

SCRUTINY COMMITTEE - ECONOMY

12 November 2009

Present:

Councillor Margaret Baldwin (Chair)

Councillors Gale, P J Brock, Coates, A Hannaford, Martin, Noble, Robson, Shiel, P A Smith and Wardle

Director Economy and Development, Head of Economy and Tourism, Head of Estates Services, Projects and Business Manager, Member Services Officer (SLS)

Also present:

Councillor Peter Wadham - Portfolio Holder for Sustainable Development and Transport

Councillor Stella Brock - Portfolio Holder for Economy and Tourism

37 **Minutes**

The minutes of the meeting held on 3 September 2009 were taken as read and signed by the Chair as a correct record.

38 **Declarations of Interest**

Members declared the following personal (*prejudicial) interests:

COUNCILLOR	MINUTE
Wardle	42 (Member of the Avocet Line Rail Users Committee Group)
P Smith	45 (Independent Chair of the Barnfield Theatre) 54 (User of the Building Control Service)

39 **Portfolio Holders Half Yearly Report**

Councillor Wadham and Councillor Mrs S R Brock presented progress reports on the priorities in their respective Sustainable Development and Transport Portfolio and Economy and Tourism Portfolio. A copy of the priorities and progress circulated to Members would be appended to the Minutes.

The following responses to Members' questions were given:-

Sustainable Development and Transport

- **New Growth Point** - The Director advised that the Inter-Modal Freight Terminal had planning consent, but the market was unlikely to deliver it. A report to Committee in January would set out proposals for input to the County Council's Local Transport Plan.
- **Climate Change** - The Director stated there were now clear proposals and funding for a Combined Heat and Power scheme to serve Skypark and

Cranbrook and possibly beyond, and that this was an excellent example of a private and public partnership.

- **Civil Parking Enforcement** - The Portfolio Holder commented that he would seek an improved response relating to parking enforcement outside the school gates particularly in Alphington, Westexe, Newtown and Whipton schools.

Economy and Tourism

- **Festivals** -The Portfolio Holder responded that the demands on the forthcoming budget were still being discussed and all aspects of the Council's expenditure were under review, but every effort would be made to continue funding the festivals portfolio.
- **Science Park** - The Head of Economy and Tourism stated that the Business Plan, including the structure of the equity status for the Science Park was still being worked up. Although the project was being taken forward in a commercial way, it is hoped that the confidence generated by the public sector investment would encourage the private sector to come forward with significant investment at the next stage.

The Chair suggested the Portfolio Holder reports should include an outline of future intentions.

Scrutiny Committee – Economy noted the reports.

MATTER FOR CONSIDERATION BY THE EXECUTIVE

40 **Concessionary Fares**

This report was considered as an urgent item of business in view of the need for a response to a Government consultation paper by the deadline of 30 December.

The Director Economy and Development circulated an urgent report and sought the views of Members on a proposed response to a recent consultation paper issued by the Department for Transport, on the national funding formula for concessionary fares for 2010/11. He outlined the issues relating to a serious underfunding of the scheme in Exeter which was exacerbated by our position as a “hub” authority. The Council has made a substantial effort to address the equity of the scheme with repeated representations, and were extremely gratified that the Department for Transport was now recommending a revised grant distribution which would provide a further £1.65 million in 2010/11 for the City Council.

Members noted that the Projects and Business Manager would also be producing a technical paper to accompany the response, by the deadline of 30 December. The Director set out the challenging timetable for Government to confirm their proposals, which includes an eight week consultation period and the analysis of all responses before any Order can be laid before Parliament. This is against the backdrop of the setting of the Council Tax by local authorities in February.

Scrutiny Committee – Economy supported the proposed response on the funding of the concessionary fares scheme and requested that the Executive endorse the submission to the Department for Transport (DfT).

(Report circulated)

MATTER FOR CONSIDERATION BY SCRUTINY ECONOMY

41 Office of Fair Trading Reference - Local Bus Services

The Projects and Business Manager advised Members of the Council's response to an Office of Fair Trading (OFT) consultation in relation to local bus services in Great Britain, prompted by its proposed referral to the Competition Commission of the bus industry for a market investigation. The response, which was attached as an appendix to the report, had already been sent with the agreement of the Portfolio Holder for Sustainable Development and Transport, because of the views in favour of supporting the referral expressed by Members at the last meeting of Scrutiny Economy.

