

SCRUTINY COMMITTEE - ECONOMY

11 June 2009

Present:

Councillor Margaret Baldwin (Chair)

Councillors Gale, P J Brock, Coates, Martin, Robson, Sheldon, Shiel, P A Smith, Starling and Wardle

Director Economy and Development, Head of Economy and Tourism, City Centre Manager and Member Services Officer (SLS)

Also present:

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

17 **Minutes**

The minutes of the meeting held on 12 March 2009 were taken as read and signed by the Chair as correct.

18 **Declarations of Interest**

The following personal interest was declared:-

COUNCILLOR	MINUTE
Councillor Coates	25 (Member of Friends of Exeter Cathedral)

19 **QUESTION FROM A MEMBER OF THE COUNCIL UNDER STANDING ORDER 20**

In accordance with Standing Order 20, a question from a Member was submitted on whether an annual return for the first year of operation of civil parking in the city was available, to which the Portfolio Holder for Sustainable Development and Transport replied. A copy of the question was made available at the meeting.

The question and the reply from the portfolio holder (in italics) was appended to the minutes.

20 **PORTFOLIO HOLDERS TO PRESENT THEIR PRIORITIES FOR THE FORTHCOMING YEAR**

Councillor Wadham presented the following priorities within the Transport and Sustainable Development Portfolio for the forthcoming year, and covered the following topics:- Long Term Spatial Strategy; The New Growth Point; Affordable Housing; Climate Change; Bus Station Site; City Centre Enhancements; Pedestrian Signing in the City Centre; Cowick Street Enhancement; Long Term Transportation Strategy; Concessionary Travel and Civil Parking Enforcement.

A copy of the briefing note, together with a brief explanation on each priority was attached as an appendix to the report.

The Director Economy and Development gave the following responses to Members' questions –

- The forthcoming reduction in services operated by Stagecoach to the west of Exeter remained a concern, and a recent response from First Great Western, advised that the Department for Transport would shortly confirm how they will address the reduction from December 2009.
- Further information on the levels of civil parking enforcement activities within a ward was always available to Members. The Enforcement Team staffing levels were now at full complement.
- The Castle site owners still had aspirations for a mixed use scheme including residential development and an art gallery. A report on the refurbishment of the Holloway Street mural was being presented to the next Planning Member Working Group.
- 25% of new housing needed to be affordable and 85% of this was at an affordable rent. Affordability was defined by reference to the average wage.
- The proposed High Quality Transport Service is part of an important transport package that the County Council is working up, and more detailed proposals should be available in a few months.

Councillor Wadham commented on the proposed Park and Ride site to the west of the city and anticipated the difference this facility would make. He also spoke in his capacity as a Ward Member, and stated that whilst no site had been agreed, there were still lots of issues to consider.

Councillor Mrs S R Brock presented the following priorities within the Economy and Tourism Portfolio for the forthcoming year, and covered the following topics:- Economic Development Strategy; Responding to the Recession; City Centre Promotion; Canal Basin; Science Park; Science Base; Inward Investment; Tourism.

A copy of the briefing note, together with a brief explanation on each priority was attached as an appendix to the report.

Councillor Mrs S R Brock gave the following responses to Members' questions –

- That the RDA still recognises the economic importance of projects such as the Science Park to Exeter.
- The City Council had already started to work in partnership on festival events, and in particular working with the Northcott and Barnfield Theatres. Further Information on developing joint working for the 2010 festivals package will be reported to the next Summer Festival Advisory Committee.

Scrutiny Committee – Economy noted the priorities presented for the forthcoming year.

21 **RESPONSE TO THE RECESSION**

The Director Economy and Development submitted a report which advised Members of a range of possible initiatives intended to respond to the impact of the recession on businesses and individuals in Exeter. Discussions had taken place with

stakeholders including the Chamber of Commerce and the Federation of Small Businesses to establish a number of key priorities. The proposals could be funded from the Local Authorities Business Growth Incentives Grant. (LABGI)

Members welcomed the report and noted the Director's responses to their comments:-

