50	5.83	71.50	5.83
Variable Debt				
PWLB	0.00		0.00	
Money Market	0.00		0.00	
Total External Borrowing	507.85	5.11	507.85	5.11

- 3.4. It should be noted that the long term debt figure presented in the Statement of Accounts will be different than the figure stated above. This difference is due to an accounting standard adjustment which requires us to record the value of our long term debt at its Net Present Value in the Statement of Accounts. The Money Market loans, or LOBOs (Lender Option Borrower Option), have stepped interest rates and are revalued annually based on the effective interest rate for the duration of the loan. This revaluation has the effect of smoothing the stepping of the interest over the life of the loans.
- 3.5. The majority of the Council's borrowing is from the Public Works Loan Board (PWLB); however, there are three outstanding LOBO loans, totalling £46.5 million and one fixed loan valued at £25m (previously a LOBO), as shown in the above table. These are historic loans which were all taken out over thirteen years ago, at an initial lower rate of interest that then stepped up to a higher rate after the initial period. There is no further stepping built into any of the loans, but the lenders of the LOBOs have the option to increase the interest rate at each half year date. If the lender exercises this option, the Council would then have the option of repaying the loan in full, incurring no early repayment premium, or to continue making repayments at the higher rate of interest. Given the current level of interest rates it is unlikely that this will happen for many years.
- 3.6. No opportunities have arisen during this financial year to repay outstanding debt without incurring substantial premium penalties, which would negate any benefit of repaying the debt. The PWLB sets premature repayment rates and, where the interest rate payable on a current loan is higher than the repayment rate, the PWLB policy imposes premium penalties for early repayment. With current low rates of interest these penalties would be

of a significant cost. Therefore it will only make financial sense to repay debt early if the PWLB changes its current policy, or if interest rates rise and cancel out the repayment premiums.

4. Investment Strategy in 2018/19

- 4.1. The County Council continues to adopt a very prudent approach to counterparties to whom the County Council is willing to lend. As a result, only a small number of selected UK banks and building societies, money market funds and Non-Eurozone overseas banks in highly rated countries are being used, subject to strict criteria and the prudent management of deposits with them. In addition, the CCLA (Churches, Charities and Local Authorities) Property Fund is being used. The lending policy is kept under constant review with reference to strict criteria for inclusion in the counterparty list.
- 4.2. The Treasury Management Strategy will continue to be set to ensure a prudent and secure approach.
- 4.3. The overall aim of the Council's investment strategy is to:
 - Limit the risk to the loss of capital;
 - Ensure that funds are always available to meet cash flow requirements;
 - Maximise investment returns, consistent with the first two aims;
 - Review new investment instruments as they come to the Local Authority market, and to assess whether they could be a useful part of our investment process.
- 4.4. The target rate for interest on deposits with banks, building societies and money market funds is 0.55%. The target rate for the CCLA Property Fund is 4.5%.

5. Implementation of the investment strategy in 2018/19

- 5.1. The following table shows the County Council's fixed and variable rate investments as at the start of the financial year and as at 31st October 2018:

Schedule of Investments

		Actual 31.03.18 £'m	Interest Rate %	Actual 31.10.18 £'m	Interest Rate %
Maturing in:					
Bank, Building Society & MMF Deposits					
Fixed Rates					
Term Deposits	< 365 days	107.50	0.73	122.50	0.89
	365 days & >	10.00	0.75	10.00	1.00
Callable Deposits					
Variable Rate					
Call Accounts		27.02	0.40	9.93	0.65
Notice Accounts		5.00	1.05	12.50	1.01
Money Market Funds (MMF's)		30.00	0.46	60.00	0.69
Property Fund		10.00	4.42	10.00	4.46
All Investments		189.52	0.84	224.93	1.00

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- 5.2. The figure as at 31st March 2018 includes approximately £12.8m related to the Growing Places Fund (GPF). This figure was approximately £11.6m as at 31st October 2018. Devon County Council has agreed to be the local accountable body for the GPF, which was established by the then Department for Communities and Local Government to enable the development of local funds to address infrastructure constraints, promoting economic growth and the delivery of jobs and houses. The Council is working in partnership with the Local Economic Partnership, and interest achieved on the GPF funds, based on the average rate achieved by the Council's investments, will accrue to the GPF and not to the County Council.
- 5.3. The value of the Council's investments as at 31st October reflect the fact that cash balances tend to increase during the first half of the year as Government grants and other income are received, before tapering back down again during the latter part of the financial year.
- 5.4. Following the flow of generally positive economic statistics over the Summer, the Bank of England's Monetary Policy Committee (MPC) came to a decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, to 0.75%. However, the MPC emphasised again that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate than before the crash. It would appear unlikely that the MPC will increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. It is also likely that the MPC will wait until August 2019, rather than May 2019, before the next increase, with the potential for further increases in 2020. However, the cautious pace of even these limited increases is dependent on a reasonably orderly Brexit.
- 5.5. Revenue lending during the current year up to 31st October, including the use of term deposits, call accounts, money market funds and the CCLA property fund, has earned interest of £1,023,000 against a full year budget of £1,000,000. It is forecast that the investment income for the full financial year will exceed budget by around £650,000. The surplus income has resulted from cash balances during the year to date being higher than anticipated, plus a higher average rate being achieved than budgeted for, following the MPC's decision to raise the base rate to 0.75%.
- 5.6. The County Council continues to adopt a very prudent approach to counterparties to whom the County Council is willing to lend. As a result only a small number of selected UK banks, building societies and money market funds and Non-Eurozone overseas banks in highly rated countries have been used, subject to strict criteria and the prudent management of deposits with them. A longer-term investment of £10m has also been made in the CCLA (Churches, Charities and Local Authorities) Property Fund. However the Council has no direct investments in property or other non-treasury management investments for commercial purposes.
- 5.7. The lending policy is kept under constant review with reference to strict criteria for inclusion in the counterparty list. All lending has been carried out in accordance with the Council's Treasury Management Strategy and with institutions on the list of approved counterparties. There have been no breaches of credit limits.

6. Minimum Revenue Provision (MRP)

- 6.1. Each year the Council has a statutory obligation to charge to the revenue account an annual amount of Minimum Revenue Provision (MRP), which is a charge to make provision for the repayment of the authority's external debt and internal borrowing. The

charge is based on the historic borrowing required to fund the Council's capital programme.

- 6.2. The current policy, following a review in 2015/16 is to charge MRP in equal instalments over the life of the asset benefiting from the capital spend. The budgeted MRP for 2018/19 is £17.028m.

7. Prudential Indicators

- 7.1. Linked to its Treasury Management Strategy, the County Council is required to monitor its overall level of debt in line with the CIPFA Code of Practice. Part of the code requires consideration of a set of Prudential Indicators in order to allow the Council to form a judgement about the affordable, prudent and sustainable level of debt.
- 7.2. The purpose of the indicators is to demonstrate that:
- Capital expenditure plans are affordable;
 - All external borrowing and other long term liabilities are within prudent and sustainable levels;
 - Treasury management decisions are taken in accordance with professional good practice.
- 7.3. Three Prudential Indicators control the overall level of borrowing. They are:
- **The Authorised Limit** - this represents the limit beyond which any additional borrowing is prohibited until the limit is revised by the County Council. Revision may occur during the year if there are substantial and unforeseen changes in circumstances, for example, a significant delay in achieving forecast capital receipts. In normal circumstances this limit will not require revision until the estimate for 2019/20 is revised as part of the 2019/20 budget process.
 - **The Operational Boundary** – this indicator is based on the probable external debt and other long term liabilities during the year. Variations in cash flow may lead to occasional, short term breaches of the Operational Boundary that are acceptable.
 - **The Underlying Borrowing Requirement to Gross Debt** - the Council also needs to ensure that its gross debt does not, except in the short term, exceed the total of the Capital Financing Requirement.
- 7.4. During the Budget process, the following Borrowing Limits were set for 2018/19
- Maximum borrowing during the period (**Authorised Limit**) - £777.76m
 - Expected maximum borrowing during the year (**Operational Boundary**) - £752.76m
 - Maximum amount of fixed interest exposure (as a percentage of total) - 100%
 - Maximum amount of variable interest exposure (as a percentage of total) - 30%
- 7.5. Members are asked to note that for 2018/19 to date, the Council has remained within its set Borrowing Limits and has complied with the interest rate exposure limits.