The Council's response included support for the referral of the local bus industry to the Competition Commission particularly as in the local context, bus fares remained a pertinent issue in Exeter, with many believing that they paid an above average fare. Other issues included a desire for more integrated working between bus and other transport services, as well as the development of more innovative technology such as smart and integrated ticketing. A Member suggested that bus services should remain privately run, but be publicly regulated, through a franchise setting out the required levels of service.

Scrutiny Committee - Economy noted the report and Members endorsed the response submitted by officers to the Office of Fair Trading in time for the 15 October deadline.

(Report circulated)

42 Consultation by Network Rail - Great Western Route Utilisation Strategy

Councillor Wardle declared a personal interest as a member of the Avocet Line Rail Users Group.

The report of the Projects and Business Manager outlined the publication by Network Rail of a consultation draft of the route utilisation strategy (RUS) for the Great Western rail network focusing on the period to 2019. In view of the importance of the issues to Exeter, and with the agreement of the Portfolio Holder for Sustainable Development and Transport, Members' endorsement was sought in respect of the Council's response which had already been submitted. Any further comments could be forwarded to Network Rail to meet the final deadline of 27 November 2009.

The response included acknowledgment of improvements in the Exeter area with an hourly service to London Waterloo commencing in December, and a half hourly frequency from Exeter to Paignton proposed in the draft RUS. There was concern over the missed opportunity for reference to improvement of the local Exeter to Exmouth branch line, and concern over the lack of reference to any new stations in the local area, particularly serving areas where future development would take place. The response emphasised the importance of ensuring a transport choice for residents of those future developments at Newcourt, Monkerton and Cranbrook, with the implications of failure to serve them by rail being traffic access in the city.

In response to a question from a Member, the Projects and Business Manager outlined the basis for securing contributions under Section 106 agreements, adding that the basis for any such agreement was subject to intense scrutiny, therefore it was necessary to have costed infrastructure proposals drawn up. A Member

welcomed the Council's response but voiced disappointment at Network Rail's lack of forward thinking.

Scrutiny Committee - Economy noted the report and Members endorsed the response to Network Rail.

(Report circulated)

43 **Sustainable Communities Act 2007 - Proposals from Transition Exeter**

The report of the Director Economy and Development referred to the Sustainable Communities Act 2007 when local authorities, community groups or individuals were invited to bring forward proposals for consideration by Government to stimulate economic, social or environmental sustainability projects in an area. The report set out the background to a proposal made by Transition Exeter, under the SCA Act, to introduce a tax on car parking at stores outside of the city centre.

The Director outlined the background to this and another bid selected for submission as reported to the Executive in June. Although both schemes were entirely laudable there were a number of issues, not least how such schemes could be policed. He responded to a query on the costs to promote this scheme so far, advising that there had been some officer time and a panel had considered the proposals. The impact of a shift of any activity to out of town centres from the city centre was acknowledged. The Local Government Association had now listed all such proposals on their web site. It was noted that the Transition Exeter proposal could only be pursued if national legislation were in place.

Scrutiny Committee – Economy noted the report.

(Report circulated)

44 **Economy Update**

The report of the Head of Economy and Tourism presented a report which provided Members with a brief update on the effect the recession was having on Exeter.

Exeter's position as a city with a strong commuting pattern has proved more resilient than similar areas adversely affected by recession, and confidence was slowly returning. A briefing note detailing the latest unemployment figures for October including the Exeter travel to work area was circulated at the meeting. The high level of unemployed aged under 25 years and the increase in those unemployed for a period of more than six months remained a worrying trend. A Member referred to the upward trend of youth unemployment and the increased uptake of those college courses, but there was only so much capacity for college or modern job creation schemes. He suggested that the level of employees in the public sector might also be affected by public expenditure reductions in the future.

Scrutiny Committee – Economy noted the report.

(Report circulated)

45 **Festivals Review 2009**

Cllr P Smith declared a personal interest as the Independent Chair of the Barnfield Theatre and Member of Exeter Arts Council.

