

**REPORT TO:** Place Scrutiny Committee  
**Date of Meeting:** 14 June 2018  
**Report of:** Inward Investment Manager  
**Title:** Update on the Exeter and Heart of Devon (EHOD) Shared Economic Strategy 2017-2020

**Is this a Key Decision?**

No

**Is this an Executive or Council Function?**

Executive. This report is for information only and gives an update on a service area.

**1. What is the report about?**

1.1 To update members on the progress made with regard to the first year of the Exeter and Heart of Devon (EHOD) Shared Economic Strategy and a way forward for the next 12 months.

**2. Recommendations:**

2.1 Place Scrutiny Committee note and comment on the contents of the report.

**3. Reasons for the recommendation:**

3.1 To enable the Inward Investment Manager to continue to work collaboratively with our neighbouring local authorities of East Devon, Mid Devon and Teignbridge on the shared objectives within the Strategy. The focus of work will be on supporting the growth of the Exeter economy, due to expanse of the Exeter Travel To Work Area.

**4. What are the resource implications including non-financial resources.**

4.1 The initiatives within the EHOD Strategy are to be pursued within existing budgets and resources.

**5. Section 151 Officer comments:**

5.1 There are no additional financial implications contained within this report, however it is acknowledged that pursuit of the EHOD strategy could have a positive financial impact for the city and the Council.

**6. What are the legal aspects?**

6.1 None identified

**7. Monitoring Officer's comments:**

7.1 This report raises no issues for the Monitoring Officer.

**8. Background**

8.1 The adopted EHOD Shared Economic Strategy, as seen in Appendix 1, sets out a pathway to deliver collaborative economic development work between the four local authorities of:

- East Devon
- Exeter
- Mid Devon
- Teignbridge

8.2 These local authorities are considered to be a functioning economic market area, creating a strong relationship between business communities (e.g. sectoral commonalities, supply chain links) and activities that can be delivered to support them.

8.3 The EHOD Shared Economic Strategy also sets out a number of themes upon which objectives and activities can be developed. Each local authority has taken responsibility for leading on a particular theme, reducing the burden on individual authorities of having to lead on everything at once, in an environment where services are limited in their capacities.

8.4 December 2017, the EHOD Shared Economic Strategy won a national award from the Institute of Economic Development, as the Most Innovative Strategy in the UK.

8.5 The main objectives of the EHOD Shared Economic Strategy are to deliver stronger collaborative activities across Greater Exeter under each of the following themes.

## **9. Inward Investment – Lead Authority: Exeter City Council**

9.1 Exeter City Council leads on inward investment activities for the Greater Exeter area. Activity is delivered through the online Commercial Property Register (CPR). This lists all available offices, industrial units, shops, investment property, hotels, pubs, restaurants, and leisure property and development sites across the entire Greater Exeter area. Exeter City Council works with property agents to ensure the 400+ properties on the CPR are kept up to date. Once a business has enquired via the CPR, they will then be contacted and offered support to explore different options for their premises search.

9.2 In the year since April 2017, over 1,200 investment enquiries have been handled and the CPR has received over 8,300 website hits equating to over 132,000 page views. Also, the CPR has been further developed, with enhancements to better serve users and provide more detailed reports for the four local authorities.

9.3 Exeter City Council Officers have a strong working relationship with East Devon, Mid Devon and Teignbridge District Councils, and believe that these activities are working well, and directly benefitting the Greater Exeter economy with 40 successful investments in the last year creating 334 jobs and safeguarding 252 jobs. This resulted in 36 investments in Exeter, which created 310 jobs and safeguarded 184 in Exeter.

9.4 Exeter City Council attends regular meetings with the Department for International Trade and partake in regional quarterly Foreign Direct Investment meetings, organised jointly by the HotSW LEP and the Department for International Trade. Where relevant, Exeter City Council will lead on responses and site submissions to investment enquiries from the Department of International Trade making sure Greater Exeter is considered for future enquiries.

## **10. Business Transformation (Business Support Services / Broadband) – Lead Authority: Mid Devon District Council**

- 10.1 Mid Devon has been working to change the way in which business support services are delivered. At the point at which the strategy was adopted (January 2017), the 4 local authorities pooled their business support funding (total of £100k split equally between the four local authorities) to procure a single service across Greater Exeter. Business Information Point were procured to deliver a business support service, 'Business Boost', focusing on start-up businesses and young businesses (up to 3 years of age) which the EHOD Shared Economic Strategy had identified as being an area of relatively poor performance across the area.
- 10.2 The 'Business Boost' project delivered support to over 550 businesses in a 12 month period across Greater Exeter, and case studies, client feedback and auditing of the project showed that clients valued the service they were provided. 186 businesses were supported in Exeter, which resulted in 10 new businesses set up and 11 jobs created.
- 10.3 As the project reached the end of its first year, it was superseded by the Growth Support Programme, which Mid Devon District Council had been developing in partnership with Devon County Council. This £1.8m programme covers the whole of the Heart of the South West and delivers similar services to those which were available under Business Boost. The decision was made to provide match funding to the Growth Support Programme rather than continue with Business Boost which would have duplicated services. Where each local authority had previously contributed £25k towards Business Boost, the development of the Growth Support programme enabled an almost identical service to be delivered for 3 years across the EHOD area for a total cost of £11,250 per authority. This represents a significant saving to the 4 local authorities without compromising the quality of the service.
- 10.4 Access to high quality broadband is recognised across Greater Exeter as a key driver for supporting business growth. Mid Devon District Council supported the development of a bid (led by Exeter City Council) for £2.4m to deliver gigabit broadband vouchers to the business community. The bid was unsuccessful, but DCMS has subsequently launched a nationwide Gigabit voucher scheme which Exeter City Council will lead on the administration of the scheme, as we have successfully delivered a previous voucher scheme, and have the expertise and knowledge to deliver the scheme. Each local authority will promote the voucher scheme to their own business community and networks.
- 10.5 Officers at Mid Devon District Council continue to investigate a number of commercial opportunities that would help to make council services more financially sustainable. These activities include the potential to get involved in commercial premises development, delivering and charging for added value services to the business community, and the opportunity to deliver key activities through joint ventures rather than relying on the private sector to deliver what Greater Exeter needs.

