Exeter City Council

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AGENDA FOR EXETER CITY COUNCIL SCRUTINY COMMITTEE - ECONOMY

The Scrutiny Committee - Economy will meet on **THURSDAY 3 SEPTEMBER 2009**, commencing at **5.30 pm,** in the Rennes Room, Civic Centre, Paris Street, Exeter to consider the following business. If you have an enquiry regarding any items on this agenda, please contact Sharon Sissons, Member Services Officer on **Exeter 265115.**

Entry to the Civic Centre can be gained through the Customer Service Centre, Paris Street.

Pages

Part I: Items suggested for discussion with the press and public present

1 **MINUTES**

To sign the minutes of the meeting held on 11 June 2009.

2 **DECLARATIONS OF INTEREST**

Councillors are reminded of the need to declare personal and prejudicial interests, including the nature and extent of such interests, in relation to business on the agenda, before any discussion takes place on the item. Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

3 **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - EXCLUSION OF PRESS AND PUBLIC**

It is considered that the Committee would be unlikely to exclude the press and public during consideration of any of the items on the agenda, but, if it should wish to do so, the following resolution should be passed:-

RECOMMENDED 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 particular item (s) on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs of Part 1, Schedule 12A of the Act.

4 **QUESTIONS FROM THE PUBLIC UNDER STANDING ORDER 19**

A period of up to 15 minutes should be set aside to deal with questions to the Committee from members of the public.

Details of questions should be notified to the Assistant Chief Executive at least three working days prior to the meeting. Further information and a copy of the procedure are available from Member Services (Exeter 265115) and also on the Council web site
http://www.exeter.gov.uk/scrutiny/questions

5 **QUESTIONS FROM MEMBERS OF THE PUBLIC UNDER STANDING ORDER 20**

To receive questions from Members of the Council to appropriate Portfolio Holders.

Details of questions should be notified to the Assistant Chief Executive at least three working days prior to the meeting. Further information and a copy of the procedure are available from Member Services (Exeter 265115)

MATTERS FOR CONSIDERATION BY SCRUTINY COMMITTEE - ECONOMY

6 **MOTION TO WITHDRAW SUNDAY CAR PARKING CHARGES**

To receive the report of the Head of Parking, Engineering and Business Support – *report circulated* 1 - 2

7 **TRANSPORTATION INITIATIVES AND ISSUES - UPDATE**

To consider the joint report of the Projects and Business Manager and Head of Parking, Engineering and Business Support – *report circulated* 3 - 10

8 **ECONOMY UPDATE**

To consider the report of the Head of Economy and Tourism – *report circulated* 11 - 40

9 **UPDATE ON ARTS AND MEDIA STRATEGY 2009 - 2012 - ACTION PLAN**

To consider the report of the Head of Economy and Tourism – *report circulated* 41 - 64

PERFORMANCE MONITORING

10 **ECONOMY SCRUTINY STEWARDSHIP TO JUNE 2009**

To consider the report of the Head of Treasury Services - *report circulated* 65 - 68

DATE OF NEXT MEETING

The next **Scrutiny Committee - Economy** will be held on Thursday 12 November 2009 5.30 pm

FUTURE BUSINESS

The schedule of future business proposed for this Scrutiny Committee and other Committees of the Council can be viewed on the following link to the Council's website:http://www.exeter.gov.uk/forwardplan
Councillors can view a hard copy of the schedule in the Members Room.

Membership -
Councillors M A Baldwin (Chair), Gale (Deputy Chair), P J Brock, Coates, A Hannaford, Martin, Noble, Robson, Sheldon, Shiel, P A Smith, Starling and Wardle

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE – ECONOMY
3 SEPTEMBER 2009

MOTION TO WITHDRAW SUNDAY CAR PARK CHARGES

1.0 PURPOSE OF REPORT

1.1 To seek Members' views on a motion to withdraw Sunday charges in all City Council car parks.

2.0 BACKGROUND

2.1 At its meeting on 14 July 2009, Council received a motion from Councillor Newby, Ward Member for Topsham, calling for the withdrawal of Sunday charges in all City Council car parks in order to help combat the effects of the recession on the local economy. Council referred this motion to Scrutiny Committee – Economy for consideration.

2.2 While the withdrawal of Sunday parking charges would be welcomed by many, it would raise serious issues for the Council by exacerbating the financial challenges the authority is already facing and undermining the commitment to tackle climate change (by incentivising car use). It is also far from clear that it would have any meaningful impact on the local economy: there is growing research evidence which indicates that parking charges are not a major factor in determining whether or not people will choose to visit a particular location; of far more significance is the perception of the quality and choice of shops and attractions on offer.

2.3 Sunday parking charges are already lower than charges for the rest of the week, in order to provide support for the 'Sunday economy', and in recent years Executive has extended Sunday charging to all car parks on the basis that it is no longer appropriate to provide free parking. Officers believe this continues to be a sound charging policy, which balances support for local businesses against the Council's wider financial and climate change objectives, and would strongly recommend against the withdrawal of Sunday charging.

2.4 Members are asked to give their views on Councillor Newby's motion. It should be noted that were this Committee to support the motion, this would need to be referred to Executive for a final decision.

3.0 FINANCIAL IMPLICATIONS

3.1 Parking income is one of the Council's most important revenue streams and is itself under pressure as a result of the current economic climate. Sunday parking charges account for approximately £150,000 in income each year. Were charges to be withdrawn, proposals would need to be brought forward for making good this income from elsewhere or cutting budgets to meet the shortfall.

4.0 RECOMMENDATION

(i) That Members note the motion and give their views in light of officer comments.

ROGER COOMBES
HEAD OF PARKING, ENGINEERING AND BUSINESS SUPPORT

ECONOMY & DEVELOPMENT DIRECTORATE

<u>Local Government (Access to Information) Act 1972 (as amended)</u>
Background papers used in compiling this report:-
None

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - ECONOMY
3 SEPTEMBER 2009

TRANSPORT INITIATIVES AND ISSUES - UPDATE

1 PURPOSE OF REPORT

1.1 This report is to update Members in relation to transport initiatives and issues affecting Exeter.

2 BACKGROUND

2.1 Responsibility for transport rests with numerous organisations. Devon County Council (DCC) is the authority with statutory responsibility for all highways, except motorways and trunk roads which are the responsibility of the Highways Agency (an executive agency of the Department for Transport (DfT)).

2.2 Public transport is provided by private operators. In the case of railways, the trains are run by train operating companies, on track belonging to Network Rail, which is now state-owned. The Office of Rail Regulation regulates train services, monitoring performance of operators and restricting the level of some key fares.

2.3 Buses are run by private companies on a commercial basis, with Stagecoach operating the majority of services in Exeter. DCC is the local authority with statutory responsibility for transport, and it supports some services which it considers to be socially necessary and which would otherwise not run because they would not be viable. DCC also has the power to promote specific schemes, a recent example being the provision in 2008 of financial support towards new vehicles on route 2 between Exeter and Newton Abbot. It is important to stress that local authorities do not have any legal power to subsidise services to reduce fares, other than funding concessionary fares for young people and for people aged 60 and over.

2.4 There are a number of funding streams available for transport initiatives, including:-
- the DfT provides funding to local highway and transport authorities; for example, through the Regional Funding Allocation (RFA) system it funds major schemes which have been identified as a high priority at regional level, whereas Local Transport Plan (LTP) funding is for schemes proposed in the relevant authority's LTP;
- money for infrastructure and to pump-prime new or improved services required as a result of new development can be secured from developers through agreements under section 106 of the Town and Country Planning Act 1990;
- Exeter's designation as a Cycling Demonstration Town (see below) has brought a considerable amount of funding from Cycling England (a body established by the DfT).

2.5 Exeter City Council's involvement in transport issues has to be seen in this overall context. Although not the local highway or transport authority, we have numerous different transport-related duties and powers, including:-
- operation of the concessionary fares scheme;
- provision of off-street parking;
- licensing of taxis;

- provision of infrastructure, including facilities for cycling and walking;
- as local planning authority, consideration of proposals affecting highways;
- as consultee in relation to schemes being promoted by DCC.

The last of these is particularly important, and it will be seen from the following paragraphs that in many cases Exeter City Council's involvement in projects is as more than a mere consultee. Much of our input into transport issues is in influencing decisions made by DCC and others to ensure that Exeter's interests are safeguarded.

2.6 This report outlines the transport issues and schemes currently affecting Exeter, and how the City Council is involved with them.

3 MAJOR SCHEMES BIDS

3.1 The following major schemes are the subject of bids by DCC to the DfT via the Regional Funding Allocation (RFA) system referred to above. Proposals have to demonstrate a balanced approach that provides for targeted enhancements to highway capacity combined with improved facilities for public transport, cycling and walking, wherever possible.

3.2 **Alphington Road corridor**

DCC's proposals are to improve outbound capacity for traffic along this corridor, and as part of this to improve priority for public transport and to encourage modal shift away from the car. Elements include the widening to two lanes of Western Way on the approach to Exe Bridges (currently under construction), improvements at the Haven Road junction, the widening of Alphington Road to two lanes outbound from the junction with Marsh Barton Road to Alphington Cross, and the provision of a new park and ride facility adjacent to the A30. On 13 November 2008, Members of Scrutiny Committee – Economy gave their support to DCC's funding bid for a package including these proposals and those for Topsham Road / Bridge Road referred to in paragraph 3.3 below.

3.3 A planning application for the park and ride site adjacent to the Alphington junction of the A30 was submitted on 20 August 2009. The application will be determined by DCC as a County application, and the City Council will be a consultee. It is anticipated that the application will be presented to DCC's Development Control Committee in December 2009.

3.4 **Topsham Road / Bridge Road corridor**

The proposals for outbound traffic are to provide two lanes on Topsham Road approaching the Countess Wear roundabout and then along Bridge Road to the Matford roundabout. Inbound there would be a bus lane and two traffic lanes on the approach to Countess Wear roundabout. The scheme would also include a segregated pedestrian and cycle path. DCC is due to submit a Major Scheme Business Case to the DfT in respect of this and the Alphington Road corridor scheme in December 2009.

3.5 **Junction 29 improvements**

Enhancements to junctions 29 and 30 of the M5 were the subject of an earlier successful RFA bid. The most recent development has been the publication in June

2009 by the Highways Agency of draft orders and an Environmental Statement in support of DCC's proposals to improve junction 29. These include alterations to provide road access to the proposed Science Park, for which a planning application was recently submitted, also to enable traffic leaving Exeter to join the M5 southbound, and to increase the capacity of the junction generally in order to cater for the various development proposals to the east of Exeter.

4 HIGH QUALITY PUBLIC TRANSPORT

4.1 Members will be aware that DCC's bid to the DfT in 2006 for pump-priming funding for a scheme was unsuccessful. That scheme centred on a high quality, high speed bus service from Cranbrook to the city centre and out to Alphington.

4.2 DCC are currently working up revised scheme details and will be involving key stakeholders including ourselves.

5 RAIL

5.1 Outline

Rail services in and around Exeter are run by three operators. Main line services to and from London Paddington, and onward to Cornwall, are operated by First Great Western, as are the branch lines to Exmouth, Barnstaple and Paignton. South West Trains operate between Exeter and London Waterloo, and Cross Country services travel through Exeter on their way to and from the Midlands and beyond.

5.2 Patronage

The railways have been experiencing growth over recent years, and that trend has been reflected locally. According to the Office of Rail Regulation (ORR), over six million passenger journeys were made by train in 2007/8 to or from destinations in Devon (excluding the unitary areas of Plymouth and Torbay), an increase of 61% on the figures for 1995/6. All stations in Exeter and most of those in the surrounding area showed an increase in patronage between 2006/7 and 2007/8, the most recent years for which figures are available.

5.3 Reliability

Members will recall that the award of the then-new Greater Western franchise to First Great Western in 2006 was followed by a period of poor reliability. Statistics published by the ORR for the period April 2006 to March 2007 showed only an average of 75.6% of high speed services arriving at their destination within ten minutes of the advertised time. For local trains the statistic relates to trains arriving within five minutes of their advertised time, and averaged 84.2% for First Great Western for the same period. In subsequent years the figures have been aggregated for the whole Greater Western franchise and were 83.1 for the year to March 2008. In the year to March 2009, reliability improved to 90.5% overall. Locally, the Avocet Line Rail Users' Group reports that on the Exmouth ("Avocet") line operated by First Great Western reliability has exceeded 96% in recent months.

5.4 Other reliability figures for the year to March 2009 were:-

- for Cross Country services 90.1% (previous figures not available as this was a new franchise);

- for South West Trains 93.1% (showing a steady improvement from 92.3% in the year to March 2008, and 89.8% the previous year).

5.5 **Great Western RUS**

Network Rail is producing a Route Utilisation Strategy (RUS) for each part of its network, to balance capacity, passenger & freight demand, operational performance and cost, and to address the requirements of funders and stakeholders. Work started on the RUS for the Great Western network in February 2008 and a consultation draft is due to be released on 3 September, followed by a three month consultation period with the final document due to be published in spring 2010. This will cover the Great Western main line and Cross-Country lines to the Midlands and beyond, as well as local lines including those to Exmouth and Barnstaple.

5.6 **Great Western electrification**

In July 2009 the Council, through the Portfolio Holder for Sustainable Development and Transport, responded to a consultation draft Electrification Strategy issued by the DfT. The draft paper identified electrification of the Great Western main line as a high priority and set out the process for identifying further options such as the "Berks and Hants" line (the route to Exeter via Westbury).

5.7 The formal Electrification Strategy has now been published, proposing electrification of the main line from Paddington to Swansea by 2016 and of the Berks and Hants line as far as Newbury. It is proposed to replace the existing High Speed Train (HST) fleet at this time with "bi-mode" trains with a diesel generator at one end and an electric transformer at the other, to allow through working over the rest of the Great Western main line network. The omission of proposals for the Berks and Hants line west of Newbury is disappointing because electrification increases reliability, and reduces CO2 emissions and noise pollution from individual trains. However, the Strategy proposes that all new rolling stock for the Great Western main lines will be either electric or bi-mode, whereas future electrification to Exeter would effectively have been ruled out had a new diesel fleet been ordered.

5.8 **Improvements to Waterloo service**

The longstanding aspiration for an hourly service between Exeter and Waterloo was included in the South West Main Line RUS published in 2006, and is due to become a reality in December 2009, upon completion of a three-mile passing loop at Axminster which is currently under construction by Network Rail.

5.9 The increased frequency will be achieved by South West Trains using the rolling stock currently used to extend certain peak hour services to Plymouth and Torbay. The City Council had been pressing the DfT to ensure that frequencies would be maintained west of Exeter following the changes. In June 2009 the DfT confirmed that it had approved additional funding to First Great Western to run trains to replace these services.

5.10 **Branch lines**

The Council participates in the Exeter and Area Rail Working Party ("Exerail") which discusses rail issues and agrees a local programme of publicity and station improvements to promote rail use. The Council has for several years contributed £15,000 annually to this programme.

5.11 Members may recall that an hourly daytime service between Exeter and Barnstaple (the Tarka Line) was introduced in December 2008. Initial indications are that patronage of the line has continued to increase.

5.12 Use of the Exeter to Exmouth branch (the Avocet Line) has also increased in recent years (typically by around 10% a year). In July the City Council presented to the Working Party (jointly with DCC) a paper outlining the likely development pressures in the corridor served by the branch and discussing the role that an enhanced railway service might play in delivering sustainable development over the next 20 years. The paper set out ways in which capacity of the line might be increased, not only to cater for current demand but to allow for stations serving future development at Newcourt and Monkerton. The commitment of the rail industry would be essential if an increase in capacity were to be deliverable. An immediate issue for the City Council is the need for operators to commit to specific improvements so that developer contributions can be secured.

6 BUS SERVICES

6.1 Bus travel continues to make a significant contribution to travel in Exeter, with a 3% increase in usage recorded in Devon in 2007/8. This excludes the significant increase attributable to concessionary fares.

6.2 Exeter city services are now mainly operated by low-floor vehicles as are numerous other routes, and DCC is implementing a programme of raising kerbs at bus stops to provide level access to these buses. Exeter City Council has asked DCC to keep Members of both Councils informed of their plans, which can be contentious if, for example, on-street parking is reduced.

6.3 As part of DCC's own Green Travel Plan, a new park and ride service (PR6) has recently been introduced between Sowton and County Hall, running inbound throughout the morning peak and outbound in the evening peak. As mentioned earlier in this report, DCC has now submitted a planning application for a new park and ride site adjacent to the Alphington junction of the A30.

7 CONCESSIONARY FARES

7.1 Members will be aware of the substantial cost to the Council caused by the inadequacy of government funding for this otherwise beneficial scheme, and of the efforts being made to persuade the government to rectify the situation, ideally from 2010 although there is little time left to implement such a change. In the meantime the DfT has consulted on arrangements for administering the scheme from 2011, with a number of options including moving the administration to County Councils in two-tier areas. Exeter City Council has responded in favour of that option as instructed by Executive on 11 June 2009.

8 CYCLING

8.1 **Cycling Demonstration Town**

Exeter's designation as a Cycling Demonstration Town, initially for the period 2005 to 2008, has been extended until 2011. This is accompanied by a further £2.25 million in funding for cycling in Exeter from Cycling England, on top of the original 1.5m. The scope of the project has been broadened, with emphasis moving to links with Exeter's surrounding countryside and leisure facilities. Links to east Devon settlements, Tiverton and Crediton are also being developed.