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8. Prospects for 2019/20

- 8.1. Investment returns are likely to remain low during 2019/20 but to be on a gently rising trend over the next few years. However, much will depend on whether a positive outcome is reached on the Brexit negotiations, and updated forecasts for UK GDP. A no-deal Brexit brings significant risk to future interest rate rises and may result in an emergency reduction in the Bank of England's base rate, as happened following the referendum.
- 8.2. Other risks to the UK economy and therefore interest rates include:
- Bank of England monetary policy takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than currently anticipated.
 - The imposition of trade tariffs by President Trump could negatively impact world growth.
 - Rising interest rates in the US could negatively impact emerging countries which have borrowed heavily in dollar denominated debt, so causing an investor flight to safe havens e.g. UK gilts.
 - Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.
- 8.3. In view of this, it is likely that the target investment return for 2019/20 for bank, building society and money market deposits will be set at a prudent level of around 0.75%, reflecting the current Bank of England base rate. However, the target rate will be reviewed in the light of progress made on the Brexit negotiations between now and when the Council's budget is set in February. We expect to achieve a higher rate of return in the region of 4.0% to 4.5% for the CCLA property fund.

9. Summary

- 9.1. No long term borrowing has been undertaken to date in 2018/19. The expectation is that no new borrowing will be required during the remainder of the 2018/19 financial Year.
- 9.2. No short term borrowing has been undertaken to date in 2018/19.
- 9.3. Investment income as at the end of October has already exceeded the budget target of £1 million in 2018/19.

Mary Davis

Electoral Divisions: All
Local Government Act 1972
List of Background Papers – Nil
Contact for Enquiries: Mark Gayler
Tel No: (01392) 383621 Room G97

Agenda Item 7

Corporate Infrastructure and Regulatory Services Scrutiny Committee
27th November 2018
CT/18/96

2018/19 Risk Management Mid Year Update Report for the Corporate Infrastructure and Regulatory Services Scrutiny Committee

Report of the County Treasurer

Please note that the following recommendations are subject to confirmation by the Committee before taking effect.

Recommendations:

- i. that members note the current risk position as shown in this report.
- ii. that members note the highest scoring risks and consider these when creating future work plans.

The attached detailed report summarises the risk management position as a result of the work of council officers.

Page two includes a visual summary of the rating and allocation of all risks relevant to this Scrutiny Committee, with more detailed comments and analysis on page 3.

In addition, the report provides a detailed appendix (Appendix 1) which sets out the risks with a Current Risk rating of High or Medium as currently recorded in the risk register.

Mary Davis

Electoral Divisions: All
Local Government Act 1972

List of Background Papers

Contact for Enquiries: Robert Hutchins
Tel No: (01392) 382437 Larkbeare House

Background Paper	Date	File Ref
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Nil

There are no equality issues associated with this report



Risk Management

2018/19 Mid-Year Report

November 2018



**Corporate Infrastructure and Regulatory
Services Scrutiny Committee**

Introduction

Devon Audit Partnership (DAP) continues to support and facilitate the development of the Councils risk management framework and processes. This support is designed to assist members, senior management and staff in identifying risks, recognising and recording the "true" risk, mitigation thereof and promote effective monitoring and reporting of those risks.

Background

Development of risk management across the council has included the clarification of oversight and responsibility. The Risk Management Policy includes the following under the heading of Roles and Responsibilities for Scrutiny Members.

Scrutiny Committees should be aware of the objectives of the service areas they oversee. Service Managers should identify risks to the achievement of these objectives and provide to Scrutiny a summary of these risks and the mitigating action/s (controls) that are being taking to reduce the risk to an acceptable/agreed level. Specific risks to objectives, in particular those that remain "high", may be discussed in detail and risk owners and accountable officers asked to provide further information.

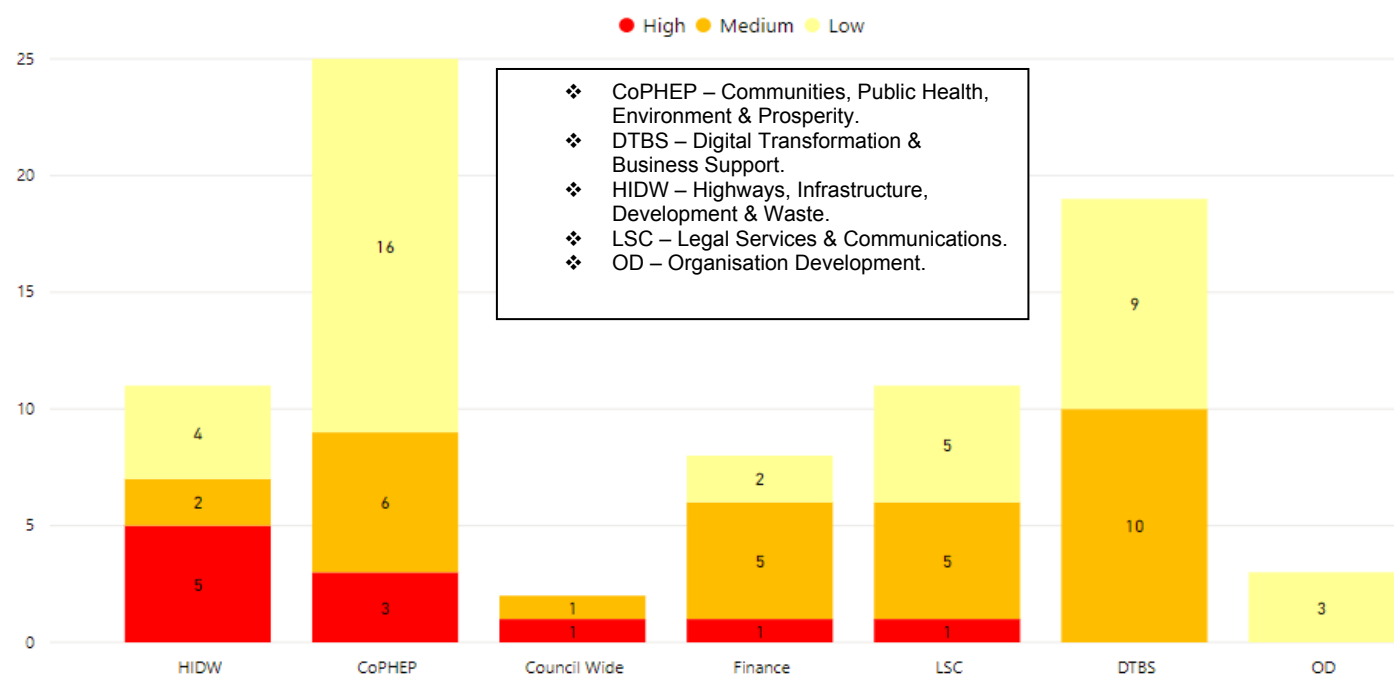
In practical terms this results in each of the Scrutiny Committees having oversight of the risks which are relevant to their areas, with the Audit Committee focusing on the process and effectiveness of risk management overall.

The system used to record risks helps to ensure that where a risk crosses over service areas all relevant Scrutiny Committees have visibility. The highest rated risks, strategic risks and those risks which cross service areas will also be noted within the Authority Wide Risk Register to support inclusive oversight and management.

Work is ongoing to further embed risk management across the council and ensure that the data within the risk registers is clear, accurate, relevant and importantly, linked to organisational objectives. Further details can be obtained from Devon Audit Partnership via Robert Hutchins (Head of Partnership) or Tony Rose, who will also be happy to receive your comments and thoughts on risk management within the Council.

