

REPORT TO EXECUTIVE & COUNCIL

Date of Meeting: 13 March 2019 & 16 April 2019

Report of: Chief Finance Officer

Title: Report on the City Wide Transformation Programme known as Exeter City Futures

Is this a Key Decision?

* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

No

Is this an Executive or Council Function?

Council

1 What is the report about?

1.1 This report sees authority to continue with the seconding arrangement that has been put in place for the Programme Director for Exeter City Futures (“ECF”). Exeter City Council’s Strategy 2018-2021 focuses on three key programmes that address the major challenges that face the city. The first of these challenges include tackling congestion and accessibility. This report considers what the City Council has achieved so far working with its partners and Exeter City Futures in the last year. The report also considers how best ECC can maintain the momentum built up so far.

1.2

2 Recommendations

2.1 Executive recommends to Council the following:

- (a) Note what has been achieved to date working in partnership with ECF following the recruitment of the ECF Programme Director- City Transformation, in particular the expansion of the ECF Board to include directors from Devon County Council, Exeter College, the University of Exeter, and the RD&E; and £200,000 of One Public Estate Funding secured from the MHCLG, Cabinet Office, & LGA for Exeter City Development Fund.
- (b) Agree to continue to fund the ECF Programme Director- City Transformation post for a further period of 2 years.
- (c) Agree to set aside the sum of £99,364 for each year from the business rate windfall to pay for the Program Director- City Transformation post for a further two year period commencing from April 2019.

3 What are the resource implications including non-financial resources

3.1 If approved, the Chief Finance Officer will earmark a reserve from the additional funding achieved from the 100% business rate pilot to cover the cost of the 2 year extension.

4 Section 151 Officer comments

- 4.1 As the post supports a key objective, which seeks to deliver sustainable growth within the City, the section 151 Officer believes that this is an appropriate use of the Business Rates pilot funds. Owing to the way the funds are generated through the Business Rates system, it may be that these funds need to be set aside over the current and next financial years.

5 What are the legal aspects?

- 5.1 None identified.

6 Monitoring Officer's comments

- 6.1 This report raised no issues for the Monitoring Officer.

7 Report details

- 7.1 Exeter City Future Community Interest Company was formed with the aim of helping the City Council address the key challenges facing the city. This recognized the fact that the problems and challenges facing a city could not be solved by any one body but instead required collaboration between sectors and organisations in pursuit of a shared agenda. Furthermore, in the face of austerity and severe funding pressures, we would need innovation and potentially disruptive approaches to solve some of the pressing infrastructure challenges. Working with the private sector, and utilising the considerable skills possessed in the city in terms of analytics, the potential of a transformational programme to drive innovation and create business start-ups and commercial opportunities from addressing urban challenges was something that had wider economic benefits. This is being seen more widely in the city with the focus on environmental futures and data that features heavily in the Greater Exeter Industrial Strategy and initiatives such as the Environmental Futures & Impact Lab at Exeter Science Park.
- 7.2 The main focus of the work of ECF has been transport, specifically the problem associated with congestion. In spite of the considerable success of the County Council in dampening the impact of traffic levels from housing and employment growth at Exeter, the city does have a congestion challenge that will get worse unless solutions can be found. Exeter was named as the fastest growing city in the U.K in 2017; in the same year it was also named the slowest moving city in the U.K with an average speed of 4.6 mph during peak hours. ECF has a stated mission to make Exeter congestion free and energy independent by 2025.
- 7.3 Our City Council plan is to continue to work with our neighbouring councils and ECF to:
- (a) Create strong collaborative environment that brings together councils and the private sector to solve the transport and accessibility challenges that faces our city;
 - (b) Through collaboration, co creation and social enterprise, access innovative solutions to these challenges;
 - (c) Promote and support the use of data analytics to identify the challenges to be solved.

7.4 In order to accelerate this work programme in February 2018, Exeter City Council agreed to fund a Programme Director post (to be filled by way of secondment) utilising resources from two existing but unfilled posts. These posts have since been deleted from the establishment therefore authority is sought to continue funding this work stream for a further two year period.

Expanded Membership of ECF Board

7.5 In the year following recruitment to this post, Exeter City Futures has reached a significant milestone in its journey to creating a more healthy, inclusive and sustainable City of Exeter. On the 19th December 2018 new members Exeter College, the University of Exeter and Devon County Council confirmed membership of our Community Interest Company (CIC) Board alongside Exeter City Council and Global City Futures. The RD&E has also agreed to have a Director on the Board. This is an incredibly important step forward for collaboration across Exeter and the wider region, the key organisations in the City have now joined forces and committed to working together as a collaborative city to tackle 12 transformational goals. These goals include:

- Reducing the Dominance of Cars,
- Half of all journeys walked or cycled, and
- Reliable Journeys and Resilient Roads

7.6 The newly expanded ECF board will ensure that long-term capability is built within the City to address current and future challenges around congestion and accessibility. Over the next few months, the ECF board will agree metrics which will be used to judge the impact, progress and performance of Exeter City Futures going forward.

7.7 The ECF board continues to be supported by a growing number of local business who are signing up to help deliver the goals. In excess of 80 businesses have now signed up in pursuit of the goals. The priority focus for many of these businesses is moving staff to and from their place of work. Over the next few months the ECF Programme team will be working to define how we best support these businesses and the potential impact solving the commute challenge can have on our strategic priority. ECF is also working closely with the Sport England LDP team to maximise efficiency of outcomes.