8.2 In 2005 a target was set of increasing cycle trips across the city by 19% over three years. In fact, counters installed at various locations showed an average increase of 37% over that period. This is a remarkable achievement given that this equates to 817 additional daily trips, around the year, whatever the weather. An ambitious target has now been set of doubling cycle use by 2011.

8.3 The Cycle Exeter programme and website were relaunched in June 2009 under the brand “Freedom of your City”

8.4 **National Cycle Network (NCN)**

The key local component of the NCN is the Exe Estuary Trail, significant parts of which are now complete. Construction of the section from Exton to Lympstone is under way, and it is due to open in spring 2010. The entire Trail is due to be completed by 2012.

8.5 **Tour of Britain**

The Tour of Britain (a series of city centre cycle races) came to Exeter on 28 May 2009, supported by the City and County Councils. The event was a great success with an estimated 10,000 people attending, and served to raise the profile of cycling in the city and surrounding area.

9 WALKING

9.1 **Exeter Walking Project**

Exeter City Council is a member of the Exeter Walking Project, along with DCC and Sustrans. The project group meets regularly to discuss walking initiatives and promote schemes, which currently include the following:-

- the Exwick Loop – a walking route being developed around Exwick, with some sections already open but others involving land ownership and other issues that need to be resolved;
- Sir Alex Walk – improvement of the pedestrian path from Topsham to Countess Wear;
- Wonford Playing Fields – a significant length (about 1km) of shared use path (ie. for pedestrians, cyclists and people with disabilities) currently under construction.

10 TravelSmart

10.1 This is a project which began in 2008, whereby consultants are carrying out survey work and providing personalised sustainable travel advice to residents of Exeter and Exminster, with the intention of achieving significant modal shift. The third of three phases, centred on north-east Exeter, is currently under way, and a report is due later in the year.

10.2 **Sustainable Communities Act 2007**

On 29 June 2005, Executive received proposals submitted under the Sustainable Communities Act 2007. Two proposals, to facilitate the carriage of bicycles on rural buses, and to charge a levy on store car parking to raise funds for sustainable travel initiatives, were supported by Members for submission to the Local Government Association's Selector Panel, and the proposers were asked to carry out more work on a third proposal, in relation to integrated transport.

11 CONCLUSION

It can be seen that despite the significant number of different agencies involved in providing transport, Exeter City Council has a significant role to play in securing improvements for Exeter. Currently there are numerous challenges to face, but conversely these bring opportunities for improving Exeter's transport systems to improve the environment and reduce congestion, to the benefit of everyone in the city.

12 RECOMMENDED that the report be noted, and that Members offer their continued support for the initiatives designed to encourage more sustainable travel.

Ross Hussey
Projects and Business Manager

Roger Coombes
Head of Parking, Engineering and Business Support

ECONOMY AND DEVELOPMENT DIRECTORATE

Local Government Act 1972 (as amended)
Background papers used in compiling this report:-
National Rail Trends 2008-2009 Yearbook (ORR)
Britain's Transport Structure – Rail Electrification – July 2009 (DfT)
Transport Statistics Great Britain – 2008 Edition (DfT)
Avocet Line Rail Users Group Newsletters 6 & 7
Cycle Exeter Strategy – April 2008 to March 2011

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE – ECONOMY
3 SEPTEMBER 2009

ECONOMY UPDATE

1.0 PURPOSE OF REPORT

1.1 To provide Members with an update on the trends in the national, regional and local economy.

2.0 BACKGROUND

2.1 Exeter's sub-region is recognised as a principal economic driver in the region, making it an important part of the South West economy. The June Scrutiny Committee report gave a briefing on the significant deterioration in the UK and global economies, which in turn has had an adverse impact on Exeter. However, it appears at this juncture that the city overall has performed better than many other parts of the South West Region.

2.2 In May 2009, the South West RDA produced their Economics Review issue 16. In essence the review argued the following:

- there are indications that the rate of decline in the world economy is slowing down and modest growth may be seen in 2010
- 'the UK economy needs to make large structural adjustments, suggesting its labour market will remain depressed well into 2010
- 'the South West economy is relatively dependent on household spending, raising worries about unemployment and household debt constraining expenditure on tourism and leisure, retail sales and other services and their suppliers. Conversely Government's injection of additional cash flow into the economy, much lower mortgage payments and a good exchange rate for overseas visitors may assist the tourism sector and contribute to sustaining other sectors during 2009
- in terms of business and sectoral impact within the South West…
  - business confidence is generally low, impact across the region varies, and job cuts may continue long after any 'bottom' is reached in output
  - construction sector 'heavily dependent on public sector contracts and increasingly on smaller residential jobs'
  - tourism displays a mixed picture, with some locations securing good level of enquiries and bookings, however in some cases the norm of 2-3 night breaks are now being booked as one night only; business tourism has declined and this may impact on the viability of conferences later on in the year.

2.3 Further reports on the recession from the South West RDA expected by the end of August 2009. Any salient additional information to this report will be reported at Committee. Views on the national and regional economy have been sourced from a range of avenues including ONS, the Government's statistical service that produces data on the state of the national and regional economy.

3.0 ECONOMY UPDATE

3.1 This section provides a 'pen picture' update of the national, regional and local situation in Exeter. For more detail on the impact of the recession on Exeter, see Appendix 1.

3.2 Inflation continues to fall. In June, the Consumer Price Index declined to 1.8%, below the 2% Government target rate for the Bank of England and down 3.4% from a 5.2% peak in September 2008. Similarly, the Retail Price Index, which includes mortgage costs, continues to show prices falling, standing at -1.6% in June 2009.

3.3 Commentators anticipate that inflation will continue to fall. This could well put pressure on businesses competing on price to encourage sales, seen keenly for example in the retail sector.
Whilst, falling prices in some commodities may be welcome for those with spending power, it also raises the spectre of deflation, as consumers may be tempted to put off making a planned purchase in the hope that prices will fall further. In an effort to mitigate against this risk, the Bank of England has continued to set low interest rates, whilst hoping that their recent policy of 'quantitative easing' – injecting money in the economy, will encourage cash flow and thus consumption for businesses and consumers alike.

3.4 From the beginning of 2009, unemployment has continued to rise across all parts of the country, albeit recently, at a slower rate. For instance, in April, unemployment saw its biggest rise nationally since the recession of the early 1980's, yet in June the rise in people losing their jobs was just below 24,000, less than had been expected. Nevertheless, there are now 1.56 million people unemployed, a national rate of around 6.9%.

3.5 The worst affected regions with rates above 6% upto 12% can be found in areas such as the Midlands, South Wales, London and towards the coastal edges around Essex, the North and North East and also cutting a swathe right across mid-Scotland from Edinburgh to Glasgow and to Ayr.

3.6 Within the South West, the highest rates of unemployment can be seen in the far east of the region, those areas bordering on the Midlands and the South East, for example the Forest of Dean and Swindon with rates of over 10% unemployment. That said, some of the coastal areas too are heavily affected, in part perhaps by their trading and tourism links or structural bias towards the manufacturing sector such in Plymouth and Weymouth and Portland with rates of over 8%.

3.7 Following the national trend, the rate of increase has also slowed down locally in Exeter; in fact, the city's unemployment fell by 0.2% to 2.7% as 140 people came off the job seekers claimants register in June 2009. This change in claimant count may just be a seasonal impact. However, whether an increase will be seen in subsequent months remains to be seen and August figures will be reported at the Scrutiny Committee meeting. Employment levels will take some time to recover; e.g. research undertaken by Professor Paul Gregg of Bristol University supports this view.

3.8 On 30 June 2009, in their 'tale of 3 recessions', the BBC reported on unemployment across the country, drawing on the knowledge of Professor Gregg. Based on evidence of the recessions of the 1980's and 1990's, job recovery may well take around 5 years to reach the employment levels seen before the recession started, and unemployment is likely to be highest for the unskilled workforce and will more severely affect deprived areas in the country.

3.9 The rise in unemployment and the pressure on employers to compete and stay solvent has had an apparent effect on pay and working hours with employees reducing their expectations and employers seeking to retain key staff rather than making them redundant.

3.10 According to Income Data Services in their June report, average earnings, including bonuses, have fallen in the private sector from an increase recorded in September 2007 of 4.4%, to one of negative growth in both January and February 2009, rising again in April to 3.7%. In the public sector, respective average earnings increases were 3% in September 2007 and 3.5% in April this year.

3.11 In terms of pay settlements, Income Data Services reported in June that the median pay settlement for the whole economy was 2% between January and April 2009, 'with a third of settlements set as pay freezes'.

3.12 As the downward pressure on businesses to survive continues, insolvencies nationally have increased by 13% between quarters 1 of 2008 and 2009 respectively. However, it seems at this juncture that the impact on the South West region and within Exeter may indicate that firms are weathering the recession better. Between the same quarters, the Region saw a decrease of 54% in insolvencies, whilst Exeter saw no increase/decrease during this period.

3.13 In terms of home ownership the Financial Services Authority (FSA) reported in June that house repossessions were up by 62% in the first quarter of 2009 in comparison to Q1 in 2008. That said the Council of Mortgage Lenders have revised downwards their predictions for repossessions in 2009. It is suggested that low interest rates may help many to stay in their homes and this combined with courts in England allowing advice to be given as a last chance for homeowners to resolve issues over debt, may mean this will have a positive impact. Despite this, forecasts indicate that more homes will be repossessed this year than in 2008. However, within Exeter, mortgage repossessions were down by 24% between Q's 1 2008 and 2009.

3.14 House prices for Q1 2009 have decreased from Q1 2008. Nationally they are down by 9%, within the South West by nearly 11% and within Exeter by nearly 16%. This downward pressure, brought about in part by fewer house sales in the economy, is mirrored to some extent in the commercial property market.

3.15 The Investment Property Databank reports that rental income is down across retail, office and industrial properties. The trend data suggests a marked fall on returns from mid-2007 onwards, with further falls reported in the first quarter of 2009, for all property types, down by around 7%. This downward trend on rents has also been seen in Exeter as seen in the levels of rent expected in the current economic climate.

3.16 Tourism is also being affected. A report published in May 2009 by the South West Regional Economic Task Group has produced a number of scenarios on the impact of the recession on this sector. It stated: 'The latest travel and tourism research shows that a large number of Britons will be scaling back on holidays this year. The sector predicted a strong year in the South West, but this is not borne out by recent research undertaken by South West Tourism (SWT). The key

factors that would affect the performance of the tourism sector in 2009 were viewed as:

- weather – the MET Office medium term forecast was positive for this summer
- consumer confidence
- exchange rates
- response from our competitors overseas and within the UK
- perceptions of the UK and South West – e.g. expense
- the impact of swine flu
- value – customers will want good deals, discounts etc.'

3.17 Anecdotally, it seems the tourism sector is fairing well, especially Monday through to Thursday, boosted by the 'Business Tourism' market into Exeter. Similarly, the city is performing well in attracting overseas visitors from Germany who are drawn to Exeter, on the basis of it having featured as a film location in a German TV produced series of films of Rosamunde Pilcher novels.

3.18 Retail, according to the ONS, shows a picture of underlying, if varied growth in sales overall by 0.6% in Q2 2009 against the same period in 2008. That said this growth from last year was primarily in non-food stores, such as clothing and shoes, up by 7.1%. Whilst spending on household goods fell by 7.3%, sales volume of non-store retailing and items purchased for repair grew in the volume of sales by just over 10% nationally from the same period in 2008.

3.19 However, if one ignores the 12 month comparison and looks at the data for the 3 months leading up to May 2009, a picture of slowing growth and decline emerges. Nationally, total sales decreased in all areas of retail apart from non-store retailing and items purchased for repair, which grew only by 0.1%, although there was sharp increase of 9.1% in such sales in May 2009.

3.20 In May 2009, the South West RDA published a paper, 'The Recession in South West England -sector vulnerability amongst the Sub-regions'. Within this document, Devon is profiled as having relatively higher proportions of retail, distribution and links to the motor trade – all 3 of which are a considerable source of employment in Exeter. In essence, if declines in these 3 broad sectoral areas continued, the city might suffer a disproportionate economic impact than other areas of the region.

3.21 That said the retail picture for Exeter thus far in 2009 as reported in the June Committee remains positive in comparison to other retail centres, with vacancy rates in retail premises of around 8% to a national picture of some 15%. Whilst the detailed impact on the motor trade in Exeter is not known, it is understood to be depressed as in other parts of the country. There are also signs that companies are considering their distribution options and locations, not least of which is the closure of DHL in August/September in Exeter, with the loss of nearly 200 jobs; the main artery of distribution activity has been consolidated to Swindon to a larger distribution handling facility.

3.22 As can be seen, the impact of the recession varies geographically across the country and the region, primarily based on the nature of the structural mix of industries and sectors within any one area. Exeter's strengths have hitherto been underpinned by its employer base in professional and business services, tourism, retail and the public sector.

3.23 Tourism and retail is to a great extent dependent on consumer confidence, which for some is being knocked by worries over job losses and paying essential bills, let alone concerns about swine flu, the impact of which is as yet unknown and the nature too of the weather. For those consumers with the capacity to spend, the risk to the economy may be the choice to hold back their planned spending until prices drop further, with consequent effects on business cash flow and sustainability. Added to this is the growing picture of national debt with borrowing rising to a record £800 billion and a decrease in anticipated tax revenues and growing costs to support the economy – be it through benefits to individuals or, injections to help the economy or keep businesses trading. Locally, the City Council's revenue income has decreased, whilst demands for services have increased, all of which place pressure on the capacity of the public sector to deliver amidst competing priorities.

3.24 Thus whilst Exeter has so far performed strongly and continues to do so, external influences as indicated may affect its key employment sectors in the short-term. Notwithstanding the potential for the recession to deepen its impact on the city, confidence in Exeter remains strong within the business community. Princesshay continues to be a considerable success and acts as a flagship for retail in the region.

3.25 Developments at the University of Exeter continue with a £250 million investment in and around the campus, importantly playing a leading role in the strengthening of the city's scientific base. This, combined with the partnership with the Met Office, the City Council, and others for the planned development of Exeter Science Park and other developments including Cranbrook and Skypark, all point the way towards the city strengthening itself by diversifying its economy and focusing on its strengths and the known opportunities for future employment growth. The recent announcement of an additional £12m investment by the SWRDA is critical to progressing these developments.

3.26 Meanwhile, as outlined at the June Scrutiny Committee, the City Council continues to work proactively to help mitigate the impact of the recession on individuals and small businesses. The package of anti-recession measures approved by Members in June continues to be seen as an appropriate response by the City Council. Officers are working with partners to support local businesses, actively promoting Exeter to help support retail and tourism and also seeking out opportunities, should they arise, for inward investment into the city.

4.0 FINANCIAL IMPLICATIONS

4.1 There are no financial implications arising from this report.

5.0 RECOMMENDATION that

5.1 Members note the report and make comments.

RICHARD BALL
HEAD OF ECONOMY AND TOURISM

ECONOMY AND DEVELOPMENT DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:

1. 'Tourism and the Recession' (May 2009) South West Regional Economic Task Group
2. 'Economics Review Issue 16' (May 2009) South West RDA

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Exeter City Council

Exeter City Council

Scrutiny Committee-

ECONOMY UPDATE

Date: July 2009

Exeter
It's a Capital City

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INTRODUCTION

This Baseline Report is produced by The Economic and Tourism Unit as the main document following a series of Labour Market profile 'Recession Watch' briefings. While the Exeter Labour Market profile briefings track and report on monthly data and change, this report is more detailed, commenting on the impacts that the recession has had on the economy in Exeter since the start of the recession.

SUMMARY

Employment – Although the number of people in employment in Exeter and EHOD remains high, unemployment has been rising since mid 2008 and the rate of the rise shows no sign of slowing down just yet. The proportion of the population in employment is expected to fall.

Claimant Count – Claimant Count numbers continued to rise in Exeter throughout the first part of 2009, although the rate of the rise slowed down and even dropped in the neighbouring districts for the first time in May/June 2009. This slowdown might be seasonal as late spring usually sees increases in employment in the catering and tourism industry ahead of the summer season. The number of people who have been claiming for six months or longer has been rising fairly rapidly in EHOD since Q3 2008.

Vacancies – There were 11,940 vacancies notified in EHOD between January and May 2009, a decline of around 2,000 on the 13,900 available during the same period in 2008. In June 2009 there were approximately 3.1 claimants per live unfilled vacancy in the sub region, up from around 0.9 claimant per vacancy in the same period last year. For Exeter, this has risen from 0.6 to 2.8, which is still one of the lowest claimant per vacancy ratio in the whole of the region, currently standing well below national (7.0), regional (5.1) and local averages (4.8).

Impact on different groups – The data suggests that the recession may be having a greater negative impact on male employment in Exeter than female employment. There is little difference in claimant count growth by age group; although data for Exeter and EHOD suggests that redundancy rates are increasing among younger people (18-24). In Exeter, claimant count growth among people who are described as 'ethnic minority' has been slightly higher than that among white people.

Impact on Areas – As the main urban centre, Exeter has experienced the largest growth in the claimant count in the sub region. The evidence also suggests that the Teignbridge labour market has also been one of the most affected by the recession with the greatest percentage rise of claimants since September 2007.