Summary Current Risk Position

There were 79 risks recorded in the Risk Register as at 7th November 2018 which link to the areas of responsibility for this Scrutiny Committee. The Chart below shows these totalled within their service area and by their Current risk score.



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The Risk Management process identifies those areas where risk is currently considered to be greatest. Management of awareness of such risks ensures that focus and attention is in the “right areas”; although the risk may not always be reduced (as yet) to a desired level, the fact that it is being monitored will help to prevent the risk occurring and also limit the impact of the risk if it does occur.

Of the 79 currently recorded, 63 were initially assessed to be either “Very High” or “High”. Following mitigating controls being put in place by council management/officers, the risk score of 59 of these has reduced.

11 risks retain a rating of “High” and 26 a rating of “Medium”, with the remainder assessed as “Low”. Further details of the “High” and “Medium” rated risks can be found in Appendix 1.

All risks within the Risk Register have been given a Strategic or Operational categorisation. As would be expected Highways, Infrastructure, Development and Waste (HIDW) carry Strategic risks with a Current score of “High”. These are linked to road network maintenance, extreme weather and the longer-term issue of Ash Die Back Disease.

Brexit remains rated as a “High” Strategic category risk and the Senior Assistant County Treasurer, at the direction of the County Treasurer, is Chairing a group of Officers from across the Council who are looking at Brexit and its impact on DCC. The group is collating information which will be used to develop a detailed DCC focused Brexit Risk Register.

This Brexit Risk Register will be held and maintained within the group (as occurs within project management), with the data informing new risks for inclusion in the DCC Risk Register, as well as supporting reporting to the Leadership Group on potential Brexit impacts. Areas currently being assessed range from EU funding through to labour market impacts, civil unrest, election costs and food/farming.

Update work is ongoing in several service areas including Health & Safety where, for example, the existing risk will be split into two; with one risk looking at the supporting governance and structures for facilitating Health and Safety, and the second focusing on the operational delivery of good health and safety across the Council. This approach is aimed at ensuring that the overall management of Health and Safety can be more clearly identified and monitored through the corporate risk management process.

The risk information contained within Appendix 1 is extracted directly from the Risk Register and is sorted by the Current Risk Score, i.e. the score following the application of management actions to reduce the level of risk. All key details are shown including the those who are managing the risk on a day to day basis and any movement in scoring at the last review point.

An online Risk Management *eLearning package* is now available for Councillors. Should you wish to complete this please contact your Scrutiny Officer. If you would like more in depth training, please contact your Scrutiny Officer or Robert Hutchins/Tony Rose of Devon Audit Partnership.

Please note that the format of future *Risk Management Reporting* to both Officers and Members continues to evolve. The longer-term aim is to provide dashboards with as close to live data as possible for the risks recorded within each service area. This will be further supported by the capturing issues that are emerging in a slightly different format and linking them to all known sources of information and risks.

Service Area	Risk Title	Description	Risk Category	Inherent Score	Current Score	Risk Owner	Accountable Officer
HIDW - Highways and Traffic	HTM2: Lack of capacity or capability to respond effectively to highway safety related issues	Potential for fatal and severe accidents to citizens due to lack of effective and timely repair or replacement of highway assets. This could be brought about by deteriorating highway condition, inability to meet policy level of service, inadequate procedures or poor staff/contract performance.	Operational	24: Very high	20: High	Joe Deasy	Meg Booth
HIDW - Highways and Traffic	HTM3: Lack of capacity or capability to effectively respond to extreme weather events	Flooding, obstruction and structural damage to the highway or other transport infrastructure affecting citizens and property causing traffic disruption, economic and health impacts	Strategic	24: Very high	20: High	Joe Deasy	Meg Booth
HIDW - Highways and Traffic	HTM1: Deterioration of minor road network due to insufficient maintenance.	Injury and delays to road users and damage to vehicles resulting from deterioration of C Class and Unclassified road network due to insufficient planned and Routine Maintenance	Strategic	25: Very high	20: High	Joe Deasy	Meg Booth
HIDW	Recruitment and retention of Highways Engineering technical staff	Currently EDG Highways team have 10 vacancies, the result of which has limited capacity to deliver the highways capital programme,	Operational	20: High	20: High	Chris Dyer	Meg Booth
CopHEP - Communities	Gypsies and Travellers sites in Devon	Failure to support and work effectively with District Councils and housing providers to enable their provision of both permanent and temporary sites for the G&T community's results in a greater level of unauthorized encampments, animosity within the local community, a negative impact on the quality of life of a minority and local communities, as well as additional costs regarding repossession and restoration.	Operational	20: High	16: High	Nicola Glassbrook	Simon Kitchen
Devon Finance Services	Brexit - The UK's exit from the European Union results in financial and operational pressures which directly impact service delivery	As a result of the UK leaving the European Union and the subsequent changes the legal and regulatory environment as well as government policy there could be: <ul style="list-style-type: none">• a need for additional work to ensure future compliance;• increased costs to ensure compliance;• increased costs due to lost funding to EU funded programmes, including economic growth and regeneration, employment, environmental protection, research and development.• Impact on local business / population and knock on effect to areas such as business rates and employment levels. The implications for Devon County Council from the UK leaving the EU are not yet known or understood, causing uncertainty in Council business, planning, and service delivery. There is also the potential for opportunities where regulation changes	Strategic	20: High	16: High	Matthew Thorpe	Mary Davis
LSC - Human Resources	HR: Employee Services: System Failures	System failure due to technical problems may result in employees not being paid on time or accurately	Operational	20: High	16: High	Wendy Smith	Jacky Wilson
CopHEP - Economy, Enterprise and Skills	Animal Health Disease Control	Additional costs and manpower requirements to respond to exotic animal disease spreading in the Devon and Somerset Communities	Operational	16: High	16: High	Dolores Riordan	Paul Thomas
Council-wide	Inadequate DCC access to diesel / petrol during a fuel crisis	DCC holds no bunkered fuel and would therefore be vulnerable during a fuel shortage. Access to mutual aid from LRF partners would be limited as more of them are also disposing of stored fuel. Where aid is available it is likely to be restricted to diesel. A national plan to assist key industries and services is in place but activation is likely to be too late to avoid shortages and disruption to services. It is the provision of social care that is of most concern.	Operational	16: High	16: High	Keith Reed	Nicola Channon
HIDW - Highways and Traffic	Spread of Ash Die Back Disease (Highways and adjoining land)	Because of the spread of Ash Die Back Disease and its likely infection rate of 95%, the need for intervention by the Council will increase, placing additional pressure on staff and finances. Failure to remove diseased trees, at an appropriate time, could result in fallen branches or trees, causing damage, injury or loss of life.	Strategic	20: High	15: High	Joe Deasy	Meg Booth
CopHEP - Public Health	Potential Flu pandemic	Risk of a significant influenza outbreak affecting service delivery due to impact on the public and staff. With an increasingly mobile world population the chances of this or a similar disease spreading globally is more likely.	Operational	15: High	15: High	Keith Reed	Nicola Channon
Council-wide							
LSC - Human Resources	HR: Health and Safety	Failure to deliver our statutory service delivery duties and legal obligations in respect to health and safety requirements. This leads to reputational and service delivery impact and costs.	Strategic	30: Very high	12: Medium	Simon Bates	Jacky Wilson
DTBS - Customer Relations and Information Governance	BI13 - Reputational damage	Reputational damage from complaints	Operational	24: Very high	12: Medium	Helen Wyatt	Matthew Jones
DTBS - Customer Relations and Information Governance	BI06 - Data Protection breaches	The Council may incur fines and legal actions for damages following incidents of misuse, loss, accidental or deliberate disclosure.	Operational	24: Very high	12: Medium	Martin Lawrence	Gary Dempster
Devon Finance Services	FIN08: Corporate Criminal Offence	The Criminal Finances Act 2017 ("CFA2017") came into effect on 30 September 2017 and introduced the offence of 'Failure to prevent facilitation of tax evasion'. There are clearly severe risks of reputational damage to the Council arising from any involvement in a prosecution, potential changes to our HMRC risk rating, alongside risks of financial penalties / fines.	Operational	16: High	12: Medium	Raymond Rimes	Mary Davis
CopHEP - Communities	Voluntary & Community Sector does not have the capacity to support changes to delivery of community of Health & Social Care.	Due to the command and control approach by DCC and other public-sector bodies (as opposed to an outcome-based approach), the capacity of the Voluntary and Community sector to deal with the changes being planned and delivered may not be sufficient, resulting in Potential injuries to those waiting for care, Increased/unplanned costs for the public sector.	Strategic	15: High	12: Medium	Steve Edwards	Simon Kitchen
DTBS - IT Strategic Commissioning	ICT05 - Shadow IT in Devon County Council	There have historically always been "Shadow IT" departments in Devon County Council, for example, in Highways, HR and Finance where specialist departments deal with their own IT, referring to Corporate IT when required. However, increasingly the availability of often "free" and low-cost cloud software and apps, means that increased numbers of both individual users and business areas start using their own systems, often without any reference to Corporate IT	Operational	16: High	12: Medium	Martin Lawrence	Gary Dempster
Devon Finance Services	FIN04 - Failure to Oversee Financial Performance of Commercial Enterprises in which DCC has influence	Failure to oversee financial performance of various commercial enterprises in which DCC has a controlling influence e.g. PLUSS, NPS, NORSE and LDP. Failure could lead to significant financial issues - e.g. contract performance - as well as consequent impact on Council's reputation.	Operational	16: High	12: Medium	Matthew Thorpe	Mary Davis
LSC - Human Resources	HR: Workforce and Succession Planning	DCC risks not having workforce plans in place to ensure that it has the 'right number of people with the right skills, in the right place at the right time to deliver short and long term organisational objectives' (Chartered Institute of Personnel & Development definition of 'workforce planning'). This is exacerbated by: <ul style="list-style-type: none">• The demographics of the workforce, given that around 45% of our current directly employed DCC workforce is over 50 years and over 60% is over 40 years.	Operational	16: High	12: Medium	Helen Marsh	Jacky Wilson