- Support and debt recovery advice by many of the public sector services was acknowledged, but there were some additional benefits from setting up the Trinity Project. A dedicated adviser in the City Council's Customer Services Centre should ensure there was more opportunity to provide the advice and support needed by those facing re-possession. A presence at Home Re-Possession hearings at the County Court was also proposed.
- A sum of £570,000 was available to the City Council from the LABGI grant and there was flexibility on how this could be used. It was logical to spend some on building a base for the city's future economic recovery.
- Although there have been signs of economic recovery, it was still too soon to call this the end of the recession, and limited indicators such as increased house viewings, and an uplift in the mortgage availability are being countered by increasing unemployment figures.
- The Economic Development and Estates Teams and the City Centre Manager have made great efforts to improve the window treatment of vacant City Council owned properties, with a proposal to display some colourful, non commercial material. They continued to speak to landlords and agents with empty retail premises particularly in the city centre, but with no results to date.
- Promotion and publicity to provide guidance for small businesses on how the procurement process operates would ensure that local small businesses are more capable of competing effectively. Part of the funding for this proposal would provide a dedicated web site for use by local business to share information and encourage greater use of locally based companies.
- The Head of Economy and Tourism added that a scheme to provide more specialist expertise for local employers to identify their skills base, would also be very beneficial. He agreed with a Member that there was likely to be some existing data to support this project and so it was possible that any external specialist support could be more limited. The funding would also ensure that the campaign could be backed up by a range of promotional materials in a sustained approach to make businesses more aware.

Scrutiny Committee- Economy supported the recommendation that Executive approve the proposals outlined in Section 3 of the report.

(Report circulated)

22 **ECONOMIC DEVELOPMENT UPDATE**

The Head of Economy and Tourism presented a report and provided Members with an overview of the Economic Development Service activities during 2008/09. He included the action taken since September 2008, following Executive's endorsement of the Exeter and Heart of Devon Economic Development Strategy for the period

2008 – 2013. A set of statistics profiling the Exeter economy was also attached as an appendix to the report.

A broad overview on the strategic focus of the long term strategy was outlined, together with the key areas of business support, partnership activity, and the new opportunities and potential growth that lie in the east of the city.

The following responses were given to Members:-

- The latest school leavers faced even more of a challenge to find suitable employment and this was likely to have an effect on the city's unemployment figures. There had already been a significant rise in the level of applications to local further education establishments.
- School attainment in the five city high schools has shown a marked improvement and the results were a credit to the hard work and dedication of all those involved. It was important to see the statistics in a wider context. Every effort would be made to ensure the latest available attainment figures were made available.
- The Strategy sets out the intention to promote attainment particularly in the growth areas of science and engineering. This included working up a number of initiatives with specialists and professionals from industry and education in the local community.

Scrutiny Committee – Economy noted the report and agreed that the longer term objectives and more immediate actions being undertaken be reviewed with an update on the economic position to be provided at the next Scrutiny Committee

(Report circulated)

23 CITY CENTRE PERFORMANCE UPDATE

The City Centre Manager presented a joint report with the Director Economy and Development and briefed Members on current city centre performance levels, with updates on retail unit vacancy rates, car park statistics, retail sales information and pedestrian footfall data.

He circulated a copy of a survey on city centre vacant retail units for a three year period, which confirmed an 8.3% vacancy rate, out of a total of 588 units. It was noted that the UK average vacancy rate had been running at 15% with some centres reporting vacancy levels of up to 39%. The City Centre Manager stated that whilst the current economic downturn remained a challenge, current analysis of key performance indicators in Exeter was relatively encouraging. He indicated, however, that there were no grounds for complacency, with the economic picture often appearing confusing, contradictory and fast moving.

Scrutiny Committee – Economy noted the report.

(Report circulated)

24 **CONCESSIONARY TRAVEL SCHEME**

The Director Economy and Development presented a report advising Members on developments in relationship to the concessionary travel scheme and also sought their views on a number of options for changing the administration of the scheme.

The funding and estimated cost of the concessionary fares scheme continued to have a significant effect on the City Council's budget during the current and next financial year. The Council has been lobbying the Department for Transport for a more equitable funding settlement. In the meantime, in an effort to limit the costs of concessionary travel to the Council, and following negotiation with Stagecoach, a three year settlement had been agreed, in effect 'capping' the amount paid to them.

The Director also highlighted the key points of a Department for Transport consultation paper on possible changes to the administration of the concessionary travel scheme, with an intended implementation date of April 2011. Members were invited to form a response by the deadline date of 21 July 2009. In principle, officers would support an approach to shift responsibility from the District to County Councils because of their wider strategic transport responsibilities. Following a lengthy discussion, Members considered that moving the administrative function to the County authority would be the most appropriate approach. Members also felt strongly that the Executive should endorse their comments before responding to the consultation.