Impact on Sectors and Occupations – For Exeter, between November 2008 and February 2009, the largest drop in volume of redundancies notified to Jobcentre Plus have been in Banking, Finance and Insurance. Meanwhile, vacancies for lower skilled occupations notified to Jobcentre Plus appear to have held up since February 2009.

Debt, welfare benefits & insolvencies of businesses– Exeter CAB data suggests that the volume of enquiries have increased significantly between the last quarter of 2008 and the first quarter of 2009. Month to month reading shows that May data on overdrafts, credit card and loans is marginally worse. Meanwhile, companies winding up and creditors' bankruptcy in Q1 2009 saw no change on last year's figures whilst only debtors' bankruptcy petitions saw a small increase.

House prices & Repossessions– This is the third consecutive fall on the overall average house price since Q2 2008. Exeter's average house prices still remain high and have yet to fall further to impact on the earnings ratio, currently standing at 8.5 times residential median full time earnings.

Mortgage possession claims* are down on the same period last year but mortgage possession orders* made by the courts in Exeter are slightly higher than the national average.

1. EMPLOYMENT / UNEMPLOYMENT

According to the Annual Population Survey (APS) the proportion of the economically active population in Exeter who report themselves as being unemployed[1] has been rising since 2007. From a low of 4.1% in Oct 2006 - Sep 2007, the figure has risen to 4.6% in Jan 2008- Dec 2008.

Prior to the recession the Exeter economy had been successful in creating large numbers of jobs, (from around 62,590 employee jobs in 1998 to above 84,000 in 2007[2]), enabling the region to achieve significant growth in the % employment rate among a growing working age population. Since the onset of the recession, the rise in overall employment has levelled off, though the number of people in Exeter who are employed continues to remain quite high.

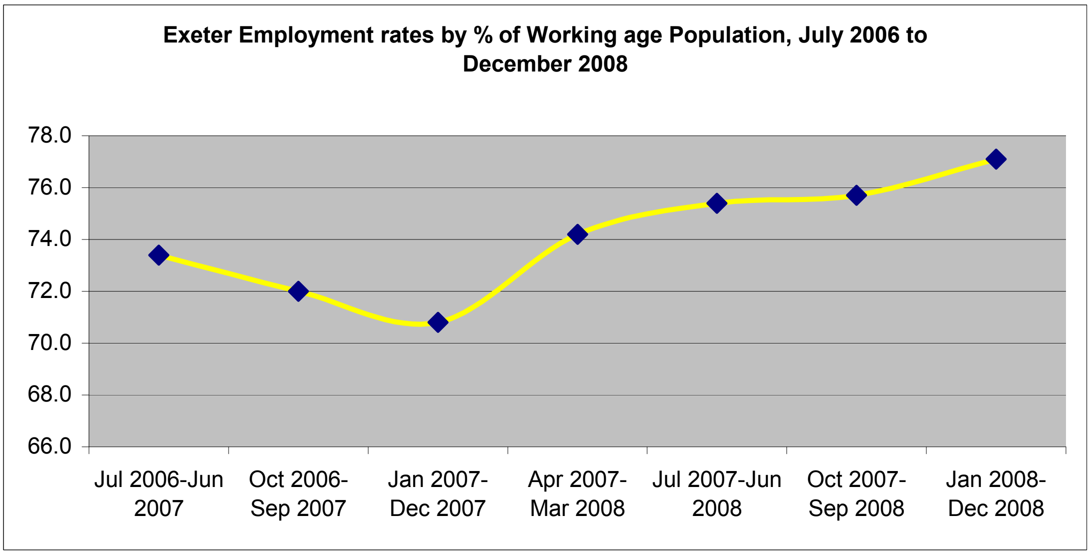
Figure 1: Exeter Employment volumes, July 2006 to December 2008

However, whilst the number of people in employment in Exeter may still be high, the Annual Population Survey data lags behind and only shows data up to December 2008, before the economic downturn fully affected the local job market. Thus the

Sources: [1]APS, ONS (Data prior to the period Jan - Dec 05 has not been reweighted in line with the latest ONS estimates).
[2]ABI data- 2007 figures for Exeter (84,215 employee jobs) do not account for a loss of around 4,000 jobs between 2006 and 2007. ONS was consulted on this matter and suggested that the decrease is due to one large company in the area which reported all its employees at one particular site for 2006 whereas for 2007 onwards, it is now reporting the distribution of their employees throughout all their workplaces. Their files for 2007 are now closed and it is not possible to make any amendment to the dataset. Consequently Exeter figures are to be used with caution.

proportion of the people of working age in employment could be expected to decline in future data sets.

Figure 2: Exeter Employment rates, July 2006 to December 2008



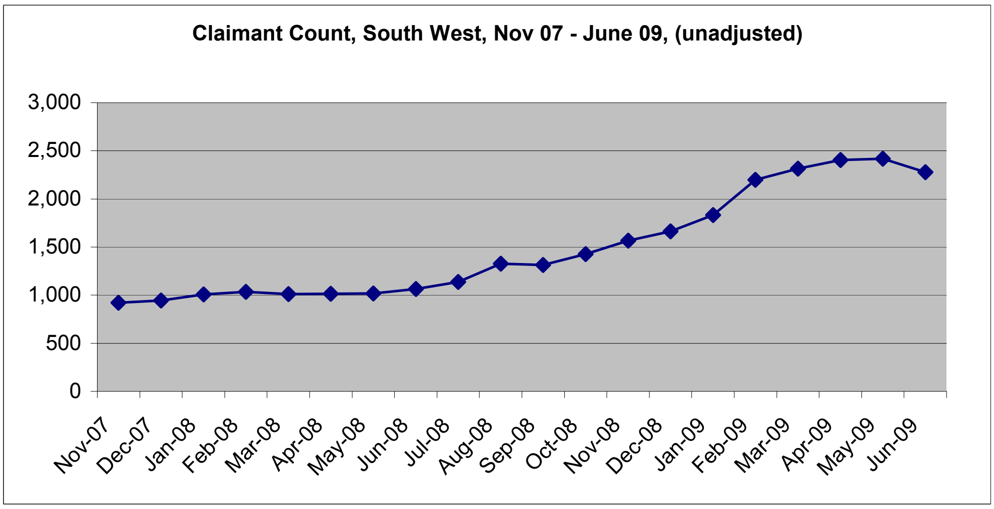
Source: APS

2. CLAIMANTS

2.1 EXETER

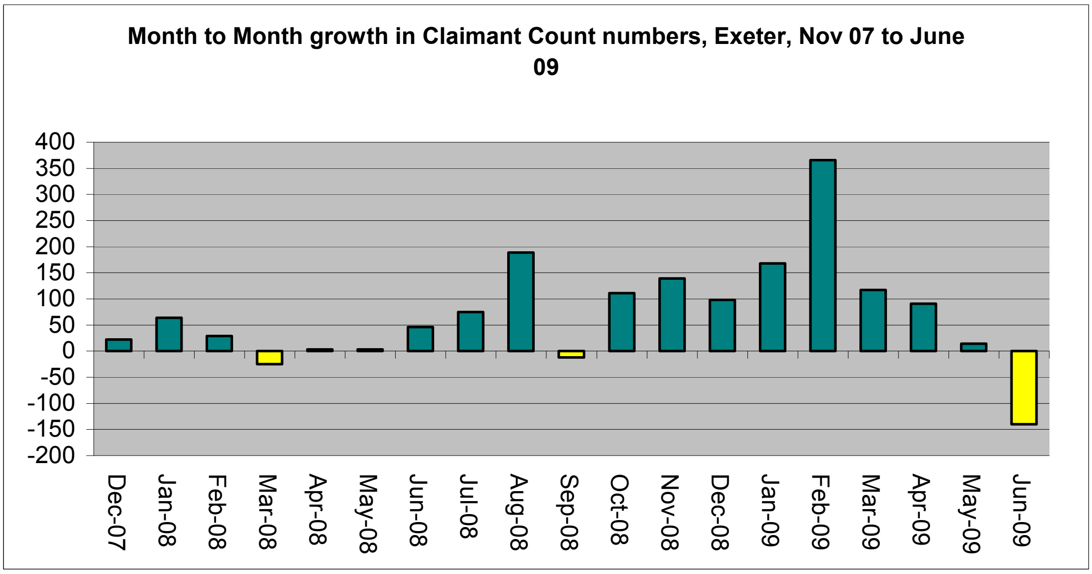
The number of people claiming Jobseekers Allowance (JSA), the 'Claimant Count', has been rising in Exeter since the historically low level achieved back in November 2007 (921). Seasonally unadjusted data shows the rate of growth in local claimant count slowing between August and September 2008 then rising significantly until growing much less again between April and May 2009. The latest data for June shows a slight drop.

Figure 3: Exeter Claimant Count Unadjusted, November 2007 to June 2009



Source: NOMIS

Figure 4: Exeter Claimant Count, month to month growth in volume, November 2007 to June 2009



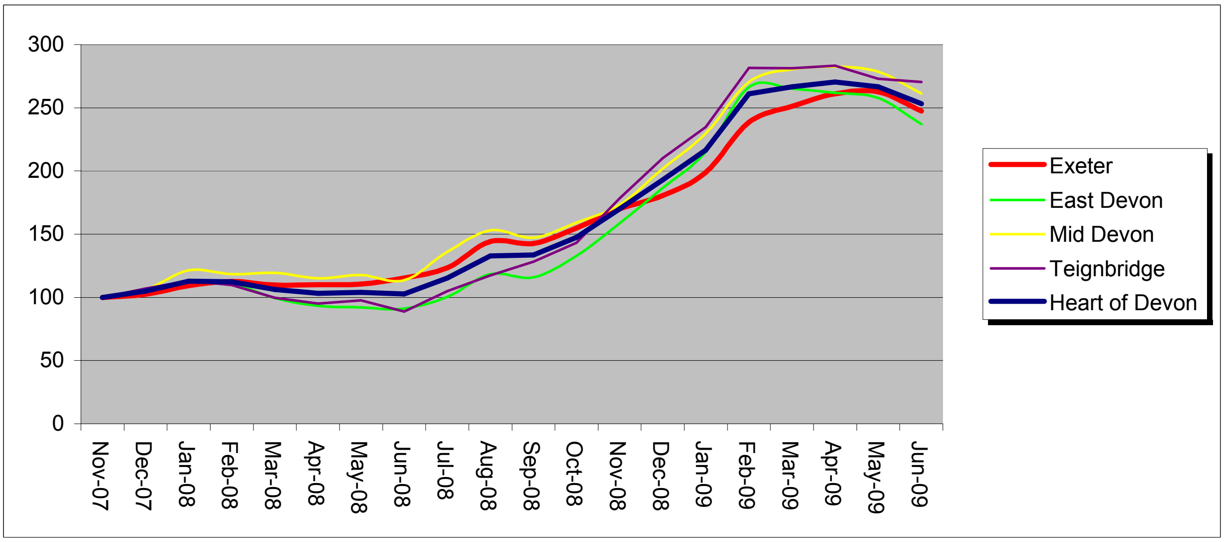
Source: NOMIS

Figure 4 above on month to month growth volume shows that the largest increase in people claiming Job seekers allowance occurred in February 2009 where an extra 366 new claimants on the previous month made a claim. Since this peak, claimants have been rising albeit at a much slower pace and their numbers fell for the first time in 9 months in June 2009 (-140 on May claimant numbers).

2.2 EHOD WIDE COMPARISON

The number of people claiming Jobseekers Allowance in EHOD grew by 153% between November 2007 and June 2009.

Figure 5: Exeter and Neighbouring districts Claimant Count growth (indexed, November 2007 = 100)

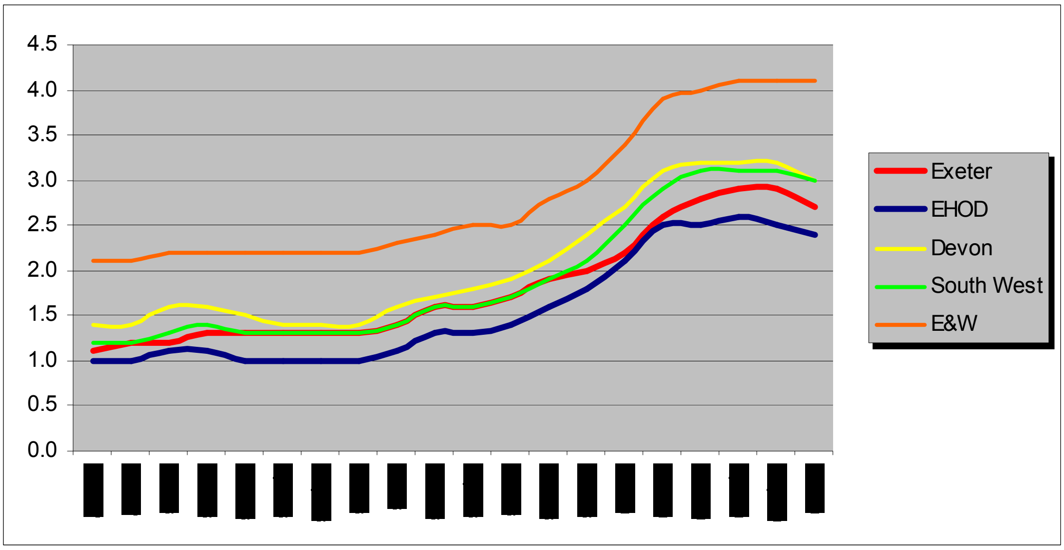


Source: NOMIS

However, the EHOD sub region started from a baseline of historically lower unemployment in November 2007 which produces a higher proportional effect for each additional person added to the count. Over that period, job seekers claimants have risen from a low rate of 1.0 (2,578 claimants) to a rate of 2.4 in June 2009 (6,525 claimants or +3,947).

If one looks at the change in the claimant count within Exeter and EHOD, expressed as a proportion of working age population, the local area follows a similar trend to that of the region and the national picture.

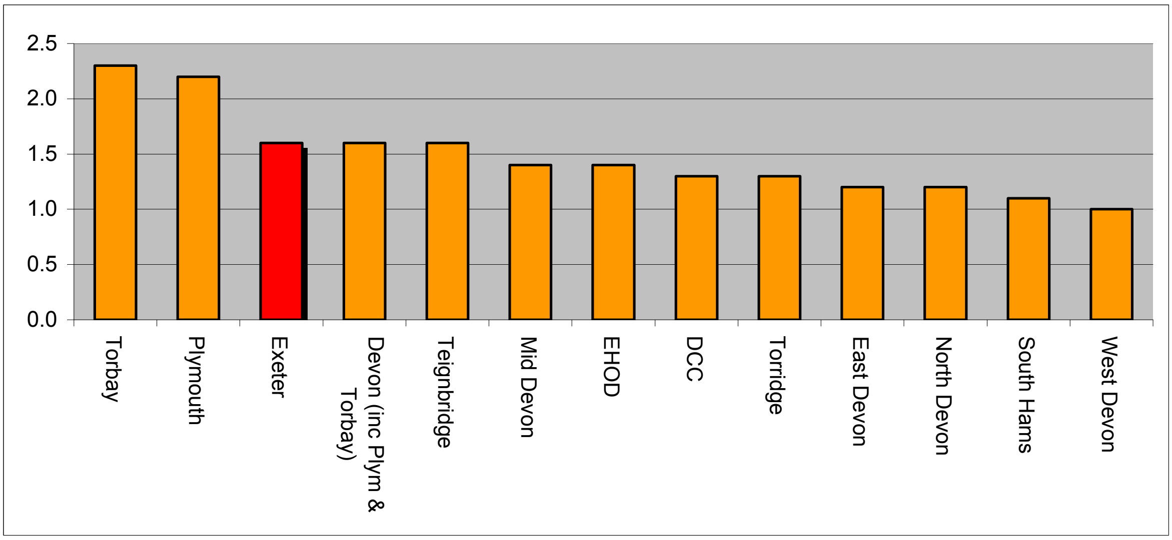
Figure 6: Exeter vs Local, Regional and National Claimant Count, % working age population, November 07 – June 09



Source: NOMIS

If one looks solely at the percentage of the working age population added to the Claimant Count in each area in Devon since November 2007 (regardless of the starting point), Exeter appears to be less hard hit than the 2 other main urban areas of Torbay and Plymouth, with East Devon within EHOD, fairing the best.