Service Area	Risk Title	Description	Risk Category	Inherent Score	Current Score	Risk Owner	Accountable Officer
		<ul style="list-style-type: none"> The need for changing skills and behaviours in order to implement new ways of working DCC's new delivery model, including greater reliance on other employers/sectors to deliver services on our behalf Significant changes in social trends and attitudes, such as the use of new technology and attitudes to the public sector, which may impact upon our 'employer brand' and therefore recruitment and retention Skills shortages in key areas including social work and teaching Improvements to the UK and local economy which may impact upon the Council's ability to recruit and retain staff. Government policy (for example exit payment proposals) and changes to the Council's redundancy compensation policy, which could impact upon retention, particularly of those at more senior levels and/or older workers. 					
DTBS - IT Strategic Commissioning	BI21 - Successful Cyber Attack	Successful Cyber Attack on the Authority	Strategic	20: High	12: Medium	Martin Lawrence	Gary Dempster
CoPHEP - Planning, Transportation and Environment	TCS - Inadequate Public Transport Support Budget	Due to the withdrawal of commercial services, potentially higher tender prices and funding reductions, there may be a need for the Council to fill gaps in the bus network thorough additional support for services or pay more for the same services, resulting in a reduction of the bus services provided or Additional funding requirements. If, due to the above, services were cut, there would be significant impacts including on the economy, young people's opportunities, access to learning, training and employment, access to health services, community sustainability, and equality of opportunity (regardless of where someone lives or whether they have a car/ can drive). Under current policies DCC will have to ensure that a level of services is maintained in these circumstances – with a resultant additional cost to the budget.	Operational	18: High	12: Medium	Damien Jones	Dave Black
CoPHEP - Planning, Transportation and Environment	SP1: Flood Risk Management	Devon County Council became the Lead Local Flood Authority (LLFA) as defined by the Flood and Water Management Act (FWMA) 2010 and, consequently, is responsible for managing the risk of local flooding from surface water run-off, groundwater and ordinary watercourses. The Act sets out a number of specific roles for the LLFA. This includes the risks associated with the obligations and expectations associated with this LLFA role, particularly in light of the major flooding experienced in Devon over recent years, the expectation of delivering robust flood improvements and the new statutory consultee role for providing advice to the Local Planning Authorities on surface water management proposals for 'major' development applications. [Note: no specific consideration is provided here to the risk of flooding of DCC assets or the huge costs of responding to / recovering from flood events, particularly linked to highway flooding.]	Operational	20: High	12: Medium	Martin Hutchings	Dave Black
HIDW - Highways and Traffic	HM12: Failure to maintain the A and B road network effectively leading to reduced surface life	The risk of reduced life of the A and B road surfaces is influenced by several factors including the availability of an adequate budget to carry out work and deterioration factors such as severe winters and climate change.	Strategic	20: High	12: Medium	Joe Deasy	Meg Booth
DTBS - Procurement	PR11 - Lack of resource to support all early engagement requests	Lack of early engagement restricts ability to add value	Operational	16: High	12: Medium	Nicola Tribble	Justin Bennetts
DTBS - Procurement	PR04 - Service resilience	Service resilience: succession planning and retention / recruitment of staff	Operational	20: High	12: Medium	Justin Bennetts	Justin Bennetts
DTBS - IT Strategic Commissioning	ICT02 - Loss of IT	Loss of whole of the ICT infrastructure (Datacentre) or telephony	Operational	20: High	12: Medium	Debbie Foweraker	Gary Dempster
DTBS - Property	ES01 - Reduced capital receipts	Reduced capital receipts from the sale of corporate properties	Strategic	20: High	12: Medium	David Bowles	Matthew Jones
DTBS - Property	BI07 - Call answering priority during an emergency	My Devon Customer Service Centre call answering priority during an emergency	Operational	16: High	12: Medium	Roger Jenkins	Debbie Foweraker
DTBS - Property	BI02 - Lack of "Volunteers" to run a Rest Centre	Due to staff availability / volunteers DCC may be unable to open a Rest Centre in an Emergency to offer a welfare support function (temporary shelter, warmth and refreshments) at a designated Rest Centre.	Operational	16: High	12: Medium	Liam Jennings	Matthew Jones
LSC - Communications and Media	Inadequate Budget Setting Engagement	A shortfall in meaningful, proportionate and reasonable engagement provision to inform DCC's 2015/16 budget setting process. Local Authority services operate under a wide range of legal responsibilities and statutory duties. Some of these are specific to the delivery of a service (for example, the legal duty to provide residential care), some protect the well-being of individuals (for example, health and safety law, anti-discrimination protections within the Equality Act 2010), and others apply more generally to decision making including: - Public Sector Equality Duty, Section 149 of the Equality Act 2010. - Section 3(2) of the Local Government Act 1999 (Duty to Consult). DCC budget setting decision-making, detached and set in isolation from the needs of the communities it serves, will have failed to apply established case law, i.e. the Brown principles, resulting in lack of consideration and application of the Public Sector Equality Duty (PSED) as well as failing to apply the Duty to Consult. This contradicts the values, credibility and successful delivery of DCC's Strategic Plan, Backing Devon and its engagement strategy, Engaging Devon.	Strategic	16: High	12: Medium	Tony Parker	Jan Shadbolt
Devon Finance Services	FIN39: Failure to deliver priority services as a result of significantly reduced finances	Reductions in government funding over the next 3 years will necessitate reductions in local government spending and service provision. DCC has responded by identifying savings in 2016/17 and is identifying the impact of further reductions in subsequent financial years via its Medium Term Financial Planning process This risk covers both a failure to deliver priority services due to inadequate financial planning and an inability to respond to changes arising from significant reductions in Government Finance	Operational	20: High	12: Medium	Angie Sinclair	Mary Davis
CoPHEP	Inappropriate business practice or decision making as a result of poor of risk management practices	Failure to conduct robust risk assessment consistently across the Council could result in gaps in control of risks and failure to deliver strategic and other priorities or realise opportunities.	Strategic	16: High	12: Medium	Mark Painter	Tracey Polak
CoPHEP - Public Health	Disruption to DCC services (business continuity)	An incident, internal or external, causing disruption to DCC services for which the Business Continuity Process is not robust enough.	Strategic	16: High	12: Medium	Keith Reed	Nicola Channon