The report of the Head of Economy and Tourism presented a review and report back on the performance of the festivals portfolio. The report summarised the key characteristics and changes to the Autumn Festival, Animated Exeter, Vibrasonic and the Summer Festival which had all had a positive impact. He reported the successful outcome of a funding grant of £30,000 which had been awarded to Animated Exeter to be used to develop schools involvement.

The Chair also wished to record the appreciation of the Committee to the Festivals Manager for the smooth operation of the Festivals portfolio, particularly in this difficult climate.

Scrutiny Committee – Economy noted the report and supported the future development of the festivals portfolio.

(Report circulated)

46 **Heritage Open Days 2009**

The Head of Economy and Tourism presented a report on the City Council's involvement and performance of the Heritage Open Days event in Exeter. This was the City Council's tenth year of involvement in the Heritage Open Days event in Exeter, which resulted in numbers in excess of 4,000 visits. The Open Days had included many regular venues and the event itself had grown in numbers. Members' support for a similar event in 2010 was sought as part of the overall promotion of Exeter's heritage attractions. The organisational costings were noted together with the considerable commitment by those taking part, all of whom offer admission to the venues free of charge.

Scrutiny Committee – Economy noted the report and the success of Exeter Heritage Open Days in 2009, and supported a similar event in 2010, between 9 and 12 September 2010, as part of the overall promotion of Exeter's heritage attractions.

(Report circulated)

PERFORMANCE MONITORING

47 **Capital Programme Monitoring**

The report of the Projects and Business Manager was presented, which advised Members of the latest position with regard to the 2009/10 capital programme for the Economy and Development Directorate. The report also included a summary of the position at the end of September 2009, in an appendix which contained a complete list of capital projects.

The Director highlighted a number of schemes and confirmed that tenders for the new road, car park and boat store at the Canal Basin and Quayside had been accepted and would go forward. Devon County Council's planning application to redevelop the Haven Banks Education Centre had been approved. The Head of Estates Services had agreed the terms for use of the Old Electricity Building as a children's facility. Funding for the Science Park had been approved and planning consent would follow allowing a start on site by 2011. It was anticipated that the substantial public sector funding which had

initiated the project may allow the contributing partners to be able to benefit from a financial return in the longer term.

Scrutiny Committee – Economy noted the report.

(Report circulated)

48 **Economy Stewardship to September 2009**

The report of the Head of Treasury Services was reported which advised Members of any forecast variations to the budget, based on the first six months of the financial year 2009/10. This report highlighted any differences by management unit to the outturn forecast for the first six months of the financial year up to 30 September 2009 compared with the approved annual budget. During this period the total of the variances indicated that the overall net expenditure for this Committee would increase by £412,930 which represents a variation of 33.10% from the revised budget of £1,247,700. This included supplementary budgets of £125,930.

Scrutiny Committee – Economy noted the report.

(Report circulated)

49 **Risk Management**

The Director Economy and Development presented a report which identified the risks relating to the areas within the remit of this Committee, and of the actions proposed and taken to mitigate the risks concerned. He highlighted the significant new risks identified in the latest review. The Director invited Members to comment.

A Member commended the way the information and formulation of the degree of risk was presented.

Scrutiny Committee – Economy:-

- (1) noted the report and
- (2) supported ongoing monitoring of its own areas of responsibility to ensure that the risk register remains current and risk assessments are valid, and that proposed mitigating action are taken by the agreed target dates.

(Report circulated)

50 **Half year Results of Performance Monitoring**

The report of the Projects and Business Manager was considered which detailed the half year figures for those statutory and local performance indicators that relate to the service provided by the Economy and Development Directorate. He was pleased to report that the overall performance was broadly positive and he outlined a number of the key areas.

Scrutiny Committee – Economy noted the report.

(Report circulated)

51 **Property Performance Indicators**

The Head of Estates Services submitted an annual report informing Members of the position regarding the Council's performance on Property Performance Indicators (PPIs) to establish further targets for those indicators, and to authorise officers to review the suite of indicators used.

Scrutiny Committee – Economy noted the report and supported the adoption of targets for 2009/2010 and that officers be authorised to review the Property Performance Indicators to see if the suite of indicators can be improved.