Figure 7: Local growth in Claimant Count growth, % working age population, November 2007 to June 2009



Source: NOMIS

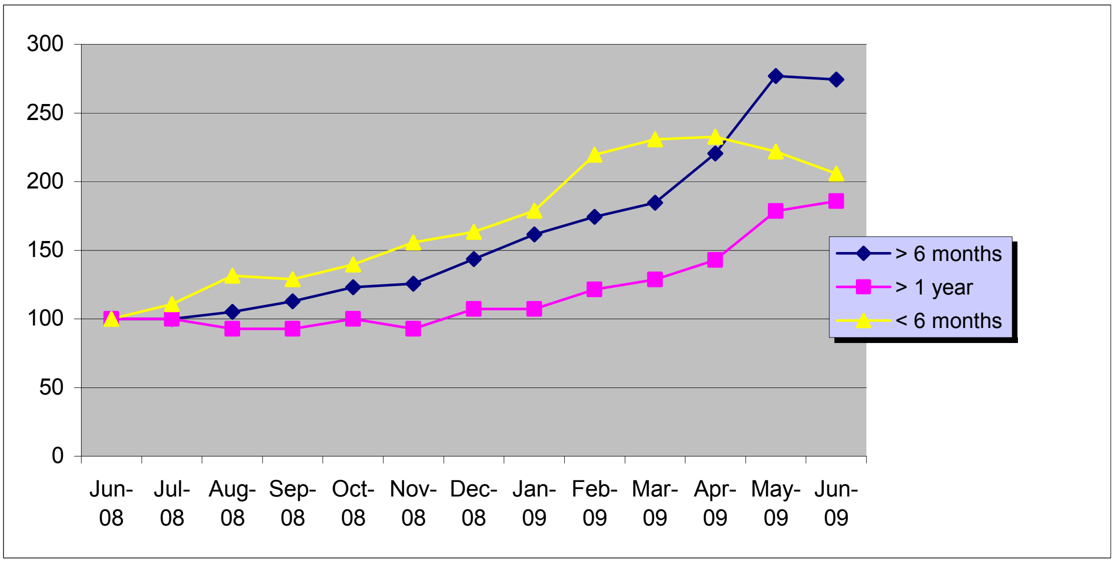
2.3 CLAIM DURATION

Figure 8, shows changes in the duration over which Exeter JSA claimants have been in receipt of benefits. Two features stand out in this graph.

Firstly, from October 2008 to January 2009, there was a gradual rise in the number of new claimants (those claiming for 6 months or less) which then turned into a sharp rise in February. The rise in the number of people claiming for more than six or twelve months has been increasing recently (especially noticeable for claimants over 12 months).

Secondly, that the recent slowdown in local Claimant Count growth (seen in Figure 4 above) is the result of a levelling off in the number short-term JSA claimants, while the number of long-term claimants has continued to rise, following the regional trend.

Figure 8: Exeter Claimant Count by duration of claim, indexed, June 08=100



Source: JC+ / NOMIS

Between February and June 2009 the number of very short term claimants, those claiming JSA for less than six weeks, fell by around 320, while the number of people who had been claiming for between six weeks and six months rose by around 205.

Table 1: Exeter Claimant Count by duration of claim, number of claimants

Duration of Claim	Feb-09	June-09	Change Feb 09-June 09
Up to 6 weeks	875	555	-320
> 6 weeks and up to 26 weeks	980	1,185	+205
Claiming over 26 weeks	340	535	+195
Claiming over 12 months	85	130	+45

Source: JC+ / NOMIS

Figure 9 (and 10) show that the reduction in the number of very short term claimants is primarily due to a significant decline in the number of new claimants, or claimant count 'on-flows', seen in the city and in the region in March and April. The fact that the gains in 'off-flow' rates that were made between January and February have been maintained have also helped. On-flows/off-flows=A monthly count of claimants who either a) were claiming job seekers allowance (stocks) on the count date, b) ended a claim (off-flows) during the previous accounting month or c) started a new claim (on-flows) during the previous accounting month.

Figure 9: Exeter and South West Claimant On-flows and Off-flows, June 2008 to June 2009

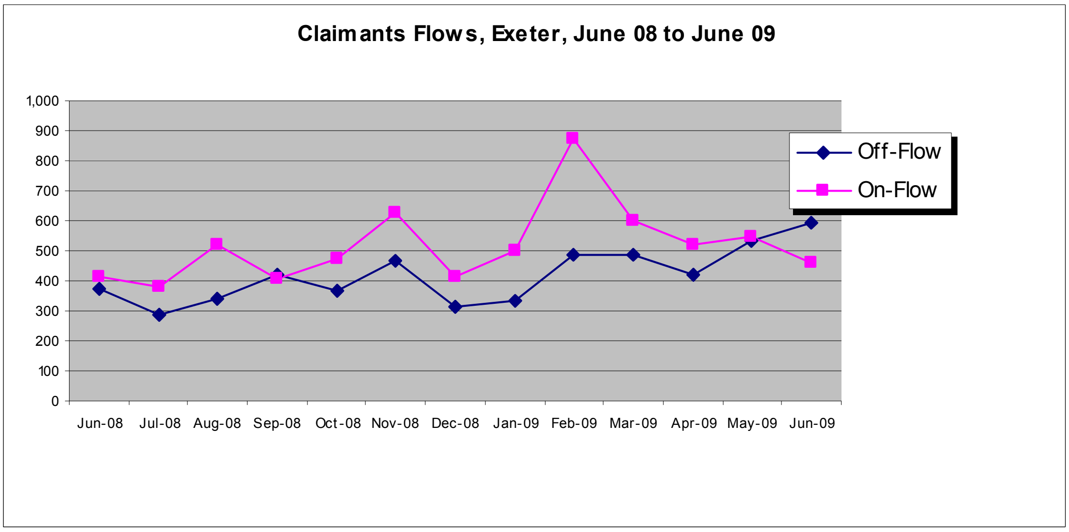
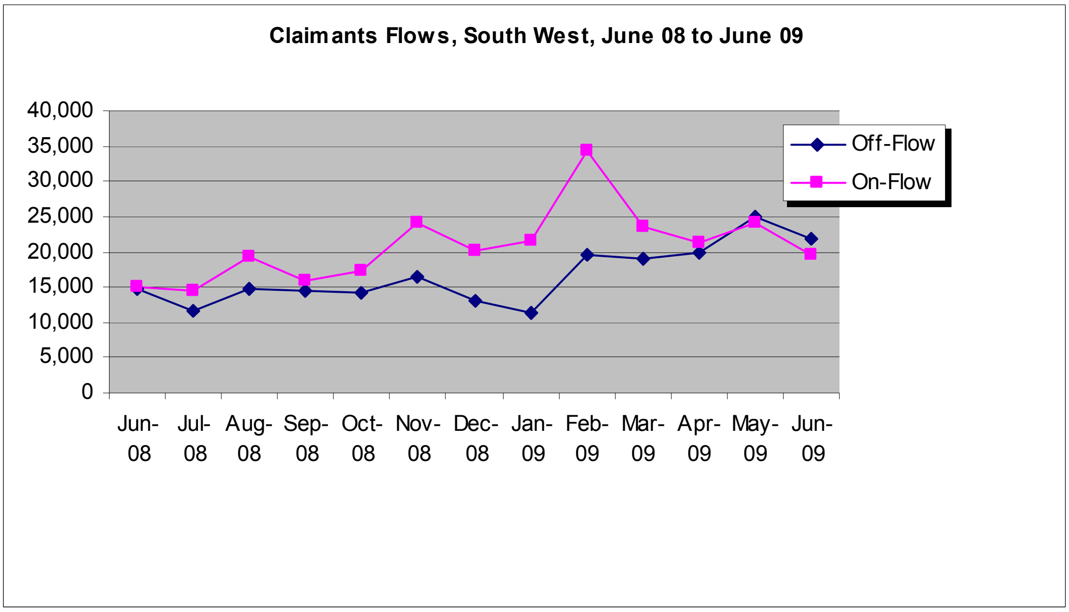


Figure 10: South West Claimant On-flows and Off-flows, June 2008 to June 2009



Source: JC+ / NOMIS

Claimant 'on-flows' (starting a new claim) during June 2009 were 11.8% higher than for the same period in 2008. Regionally the increase was 31.6% and nationally the increase was 19.5%. 'Off flows' (people ending a claim) rose by 57.7% in June 2009 when compared with the same period last year. Regionally the increase was 48.2% and the nationally the increase was 26.8%.

3. JOBS AND VACANCIES

Snapshot data shows there were 948 vacancies notified in Exeter during June 2009. This compares with 1,624 for June last year, a decrease of 41.6%. Of the vacancies notified in Exeter during June 2009, 720 (75.9%) were for full-time positions while 228 (24.1%) were part-time posts. This compares with 1,091 FT (67.2%) positions and 533 PT (32.8%) for the same period last year.

Tables 2 and 3 indicate that more vacancies are notified for sales and customer service operatives whilst positions for elementary occupations have notably declined. Interestingly, the banking, finance and insurance industry made up nearly half of all notified vacancies. (though representing 322 less vacancies compared with June 2008).

Table 2: Vacancies notified by occupation, June 08 and June 09.

Occupation	June 2008		June 2009	
	Numbers	%	Numbers	%
1 : Managers and Senior Officials	72	4.4%	43	4.5%
2 : Professional Occupations	57	3.5%	56	5.9%
3 : Associate Professional and Technical Occupations	158	9.7%	233	24.6%
4 : Administrative and Secretarial Occupations	231	14.2%	104	11.0%
5 : Skilled Trades Occupations	98	6.0%	56	5.9%
6 : Personal Service Occupations	167	10.3%	54	5.7%
7 : Sales and Customer Service occupations	359	22.1%	222	23.4%
8 : Process, Plant and Machine Operatives	127	7.8%	45	4.7%
9 : Elementary Occupations	355	21.9%	135	14.2%
Total	**1,624**	**100%**	**948**	**100%**

Source: ONS Crown Copyright

Table 3: Vacancies notified by Industry, June 08 and June 09.

Industry	June 2008		June 2009	
	Numbers	%	Numbers	%
1 : Agriculture and fishing (SIC A,B)	7	0.4%	14	1.5%
2 : Energy and water (SIC C,E)	0	0.0%	0	0.0%
3 : Manufacturing (SIC D)	20	1.2%	36	3.8%
4 : Construction (SIC F)	25	1.5%	128	13.5%
5 : Distribution, hotels and restaurants (SIC G,H)	287	17.7%	106	11.2%
6 : Transport and communications (SIC I)	148	9.1%	11	1.2%
7 : Banking, finance and insurance, etc (SIC J,K)	764	47.0%	442	46.6%
8 : Public administration, education & health (SIC L,M,N)	284	17.5%	191	20.1%
9 : Other services (SIC O,P,Q)	89	5.5%	20	2.1%
Total	**1,624**	**100%**	**948**	**100%**

Source: ONS Crown Copyright. (**2003 Standard Industrial Classification, Broad Industrial Groups)**

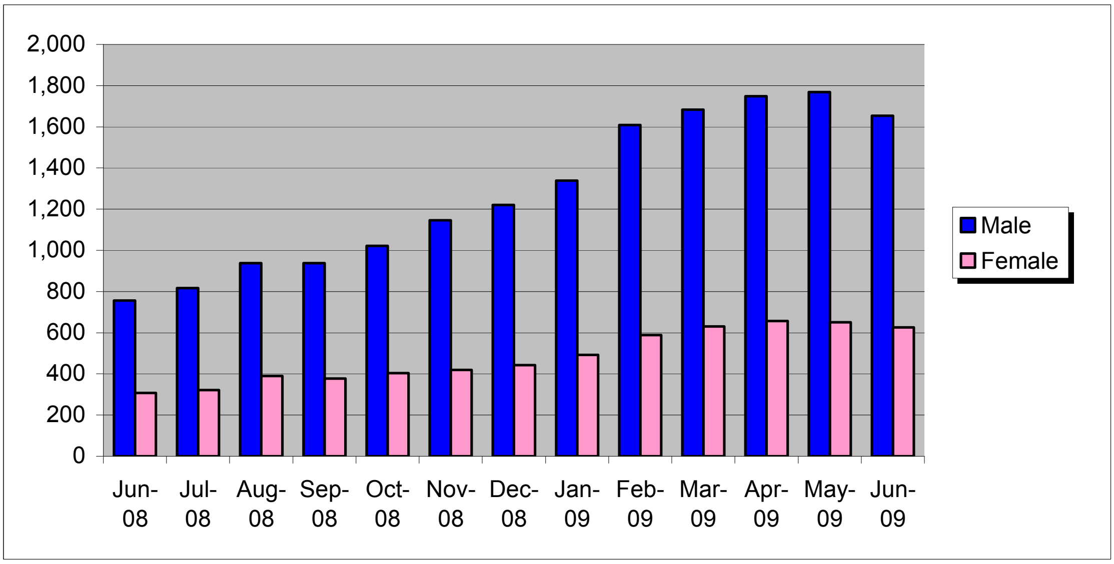
4. IMPACT ON DIFFERENT GROUPS

4.1 Gender

Claimant data below suggests that the recession is having a greater impact on male employment than it is on female employment. This is perhaps due to differences in the industries in which men / women tend to work, and the differences in the jobs they tend to hold within those industries (e.g. the impact of the recession on construction related employment).

The claimant count shows that from June 2008 to June 2009 the number of male JSA Claimants in the City rose by around 900, to just under 1,650, compared to a 320 rise among females.

Figure 11: Claimant Count by Gender, Exeter, June 2008 to June 2009



Source: JC+ / NOMIS

4.2 Age

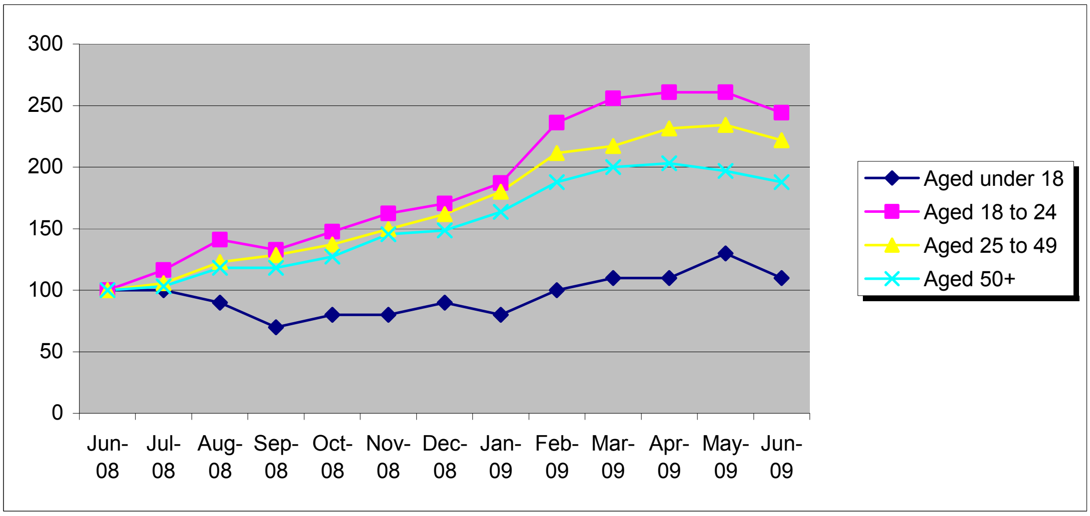
Unfortunately at the time of writing this paper, the Labour Force Survey and Annual Population Survey data on economic activity by age was only available to September 2008, before the recession began.

However national LFS data shows that young people are finding it the hardest to secure employment:

'Young people have experienced the largest decrease in employment rates, compared with other age groups. In the three months to March 2009, employment rates for 16-17 and 18-24 year-olds were down 3.9 percentage points on the previous year, at 30.6 per cent and 60.6 per cent respectively[2]*.'*

However, this may be partly due to growth in the number of young people who are staying on in education.

Figure 12: Claimant Count by Age Group, Exeter, June 2008 to June 2009
(Indexed May 2008=100)



Source: JC+ / NOMIS

4.3 Ethnicity

It appears that within Exeter and EHOD, ethnic minorities are experiencing higher rates of unemployment than the regional trend.

City-wide, the claimant count for people who identified themselves as 'White' rose 139%, from 905 in May 2008 to 2,165 in May 2009. During the same period the rise among those who identified themselves as being from an 'Ethnic minority' rose 166% from 30 to 80. (in EHOD, the rise was even greater, showing a 188% increase for 'Ethnic minority' versus 157% for 'White').

This is somewhat different than the trend seen in the South West, where the rise in claimants among the 'White' population was 143% compared to a rise of 87% among the region's Ethnic Minority populations.

[2] *The Labour Market Impacts of the Recession, ONS, May 2009*

The higher rates of unemployment in Exeter (and EHOD) for ethnic minorities is not readily explained. Numbers rising from low volumes may partially explain the relative scale of this sudden increase. Similarly, urban centres like Exeter often tend to have greater concentration of ethnic minorities whilst differences in sector, occupation and type of skills (e.g. newly arrived migrants) can also affect the take up of benefits. Family links or better public support systems or cultural attitudes towards claiming cannot be discounted. Table 4 below is provided as an indicative comparison of percentage changes in 'ethnic minority' claimants in a few cities (as well as giving Regional and national figures) over 2 snapshots taken last May as well as during the same period a year ago.

Table 4: Change in numbers of 'Ethnic minority' claimants May 2008 and May 2009

Area	Claimants from "Ethnic minority" group, May 08	Claimants from "Ethnic minority" group, May 09	% Change
Poole	20	55	175.0%
Exeter	30	80	166.7%
Carlisle	10	25	150.0%
Swindon	215	535	148.8%
Reading	345	825	139.1%
Bournemouth	85	180	111.8%
SE	5870	11815	101.3%
Gloucester	225	435	93.3%
SW	2320	4345	87.3%
Bristol	1180	1900	61.0%
Dover	25	40	60.0%
Ipswich	280	430	53.6%
Norwich	105	160	52.4%
EW	128035	194740	52.1%
Plymouth	100	150	50.0%
Torbay	30	35	16.7%

Source: NOMIS

5. IMPACT ON AREAS

Table 5 shows the claimant count growth by comparing June 2008 and June 2009 highlighting the pressure being faced by Job Centre Plus across the region. Exeter volumes tend to be comparatively lower than most other urban centres. Within EHOD, claimant growth since last year has tended to be highest in Teignbridge and East Devon; they both experienced more than 150% growth in claimant numbers.