Service Area	Risk Title	Description	Risk Category	Inherent Score	Current Score	Risk Owner	Accountable Officer
HIDW - Waste Management	Shared savings (Waste)	District council changes do not deliver the savings anticipated	Operational	12: Medium	12: Medium	Annette Dentith	Meg Booth
LSC - Human Resources	HR: Industrial Relations Climate	Developments at local, regional or national level might impact upon the industrial relations climate, particularly the relationship with the recognised trade unions. Industrial action leads to both short term impact, i.e. inability to provide services due to strike action by employees and may also have a longer/wider ranging impact on the local industrial relations climate	Strategic	12: Medium	12: Medium	Helen Marsh	Jacky Wilson
CoPHEP - Economy, Enterprise and Skills	Potential legal costs/compensation for court cases or improper seizure or suspension of goods	Potential of legal costs/compensation and damage to reputation of Service and Authority due to officers wrongly impounding goods etc.	Operational	12: Medium	12: Medium	Steve Gardiner	Paul Thomas
LSC - Human Resources	HR: Employee Services Safer Recruitment	Failure to appropriately identify safeguarding issues during the recruitment process	Operational	25: Very high	10: Medium	Andrea Owen	Jacky Wilson
Council-wide Devon Finance Services	FIN40: Impact of reform of the Intermediaries Legislation (Off-Payroll working in the Public sector)	Legislation has been implemented following HMRC consultation related to off payroll working in the public sector, and the current off payroll arrangements in place within the Council. Off payroll workers are paid by invoice via an intermediary i.e. their own limited company (also known as a personal services company) or via a recruitment agency, rather than the Council's payroll service. Care will need to be taken in terms of assessing the potential impact of the legislative change and in determining how the Council proceeds to ensure that Devon County Council fully meets its duties in respect of tax legislation.	Operational	18: High	10: Medium	Raymond Rimes	Mary Davis
Devon Finance Services	FIN05 - Failure to Prepare or Control Robust Budget	Failure to prepare robust MTFP, managing cost pressures and preserving reserves and balances. Failure to develop financial management skills of budget managers, which could compromise budget control and service delivery. Failure to produce a balanced budget	Strategic	15: High	10: Medium	Angie Sinclair	Mary Davis

Connecting Devon and Somerset – Update on Gigaclear Contracts

Report of the Head of Economy, Enterprise and Skills

1. Summary

This report sets out the position at the time of writing regarding the performance of the superfast broadband contracts being delivered by Gigaclear Plc. An apology announcing all five of the contracts were in delay was made by Gigaclear at the beginning of October following being put on notice of default by Connecting Devon and Somerset (CDS) in three of the awarded contracts. Gigaclear presented to CDS and Broadband Delivery UK (BDUK) a broad plan on how the company can address its shortcomings on 31st October which was followed up with detailed Remedial Plans on 7 November. Work has continued to make progress on the required level of detail and clarity for a final outcome to be considered by CDS and its funders. The current position presented by Gigaclear shows significant delays in the roll out will be felt across the two counties. A new build methodology has been proposed which may reduce disruption within highways and Gigaclear are committing to deliver the same levels of coverage and a full fibre solution as is offered in the current contracts. The delays will require extensions to the funding agreements in place with BDUK and other funders and agreeing this will be a key consideration in making a final decision. The new owners of Gigaclear, Infracapital have made a firm commitment to continue the same levels of investment into Devon and Somerset, circa £127m.

2. Background

CDS awarded five contracts in December 2016 to Gigaclear Plc based in Abingdon, Oxfordshire to deliver ultrafast broadband across Devon and Somerset. The contracts secured an additional 41,787 premises being served by the end of 2019. Alongside this Gigaclear also committed to build an additional 43,000 premises as part of its commercial build programme. CDS was able to extend coverage in December 2017, having secured additional ERDF funding, and a further 6,023 premises were added into the programme to be delivered by June 2020, bringing the total coverage commitment to 47,810 homes and businesses. Gigaclear are committing £60.5m of their own resources with CDS contributing £31m public sector subsidy to deliver this coverage. In addition, Gigaclear are investing circa £67.3m into their commercial build programme.

The award of these contracts was approved by BDUK and the CDS Board, with BDUK playing a full role in the assurance of the proposed contract delivery by Gigaclear. CDS and BDUK had to be satisfied that Gigaclear had the required finances already in place to fund its share of the roll out costs, its broadband technology was Next Generation Access compliant and the contracted coverage represented good value for money for the public-sector investment.

The contracts deploy a full fibre solution, offering symmetrical speeds of up to 900 mbps and would provide a brand-new fibre network in rural areas. Gigaclear were successfully delivering similar networks across England, including in Berkshire, Essex and the Cotswolds.

Public funding for the CDS contracts is a blend of Broadband Delivery UK grant, EU funding under the European Regional Development Fund, Heart of the South West Local Enterprise

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Partnership, County, District and Unitary Authorities. Some of these grants have been awarded based on against spend being committed within certain timescales.

Somerset County Council is the Accountable Body for the contracts. CDS is a partnership of local authorities from across Devon and Somerset, BDUK and the Heart of the South West Local Enterprise Partnership. Devon County Council is a partner in the programme and contributes £3million capital to support the delivery of the Devon based Gigaclear contracts and two further contracts awarded to Airband in Northern Devon and Dartmoor / Exmoor National Parks. In addition, the Council supports the running costs of the programme, including a financial contribution and officer time. The programme is governed in accordance with a binding Collaboration Agreement which sets out partner roles, voting rights and financial contributions.

To date CDS has achieved more than 298,900 superfast broadband connections across the area and take up rates in excess of 50%. The phase two contracts awarded to Airband to deliver fixed wireless broadband across Northern Devon and Exmoor and National Parks are continuing and both contracts remain on target.

3. Programme Performance

CDS and Gigaclear jointly issued a briefing to stakeholders, including councillors and MPs at the beginning of November - <https://www.connectingdevonandsomerset.co.uk/wp-content/uploads/2018/11/The-Gigaclear-contracts-with-CDS..pdf> .This sets out detail on the five main reasons that have contributed to the Gigaclear delayed roll out and the current situation for the Gigaclear contracts:

- Poor operational capacity and decision-making within Gigaclear
- Lack of operator capacity
- Slow deployment by contractors
- Lack of detailed planning
- Failure to redesign the build methodology
- planning.

Gigaclear were slow to engage a tier one contractor and were exposed by the collapse of Carillion telnet. They also took too long to introduce a second tier one contractor to bolster resources despite making firm commitment to CDS to do so. A lack of Gigaclear management capacity and ability to make decisions locally exacerbated the above and allowed poor quality work to take place within our highways and slow approval of designs. All these issues were escalated by the CDS with the company. Despite all efforts, CDS struggled to get a definitive picture of what was happening within Gigaclear and with its changing guard of programme directors, contractors and sub-contractors. CDS were repeatedly reassured by Gigaclear that it would hit its contracted delivery dates and targets.

Improvements only started to appear when the company was taken over by Infracapital in May earlier this year. Disappointingly even with several reforms instigated by the new owners including recruitment of additional team members, delays on the first connections had to be announced in July. The full extent of the issues and challenges facing Gigaclear were only finally revealed in September at a CDS Board meeting. The outcome from this meeting was for CDS to formally place Gigaclear on notice of default in three of the five awarded contracts and a requirement for Remedial Plans to be produced by 31 October. An apology announcement by Gigaclear was made on 8 October at CDS's insistence along with updates or removal of untenable construction dates on the Gigaclear website to stop misleading information being made available to residents.

