

SCRUTINY COMMITTEE - ECONOMY

22 January 2009

Present:

Councillor Margaret Baldwin (Chair)

Councillors Gale, P J Brock, Coates, A Hannaford, Martin, Sheldon, Starling, Wardle and Winterbottom

Director Economy and Development, Head of Economy and Tourism, Head of AFU and Member Services Officer (SLS)

Also present:

Councillor Stella Brock - Portfolio Holder for Economy and Tourism
Councillor Peter Wadham - Portfolio Holder for Sustainable Development and Transport

1 **Minutes**

The minutes of the meeting held on 13 November 2008 were taken as read and signed by the Chair as correct.

2 **Declarations of Interest**

The following personal interests were declared:-

COUNCILLOR	MINUTE
Wardle	6 (Member of the Devon Archaeological Society)
Prowse	3 (Trustee of Shopmobility)

ESTIMATES, CAPITAL BIDS AND FEES AND CHARGES 2009/10

3 **Estimates, Capital Bids and Fees and Charges 2009/10**

Councillor Prowse attended the meeting having given notice under Standing Order 44 and spoke on this item. (He also declared a personal interest as a Trustee of Shopmobility)

The Director Economy and Development presented a report outlining the strategic framework within which the estimates for 2009/10 had been prepared, the changes in accounting practices which affected all budgets and gave detailed reasons for any major changes in the Management Unit estimates. Detailed schedules containing the Capital Programme and proposed Fees and Charges for Economy and Development were also circulated. The Director highlighted a number of challenging factors including a reducing provisional grant settlement and Local Authority Business Growth Incentive Grant, (LABGI) and most significantly the additional £1.3 million cost of the concessionary fares scheme to be borne by the City Council.

The Director reported that since the estimates set out in the report had been compiled and discussed at the informal Scrutiny briefings in December, it had become clear that it was unlikely that the Government was going to amend the concessionary travel reimbursement arrangements, despite the representations to the Minister before Christmas. The Council now had to set its council tax and budget

for next year and account for the estimates shortfall of £1.3m in reimbursement for 2009/10 in its budget. This required savings equivalent to this sum to be identified, to enable a balanced budget to be set by Council on 24 February. The Strategic Management Team and Portfolio Holders were therefore urgently reviewing all budget heads in order to close the funding gap. Every effort will be made to report the ongoing work to identify the overall proposed savings to the Scrutiny Committee – Resources meeting before its submission to Executive on 10 February and Council on 24 February. The detail of any savings made as a result of the budget setting will be reported to the relevant Scrutiny meeting in the March cycle, along with the position on any unresolved issues.

The Director responded on a number of points:-

- Staff savings had been identified following a review of the Directorate budget.
- Any further explanation concerning the FRS17 pension accounting practice would need to be sought from the Head of Treasury Services.
- A more detailed survey of the electrical work required at Broadwalk House car park would be obtained, to establish the most accurate cost of this work, before any work was committed.

Councillor Prowse enquired if any correction in respect of the civil parking enforcement service was needed, and sought clarification of the service being in a 'break even situation in 2009/10', adding that following some additional research this was unlikely to happen for a period of five years. Councillor Prowse noted the City Council's investment in the Farmers Market, but suggested the recent price increase of the stall tariff might have an effect on future take-up. He also commented on the funding of Shopmobility. The Director responded to the points raised and reiterated that a service level agreement for the civil parking enforcement service was in place with the County Council, which left the revenue and costs liabilities with the County Council. He was not aware of a particular reduction in the usage of stalls week on week, at the Farmer's Market. He added that the tariff had remained unchanged since 2001. He would respond directly to a letter from the Chair of the Trustees of Shopmobility on a number of points in relation to the negotiations which resulted in their present location within Princesshay.

Members had differing points of view relating to a proposal to alternate the Summer Festival and Animated Exeter. It was acknowledged that in the current climate sponsorship levels were unlikely to make up for any funding shortfall, and following a lengthy discussion it was agreed that the Arts Working Group would be reconvened to look at the festivals budget to see if any other options could be explored. The Head of Economy and Tourism referred to the contractual and financial commitments already made for this year's Summer Festival, but agreed it was important to set out the criteria and ensure value for money before proceeding any further with a formal approach to Scrutiny Committee – Economy. He confirmed that he would endeavour to see that the City Council would be represented at a forthcoming Arts Council meeting.

The Capital Programme and proposed fees and charges were also presented. The Director confirmed that each element of the Capital Programme would be considered by Members before final approval.

Scrutiny Committee- Economy noted the draft Revenue Estimates, Capital Programme and proposed Fees and Charges for 2009/10 for further consideration by the Executive.

(Report circulated)

MATTER FOR CONSIDERATION BY THE EXECUTIVE

4 Arts and Media Strategy 2009 - 2012

The Head of Economy and Tourism presented a report outlining the revised strategic framework to take arts and media development in the city forward until 2012. A copy of the revised draft City Arts and Media Strategy and action plan were circulated separately, having been amended to take account of the responses to the external consultation. The report also provided Members with a summary of the views of the working group.