Table 5: Rise in Claimant Count by Local Authority in SW, June 2008 and June 2009

local authority: district / unitary	% Growth between June08-June09 snapshots	Rise in numbers
Bristol, City of	111.7%	5952
Wiltshire	150.6%	4352
Swindon	176.7%	4199
Cornwall	92.8%	3927
Plymouth	93.9%	3176
South Gloucestershire	200.8%	2594
Bournemouth	135.4%	2228
North Somerset	154.6%	1878
Gloucester	106.3%	1727
Torbay	101.8%	1679
Cheltenham	109.2%	1508
Poole	167.7%	1489
Stroud	201.0%	1377
Bath and North East Somerset	133.7%	1361
South Somerset	176.8%	1305
Sedgemoor	148.2%	1249
Exeter	**114.4%**	**1216**
Teignbridge	**204.6%**	**1211**
Forest of Dean	129.0%	1002
Taunton Deane	129.1%	946
Mendip	113.6%	901
Tewkesbury	150.3%	897
East Devon	**159.9%**	**860**
Cotswold	191.4%	687
North Devon	95.5%	636
East Dorset	206.4%	617
Mid Devon	**130.2%**	**591**
Torridge	102.3%	585
Weymouth and Portland	108.4%	580
South Hams	140.2%	572
West Dorset	160.3%	497
North Dorset	197.6%	409
Christchurch	160.7%	352
Purbeck	204.1%	345
West Devon	115.4%	299
West Somerset	80.3%	179
Isles of Scilly	0.0%	0

Source: JC+ / NOMIS

Table 6 compares the number of live unfilled vacancies taken by Job Centre Plus in June 2008 and June 2009. It shows that Exeter has one of the greatest proportionate decline in vacancies with around 50% less vacancies available.

Table 6: Decline in Vacancies by Local Authority, South West, June 2008 and June 2009

local authority: district / unitary	June 2008	June 2009	Decline/Growth in Numbers	% Decline (or growth) between June 08-09 snapshots
Bristol, City of	4224	1558	-2666	-63.1%
Wiltshire	2264	1247	-1017	-44.9%
Exeter	**1636**	**805**	**-831**	**-50.8%**
South Gloucestershire	1910	1115	-795	-41.6%
North Somerset	1185	550	-635	-53.6%
Stroud	1098	469	-629	-57.3%
Cornwall	2862	2249	-613	-21.4%
Swindon	1096	523	-573	-52.3%
Cheltenham	986	428	-558	-56.6%
Bath & North East Somerset	1043	509	-534	-51.2%
Bournemouth	1210	684	-526	-43.5%
Plymouth	1197	744	-453	-37.8%
Gloucester	980	544	-436	-44.5%
South Somerset	797	401	-396	-49.7%
Poole	949	612	-337	-35.5%
Tewkesbury	601	298	-303	-50.4%
West Dorset	632	348	-284	-44.9%
Cotswold	639	363	-276	-43.2%
Teignbridge	775	519	-256	-33.0%
Christchurch	336	90	-246	-73.2%
East Dorset	461	215	-246	-53.4%
North Devon	444	221	-223	-50.2%
South Hams	544	328	-216	-39.7%
Sedgemoor	670	455	-215	-32.1%
Torbay	861	659	-202	-23.5%
Torridge	263	92	-171	-65.0%
Taunton Deane	647	500	-147	-22.7%
Mendip	561	418	-143	-25.5%
West Devon	236	128	-108	-45.8%
Purbeck	234	163	-71	-30.3%
North Dorset	197	134	-63	-32.0%
Weymouth and Portland	218	163	-55	-25.2%
West Somerset	161	133	-28	-17.4%
Isles of Scilly	6	1	-5	-83.3%
East Devon	429	437	8	1.9%
Forest of Dean	177	207	30	16.9%
Mid Devon	266	324	58	21.8%

Source: JC+ / NOMIS

When these two factors are brought together in a calculation of claimants per vacancy, Swindon heads the list by some considerable distance. From a base of 2.2 claimants per vacancy in June 2008 within Swindon, the figure has risen rapidly, particularly over recent months, to 12.6 claimants per vacancy, well in excess of the regional average of 5.1 claimants per vacancy. Exeter's situation is less serious, with one of the lowest claimant per vacancy ratios in the whole of the region, currently at 2.8, standing well below national, regional and local averages.

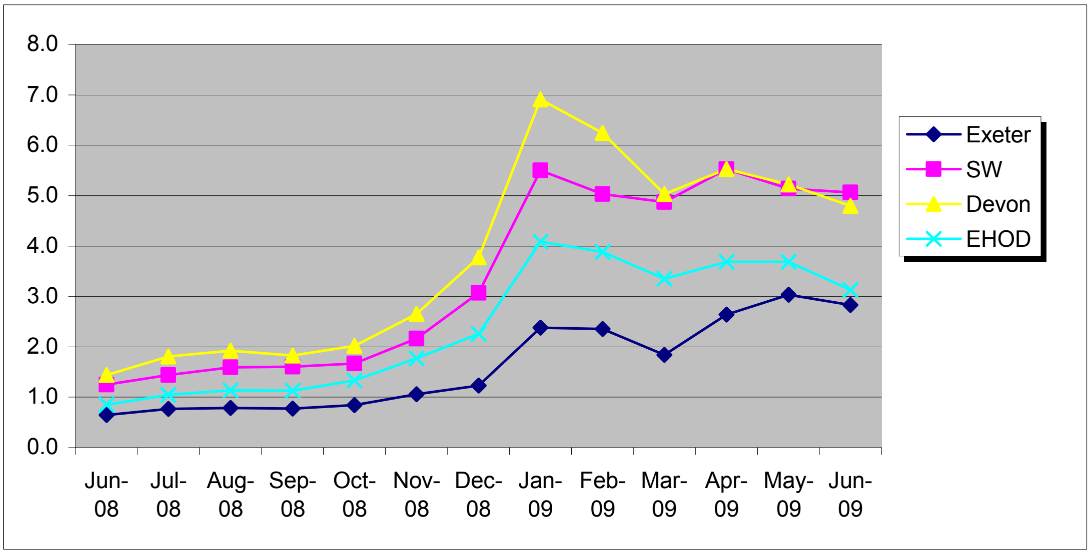
Table 7: Claimants per vacancy, Local Authority, South West, June 2008 to June 2009

Area	Jun-08	Feb-09	Jun-09
Torridge	2.2	7.7	12.6
Swindon	2.2	9.6	12.6
Plymouth	2.8	9.1	8.8
Forest of Dean	4.4	23.4	8.6
Bristol, City of	1.3	5.2	7.2
England and Wales	**2.1**	**5.8**	**7.0**
Weymouth & Portland	2.5	4.9	6.8
Cheltenham	1.4	6.1	6.8
Christchurch	0.7	3.1	6.3
Gloucester	1.7	4.0	6.2
North Devon	1.5	10.4	5.9
Wiltshire	1.3	4.5	5.8
Bournemouth	1.4	2.9	5.7
North Somerset	1.0	3.8	5.6
South Somerset	0.9	3.7	5.1
South West	**1.2**	**5.0**	**5.1**
Torbay	1.9	10.1	5.1
Tewkesbury	1.0	6.1	5.0
Old Devon*	1.4	6.2	4.8
Bath & North East Somerset	1.0	3.6	4.7
Sedgemoor	1.3	4.7	4.6
North Dorset	1.1	3.0	4.6
Stroud	0.6	4.2	4.4
West Devon	1.1	4.5	4.4
East Dorset	0.6	5.3	4.3
Mendip	1.4	5.7	4.1
Poole	0.9	3.3	3.9
Cornwall	1.5	8.1	3.6
South Gloucestershire	0.7	3.6	3.5
Teignbridge	0.8	5.0	3.5
Taunton Deane	1.1	3.6	3.4
Mid Devon	1.7	6.6	3.2
East Devon	1.3	6.0	3.2
Purbeck	0.7	4.6	3.2
EHOD*	**0.9**	**3.9**	**3.1**
West Somerset	1.4	2.8	3.0
South Hams	0.8	6.3	3.0
Cotswold	0.6	4.0	2.9
Exeter	**0.6**	**2.4**	**2.8**
West Dorset	0.5	2.1	2.3

*Old Devon includes Plymouth and Torbay; EHOD=Exeter, East and Mid Devon and Teignbridge District Councils.
Source: JC+ / NOMIS

The continuing steep upward trend in claimants per vacancy in Exeter over the last month, during which the regional and local rise trend levelled off, is to be monitored closely. Latest update for June shows that Exeter's figures are easing up slightly.

Figure 13: Claimants per Vacancy in South West, Devon*, EHOD* and Exeter, June 2008 to June 2009



Source: JC+ / NOMIS (Vacancy= **Live unfilled vacancies**; those for which a jobseeker can actively apply. This is the default option, and for most purposes, is the measure that should be used).

6. IMPACT ON SECTORS & OCCUPATIONS

6.1 Sectors

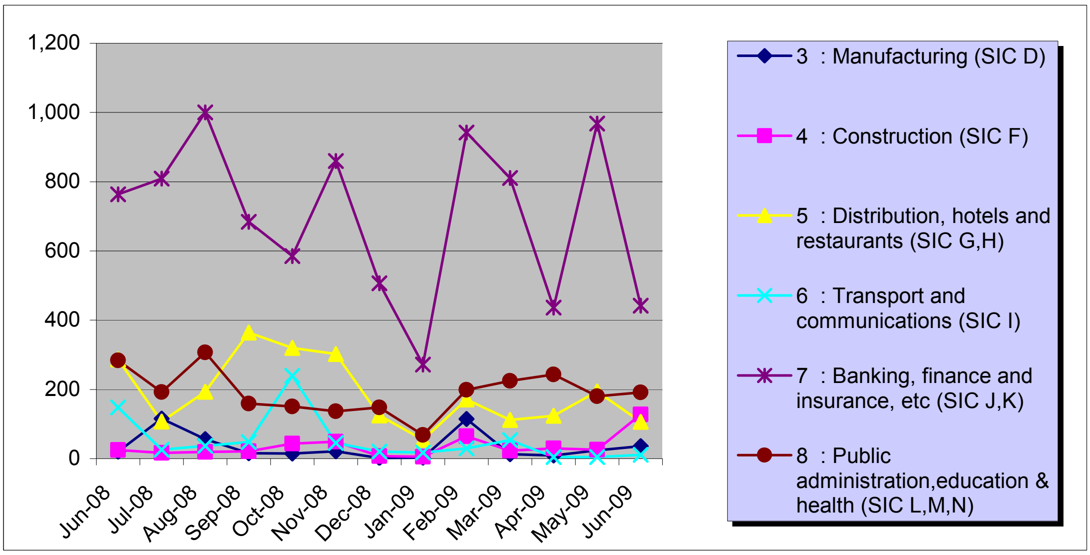
Looking at local vacancies by industry (Table 7 below) a number of features emerge in the trends over the last 6 months.

The greatest volume reduction in vacancies has been within banking, finance and insurance. It seems to have recovered since but caution is again required, in that markets are still volatile and the commercial strength of some businesses remains uncertain, perhaps explaining the differences seen almost month on month.

Vacancies in distribution, hotels and restaurants show the next greatest decline. However, this could be mainly due to seasonal variation and ought to be monitored next year to see if such levels are replicated.

Construction vacancies remain at a low level.

Figure 14: Vacancies notified by Industry in Exeter, June 2008 to June 2009



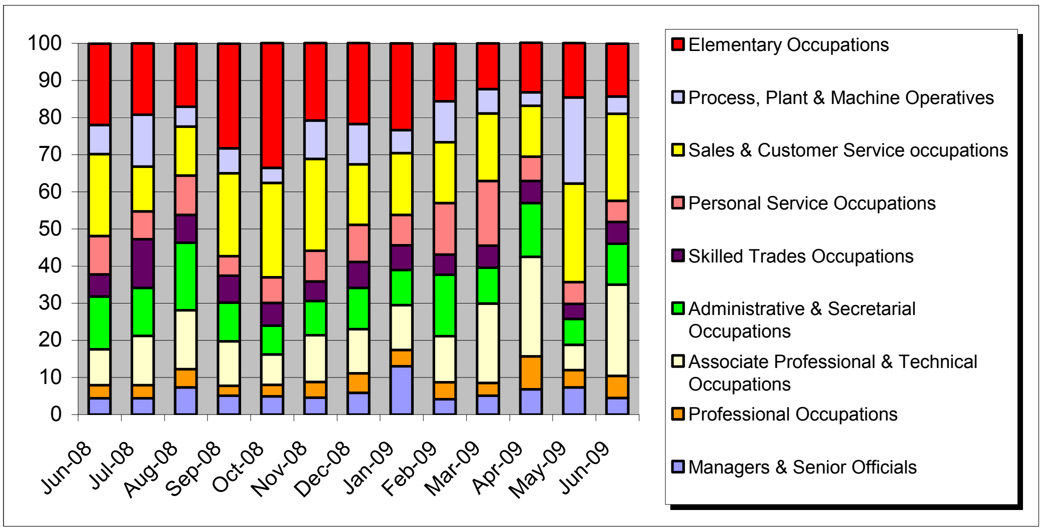
Source: JC+ / NOMIS

6.2 Occupations

Looking at occupations, vacancies for lower skilled occupations that are notified to Jobcentre Plus appear to have somewhat held up though a decline is noticeable since January 2009.

There could be two interpretations of this. Either this is a reflection of changes in the number of vacancies within each occupation in the labour market at large. Alternatively, that during the recession employers are more willing to use Jobcentre Plus as a means of filling lower skilled occupations, as this saves money and Jobcentre Plus may be a better route to 'job-ready' applicants during recession than it is in times of full employment. Unfortunately it's not possible to tell which.

Figure 15: Percentage split in notified vacancies the Job Centre Plus by occupation, June 2008 to June 2009, Exeter



Source: JC+ / NOMIS

7. IMPACT ON LOCAL RESIDENTS

7.1 POSSESSION ORDERS

This bulletin summarises the numbers of mortgage and landlord possession actions in the courts of Exeter for the first quarter of 2009. These reveal that mortgage possession claims are down whilst mortgage possession orders appear to have increased above the national average before somewhat reducing in the first quarter of the year. Landlord possession orders were also down, contrary to both regional and national trends.
The detailed data shows:

- In Q1 2009, 74 mortgage possession claims were issued (compared with 89 in Q4 2008), -24% on Q1 2008. A total of 384 mortgage possession claims have been issued since Q2 2008, about 3% less than claims levels for the same period Q2 2007-Q1 2008.
- 45 mortgage possession orders were made in Q1 2009 (82 in Q4 08), -44% on Q1 2008). There were a total of 327 mortgage possession orders made by the courts in Exeter between Q2 08 and Q1 09, an increase of 12% on the same period for 07-08, in line with the South West rate but slightly higher than the national average (9%).
- 129 landlord possession orders were made in Q1 2009, a decrease of -8% on 2008 levels, significantly higher than the regional and national decrease (both at -2%).

Notes:
****Claims Issued***. A claimant begins an action for an order for possession of property by issuing a claim in a county court.
****Orders Made***. The court, following a judicial hearing (or judicial involvement in accelerated procedure cases) may grant an order for possession immediately. This entitles the claimant to apply for a warrant to have the defendant evicted. However, even where a warrant for possession is issued, the parties can still negotiate a compromise to prevent eviction.

7.2 INSOLVENCY PROCEEDINGS

This bulletin presents data on insolvency proceedings issued in the county courts and High Court for both individuals (bankruptcy petitions) and businesses (company winding up petitions) in Exeter. Whilst the number of companies winding up and creditors petitioned bankruptcies seem to be about the same, the number of debtors bankruptcy petitions are on the increase, albeit at a much slower pace than both regional and national trends.
The detailed data shows:

- There were 5 companies winding up in Q1 2009 in Exeter, with no percentage change in total since Q1 2008. There were 13 creditors bankruptcy petitions (again no change on Q1 2008).There were 166 debtors bankruptcy petitions, a 4% increase in total since Q1 2008.
- Regionally, there were 144 companies winding up in Q1 2009, a decrease of 54% in total since Q1 2008. There were 270 creditors bankruptcy petitions (a decrease of 12% on Q1 2008). There were 2,618 debtors bankruptcy petitions, a 31% increase in total since Q1 2008.
- Nationally, there were 3,461 companies winding up in Q1 2009, an increase of 13% in total since Q1 2008. There were 4,535 creditors bankruptcy petitions (a decrease of 5% on Q1 2008). There were 16,775 debtors' bankruptcy petitions, a 29% increase in total since Q1 2008.

These figures represent court activity and not the actual numbers of individual or business insolvencies.

Additional Notes:
***Insolvency**: A company or individual with debts that they are unable to pay is said to be 'insolvent'.
***Company winding up**: When it becomes necessary to terminate a company's existence, whether owing to insolvency or for some other reason, the process is called 'winding up'.
There is a restriction on proceedings that may be commenced in county courts, which is based on the paid-up capital of the company. Well over half of winding up proceedings are commenced and handled in the Chancery Division of the High Court at the Royal Courts of Justice in London and at the eight provincial High Court centres. These centres are flagged [□] in Tables 2 and 3.
Company winding up proceedings will normally be commenced at the court centre local to the ***registered office*** of the company, which will not necessarily be situated in the same geographical area as the company's base or operational area. The relative regional levels of winding-up activity do not therefore necessarily reflect the geographical distribution of the companies involved.
*__Individual bankruptcy__: Being bankrupt means you are or have been subjected to a bankruptcy order. A court makes a bankruptcy order only after a petition has been presented.
Proceedings for bankruptcy can be commenced at county courts with the appropriate jurisdiction, or in the Chancery Division of the High Court, either by a ***creditor*** (the person to whom the debt is owed) or by a ***debtor*** (the person who owes the debt).