Scrutiny Committee – Economy supported the option of transferring the responsibility for administration of the Concessionary Travel Scheme to Transportation Authorities and asked Executive to endorse this.

(Report circulated)

25 **CAPITAL PROGRAMME MONITORING 2008/09 OUTTURN**

Cllr Coates declared an interest as a Member of the Friends of Exeter Cathedral.

The report of the Director Economy and Development was submitted advising Members of the latest position with regard to the 2008/09 capital programme for Economy. A complete list of capital projects was circulated and a number of schemes throughout the city were highlighted, including the latest developments on the Quay, Cowick Street and enhancements throughout the city centre.

A Member referred to the recent listing of the Cathedral's processional steps, which was likely to have an impact on proposals for Cathedral Close and the Green. The Director confirmed that representations had been made by a third party to English Heritage for 'Listed' status for the steps leading down to the West Front of the Cathedral, but it was too early to say what impact this might have on the final scheme.

Scrutiny Committee – Economy noted the contents of the report.

(Report circulated)

26 **ECONOMY STEWARDSHIP 2008/09 (FINAL ACCOUNTS)**

The report of the Head of Treasury Services was submitted advising Members of the overall financial performance of the Economy and Development Directorate for the 2008/09 financial year ended 31 March 2009.

The Director highlighted the main variations by management units from the approved annual budget and despite a few notable exceptions, advised that the final deficit was lower than originally forecast. A Member congratulated the Markets and Hall Manager and team for their enterprising and creative spirit and welcomed the recent improvements at the Corn Exchange.

Scrutiny Committee – Economy noted the contents of the report.

(Report circulated)

27 **KEY PERFORMANCE INDICATORS**

The Director Economy and Development presented the report advising Members of the current position on key performance at the end of the year, on a range of services across the Directorate. There were national indicators as well as locally set targets.

It should be noted that following the introduction of a major applications protocol, the second half year performance for completing major planning applications within 13 weeks had increased. The Director suggested that the introduction of a cut off date of 13 weeks for the completion of Section 106 agreements may be considered and planning officers would discuss the practicalities of such an arrangement with the development industry.

Scrutiny Committee – Economy noted the report.

(Report circulated)

28 **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 185 - 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

29 **Post of City Arts and Festivals Manager**

The Director Economy and Development presented a report which sought approval for the merger of the City Arts Officer post and the Festivals and Events Manager post to become the City Arts and Festivals Manager.

Scrutiny Committee – Economy supported that Executive agree the following proposals set out in paragraph 3.3 of the report and that the functions and responsibilities of the posts of City Arts Officer post (ED05127) and the Festivals and Events Manager post (ED05111) be merged into the post of City Arts and Festivals Manager (post ED05127) at Grade 10 from 1 July 2009, with the post of Festivals and Events Manager being deleted.

(Report circulated to Members)

The meeting commenced at 5.30 pm and closed at 7.30 pm

Chair

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QUESTION FOR PORTFOLIO HOLDER
UNDER STANDING ORDER NO.20
SCRUTINY COMMITTEE – ECONOMY –11 JUNE 2009

QUESTION FROM CLLR PROWSE FOR THE PORTFOLIO HOLDER - SUSTAINABLE DEVELOPMENT AND TRANSPORT

'As we have reached the first anniversary of us being an agent for the County Council in enforcing civil parking in this city, are you in possession of the first annual return'.

'It is a requirement that an annual report on enforcement activities be produced for the Department for Transport within six months of the end of the financial year. As a minimum, this report will need to provide details of the number of PCNs issued and the numbers paid. Discussions are currently taking place at the Devon Parking Board as to whether the County Council, as lead authority for CPE, will produce a single report for Devon, or whether the individual Districts will produce separate reports. In the meantime, City Council officers have produced monthly reports to the Traffic Penalty Tribunal on the number of PCNs issued, which is also a requirement of the legislation, and are currently finalising the end of year financial return to the County Council. If further details are required, I am happy to make these available as soon as they have been finalised.'

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SCRUTINY ECONOMY COMMITTEE 11 JUNE 2009

Sustainable Development and Transport Portfolio Programme for 2009/10

Long Term Spatial Strategy

As I previously reported, the key to a long term strategy for the City is the Secretary of State's decision on the Regional Spatial Strategy modifications. We are assured that these will be published at the end of June and based on her recent decision re the South East Regional Spatial Strategy, we might expect the South West's allocation to be towards the upper end of the range. If that is the case, the City will face a very challenging prospect of finding space for up to 15,000 dwellings within the City's existing boundaries. We will bring forward a revised Core Strategy by the end of this year and seek public views on that Strategy. In the length of time needed to take this through the approvals process, the Council will have to consider, during the latter part of this year, what interim measures it should take to ensure that a five year housing land supply is maintained.