<https://www.gigaclear.net/postcode-checker/connectingdevonandsomerset>.

Infracapital, the London-based infrastructure investment specialist now owns Gigaclear. Part of M&G Prudential, which has total assets under management of £351 billion, Infracapital has a mandate to invest in highspeed digital infrastructure in the UK after the Government appointed the company to manage a portion of its Digital Infrastructure Investment Fund. The take-over was in part prompted by Infracapital being equally disappointed with Gigaclear's performance and that by taking control they could re-focus the company.

Gigaclear on 31 October provided a broad plan to Connecting Devon and Somerset on how they can address the challenges they are facing in delivering additional superfast broadband to communities across Devon and Somerset. Detailed Remedial Plans on the back of this were received on 7 November. CDS is reviewing these to establish if these provide sufficient detail and clarity for each LOT area to demonstrate a credible approach is in place. The position set out in the Remedial Plans by Gigaclear and is being assessed by CDS is that they have progressed addressing the need for improved capacity and resources. The local gigaclear team has grown from 4 members of staff to 40 including programme managers for each LOT, network design and community liaison and engagement posts. Additional capacity within their subcontractor supply chains is also being secured.

The company is proposing a new build methodology that it believes will provide a robust plan whilst reducing traffic disruption to Devon and Somerset communities. In broad terms, Gigaclear has proposed the following within the Remedial Plans:

- A commitment to continuing its investment of £127.8 million in the CDS region. This comprises £60.5 million in the CDS contracts and £67.3 million in the company's commercial build.
- It will continue to provide full fibre to the premise technology.
- There will be no reduction in the broadband speed made available to homes and businesses. Gigaclear is contracted to deliver superfast broadband of at least 30mbps download. The company says its service can deliver symmetrical ultrafast speeds up to 900mbps.
- It will continue to deliver the full coverage agreed in the contracts with CDS. That is 47,810 homes and businesses across the region.
- There will be no reduction in the company's commercially-funded network. That is around 43,000 homes and businesses in the region.
- The proposed build methodology is based on "a spine and spurs" approach that will reduce disruption to roads and deliver superfast broadband access to between 40% and 50% of the CDS contracted premises by June 2020 with the remaining coverage completed by June 2022.

Gigaclear and CDS are in close dialogue and are both committed to working as quickly as possible to get the best outcome for residents and businesses. A verbal update on the latest position will be provided on the day.

In the short term it is the aim of Infracapital that Gigaclear focuses on making good its current commitments to CDS before bidding for further new BDUK contract areas.

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CDS working with BDUK and its other funders will need to carefully assess the plans and require:

- key reassurances regarding capacity and resources,
- options for accelerating deployment,
- secure funding and investment from Gigaclear and
- robust evidence that the proposals can be delivered.

CDS and BDUK will also need to consider:

- Gigaclear's proposals in the context of public procurement and state aid requirements; and
- whether any impact on grant funding from BDUK, the Heart of the South West LEP and other funding sources can be accommodated.

CDS will require guarantees on the level of resources Gigaclear is putting into its delivery, including community engagement. CDS will require time to assess, evaluate and test the revised plans.

If an acceptable solution is presented, BDUK will need to assure the revised plans and agree any impact on funding timescales for the Government grants awarded to CDS.

Whilst a decision will be taken as soon as possible on the way forward, the decision does need to be the right one and deliver the best outcome for communities. The above decision-making process will take several weeks to conclude. CDS and Gigaclear will provide updates to stakeholders on progress.

It will be necessary to balance carefully the competing demands of the time required to build a complex network against the proper expectations of residents and businesses that broadband infrastructure is delivered as soon as possible. CDS is investigating options that might be available including the possibility of rejecting the Remedial Plans.

The contracts do not include financial penalties for delay but do provide for default notices to be issued and options to terminate the contracts. Although there are no financial penalties in the contracts Gigaclear is required to finance the ongoing build whilst a final decision is made on the way forward, and work is therefore continuing. There is one community area currently live. CDS does not pay until build has been completed. Accordingly, Gigaclear has received payment of £537,200 for one community area - Millhayes in East Devon.

BDUK has confirmed that the Phase 2 Broadband delivery programmes across the country are facing delays with several providers, and similar delays have been announced in areas where Gigaclear hold other contracts. It appears that the industry is challenged by capacity as well as the complexity of build of new networks in particular "full fibre" FTTP which is more expensive, complex and slower to deploy than cheaper hybrid fibre solutions.

Keri Denton
Head of Economy, Enterprise and Skills

Electoral Divisions: All

Cabinet Member for Economy and Skills: Councillor Rufus Gilbert

Chief Officer for Communities, Public Health, Environment and Prosperity: Dr Virginia Pearson

Local Government Act 1972: List of Background Papers

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Background Paper	Date	File Ref.
Nil		

kd061118cirssc Connecting Devon and Somerset – Update on Giga Clear Contracts
hk 03 151118

Devon Cycling and Walking Strategy 2018

Report of the Head of Planning, Transportation and Environment

1. Background

This report provides an update on the Strategy for walking and cycling in the County, highlights significant schemes that have recently been delivered by the County and identifies the priorities for delivery over the coming years.

2. Current Strategy

The County's current strategy for Cycle and Multi Use Trail infrastructure was approved by Cabinet in 2015. This document describes progress and sets out proposals for the urban network, namely Exeter, Barnstaple and Newton Abbot, the Market and Coastal Town local aspirations and the strategic rural and leisure network. The strategy can be found online at the following link [Cycling and Multi Use Trail](#).

The strategy includes three core aims, which are

- Showcase Exeter, Newton Abbot and Barnstaple as premier cycling towns
- Invest in Devon's leisure routes and trails, such trails designed to be multi-use trails which are accessible to all
- Influencing the Planning process to enable delivery of cycle aspirations in market and coastal towns.

Within these core aims there is scope for a range of different types of infrastructure, including two-way segregated cycle paths, shared use paths, quiet streets and on road cycle lanes, all of which can be appropriate in certain environments.

The strategy also outlines the current financial climate which has limited the speed in which the walking and cycling improvements can be delivered.

Although the County has a strong track record of delivering cycle infrastructure, there is a need to be clear on our objectives and outcomes to ensure our efforts are focused on delivering those routes and improvements, which have a tangible positive impact on people in Devon and offer the best value for money. Our current strategy strongly advocates improved health and access for all and supports economic growth - whether it be helping support sustainable development and minimising car use or boosting visitors and spend in our rural communities.

3. National Context

Government policy continues to put a strong emphasis on the role of walking and cycling in the planning process. The July 2018 update of the National Planning Policy Framework further reinforces this with repeated reference to pursuing the opportunities to promote and improve walking and cycling provision.

Periodically, the Government announces specific cycle funding pots. Members may recall that we previously had success in securing Cycle Demonstration Town status for Exeter

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from 2005-2010. This delivered over 44km of new cycle routes in Exeter and provided the springboard for continued cycling investment in the city. Since then the Government announced funding of £114m shared between 8 Cycling Ambition Cities nationally. Despite Exeter not meeting the criteria to apply for Cycling Ambition City status, the County Council has been able to use sizeable developer contributions as match funding to continue to be successful in securing funding through grant programmes such as the National Productivity Investment Fund (NPIF) and the Growth and Housing Fund.

The Government is currently advocating the production of Local Cycling and Walking Infrastructure Plans (LCWIP), which is a recommended analytical approach to planning walking and cycling networks and focusing on areas which have the greatest potential for cycling and walking trips. We are in the process of producing an LCWIP for Exeter. Until such time as this is in place, our existing Cabinet-endorsed strategic cycle plans for Exeter remain the priority for delivery.