7.3 LOCAL CITIZENS ADVICE BUREAU (CAB) DATA

This bulletin aims to provide a statistical analysis of local CAB data to gauge the potential emerging impact of the economic downturn on local residents. Generally speaking, levels of clients enquiries relating to debt and employment are similar to a that of a year ago whilst enquires relating to overdrafts, credit cards and mortgage arrears are slightly lower than in the first quarter of 2009. Similarly, enquiries relating to welfare benefits have receded from the highs of the first quarter of 2009. The detailed data is provided below:

- There were 1,264 client enquiries relating to debt in Q2 2009 (1,260 in Q2 2008), and 389 enquiries in June alone, a decrease of 6.5% on the number of 416 enquiries made in June 2008.
- There were around 170 enquiries relating to employment made in Q2 2009 (173 in Q2 2008), June figures alone show a decrease of 56% on the 80 enquiries made in May 2009, but no major change on June 2008 figures (40 enquiries).
- During Q2 2009 around 41.5% of enquiries were related to overdrafts, credit card debt & unsecured loans and 4.5% for mortgage arrears (this compares with 47.4% and 2.6% during Q1 2009).
- There were 867 client enquiries relating to welfare benefits in Q2 2009, a decrease of 18.1% on the peak of 1,059 enquiries recorded in Q1 2009; enquiries for June 09 alone reached 295 (253 in May 09) Disability living allowance benefits made up around 37.3% of all welfare enquiries in June. (30.8% in May 09).

8. INVESTMENT INQUIRIES UPDATE

8.1 RELOCATION/EXPANSION

In the first 6 months of 2009, the Economic and Tourism Unit worked with 23 companies (21 of which in Exeter) which relocated and/or expanded within EHOD, creating/safeguarding over 330 jobs; this includes a new base for Thompson Reuters and the newly opened 170 bed Jurys Inn hotel in the city.

The second quarter of 2009 has seen increased activity in terms of companies searching for new premises; this may indicate a desire to find cheaper premises to lease and reduce their outgoings. Not surprisingly, there has also been a marked decrease in companies actually relocating into EHOD.

8.2 ENQUIRY NUMBERS

Overall, year on year enquiry numbers have stayed relatively stable, with 426 up until June 2009. However, 2009 is the first year since the investment advisory service was established in 1998 that enquiry numbers have not grown.

Other changes relate to the source of enquires in January to June 2009; around 80% of enquiries came in via the City Council's website, as opposed to 90% in 2008. This change in source is in part due to more foreign enquiries coming via an international business partnership network supported by the South West RDA. The detail on the source of enquiries is set out below, with the percentage for 2008 in brackets.

- 61% originate from within EHOD (59%), including 40% from Exeter (38%)
- 8% from the rest of Devon (9%)
- 20% nationally and 11% internationally (28% and 3% respectively in 2008)
- 66% existing employers (64%) of which 31% are seeking relocation (35%) and 35% are seeking to establish a new branch / regional base (28%)
- 34% wanted to start-up (36%)

8.3 BREAKDOWN

In terms of the type of enquiry, there has been a marked decrease in searches for commercial investment opportunities, whilst all other enquires have broadly remained constant.

- 45% light industrial units, warehouses and distribution sectors (43%)
- 31% office sector (31%
- 12% retail (14%)
- 12% hotels, leisure and restaurants (10%)

<½% commercial investments (2%)

9. CHAMBER OF COMMERCE UPDATE

Levels of business confidence amongst businesses in Exeter appear to be growing slowly, amidst difficult trading conditions.

The June 2009 results indicated that 72% of respondents reported sales as static or growing whilst 40% declared their margins were down. This is the most positive reading in the past 12 months. Only 17% stated that employment was down compared with last quarter (a marked improvement on the 34% of March) and less than a third considered that their cash flow was decreasing.

Forecasts for the next quarter also tend to be more positive with around 87% of businesses envisaging staff levels to remain the same or to grow, whilst only 13% respondents expected it to decrease, again a small improvement on March's reading.

The survey also suggests that business confidence, after the low observed at the end of 2008, has picked up again with now only 10% of respondents concerned about the outlook. (15% in March and 12% a year ago) and 90% reported medium to high confidence.

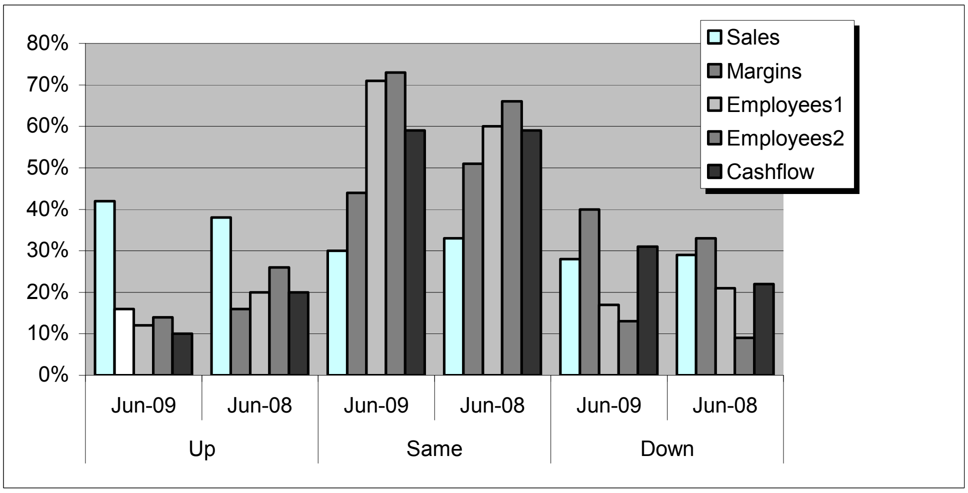
Table 8: Exeter Chamber of Commerce survey– sales, margins, employees and cashflows (June 2009).

Indicator	Up	Same	Down
Sales[1]	42%	30%	28%
Margins[1]	16%	44%	40%
Employees[1]	12%	71%	17%
Employees[2]	14%	73%	13%
Cashflow	10%	59%	31%

Source: Exeter Chamber of Commerce, 2009
1 – Change on last quarter, 2 – Forecast for next quarter

The chart below illustrates the changing pattern recorded over the 12 months period, giving a clearer picture of the overall business sentiment during the recession.

Figure 16: Survey figures-June 09 and June 08



Interestingly, investment has increased with nearly half of all respondents having invested in their businesses over the last quarter, whilst around 74% are in the process of doing so or expecting to do so in the future (up from 65% in June 2008).

However, some employers have taken painful but arguably necessary measures to retain staff and remain in trade with an extra 5% of respondents implementing a pay freeze on salaries since the last quarter. Some 50% of the businesses surveyed have either held wages, at the same level, or are indeed expected to do so over the summer.

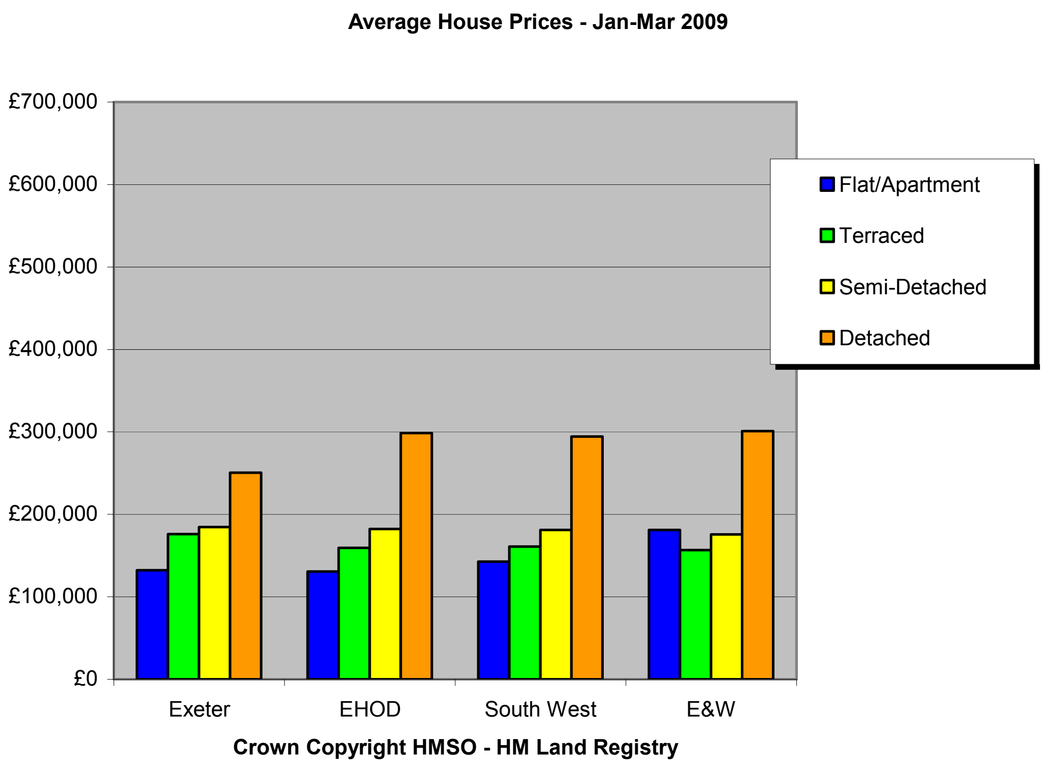
10. LAND REGISTRY HOUSE PRICES UPDATE

House prices in Exeter have declined slightly more than seen regionally and nationally.

- The overall average house price for Exeter for **Q1 2009** stands at £180,400, a decrease of around 15.7% on Q1 2008 (£214,000). This is a little more than the decreases witnessed locally (-13.3%), regionally (-10.9%) and nationally (-9%).
- The *adjusted* average for Q1 2009 is £186,800, a decrease of around 16.4% on Q1 2008 (£223,400).
- Only 174 homes were sold in Exeter during Q1 2009 compared to around 355 during Q1 2008, representing a 51% drop in transactions.

- Over a 12 months period running between Q1 2008 and Q1 2009, 1,496 properties were sold in the city. This compares with 2,818 transactions between Q1 2007/08, a drop of 46.9%.
- Consequently, an annual review analysis reveals that the total value of properties sold in Exeter in Q1 2009 has significantly dropped compared with Q1 2008, from nearly £76M to just £31M. (-59.2%).

Figure 17: Exeter versus local, regional and national average House prices, Q1 2009



This report was compiled by the Economic and Tourism Unit.
If you have any questions, comments or suggestions,
my contact details are provided below.

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE – ECONOMY
3 SEPTEMBER 2009

UPDATE ON ARTS AND MEDIA STRATEGY 2009 – 2012 ACTION PLAN

1. PURPOSE OF REPORT

1.1 At Executive on 27 January 2009 Members resolved that the Arts and Media Strategy 2009 - 2012 be approved and that the Action Plan be reviewed later in the year.

1.2 The purpose of this report is to provide Members with an update of the Arts and Media Strategy's Action Plan (see Appendix 1) that shows:
- what outcomes have been achieved to date
- ways forward to achieve outstanding outcomes over the life of the strategy in light of current and impending budgetary constraints

2 BACKGROUND

2.1 The Arts and Media Strategy, and the broad strategic framework for Arts and Media development, was adopted by the Scrutiny Committee - Economy at its meeting on 22 January 2009 and considered by the Executive on 27 January 2009.

2.2 A further report was requested by Members to outline how the outcomes from the Action Plan might be achieved in light of tight financial constraints.

2.3 The Arts and Media Strategy and the Action Plan provides the focus for the activities of the Council involving directly delivered and partnership based projects working with a number of organisations and individuals, including Arts Council England South West, Exeter Northcott Theatre, Exeter Phoenix, Spacex, Exeter Barnfield Theatre, Bournemouth Symphony Orchestra, Wren Music and many others.

2.4 The City Council is an active supporter of the arts, which includes its own programme of festivals and events as well as its grant support to core strategic organisations that provide the main infrastructure for arts activity within the city. Furthermore it has initiated and supported new festivals and events and has encouraged the private sector to develop public art within development schemes.

2.5 The City Council has recognised the value of the arts in promoting and supporting the tourism sector by raising the profile and image of Exeter and improving the quality of life for its residents and visitors. The arts also play a major part in the city's attractiveness to business investment and the recruitment and retention of staff. Through its strong support of major capital projects to improve the City's arts and media facilities the Council has recognised that the arts can also animate the city centre and revitalise public spaces.

2.6 The City Council has worked to widen access to the arts through its Service Level Agreements with revenue-supported organisations. Emphasis is placed upon the importance of taking artistic activity out into the community and fostering partnerships with the education sector. It has introduced arts into its community and play programme, promoted arts and media through its tourism marketing and developed Exeter Corn Exchange as a venue for live arts and entertainment.

2.7 The approved list of objectives within the Arts and Media Strategy 2009 -2012 are as follows:
1. To adopt a corporate policy approach to arts and media development which places the arts and media at the heart of the City's corporate ambitions
2. To develop and strengthen the arts and media infrastructure and support and encourage creative production in the City
3. To develop further the City's portfolio of arts and media festivals to create a festival of regional/national significance
4. To support creative industries growth and development
5. To develop access to arts programmes and opportunities within community settings to encourage greater participation and involvement with the arts and media by residents of Exeter
6. To work in partnership with relevant agencies and partners to provide more opportunities for people, and young people in particular, to engage in arts education and learning programmes
7. To work strategically in developing new partnerships in and funding for the arts
8. To work with the arts and media sector and other partners to develop new models of sustainability and generate new income and funding sources.

2.8 The Arts and Media Strategy Action Plan sets out ways to achieve these objectives within the time frame of the strategy.

3 REVISED ARTS AND MEDIA STRATEGY ACTION PLAN

3.1 Many of the outcomes expressed within the Action Plan are a direct correlation to the aspirations of the organisations, in particular the funded Strategic Arts Organisations, who were consulted whilst developing this strategy and therefore the report highlights where collaboration with the City's Arts and Media partners might help achieve outcomes and ease financial constraints.

3.2 The revised Action Plan demonstrates that much has been achieved to date towards the outcomes across many of the strategic objectives and within existing cash limits, for example:

- delivering the City's Festival portfolio in new ways that minimises risk and maximise resources and achieves Arts and Media Strategy objectives
- developing new opportunities to work with other Council Services: Planning, Leisure and Museums and Parks and Open Spaces
- developing strategic partnerships within public sector: Arts Council England South West; Devon County Council; People Places and Spaces (Regional Cultural Strategy)

3.3 The updated plan demonstrates that the majority of outputs in the Action Plan can be realised by balancing the Council's Arts and Festivals Team's directly delivered promotions with:

- partnership based projects with other Council Services such as Planning, Tourism and Leisure and Museums
- working in partnership with the City's Strategic Arts Organisations via agreed actions within the Service Level Agreements
- working in partnership with City's commercial sector to promote the

economic benefit of the City's Festival and wider cultural programme
- participation in strategic, regional cultural planning meetings to try and influence investment and the priorities of key funding agencies and partners
- arts related advocacy and advice for local and regional artists, arts organisations, other Council/public services, commercial sector and the public.

3.4 The achievement of outputs as outlined in the Action Plan can be achieved primarily within the City Arts and Festivals team's existing work capacity and therefore has a minimal financial implication as summarised later in the report. Should the team suffer further staffing or budgetary reduction the ability to achieve outputs and festival portfolio is accordingly reduced.

3.5 Where it is indicated in the updated plan that funding is required this is either, as in the case of outputs being achieved through Service Level agreements, dependent on the level of the City Council's Grants budgets, or in the case of public art and other one off projects, dependent on external funds being available (See item 5). The exception to this is the City's festival portfolio which relies heavily on Council funding.

3.6 The updated plan indicates where outcomes are deemed aspirational - these outcomes would definitely improve the cultural infrastructure of the city, but are not realistically achievable within the life of this strategy for financial or other reasons.

4. KEY AREAS FOR ACTION IN LINE WITH REVISED ACTION PLAN

4.1 The Arts and Media Strategy is built around two main areas of City Council expenditure on the arts: the festivals and events portfolio and grants to Strategic Arts Organisations. Officer work plans focus on delivery of the key actions as highlighted.

4.2 As a main delivery mechanism, priority will be to continue to develop and support the city's Strategic Arts Organisations and seek to minimise impact of any proposed reduction in grants funding on their financial viability. The nature and content of the Service Level Agreement with these organisations is a key way of delivering the objectives of the strategy.