## **11. Education & Skills – Lead Authority: Teignbridge District Council**

- 11.1 Teignbridge District Council has been representing the Greater Exeter local authorities on the EHOD Employment & Skills Board (ESB), a collaborative partnership consisting of business representatives.
- 11.2 There was a request from the ESB for each Greater Exeter local authority to contribute £30,000 per year. This however, was determined not to represent value for money and the decision was made to withdraw the funding for the ESB with effect from the end of 2017.

11.3 April 2018 Exeter City Council appointed a new Skills Officer with a very specific focus of delivering a Skills Strategy for Exeter which supports both residents and businesses located in the city.

## **12. Strategic Planning & Infrastructure – Lead Authority: East Devon District Council**

12.1 East Devon District Council has been leading on Economic Development related input into the Housing & Employment Land Availability Assessment (HELAA) and Greater Exeter Strategic Plan (GESP). This is the first time in the Greater Exeter area that Economic Development teams have been actively involved in the process of determining land allocations and their viability for housing and employment use across the wider strategic area. Through economic development teams being engaged throughout the process, we have been able to challenge assumptions, particularly the projections of business sector growth and decline in the Greater Exeter area. This has brought another dimension to the process to supplement Experian and Cambridge Economics assumptions with local knowledge. As a result of this, stronger criteria are being used to determine whether or not employment sites are deliverable and the activities that would be required for them to be unlocked (for example, transport infrastructure required to unlock a site).

12.2 The HELAA and GESP is progressing with Forward Planning Officers and Economic Development Officers as part of the consultation process. A number of employment sites have been deemed to be achievable as a result of the process and criteria used for assessing viability.

12.3 East Devon District Council have also been instrumental in negotiating bulk discounts on the purchase of the MINT and CoStar business systems across the four local authorities. These systems have enabled better engagement with our business community and identification of investment opportunities across the patch.

## **13 The Next 12 Months**

13.1 The priorities for the next 12 months from the EHOD Shared Economic Strategy include:

- Contribute to the emerging Heart of the South West Productivity Delivery Plan
- Support the work of the Greater Exeter Strategic Plan team
- Roll out of a Gigabit voucher scheme across Greater Exeter, encouraging businesses to aggregate vouchers to enable greater coverage
- Seek funding opportunities to support the roll out of 5G and Exeter being an Analytical City
- Address issues across Greater Exeter with the lack of sites and premises for expanding and relocating businesses
- Research, develop and write a new Skills Strategy for Greater Exeter focusing on the growth of the city and transformational sectors
- Support the work of Exeter City Futures and Exeter Velocities accelerator programme
- Engage with the Greater Exeter business community, Local Enterprise Partnership and Department for International Trade to assist businesses in dealing with the effects of Brexit
- Implement new Terms of Reference and reporting structures
- Refresh the Strategy and Action Plan to align it with new emerging priorities

13.2 The Growth & Enterprise team will also focus on the following three areas of work to support and grow the economy of the city, supporting academia, businesses and residents of the city:

- Transformational Growth
- Inclusive Growth
- City Centre

13.3 Exeter City Council continues to look at alternative opportunities and partnerships to support and drive the economy of the city, whether they be locally, regionally or nationally.

#### **14. How does the decision contribute to the Council's Corporate Plan?**

14.1 The EHOD Shared Economic Strategy 2017-20 will support the following City Council priorities and purposes:

*We will enhance Exeter as the regional capital, working with our partners to improve the quality of life for all people living in, working in and visiting the City*

##### **Priorities:**

- An analytical City that secures capital investment & uses data to inform decisions
- A vibrant City centre
- A global leader in environmental science, foremost in the area of urban transformation with an economy that benefits all
- Building better neighbourhoods

##### **Purposes:**

- A stronger city
- Help me run a successful business
- Deliver good development

#### **15 What risks are there and how can they be reduced?**

15.1 There is the potential that one or more of the Local Authority partners does not contribute equality to the partnership, and the burden of their area falls to others to manage.

15.2 If one Local Authority withdraws from the partnership, the burden from their area would be shared between the remaining authorities. If more than one authority withdraws from the partnership, the partnership would fold. When a Local Authority has previously withdrawn from the partnership, they have felt the negative effects on their economy and have re-engaged with the Partnership.

15.3 To help mitigate any potential future issues, East Devon District Council is drawing up a Terms of Reference for the four local authorities. This will be shared with the City Council legal team to comment on, once it has been received.

#### **16 What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

16.1 The report has no adverse impact on equality and diversity, young people and vulnerable adults. The report impacts positively on the economy of Exeter.

## **17 Other Options**

- 17.1 There is the option to withdraw Exeter City Council support to the EHOD partnership. As previously mentioned, Exeter City Council continues to look at alternative opportunities to drive transformational growth within the city to ensure Exeter is at the forefront of funding opportunities.

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### **Local Government (Access to Information) Act 1972 (as amended)**

#### **Background papers used in compiling this report:-**

A shared strategy for economic growth and prosperity 2017-20

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