Members welcomed the report and noted the Head of Economy and Tourism's responses to their queries:-

- The reference in the Strategy to Exeter's 'lower rate of entrepreneurial activity than other locations' was determined by a complex range of measures with a number of different sources used to ascertain comparator information. A number of actions have been identified which would encourage more enterprising activity.
- The University has a strategic part within the arts and media scene and improvements to the front of house and external space at the Great Hall and Northcott Theatre were all part of improvements to the overall environment. He added that he was unable to comment on the possible impact on those attending events there. He also welcomed the co-operative approach for arts in Exeter with the relocation of Exeter Arts Space, but it was the owners of the Castle who would be a part of determining their long term future on that site.

A Member queried whether references to the cultural quarter should be so specific in view of the current economic climate. He also asked if the section on live art venues could be strengthened and if there could be more recognition for those organisations that have rebranded themselves to ensure future success. He hoped that the aspirations of the Arts and Media Strategy would also be incorporated in the policies of any future Unitary Exeter. The Head of Economy and Tourism advised that the four year Strategy has been prepared on the clear understanding that those delivering the Action Plan should recognise the tight financial constraints to be faced. In the light of the resources likely to be available, this initial set of proposals in the Action Plan will need to be reflected upon along with those organisations involved in its delivery before finally being accepted. The main issue was about approving the direction provided by the Strategy as a basis for future collaborative effort.

Scrutiny Committee- Economy supported the recommendation that Executive approve the content of the final draft of the Arts and Media Strategy 2009 – 2012.

(Report circulated)

MATTER FOR CONSIDERATION BY SCRUTINY COMMITTEE - ECONOMY

5 Archaeology Research Progress

The Head of the Archaeological Field Unit presented the report, which advised Members of progress with archaeology reports and projects funded from the Economy and Tourism budget. He also updated current information relating to archaeological projects carried out in the city both for the City Council and for external clients. A PowerPoint presentation of the Unit's recent work was made.

Scrutiny Committee – Economy noted the progress being made with these projects.

(Report circulated)

6 **Heritage Open Days 2008**

Councillor Wardle declared a personal interest as a member of the Devon Archaeological Society.

The Head of Economy and Tourism presented a report on the City Council's ninth year of involvement in and performance of the Heritage Open Days event in Exeter, which resulted in a record 4,298 visits. Members' support for a similar event in 2009 was sought as part of the overall promotion of Exeter's heritage attractions. The organisational costings were noted together with the considerable commitment by those taking part, all of whom offer admission to the venues free of charge. A Member suggested including a city wall circuit and some additional parts of the Dean and Chapter's estate.

Scrutiny Committee - Economy noted the success and congratulated all those involved in the Exeter Heritage Open Days in 2008, and supported the inclusion of a similar event in 2009 as part of the overall promotion of Exeter's heritage attractions.

(Report circulated)

7 **Local Government (Access to Information) Act 1985 - Exclusion of the Press and Public)**

RESOLVED that, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the following item on the grounds that it involved the likely disclosure of exempt information as defined in paragraphs 1 and 4 of Part 1, Schedule 12 of the Act.

MATTER FOR CONSIDERATION BY THE EXECUTIVE

8 **Restructuring of Archaeological Field Unit**

The report of the Director Economy and Development was submitted, considering the permanent staffing structure of the Archaeological Field Unit (AFU) and to outline proposals for the restructuring of the Unit in the light of current and future financial conditions, which will ensure that the AFU can operate more effectively in a competitive environment. A supplementary report updating Members of the outcome of staff consultations and related matters was circulated to Members.

Scrutiny Committee – Economy supported the recommendation that Executive approve the following that:-

- (1) the existing structure of the AFU be deleted and the revised structure set out in Appendix I to the supplementary report be approved, subject to any variations arising out of the conclusion of negotiations on the implementation of the structure;

- (2) delegated authority be given to the Director Economy and Development, in consultation with the Leader and Portfolio Holders, for any modifications that arise from (1) above;
- (3) the employment of postholders referred to in paragraph 3.3 of the revised report be not renewed or terminated as appropriate on 6 April 2009 with the holders paid, where relevant, a compensation payment in accordance with the discretion exercised by the Council under the provisions of the Local Government (Early Termination) (Discretionary Compensation) (England and Wales) Regulations 2006 with a payment also made in respect of any notice period due to the employee at 6 April 2009;
- (4) the revised structure be implemented with the new arrangements to be in place by 6 April 2009;
- (5) the arrangements for recruiting temporary staff outlined in paragraph 3.7 of the main report be agreed; and
- (6) the employment of the holder of the post of Head of AFU (ED06100) be terminated in the interests of the efficient exercise of the Council's functions and he be afforded benefits under the provisions of Regulation 19 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007.

(Report circulated to Members)

The meeting commenced at 5.30 pm and closed at 7.50 pm

Chair