4.3 The main focus of the City's direct promotion of events is the festival portfolio. The Arts and Media Strategy has as a key strategic objective the recognition that the festival portfolio, especially the Summer Festival, has the potential to achieve a more prominent regional status and possibly national recognition for the City. To support this, and to test the feasibility, it is proposed to produce a three year business plan for the festival portfolio with proposals for Council support over a three year period that:
- takes on board current financial restraints within the public and private sector and what alternative or additional funding opportunites exist
- looks at new and better ways of delivery that minimise risk and maximise impact and value for money
- explores the economic benefits to the city of a festival portfolio and the
- value of raising the City's cultural profile

4.4 An Arts and Media Strategy working group that does not duplicate other forums and is representative of strategic internal and external partnerships will be established that amalgamates the existing City Arts Partnership (CAPE) and will also expect to include representation from the Arts and Festival team, tourism, parks and open spaces, play, planning and marketing officers, as well as possible attendance by officers from the Arts Council, Public Art South West plus higher and further education and schools in an advisory capacity. It will meet at least four times a year, but also as required to make progress. Its terms of reference to include:

- ensuring that Arts and Media strategic objectives are reflected in other key Corporate Policies as appropriate, for example, planning, tourism, economic development
- monitoring and advising on the progress of the Arts and Media Strategy action plan against strategic objectives
- looking at ways forward in light of the current funding situation and impact on strategic objectives
- reviewing and maximising the City's festival portfolio to best achieve the strategic objectives

4.5 In view of tight resources it will be necessary to continue developing existing and new partnership opportunities both within the Council, but more importantly externally amongst the City's arts and media infrastructure, the voluntary and business communities and also regionally with other local authorities and public sector groups.

4.6 It will also be important to continue with an arts advocacy and advisory role to other Council departments, voluntary, public and commercial sectors in support of the City Council's vision.

5. FINANCIAL IMPLICATIONS

5.1 This section highlights the grants or external funding that impact on the Arts and Media Strategy update and its outcomes.

5.2. **Council Grants funding**: The Council provides £285,000 annual revenue support to 6 strategic arts organisations through the Grants budget against three year rolling agreements as follows:

Exeter Northcott	£ 85,231
Exeter Phoenix	£131,198
Spacex	£ 11,365
Exeter Barnfield	£ 10,000
Theatre Alibi	£ 19,196
Wren Music	£ 16,205
Bournemouth Symphony Orchestra	£ 11,865

The Grants funding for Strategic Arts Organisations 2009/10 did not include inflation, this will also be the case in 2010/11.

5.3 Funding is approved on the basis of the annual Service Level Agreement (SLA) between the organisation and the City Council, which is drawn up by the City Arts Officer in conjunction with individual organisations. The individual SLA outcomes reflect both the city's priorities and also those of other key revenue funding bodies such as Arts Council England and Devon County Council. The organisations provide 6 month and 12 month monitoring reports which are presented to Grants Committee to release the funds.

5.4 Individual annual reviews of the Strategic Arts Organisations (SAOs) are held in the autumn with Arts Council England, Devon County Council and Exeter City Council. The review updates the SAO as to current funding priorities, expectations and funding situations as well as discusses work programmes for coming year.

5.5 In addition to the City's funding the SAOs are able to generate a further £1.6 million from other funding annually. This represents leverage of more than five times the Council's investment, but it is important to note that this figure does not include other generated income, for example, from tickets sales, bar sales, and venue hire

5.6 The Grants Committee also provides annual project funding for certain arts organisations, such as Exeter Arts Council, a group of volunteers who administer a small grants scheme for the arts open to artists who wish to produce an event in the city (£13500 core funding in 09/10), and Magic Carpet, a voluntary arts organisation who deliver accessible creative arts programmes for people and children with disabilities (£4,500 rent and core funding in 09/10).

5.7 It is likely, as with other Council budgets, that the Grants Committee will review its portfolio in light of budget constraints. It is recommended that the priority should be to maintain support for and minimise impact of any proposed reductions on Strategic Arts Organisations and instead review levels of support for project funding.

5.8 Sources of key public funding are currently under review. Arts Council England is currently undergoing an extensive review which will see the South West Office merging with the Midlands Office, against also the background of likely tightening of central government funding. The Arts Council current funding agreements with Exeter's Strategic Arts Organisations stand until March 2011, but the position after that date is unclear.

5.9 The Arts Council are waiting to learn the outcomes of the Government's spending review before they can set budgets and therefore funding agreements with its funded organisations for 2011 – 12 and beyond. It is likely they will set an interim one year agreement with funded organisations for 2011/12 until the outcomes of spending review are known.

5.10 Devon County Council is also reviewing its funding allocations for cultural activity for 2010/11 and the outcome of this review is not expected until early 2010.

5.11 Officers will seek to maximise opportunities through external project funding as appropriate to support Council programmes such as the festival portfolio and public art and also to provide funding advice and support to external organisations. Successful applications have been made this year to National Lottery via Grants for the Arts for Exeter Summer Festival and officers are supporting a major application on behalf of Animated Exeter for February 2010. The difficulty of obtaining additional external funding over the next few years will certainly increase.

5.12 It is recognised that obtaining sponsorship will be difficult in light of the current economic climate. Officers will continue to assess the Festival portfolio, its programmes and the ways in which it might appeal to current sponsorship trends of the commercial sector. Festival sponsors for Exeter Summer Festival 2009 were happy with both the process and the product and have expressed a willingness to sponsor the event in the future.

6. RECOMMENDATION THAT:-

6.1 Scrutiny agree the revision of the Arts and Media Strategy Action Plan 2009 - 2012 and the revised key areas for action as outlined in item 4.

RICHARD BALL
HEAD OF ECONOMY AND TOURISM

ECONOMY AND DEVELOPMENT DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:-

1. Arts and Media Strategy 2009-12
2. Draft Arts and Media Strategy Action Plan 2009 - 2012

APPENDIX 1

EXETER ARTS & MEDIA STRATEGY 2009 – 2012

UPDATED ACTION PLAN September 2009

Timescale:- **Short term** 1 year
Medium term 1 – 2 years
Long Term 3 years or longer

Strategic Objective
1. To adopt a corporate policy approach to arts & media development which places the arts at the heart of the City's Corporate ambitions and matches the City's level of aspiration

Key Actions	**Achieved to date**	**Ongoing Progress/issues**	**Timescale/budget implication**
a) Adopt strategy, implement departmentally/cross departmentally; establish cross sector arts & media strategy team	- Strategy adopted & disseminated via website January 2009	- Initiating & developing relationships & working partnerships departmentally & cross departmentally that aim to ensure that Culture, Arts and Media become an integral part of corporate policy : Tourism (marketing festivals) Planning (public art – public space), Play (festivals/events); Grants (revenue/project funding); Leisure/Museums (events in parks/council premises) & developing regional/city strategy with relevant external bodies via People Places, Spaces. - set up Arts & Media Strategy group (representation of internal and external organisations) – establish Terms of Reference and monitor/review Arts & Media Strategy, including identifying priorities for development and flagship projects	Short/ongoing – Officer time Short/ongoing – Officer time
b) Work with Arts & Media sector to agree City priorities for development and identify 2 -3 flagship projects (e.g site specific commissions, festivals) that the City aspires to achieve within the life of the strategy	- Service Level Agreements (SLAs) with Strategic Arts Organisations for 09/10 established - ongoing assistance in establishing Animated Exeter as arms length	- working in partnership with and developing annual Service Level Agreements with Strategic Arts Organisations (SAOs) that matches identified priorities for development and flagship projects. - continue to assist the development of Vibraphonic and Animated Exeter as 'arms length' flagship projects with advice, administrative and some financial support until both	Ongoing – dependant on funding for SAOs via Grants budget being maintained at least at current levels Ongoing – funding dependent on setting of cash limits

	festival; provided support for Arts Council funding application	events become financially viable.	
	- initial meeting held with Public Arts South West and Planning Service to discuss way forward on public art process	- working with the Planning Service, Public Art South West, Spacex, Exeter Visual Arts Consortium to develop robust process for public art, to ensure process is embedded in Council policy	Short/medium – Officer time
	- successful funding application to ACE for Opening Parade and site specific commission for finale of Party on Quay	- to identify opportunities as appropriate and dependent on finance being available to deliver high profile long term/short term public art projects either as part of planning process or as one off events/short term commissions that animate public space in partnership with developers, planners, communities, arts organisations and artists	Ongoing Officer time dependent on relevant development projects/availability of external funding
	- strategic partnership with City's Cultural stakeholders achieved by attendance at People, Places, Spaces (regional strategy for Culture meetings) re: Exeter as a Planning Area for Culture	- meeting of key cultural stakeholders in City including RAMM, University of Exeter (Forum), Exeter Northcott, Spacex, Exeter Phoenix, Central Library, Devon CC, Exeter Vision Partnership to keep abreast and work in partnership on key cultural developments (such as The Forum, RAMM, Children's Festival) & to establish Exeter Cultural Forum	Ongoing – some funding to become available through scheme for delivery of networks
	- Summer Festival 2009 developed a successful subsidised partnership scheme with core city venues that maximised output and limited financial risk	- to develop and manage City Council's Festival portfolio, identifying ways to maximise investment and raise the City's profile through marketing, partnership working, and development of innovative and high profile projects.	Ongoing – festival sustainability dependent on financial investment from ECC; level of commissioning dependent on available funds/sponsorship

	- Summer Festival Advisory Group as well as suggesting ways forward for Exeter Summer Festival 2010, is also looking at gaps in City festival provision (council & arts sector led) which may guide future direction for Exeter Summer Festival programmes	- Recommendations with regards to Exeter Summer Festival 2010 will be presented in an Officer report to the Scrutiny Committee – Economy. - Longer term ways forward for the City's Festival portfolio including Exeter Summer Festival will be explored by Officers in a three year plan as detailed in item 3b	Short – Officer time Short – Medium – Officer time
c) Develop dialogue with key partners in commercial and public sector re investment in major arts and media projects	- 2009 Summer Festival sponsorship from commercial sector raised £16000 + £11000 in kind; higher level of corporate/in kind as opposed to event sponsorship Public sector sponsorship in 2009 increased to £30000 (high profile project that met Arts Council SW/Devon County Council priorities)	- commercial sponsorship is likely to continue to decrease in light of ongoing recession and this needs to be taken into account when reviewing festival portfolio; investigate new sponsorship paths and demonstrate economic benefit to City businesses of festival; seek really high profile projects - more regular dialogue with public sector partners; invitation to apply for further Grants for Arts funding for 2010 Parade project. Continue exploring options for high profile projects that meet criteria of other public sector funders. - joint annual review meetings with City's Strategic Arts Organisations, attended by key revenue funders (Arts Council South West (ACE) & Devon County Council (DCC) and Exeter City Council (ECC). These meetings look at achievements of the organisations against key funding priorities of each funder, priority areas for development, financial status/implications, capital needs.	Short/ongoing – Officer time Ongoing – Officer time applications either as ECC or partnership with venue as relevant

Strategic Objective
2. To develop and strengthen the arts and media infrastructure and support and encourage innovation and creative production in the City

Key Actions	Achieved to date	Ongoing Progress/issues	Timescale/budget implication
a) Work with and support relevant partners on Castle Quarter Development including: - Completion of RAMM refurbishment and development of exhibition policy - Central Library development and events programme - Development and upgrading of Exeter Phoenix	- progress with RAMM subject to specific reports to Council Executive		
	- attendance at People Places and Spaces meetings to discuss Exeter as a Planning Area for Culture (PAC) to enable development or improve working relationships and partnerships with relevant organisations	-the role of Arts & Festivals Manager is advisory regarding event/exhibition policy; event health and safety best practice; marketing; selection of artists and other relevant advice as required; it is important to work in partnership with RAMM, Central Library and Exeter Phoenix ensure their involvement with future City-led events and festivals and to emphasise the importance of the emerging Cultural Quarter.	Medium/long – Officer time advisory capacity
	- draft plans for upgrade of digital media facilities at Exeter Phoenix have been circulated.	- improvement of the digital media provision at Exeter Phoenix is a key objective for all the organisations key funders: DCC, ACE and ECC. Role of Officer will be to advocate, liaise within City Council with regard to permissions and planning objectives and externally to help identify other potential funders and assist with funding applications/advice as necessary;	Medium – Officer time – no additional funding to be available, existing funding already supports
		-focus SLA with Exeter Phoenix on production/presentation of new work, maximising use of ACE funding priorities supporting new digital work	Ongoing – no additional funding available from ECC.

b) Review existing public art strategy and work with partners to develop new landmark public art initiatives and work to secure funding to commission work by artists of national/international standing.	- initial meetings held with Public Arts SW, Planning Services re Public Arts policy and ways forward	- working with Planning Services, Public Art South West, Spacex, Exeter Visual Arts Consortium to aspire to develop robust process for public art, to ensure process is embedded in Council policy - to identify opportunities as appropriate and deliver high profile long term/short term public art projects either as part of planning process or as one off events/short term commissions that animate public space in partnership with developers, planners, communities, arts organisations and artists	Medium/long – Officer time Ongoing – Officer time, dependent on suitable developments and available funding. Long/aspirational – Officer time
c) Support arts and media organisations, venues in securing funding to develop, improve and maintain rehearsal, production and presentation facilities	- ongoing via SLAs and support given to developing proposals for Exeter Phoenix and the Forum at the University	- advocacy role; liaison with planners, other permissions; supporting and advising on key funding applications, sharing information re: potential funders; regular liaison with key funders via annual review meetings for revenue funded organisations	Ongoing – Officer time
d) Develop a strategic relationship with University of Exeter to enhance and extend campus arts facilities and facilitate new creative partnerships with other cultural activities in the city	- Forum development progressed to planning approval; in discussion re Children's Festival and launch of University' of Exeter's cultural strategy	-regular update of plans and progress with Forum development at University; to include new auditorium, landscaped walk ways, cafes, library and spaces for public art/outdoor performance - proposals to improve travel links between city and university to encourage use of campus by residents - together with other key stakeholders in discussion with University of Exeter re: involvement in proposed launch of University's Cultural Strategy in Spring 2010; and a Children's Literature Festival 2010 (at time of Autumn Festival 2010); involvement in Cultural Olympiad 2012 –the National Museums Libraries and Arts Olympiad programme: Stories of the World	Ongoing – officer time Medium/long – Officer time Medium/long – Officer time – possible marketing support

e) Work to raise funding to commission major site specific works, possibly linked to Festival programme	- successful Arts Council application for 2009: Parade/Party on Quay - support from festival enabled Exeter Northcott to produce Home – free promenade theatre in City Centre	- aim to develop high profile, free and accessible outdoor site specific work during Summer festival up to and beyond 2012, either as Exeter Summer Festival or by partners with support of Exeter Summer Festival. Invited by ACE to apply for Grants for Arts for a development of parade project for 2010 - to support the use of non arts venues for production of arts and media projects	Medium/long – match funding from Festival budget; officer time Ongoing – Officer time
f) Work with visual arts sector to raise the regional and national profile of the visual arts/crafts in the city, to develop new joint initiatives working together through Exeter Visual Arts (EVA) Consortium,	- developing ongoing relationships with Visual Arts sector in city through SLAs and EVA - assisted Exeter Open Studios to become artist led in 2008	- in discussion with key players in visual arts/crafts sector re a range of projects for 2010 and beyond, supporting funding applications and proposals to Arts Council. - in discussion with Spacex re major international exhibition in 2010 linked to Summer Festival/parade - ongoing financial support and advice to Exeter Open Studios – a key component of Exeter Autumn Festival	Ongoing/medium – Officer time Ongoing/short – marketing support from existing festival budget Short – annual agreement dependent on budget
g) Support Exeter Northcott in developing its reach and profile in the City and the surrounding area and in securing ongoing ACE funding	- ACE funding agreed to 2011 - Festival support enabled production of Home during Exeter	- agreed new SLA with Exeter Northcott that focuses on developing reach and profile in City, work with new writers, young people - currently developing free high profile theatre project in independent shops in Sidwell Street in conjunction with Exeter Autumn Festival	Ongoing – 3 year rolling funding from Grants – Officer time Short – within existing cash limit – officer time

	Summer Festival (free promenade theatre in City Centre)		
h) Continue to develop Service Level Agreements with funded organisations (revenue or project funded) and festivals to support the key Strategic Arts Organisations in the City and encourage innovation and creative production	- SLAs in place for 2009/10 - annual review meetings with ACE/DCC scheduled for September/October 2009	Should encourage: - key venues to support new companies, provide platforms for production and presentation of new work - diversify work available through venue programming and commissioning policies, more work from culturally diverse artists -the commissioning and contracting of high quality local and regional artists to undertake work in community and educational settings - opportunities for local/regional artists to work with visiting national/international artists as a means of professional development	Ongoing – level of funding dependent on Grants budget and external funding. Officer time

Strategic Objective **3. To develop further the City's portfolio of arts and media festivals and explore opportunities to create a festival of regional/national significance**			
Key Actions	**Achieved**	**Ongoing Progress/issues**	**Timescale/budget implication**
a) Reassess current festival portfolio	- March 2009 in line with proposed budget reductions for 2009/10	-Reviewed annually in line with budget setting	Short – within existing cash limit for 2009/10
b) Work with key arts/media partners, members to identify potential for festival development and develop three year plan for development of festival portfolio including the development of innovative commissioning and programming policies (site specific events)	- Currently Summer Festival (currently City's major festival)being reviewed by SFAG; free Party on Quay, Parade and new co-promotions with venues worked well; increased public sector sponsorship; classical programme affected by lower ticket sales and lower commercial sponsorship: festival showing small surplus - Updated list of proposed festivals including non ECC produced festivals in City shows few time gaps, but clear gaps in what's on offer	- SFAG will meet at end of August and aim to reach a decision about Summer 2010 - ideally need a three year festival plan to 2013 to tie in with life of the strategy: where we are (what works and what we want to retain – e.g quality, profile, partnerships, free events, accessible), where we would like to be (aspiration-commissioning, partnerships) and how to get there(likely funding availability, networking festival circuit; developing SLAs with partners to reflect festival commissioning requirement) - anticipated further budget reductions for 2010/11 – any decision re Summer Festival 2010 regarding budget may impact on remaining festival portfolio. - should aim to retain some level of commitment to newly established arms length festivals: Open Studios, Animated Exeter, Vibraphonic, Respect - ECC to devise best method of marketing existing and proposed ECC and non ECC festival portfolio – eg 'Exeter, a city of festivals' – identify the brand	Short - none Medium/long – none – Officer time Short – officer time Short/medium – dependent on cash limits 10/11 Short – dependent on marketing budgets