The New Growth Point

Despite the impact of the recession on the housing market, progress is being made on the key projects which are being led by the New Growth Point. Given the combination of confirmed funding from the Department of Communities and Local Government, the Department for Transport, the Homes and Communities Agency and the three local authorities, it is very likely that the infrastructure that is needed for these projects will be delivered over the next two years or so. The infrastructure enhancements include the passing loop at Axminster (to provide hourly train services to Exeter), the Clyst Honiton Bypass, the main local route at Cranbrook, the enhancement to Junctions 29 and 30 and a new Walking/Cycling Bridge over the M5 between Gypsy Hill and the Science Park. Negotiations continue with the New Community Partners on key funding issues; the County Council has announced its joint venture partner for Skypark; and the Science Park is likely to see the construction of the first building starting on site in 2010.

Affordable Housing

As previously outlined, we will include the enhanced 35% standard and the lower threshold in the revised Core Strategy to be published later this year. Achievement of full provision on each development will still be critically dependent on sufficient central government funding.

Climate Change

Research which was commissioned by the New Growth Point has highlighted the scope for, and costs of, delivering low and zero carbon development. The scope for Combined Heat and Power is being assessed as part of the delivery of the various projects in the New Growth Point.

Bus Station Site

We continue to work on the background studies for preparing a Master Plan for the Bus Station which include a Transportation Study, a Parking Study and an Archaeological Evaluation. This work will be completed in late 2009 enabling a full Master Plan to be prepared during 2010. It remains a commitment to provide a high quality public transport interchange at the heart of a mixed use, commercial scheme.

City Centre Enhancements

We have recently completed the re-paving of Martin's Lane and we are now developing proposals for the Gandy Street area. Following this work, we are looking at the Fore Street/North Street/South Street area that needs to be planned in conjunction with proposals for the High Quality Public Transport project on which Devon County Council are leading.

Pedestrian Signing in the City Centre

I am pleased to draw Members' attention to the completion of this very high quality scheme which has replaced the old finger posting system which was nearly 30 years old. It is a much more extensive, high quality signing system for pedestrians across the whole of the City centre. This work was completed in the early Spring and we are now installing City centre plans in our car parks.

Cowick Street Enhancement

Having completed work at Heavitree Fore Street we are keen to see a range of enhancements at Cowick Street and consultation on a number of options was completed before Easter. I am expecting to see detailed proposals put before Planning Member Working Group very shortly for implementation in 2010.

Long Term Transportation Strategy

We will continue to work with the County Council to find a package of measures that will limit the growth in car traffic and ensure reasonable air quality. We welcome the County Council's commitment to expand Park and Ride and we are working with them on the development of their High Quality Public Transport proposals. I continue to believe that the interests of the City centre are best served by effective traffic management which puts pedestrians and shoppers ahead of the convenience of motorists. We want to work with the County Council to ensure that this is achieved.

Concessionary Travel

This continues to be of very significant concern for the Council in that we have incurred costs in excess of £1.3 million during 2008/09, over and above the grant aid provided by government. In the current year we expect this cost to increase to £1.67 million, and thus we are engaged in continuing lobbying efforts to change the system in the longer term, but more crucially, to amend the grant formula in 2010/11 to overcome the inequity whereby there are some ten authorities with deficits in excess of £1 million and there are many other authorities who are receiving grant in situations where their costs have declined from previous years.

I am also pleased to say that we are about to sign the agreement with Stagecoach which caps the Council's liability for reimbursing the cost of the scheme to Stagecoach in return for a three year deal. In the light of two other authorities where Stagecoach have successfully appealed against the established reimbursement rate, this looks like a good outcome for Exeter.

Civil Parking Enforcement

The Council assumed responsibility for on-street parking enforcement in May 2008 and since then has been developing the service in response to the priorities of the County Council (as highway authority) and local residents. The response to the Council's running of the service has been largely favourable and there is ongoing dialogue between the service, the County Council and local residents on how further improvements can be delivered in the current year. One of the particular aspects of the service I hope to see developed in the coming year is extended evening enforcement.