In terms of the leisure network, whilst there have been limited ring-fenced funding opportunities specifically aimed at boosting walking and cycling in rural areas, the County Council has successfully secured Coastal Communities Fund and DfT National Parks Cycle Ambition Fund, which have respectively helped complete the Exe Estuary Trail to Dawlish and deliver over £7m of infrastructure improving access to Dartmoor National Park.

The District Council Local Plans across Devon also place great emphasis on the role of sustainable transport. We continue to work with the District Councils providing technical input to their development plans. This enables the key local walking and cycling links that are needed to support sustainable development to be identified and included in their Infrastructure Delivery Plans so that funding can be secured towards these.

4. Progress Since 2015

Following the production of the cycling and multi-use trail network strategy, the County Council has continued to deliver a number of significant cycle projects. These have included

Urban

- Exeter – E4 Cumberland Way. First phase of two-way segregated route from Pilton Lane heading east to Hollow Lane. (funded by DfT NPIF)
- Exeter – Hollow Lane (E3). Modal filter to prohibit through traffic past Ellen Tinkham School, reducing traffic on a key part of the E3 strategic cycle route (S106/LTP)
- M5 pedestrian / cycle bridge and cycle route linking Exeter Science Park (north) to Monkerton (Exeter) (Growth & Housing Fund)
- Newton Abbot – A383 Ashburton Road, Phase 1 Greenaway Road to Exeter Road in 2015 and Phase 2A Oak Park Road to Greenaway Road in 2018. (DfT)
- Barnstaple, Roundswell A39 Pedestrian/cycle bridge completed as a strategic link from development to the East-West cycle corridor (DfT).

In addition to these, new infrastructure has also been secured through new developments. For instance, this has included a 320-metre lit shared path connecting new employment at Matford Green to Bad Homburg Way and a new riverside path at Anchorwood Bank, Barnstaple.

Rural and Leisure Trail Network

- Exe Estuary Trail, final sections to complete the 16km Exe Estuary trail, including bridges over the railway at Powderham and River Clyst.(DCC)

- Dawlish – Shared use path linking Dawlish with Exe Estuary Trail. (£1.3million secured from Coastal Communities Fund)
- Granite and Gears, 36km of new routes on Dartmoor and two new bridges over the A38, which has supported substantial progress with the Stover Way, Wray Valley Trail and Drake's Trail (i.e. Clearbrook Ramp) & connectivity in Okehampton (Fatherford Bridge) - (DCC (£3m); DfT (£4.4m))
- Drakes Trail, including anew 300 metre bridge and refurbishing the 350 metre Grenofen tunnel
- Kingskerswell Road, redesign of old A30 through Kingskerwell to provide a lower speed, safer environment for pedestrians and cyclists
- Teign Estuary Trail – Newton Abbot to Passage House Inn sections completed
- Stop Line Way – majority of the route completed from Seaton to Colyford.

Market and Coastal Towns

A considerable amount of new infrastructure has been delivered through new developments or using developer funding. Recent notable examples include:

- Blundell's Road traffic calming scheme to provide improved facilities and safer environment for pedestrians and cyclists. (DCC,S106)
- Cranbrook Main Local Route, shared paths alongside main transport corridor through new town of Cranbrook.(Developer)
- Bovey Tracey, shared use path into Town Centre along La Molay-Littry Way (Developer)
- Broadclyst, toucan crossing of B3181 and calming measures improving ped/cycle access to school (S106)
- Sidbury to Sidford parallel crossing and upgrade of Laundry Lane.

5. Financial Context

The speed at which the County Council is able to deliver the walking and cycling strategy is dependent on funding. Currently, our only guaranteed source of funding is from the Local Transport Plan, which has reduced significantly in recent years.

Since 2010, the level of Local Transport Plan funding has been cut from approximately £10m per annum to £3.6m. The reduced funding has enabled Government to allocate more funding to the Local Enterprise Partnerships for projects that aim to boost productivity and economic growth. With the exception of the Roundswell pedestrian / cycle bridge in Barnstaple, LEP funding has primarily been allocated to major highway improvements aimed at unlocking strategic housing and jobs sites.

At the same time, most Government external grant funding opportunities has been targeted at delivering housing growth, i.e. Local Pinch Point Fund, Regional Growth Fund, Growth and Housing Fund, Housing Infrastructure Fund and the National Productivity Investment Fund. As a result, there have been reduced opportunities to secure funding to progress walking and cycling improvements in line with our strategy. The exception is in areas where there is substantial housing and jobs growth and where a high level of developer contributions can be used as match funding.

As a result, it has been possible to make some progress primarily in the urban networks of Exeter, Newton Abbot and Barnstaple. Where we have been successful in these locations we have been able to include the cycle proposals as part of a wider 'housing-delivery-

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related' infrastructure package, which supports increased productivity and economic growth.

¹

Whilst the opportunities for external grant funding may be limited, the County Council has recognised the benefits of promoting healthy, active lifestyles and has continued to invest in cycling across the County, including the rural walking and cycling leisure network. The table below shows the capital commitments that have been made over the past few years, split by area / network. This shows continued work on projects that may have benefitted from previous grants, for instance through the DfT-funded Granite and Gears project.

YEAR	2014/15	2015/16	2016/17	2017/18	TOTAL
Exeter	£249K	£68K	£198K	£2,070K	£2,585K
Newton Abbot	£153K	£92K	£726K	£468K	£1,439K
Barnstaple	£34K	£105K	£648K	£1,691K	£2,479K
Tarka Trail	£426K	£128K	£132K	£88K	£774K
Drake's Trail	£1,500K	£468K	£36K	£28K	£2,032K
Wray Valley Trail	£1,809K	£1,308K	£1,039K	£488K	£4,644K
Ruby / Pegasus Way	£125K	£139K	£119K	£134K	£517K
Stop Line Way	£30K	£399K	£62K	£107K	£598K
Sidmouth – Feniton	£102K	£185K	£102K	£5K	£394K
Exe Estuary Trail	£1,886K	£241K	£287K	£9K	£2,424K
Teign Estuary Trail	£97K	£466K	£1,338K	£415K	£2,315K
M&CT / Misc	£743K	£129K	£141K	£185K	£1,198K
TOTAL	£7,153K	£3,728K	£4,829K	£5,687K	£21,397K

6. Future Programme / Reprioritisation

Allowing 10% of the Local Transport Plan budget towards capital walking and cycling schemes would amount to around just £300,000 per year. A similar amount is potentially available over the next 5 years from S106 funding secured from new developments.

Strategic cycle infrastructure costs in the region of £500,000 – £1,000,000 per kilometre, therefore LTP and developer funding alone will not enable much to be delivered in the coming years. The current Cycling and Multi-Use Trail Strategy includes schemes which are likely to cost well in excess of £30m to deliver, therefore in light of the limited funding opportunities, it is necessary to review and refine our walking and cycling plans for the County.

¹ For instance, £3m out of the £7.1m NPIF grant is being used for E3 and E4 cycle routes and approximately £1.5m of the £8m Growth and Housing Fund secured upgrades to cycle infrastructure between Cranbrook, Science Park and the eastern edge of Exeter.

External match funding such as developer contributions will continue to be secured and the current focus of Government around economic growth suggests that there will continue to be funding opportunities for the urban cycle networks. To continue to be successful, the County Council needs to consider which schemes are likely to gain support from the LEP and DfT. This is likely to continue to be walking and cycling improvements where there is a demonstrable link to large-scale housing delivery. Schemes will need prioritising based on how they will help deliver economic growth, support health outcomes and represent good value for money.

Surveys of some of our cycling and multi-use trail network have shown that some rural routes are not well used, particularly those in rural parts of the County where the potential catchment for walking and cycling is low. Surveys also indicate higher numbers of usage where the scenery or landscape is of a very high standard and/or where there are attractions making the route a tourist attraction. Examples include the Tarka Trail between Barnstaple and Bideford or the Exe Estuary. We see value in completing the long-distance strategic cycle routes where the costs are reasonable and delivering the sections offers good value for money. We recognise the need for ambition and we will continue our aspirations for a very limited number of showcase routes where experience shows they will be well used by a variety of users. We will aim to gradually develop these schemes ready for future funding opportunities.