		- Summer Festival needs to continuously develop; high profile, accessible programmes and develop unique selling point.	Ongoing – dependent on budget, sponsorship, external funding
c) Develop links with potential commercial and public sector sponsors	See 1c	- limited opportunity for application to public sector funds, but aim to build festival partnership/commissions into SLA agreements with Strategic Arts Organisations and apply as relevant for one off funds - research comparator festival developments - research/compare economic impact of Exeter versus other festivals - together with Tourism, develop attractive tourism packages around Exeter festivals	Medium – no additional implication but dependent on Grants budget Medium – none officer time Medium – Officer time Medium – Officer time; dependent on development of high profile festival/ events

Strategic Objective 4.To support creative industries growth and development			
Key Actions	**Achieved**	**Ongoing Progress/issues**	**Timescale/budget implication**
a) Establish a multi-agency creative industries task group to develop a joint strategic approach to creative industries business support, training and development		- Aim to identify funding for and oversee short term contract to undertake research into creative industry sector; need for a task group made up of both relevant internal Council Officers and external commercial and vol. sector reps; develop database of City contacts in Creative Industries; establish Terms of Reference of proposed Task group; identify priorities & opportunities in creative industry development and business support via training agencies; identify external lead for task group - If funding achieved as per above aim to hold first meeting within 6 months to agree Terms of Reference and start developing 3 year business plan for strategic growth and development of creative industries	Medium – dependent on securing new funding to cover 3 month short term contract/ Officer time Medium/long – none – Officer time; any funding will be dependent on external resources via Skills Councils, etc
b) Explore potential for affordable workspace and incubation units within existing or planned accommodation.		- work with Planning Services/Estates Service regarding new developments/short term lets of Council property with potential for affordable space (See also 2b), market existing affordable space (Phoenix, Spacex), explore opportunity to produce leaflet/add link to existing websites; -ensure that creative industry priorities and opportunities are included within existing and new regeneration/planning policies - work with Planning Services & others involved in regeneration to ensure options for creative industry elements are explored in new developments	Ongoing – officer time Ongoing – officer time -Ongoing - aspirational when opportunities arise

		- liaise with Exeter University re potential inclusion of creative industry workspaces within business support schemes & ongoing innovation centre at University -	-Ongoing – Officer time
c) Support development of Exeter Phoenix as a hub for supporting cultural business and promoting relevant skills development in the city	See 2a	- draft initial plans presented by Exeter Phoenix to seek approval by Estates and Planning services; - Officer support for new capital and revenue funding applications to support the development in light of proposed development of the Cultural Quarter.	Long term -none - within existing Grants budget; officer time
d) Support Exeter Artspaces in securing premises	- support has been provided to secure two temporary locations	- continue to support Exeter Art Spaces with securing and establishing new proposed longer term accommodation (Gas Board Building at Marsh Barton) minimum of 2 years	ongoing- none – Officer time
e) Identify and encourage opportunities for local/regional artists to work in the city within education and community programmes and provide opportunities for professional development	See 2 h	- build into SLAs with strategic arts organisations	Ongoing – Officer time

Strategic Objective
5. To develop access to arts programmes and opportunities within community settings to encourage greater participation and involvement with the arts and media by residents of Exeter

Key Actions	Achieved	Ongoing Progress/issues	Timescale/budget implication
a) Work in partnership to identify range of opportunities for including arts programmes in leisure, community and environmental projects and identify joint arts development programmes addressing cross-cutting themes such as social inclusion and community safety	- Exeter Summer Festival Parade working with Exeter schools and communities; Exeter Respect- developed across a range of partnerships – Council, voluntary organisations, public sector eg DREC and volunteers; Exeter Autumn Festival	- to continue to develop participatory projects in ECC led festivals and events that work across a range of partnerships eg Festival parade 2010; Respect festival; -work cross departmentally to raise awareness of effectiveness of arts/creative activity in addressing cross cutting themes eg social inclusion, community safety -attendance at regional cultural meetings: Devon Arts Officers Group, People Places and Spaces, Cultural Olympiad, Outdoor Celebratory Events meetings to raise profile of Arts activity in Exeter and keep abreast of developing strategies and funding opportunities	Short/medium – dependent on festival budget/external funding Ongoing – officer time advisory and advocacy Ongoing – officer time
b) Encourage and support voluntary sector and community based organisations to secure funding for participatory arts and media projects in the community	- project funding managed by voluntary groups in the community that encourages accessibility to arts funded via the Grants Committee for disability arts organisations eg Soundwaves, Magic Carpet and Exeter Arts	- in light of potential budget reductions to seek to maintain existing levels of funding for revenue and project funded clients; discover and disseminate new opportunities for funding via trusts, charities and other public one off funding via DCC, ACE, Heritage fund, Cultural Olympiad; advise and assist as necessary - maximise opportunities to include and develop participatory learning opportunities in the arts in projects funded by Exeter Arts Council, and education and community outreach	Ongoing – Officer time working within existing budget from Grants Ongoing – Officer time

	Council for wider community participation - promotion of a wide range of accessible education programmes via annual SLAs with arts organisations ;one off projects funded by Exeter Arts Council	programmes of revenue funded organisations - continuous monitoring of efficacy of participatory arts projects	Ongoing – Officer time

Strategic Objective 6. To work in partnership with relevant agencies and partners to provide more opportunities for people from diverse backgrounds, and in particular young people, to engage in arts education and learning programme			
Key Actions	**Achieved**	**Ongoing Progress/issues**	**Timescale/budget implication**
a) Work with Devon CC youth and education services, specialist arts colleges, Connexions, DAISI and other organisations to develop structured, relevant and accessible out of school participatory arts education and learning activity and training for young people	- supporting and encouraging this work via SLAs :Phoenix, Spacex, Northcott, BSO - worked with range of partners to develop Parade and include opportunities for young people to become involved in workshop programme	- continue to advocate youth arts work within SLAs - develop relationship and work with Devon Youth Service, Connexions and other specialist arts colleges to aim to produce youth stage run by and for young people at Christmas Light switch on and performance to involve training in best practice production skills ; to lead to future projects in other ECC led festivals - work with other agencies to extend opportunities, training programmes to increase skills and capacity and develop new youth arts initiatives (Exeter Phoenix Youth Arts Festival Autumn 2009) and network for youth arts	Ongoing – officer time; advocacy/advice Short/medium – identify funds in festival budget or via sponsorship Medium /long Officer time: projects dependent on external funding or within existing festival/organisation resources
b) To work in partnership with other agencies to encourage participation and learning in the arts by a range of people from diverse backgrounds	- delivery of Respect festival in Belmont Park - supporting arts in education projects funded through Exeter Arts Council	- build on success of 2009 Respect festival to increase participation by increased number of diverse groups -support production of multi-cultural showcase by DREC. Youth theatre production during Autumn festival - seek to maintain funding for Exeter Arts Council, assist EAC with development of relevant funding criteria and monitoring procedures	Short/medium within existing festival policy 2009/10 Short/medium dependent on Grants budget

	- supporting applications for project funding of disability arts via Grants for Arts	- continue to develop relationships with Exeter's disability organisations and assist with funding information and support of applications.	Ongoing – Officer time
c) Identify new external funding sources linked to community development and social inclusion	- supporting applications made by external organisations to Grants for the Arts for youth arts projects (Exeter Phoenix)	- explore new funding opportunities (Lottery, trusts, Skills Councils), encourage partnership working	Ongoing – Officer time

Strategic Objective 7. To work strategically in developing new partnerships and funding for the arts			
Key Actions	**Achieved**	**Ongoing Progress/issues**	**Timescale/budget implication**
a) Review current staffing structure to ensure sufficient officer resource at appropriate level to work strategically and develop partnerships	- Reviewed as per budget ; creation of new post City Arts and Festivals Manager	- work programme of City Arts & Festivals Manager and team members will reflect priorities as identified in Arts and Media Strategy	Ongoing – within current staffing budget
b) Review current operational demands of festivals programmes		- loss of 2 posts (08/09) in Arts/Festivals team will affect operational demands of festival programme - proposed plans for production of Festivals/events (see 3b) needs to consider staffing implication in light of ongoing budgetary constraints	Short/medium – dependent on budget outcomes
c)Continue process of establishing new festivals management and delivery arrangements	- 2009 Summer Festival developed co-promotion subsidies with key venues; ECC had a reduced level of responsibility for direct promotion: focussing on the production of large scale outdoor events, the classical programme and all festival marketing/sponsorship.	- in discussion with SFAG/programming group re 2010 Summer festival (see 3b – proposed 3 year business/development plan to take Exeter Festivals to 2013 beyond Cultural Olympiad) - continued delivery of current programme of festivals (direct and subsidised arms length festivals) dependent on budget/staffing levels	Short/medium – Officer time – budget availability Short/medium – as above
d) Develop workplan and strategic framework for partnerships with: - public/voluntary sector - private sector	- annual SLAs with revenue funded organisations; regular liaison with regional public sector/city wide cultural organisations	to develop workplan including - utilising existing regional and citywide cultural strategic frameworks to continue to develop new partnerships, establish priorities and ways forward to raise the city's profile - developing an Arts and Media Strategy working group to focus specifically on city's arts and media infrastructure and	Ongoing – officer time

	ACE, Exeter Cultural Forum;	its progress and development as recommended within the strategy.	
e) Work with Cultural Olympiad to secure resources for Exeter	- participation in regional discussions and planning for Cultural Olympiad SW involving LOCOG, ACE,DCC - Spacex – Antibodies funding agreed - MLA – RAMM/University Exeter/central Library : Stories of World Project - Exeter Summer Festival: Quest/HERDA Relays – Parade Development	- continue to keep abreast of projects being developed locally and regionally and relevant funding opportunities - continue to aim to develop Exeter's Parade programme to link it with to Weymouth Carnival 2012 so that Exeter has a position in Cultural Olympiad in 2012	Ongoing – officer Time Dependant on budget; continued commitment to festival development and external support

Strategic Objective
8. To work with the arts and media sector and other partners to develop new models of sustainability and generate new income and funding sources

Key Actions	**Achieved**	**Ongoing Progress/issues**	**Timescale/budget implication**
a) Support arts organisations in developing new business models where necessary to support their survival and future development	- developed SLAs for subsidised festivals e.g Vibraphonic, Animated Exeter Exeter Open Studios -where relevant advising and assisting development of new independent organisation	- continued advocacy, advice and other support as required - keeping abreast of Skills Councils, training programmes, relevant business support e.g Enterprise schemes	Ongoing – officer time
b) Work with ACE/SW Screen and other public funders to secure partnership approach to funding and ensure viability of key strategic arts and media	- joint reviews of strategic arts organisations with ACE, DCC	- ensure strategic arts organisations, project funded organisations are aware of and adhere to funding criteria - promote and advocate on behalf of Exeter based projects/organisations	Ongoing – officer time
c) Review focus of and maintain availability of grant aid via EAC	See 5b	- to improve the quality of monitoring and evaluation provided by organisations and artists in receipt of funding from EAC to highlight the value for money, the community benefits such as social inclusion, improved accessibility and quality arts provision of the service	Short – dependent on Grants budget

GLOSSARY OF ACRONYMS USED:

SLA Service Level Agreement
SAO Strategic Arts Organisation
ACE SW Arts Council England South West

DCC Devon County Council
PAC Planning Area for Culture
EAC Exeter Arts Council

LOCOG London Organising Committee for the Olympic Games

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - ECONOMY
3 SEPTEMBER 2009

ECONOMY SCRUTINY STEWARDSHIP TO JUNE 2009

1. PURPOSE OF REPORT

1.1 This report advises Members of any forecast variations to the budget, based on the first three months of the financial year 2009/10.

2. INFORMATION

2.1 This report highlights any differences by management unit to the outturn forecast for the first three months of the financial year up to 30 June 2009 compared with the approved annual budget. During this period the total of the variances indicate that the overall net expenditure for this committee will increase by £375,300 which represents a variation of 30.08% from the revised budget of £1,247,700. This includes supplementary budgets of £125,930. Notional charges in respect of FRS17 Pension Costs and Capital charges have been deducted from this to provide the total budget for management accounting purposes.

2.2 The main variations by management unit are detailed below:

		£
2009-2010 REVISED ESTIMATE Less NOTIONAL CHARGES		**976,280**
83A1	**PROPERTY & ESTATES SERVICES** Rental income is higher than expected at several properties due to the completion of various lease renewals and geared rent increases; the additional rental income has been offset by reduced income from rents at various other properties. Projected income at St George's Retail Units is lower than budgeted due to a vacant unit.	5,100
83A3	**CAR PARKING** Income from off street car park fees is currently 2.5% below the budgeted figure for the quarter ending 30 June 2009, if income trends follow historic patterns this will result in an additional shortfall against the budget at year end. The budget in respect of National Non Domestic rates on car parks will be exceeded.	142,000
83A5	**FESTIVALS & EVENTS** The Summer Festival has made a small surplus.	(1,500)
83A6	**TOURIST INFORMATION** National Non Domestic rates in respect of the Underground Passages is less than the budget	(9,990)

83B5	**PLANNING** It is anticipated that planning fee income will be below budgeted levels by the end of the year due to the general downturn in the economy.	16,350
83B7	**ARCHAEOLOGICAL FIELD UNIT** The overall income levels for the Field Unit are projected to be down for the year. This is due to the increasingly competitive nature of the service market and the reduced volume of activity. Costs in respect of redundancy have also been incurred.	250,870
83B9	**MARKETS & HALLS** Income at the Matford Centre is expected to exceed the budget due to an increase in livestock sales. Exeter Corn Exchange income is also higher than budgeted due to increased lettings and events. A saving is expected in respect of superannuation.	(27,530)
2009-2010 EXPECTED FINAL OUTTURN		**£1,351,580**

3. **RECOMMENDED** that Members note the contents of this report.

HEAD OF TREASURY SERVICES

CORPORATE SERVICES DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:
1. None

SCRUTINY COMMITTEE - ECONOMY
STEWARDSHIP

APRIL 2009 TO JUNE 2009

ANNUAL BUDGET	SUPPLEMENTARY BUDGET	NOTIONAL CHARGES***	REVISED BUDGET	CODE		CURRENT OUTTURN FORECAST	FORECAST VARIANCE
£	£		£			£	£
(2,637,640)	47,000	(26,690)	(2,563,950)	83A1	PROPERTY & ESTATES SERVICES	(2,558,850)	5,100
2,944,960	0		2,944,960	83A2	TRANSPORTATION/CONCESSIONARY FARES	2,944,960	0
(3,143,030)	10,900	86,240	(3,218,370)	83A3	CAR PARKING	(3,076,370)	142,000
852,000	0	49,640	802,360	83A4	ECONOMIC DEVELOPMENT	802,360	0
284,530	0	(7,190)	291,720	83A5	FESTIVALS & EVENTS	290,220	(1,500)
549,180	0	(8,700)	557,880	83A6	TOURIST INFORMATION	547,890	(9,990)
26,000	0		26,000	83A7	ARCHAEOLOGY IN EXETER	26,000	0
546,310	4,500	297,180	253,630	83A8	DISTRICT HIGHWAYS & FOOTPATHS	253,630	0
52,380	0	(14,350)	66,730	83A9	BUILDING CONTROL	66,730	0
137,190	0	6,070	131,120	83B1	LAND DRAINAGE	131,120	0
0		(6,910)	6,910	83B2	ADMINISTRATION SERVICE	6,910	0
0		(9,250)	9,250	83B3	DIRECTOR ECONOMY & DEVELOPMENT	9,250	0
0	0	(19,990)	19,990	83B4	ENGINEERING & CONSTRUCTION SERVICES	19,990	0
1,298,040	0	(63,730)	1,361,770	83B5	PLANNING SERVICES	1,378,120	16,350
70,560	37,770	8,120	100,210	83B6	CONSERVATION	100,210	0
0	0	(22,680)	22,680	83B7	ARCHAEOLOGICAL FIELD UNIT	273,550	250,870
0	0		0	83B8	MAJOR PROJECTS	0	0
141,290	25,760	3,660	163,390	83B9	MARKETS & HALLS	135,860	(27,530)
0							
1,121,770	125,930	271,420	976,280		**NET EXPENDITURE**	1,351,580	375,300

*** Includes:
Capital Charges
FRS17 Pension Costs

	Transfers from Earmarked Reserves	
83A2	Contribution to TravelSmart	(5,000)
83B5	Local Development Framework	(80,200)
83B5	Planning Delivery Grant	(200,520)
	OVERALL FORECAST EXPENDITURE FOR THE YEAR AFTER MOVEMENTS TO/FROM RESERVES	**1,065,860**

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