Councillor Peter Wadham**Portfolio Holder Sustainable Development and Transport**

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SCRUTINY ECONOMY COMMITTEE
11 JUNE 2009

**Key Elements of the Programme for the Economy Portfolio for
2009/10**

Economic Development Strategy

We have now revised the Economic Development Strategy, setting out a range of priorities and an associated programme of projects for the next five years. Making the most of the local economy depends on cross working with a wide range of key stakeholders in the City and working with our partners outside the City through Exeter and the Heart of Devon Partnership and through the New Growth Point. Given the state of the economy at large, we will closely watch performance in the local economy to review our Strategy in late 2009, in the light of that performance.

Responding to the Recession

Whilst the Economic Development Strategy deals with longer term aspirations, there is an immediate need to address the impact of the recession. I have asked officers to forward a number of proposals to design a package of measures to lessen the impact of the recession on individuals and on businesses, as well as improving the competitive position of Exeter by expanding our marketing activity. That paper is on tonight's agenda for discussion. In addition to these specific proposals, we will continue to work closely with organisations in the City with regular meetings which have been chaired by the Chief Executive since the early Spring.

City Centre Promotion

A major programme of enhancements has now been completed and will focus on promoting the City centre through additional marketing, whilst seeking to reduce vacancies through active marketing of our own premises, reducing the impact of vacant units on the appearance of the City centre (by installing displays in vacant shop fronts) and by continuing with the programme of special markets as outlined in the attached sheet.

Canal Basin

Regeneration continues to make sound progress with Bridger Marine now in new premises at Haven Road Car Park. Work on the 14 Affordable Housing Units at the head of the Basin is progressing well. It is expected to go out to tender very shortly for the construction of Michael Browning Way which will provide access to Bridger Marine's premises, the winter boat laying up area and a re-designed Haven Road Car Park.

Science Park

This partnership project continues to progress well with a new Science Park Company about to be formed with the appointment of a Chair recently agreed, a planning application due this month with the associated infrastructure provision making excellent progress in terms of approvals and funding. The £750,000 contribution to the Science Park Company will be one of the biggest commitments on the Economy budget.

P.T.O.

Science Base

We will continue to work closely with the University and other partners to establish a much higher profile for the City in terms of science based companies and the leading research undertaken by the Met Office, the Peninsula College of Medicine and Dentistry, and the University. The aim is to develop a strong brand for the city through, for example, coordinating and providing a focus for promoting a range of activities relating to innovation, education and the development of knowledge based businesses in the area. Establishing a reputation for the city as a recognised “science base” will be essential for the successful development of the science park and to support those organisations already successfully operating here

Inward Investment

At the present time inward investment levels are very low as companies review their operations and investment plans. Nevertheless, I would like to highlight the recent opening of the Reuters base in the City, a success in terms of our long term efforts to secure high profile knowledge-based companies. The Economic Development team worked closely with Reuters over several years to ensure that their accommodation needs could be met in a high profile, quality building. The attraction of the new Jury's Inn Hotel and other smaller relocations and investments are other examples of this important area of work.

Tourism

The successful re-launch of the Underground Passages in late 2007 has already been reported. The attraction continues to experience growing visitor numbers. We have now reached an agreement with Exeter Canal and Quay Trust to support the Quay House Visitor Centre for the medium term. We will be investing in the Visitor Centre later this year to bring facilities up to modern standards. In order to take advantage of adverse exchange rates, we will also be increasing our Tourism Marketing budget, targeting particularly the weekend break market for the coming Autumn and the family market for Spring 2010.

Councillor Stella Brock
Portfolio Holder Economy and Tourism

Markets for the Year

6 June, 4 July, 1 August, 5 Sept	Craft Saturday, Fore St/South St.
19, 20, 21 June	Continental Market, Sidwell St.
18, 19, 20 Sept	Italian Market, Fore St/South St.
13, 14, 15 Nov	Continental Market, Sidwell St.
27, 28 Nov. 4, 5, 11, 12, 18, 19 Dec	Christmas Gift Market, Fore St.
28 Nov	Charities' Christmas Market, Castle St.
3, 10, 17, 21 Dec	Christmas Gift Market, Castle St.
4, 11, 18, 22 Dec	Christmas Produce Market, Castle St.
5, 12, 19, 23 Dec	Christmas Craft Market, Castle St

Regular markets:

Farmers' Market:	Every Thursday, Fore St/South St.
Sunday Market:	Weekly, Matford Centre.
Sidwell Street Market:	Mon - Sat.

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