Given the funding constraints, we may also explore opportunities for delivering routes at a lower design standard of route, which will still enable a better experience than the 'do nothing' alternative.

The current walking and cycling priorities therefore include continued investment in the urban cycle networks and a more refined list relating to the rural and leisure routes:

Urban

- Exeter Strategic routes - completing E4, E3 & E9 routes, in line with Cabinet recommendations
- Newton Abbot – completing the East-West Cycle Corridor and associated strategic links
- Barnstaple – completing the A361 Larkbear bridge as part of the East-West Cycle Corridor and associated strategic links including the Anchorwood to Tarka Trail link.

Rural and Leisure Network

- Completing the remaining 3.5km of the Wray Valley trail by Summer 2019
- Assembling final land at Seaton to complete the Stop Line Way (accepting use of rural lanes north of Colyford)
- Completing NCN 27 Coast to Coast route from Plymouth to Ilfracombe (remaining sections on the Tarka Trail between Braunton and Ilfracombe and between Meeth and Hatherleigh)
- Develop the Teign Estuary Trail with priority for the sections from Passage House to Bishopsteignton and from Dawlish to Holcombe
- Clyst Valley Way – connecting Exeter and East Devon Growth developments with a route trail linking the Clyst and Exe Estuaries.

Market and Coastal Towns

- More detailed investigation of feasibility into Crediton to Exeter cycle route
- Use developer contributions to progress the Cranbrook to Exeter cycle route as part of future phases of Cranbrook and the Hayes Farm developments

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- South Molton – new route connecting development on the west of the town to employment to the north of town and schools to the south
- Assemble land for the Bideford to Westward Ho! Trail (Kenwith Valley Route)
- More detailed investigation of feasibility into Yelverton to Roborough.

In the Market and Coastal Towns, the planning process and developer contributions will be integral to the delivery of the strategy. Unless sizeable developer contributions are secured, this will limit the ability to deliver local aspirations. The County Council will continue to work with local planning authorities to ensure that routes and infrastructure are included in future Infrastructure Delivery Plans, linked to the Local Plan process. The DCC Transport Infrastructure Plan also helps local planning authorities understand when and where local contributions (e.g. CIL) may be required.

We will also need to influence the detailed design and layout of new developments to ensure that more walking and cycle-friendly developments are developed, which encourage more sustainable travel.

7. Conclusions

Devon has an up to date walking and cycling strategy and a strong track record of delivery. This has included over £20 million of projects delivered since 2015. This has been possible by the organisation taking a proactive, positive approach and being opportunistic when funding competitions have arisen. We will continue to do this by progressing design, securing planning and land so that we have a pipeline of shovel-ready schemes.

The walking and cycling strategy includes 3 main themes for investment; i) urban; ii) rural and leisure trail network, and iii) market and coastal towns.

In urban areas, where the highest concentrations of jobs and residents are and a high number of trips of a typical cyclable distance of 2-6km can be made, cycling offers the best value for money. The cycle strategy reflects this with a focus on the main urban areas of Exeter, Newton Abbot and Barnstaple which form part of the immediate priorities.

For the rural and leisure network, the strategy advocates finishing gaps in the existing network. There is also the need for greater scrutiny to ensure that investment will see good use of the trails and deliver value for money.

For the rest of the County where funding is limited, new developments represent the best opportunity for delivering local aspirations and expanding the walking and cycling network.

The ability to deliver ambitious plans for the cycling and multi-use trail network is constrained by the limited Local Transport Plan funding directly available and the lack of walking and cycling-specific external grant opportunities. We therefore need to be realistic about what may be deliverable over a reasonable timescale and we need to focus our design resources on a smaller number of good value schemes. The routes identified above in this report form the basis of the cycling and multi-use trail network priorities over the next 5 years.

Dave Black
Head of Planning, Transportation and Environment

Electoral Divisions: All

Cabinet Member for Highway Management: Councillor Stuart Hughes
Cabinet Member for Infrastructure Development and Waste: Councillor Andrea Davis

Chief Officer for Communities, Public Health, Environment and Prosperity: Dr Virginia Pearson

Local Government Act 1972: List of Background Papers

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Tel No: 01392 383000

Background Paper	Date	File Ref.
Nil		

jh061118cirssc Devon Cycling and Walking Strategy 2018
hk 04 151118

Corporate Infrastructure & Regulatory Services Scrutiny Committee 27 November 2018

STREET LIGHTING POLICY – MEMBER REPORT

Introduction

On 17th October a small group of volunteer members comprising Councillors Atkinson, Ball and Colthorpe met with Chris Cranston and Darren Kelly to discuss the proposed street lighting policy.

Changes in attitudes and technology as well as legislation and budget considerations require policy to be kept constantly under review and members considered the proposals carefully. The proposals below were agreed almost unanimously, and Members have no hesitation in recommending that the committee approve the paper.

We would, however, like to draw your attention to the bullet point, 'Attaching non-highway equipment to lighting columns'. The proposal that advertising banners might, subject to the location being appropriate, be allowed as a useful revenue stream caused a lively debate amongst Members and we would suggest that the committee might like to discuss this further.

We must thank Chris Cranston and Darren Kelly for presenting a clear, concise paper and for sharing their knowledge in depth of the subject.

The Outline Policy Statements were discussed as per the policy report, with the following points raised:

- To maintain a safe asset:
 - It was discussed and agreed that street lighting defects will be responded to using a risk-based approach in line with the Highway Safety Manual
 - It was felt that the current level of Night Scouting (x6 in the Winter period and x3 in the Summer months) was excessive and could be reduced to possibly x2 Scouts per year for the whole of Devon. It was understood that LED luminaires being introduced on Devon roads are more reliable than older style of lanterns, and that the public could report a fault via the Public Interface Portal (PIP)
- Minimising energy consumption:
 - It was agreed that the use of dimming controls and LED luminaires was a positive step forward to deal with increasing energy costs.
- Adopt road lighting on new developments:
 - It was agreed that DCC should continue to specify high quality equipment such as aluminium columns and LED luminaires as part of the planning and adoption process, with reference to the Street Lighting Developer Specification.
- Additional lighting on the existing highway:
 - It was discussed that additional street lighting would only be considered if there was a defined need and funding was made available to assist the Street Lighting Department.

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- Part night lighting:
 - This policy will be continued and introduced into new residential developments. A pragmatic approach should be applied where there is a specific safety concern and consideration given to a local departure from policy for the road in question.
- Devon County Council will seek to transfer the ownership of street lights which have been identified as being on a private road:
 - It was discussed that, while it would be beneficial for street lights to be passed to the owners of any such private road, a pragmatic approach would be paramount in any negotiations. Local members should be consulted, and it was suggested that they could also assist in setting up any new residents' associations.
- Attaching non-highway equipment to lighting columns:
 - This sparked more discussion and some differences of opinion. It was felt that banners used for advertising would act as a beneficial revenue stream to DCC; however, this opinion was countered by a feeling that DCC should not be party to the promotion of general advertising on the highway.
 - Locations of banners would be subject to prior assessment for their structural suitability and location and dedicated locations identified
 - Planning consent/involvement would be required
 - Banners for advertising local events should not be charged for, whereas banners for business events or similar should be chargeable
 - It was requested that self-adhesive stickers be applied to columns to indicate, for example, running routes, or similar such events
 - Fly posting should be discouraged
 - Wi-Fi on lamp columns was considered a positive idea for town centres.
- Facilitating the provision of on-street electric charging facilities:
 - More consideration and research is required by DCC
 - This would be considered a positive step forward in achieving environmental targets
 - New developments should look to implement charging points as standard, and should be incorporated within the adoption process
 - DCC would facilitate the introduction of charging points.