Exeter City Development Fund

7.8 As City based organisations, we are stronger when we work together. ECF provides a mechanism for a formal and coordinated approach to city solutions. This can deliver sustainable change that will have a lasting beneficial impact on our Member organisations and the citizens and businesses of Greater Exeter. The first such strategic shared project to be delivered via ECF is the concept development for a City Fund that can be used to invest in sustainable and socially impactful projects. This is the concept of a sustainable funding mechanism for infrastructure in the city previously discussed with Members at Executive on 10th July 2018. This project has recently been awarded £200k funding from “One Public Estate” to work to understand whether such a concept is feasible and to inform central government on the challenges that would need to be addressed if Cities were to finance development in this way. The decision letter from the Programme Director of the One Public Estate said: “The Board felt your proposal to develop a City Development Fund for Exeter was particularly innovative and we

would like to work with you in support of this project. We have awarded £200,000 to undertake proof of concept work, detailed project finance modelling and business case development to establish a City development Fund for Exeter.” This project will be delivered by ECF using the strong collaborative governance to steer the outcomes.

- 7.9** The ECF board is working to define further projects that would benefit from this shared City governance and will bring these forward in due course.

Business Innovation

- 7.10** ECF’s innovative Exeter Velocities programme continues to support start-ups who offer potential solutions to the challenges that the City faces around congestion and accessibility. Its current cohort includes Predina and FlowX, both of whom are currently undertaking small-scale pilots with organisations within the City. Predina is an intelligent mobility focused company that offers deep learning to dynamically predict and prevent the risk of road accidents in real time, based on 28 sources of contextual data. Their risk suite predicts the risk score, severity and cause of accidents – dynamically based on changing driver risk, historical accidents and context. FlowX use existing underutilised data to help Cities better understand their traffic. FlowX was founded to help city authorities collect better traffic data from their existing CCTV footage. The key goal from joining ECF’s velocities programme is to cement a pilot of their innovative concept within the City of Exeter. It is worth noting that Exeter City Futures has been recognized as the largest direct investor in accelerator programmes in the country. The five start-up companies that have been created through this process and the 24 companies that have been supported are examples of the work we are doing to support innovation and entrepreneurial behaviour that is explicitly stated in our future vision for the city, for Exeter to be a leading knowledge economy and entrepreneurial city, a global leader in addressing urban challenges. In previous years the City Council will have funded consultants to support small businesses. That work is no longer done as a stand-alone economic development initiative. It is clear from the experience to date with hundreds of thousands of pounds of funding being attracted for new start up businesses that this programme is having a positive impact on the economy and culture of innovation. It is therefore appropriate that this work be funded through the growth premium earned through pooling arrangements with the one off pilot on business rates. The Pooling authorities gave a commitment that additional funding over and above the anticipated business rates income would be committed to economic development activity.

- 7.11** The Programme Director worked with the University of Exeter on drafting the Greater Exeter Industrial Strategy and building the business cases that underpin the proposals contained in the Strategy. This was a significant investment in time throughout the summer of 2018 and this work is now informing the production of the Heart of the South West Local Industrial Strategy. Ordinarily the City Council would have been required to bring in consultants to have prepared this work had the expertise and capacity not been in place.

8 How does the decision contribute to the Council’s Corporate Plan?

- 8.1** The Programme Director role is critical to supporting the delivery of the Council’s strategic priority for tackling congesting and accessibility through the City Transformation Programme. Exeter City Futures provides specialist expertise to build a transformational programme. This work has created a strong collaborative environment that brings together councils, the private sector and communities to solve jointly the transport and accessibility challenges facing our city. The city wide

challenge programme is broader than transport, the twelve sustainable goals also includes energy, and the use of data in support of innovation to address the challenges facing the city.

- 8.2** The Council's Vision Statement for 2040 sets out a number of ambitious statements for the city including:

An innovative and analytical culture will support communities, businesses, civil society and public bodies to work together to solve the city's challenges and achieve its ambitions.

Exeter will be recognized as a leading sustainable city and a global leader in addressing the social, economic and environmental challenges of climate change and urbanization. The Exeter of the future will have grasped the opportunities ahead of us today.

- 8.3** Exeter City Futures has been the driving force for the approach to innovation and the use of data analytics and has built a strong appetite for collaboration between the key stakeholders in the city.

9 What risks are there and how can they be reduced?

- 9.1** The risk to the council is both reputational and practical. The project management support is critical to the transformation programme. The leadership of the programme is simply essential to the success of the whole programme. From a reputational point of view the other key organisations that have joined the ECF Board would rightly question our commitment to the whole endeavour if we withdrew funding. In practical terms the work on congestion, as far as the city council is concerned, would come to an end and lead to a failure to achieve our priority as identified in its Corporate Strategy 2018-2021.

10 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?

- 10.1** The recommendation set out in this report do not point to any negative impact on equality and diversity but will positively impact on the environment.

11 Are there any other options?

- 11.1** None are obvious at this time. Failure to agree further funding is likely to prevent achievement of the Council's key aims and objectives, as set out in this report.

Dave Hodgson
Chief Finance Officer

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

Background papers used in compiling this report:-

Sustainable Financing Model for Exeter Infrastructure, Report to Executive 10th July 2018
Greater Exeter Industrial Strategy

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