(Report circulated)

52 **Property Voids and Debts**

The Head of Estates Services submitted a report which informed Members of the City Council's commercial portfolio regarding void properties as at 30 September 2009 and debts for the four quarters ending on the September 2009 quarter day. The report identified key local indicators and both long and short term empty property levels. Despite the national picture, Exeter's retail property market position remained balanced, and the rental value of current voids was only 2% of the total rental value of the commercial portfolio.

A Member suggested more flexible terms such as lower rents and turnover rents could address future long term voids. The Head of Estates Services agreed that negotiations needed to be as flexible as they could be but without damaging the wider value of the commercial estate.

Scrutiny Committee – Economy noted the report.

(Report circulated)

MATTER FOR CONSIDERATION BY THE EXECUTIVE

53 **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

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

54 **Building Control Review**

Cllr P Smith declared a personal interest as he had recently been a client of the service.

The Director Economy and Development presented a joint report which outlined a number of proposed changes in the structure and charges for the Building Control service. The proposals will ensure that the budgetary issues facing the team are addressed and will enable it to operate more effectively in an increasingly competitive environment.

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

- (1) the employment of the holder of one of the posts of Building Control

Officer (ED07167-70) be terminated on the grounds of redundancy on 31 January in accordance where applicable with the provisions of Regulation 19 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007; with compensation being paid to the holder of the selected post in accordance with the discretion exercised by the Council under the provisions of the Local Government (Early Termination)(Discretionary Compensation)(England and Wales) Regulations 2006; a payment of compensation be made in respect of the notice/unexpired period of notice to which the employee would otherwise be entitled under their contract of employment and the selected post be deleted from the establishment of the Council;

- (2) voluntary severance is invited and accepted if financially appropriate, as a preferred alternative to redundancy;
- (3) the proposed Building Control schedule 1 & 2 charges for new dwellings and domestic extensions be increased to match those of the Devon Building Control Partnership from 1 January 2010;
- (4) a system for charging for street naming and numbering services be introduced from 1 January 2010 based upon the charges outlined at Appendix 3 of the report;
- (5) the post of Technical Clerk (ED07176) be increased from 0.57 fte to full time and take responsibility for checking the Local Land and Property Gazetteer, funded by street naming and numbering charges and by Corporate Services; and
- (6) the Planning and Building Control Unit's budgets be amended accordingly.

(Report circulated to Members)

The meeting commenced at 5.30 pm and closed at 7.30 pm

Chair

SCRUTINY ECONOMY COMMITTEE 12 NOVEMBER 2009

Sustainable Development and Transport Portfolio Programme for 2009/10

Long Term Spatial Strategy

June Statement

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

Current Position

As Members are aware, there has been a significant delay in the publication of the Secretary of State's finalised Regional Spatial Strategy with the decision to commission further work on a sustainability appraisal which will not be available until the New Year. The City Council has, in the meantime, decided to go out to consultation on options for accommodating both 12,000 dwellings and a maximum of 15,000 dwellings. The 15,000 dwellings target is not one which we support but we are undertaking the consultation out of necessity to avoid the process being de-railed if the higher target is subsequently adopted by the Secretary of State. The consultation will be completed by 19 November and we will be reporting to Planning Member Working Group and Executive in early 2010 on the results of that consultation and the recommended way forward.

The New Growth Point

June Statement

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

Current Position

There has been very significant progress for the New Growth Point partners in the last six months with the grant of consent for Cranbrook and Skypark imminent and the consideration by East Devon of the Science Park application due on 17 November. Whilst this may at first sight appear to be slow progress, as Cranbrook and Skypark have been in the system for some considerable time, there has been a major restructuring of the funding of the infrastructure for these schemes to deal with the consequences of the Recession and extensive negotiations have had to take place over the last year to keep these projects on track. There has also been very good progress in negotiations between the New Community Partners, the New Growth Point, the Homes and Communities Agency and a leading energy provider to ensure that a Combined Heat and Power scheme is delivered at the start on site of development in this area. A comprehensive funding package is in place and a series of legal agreements are being negotiated which back up the planning consent and funding packages which will hopefully see a series of linked starts on site in Spring 2010. Enhancements to Junction 29 now sits with the Secretary of State for final decision and tenders are in preparation with a view to a contract being placed in mid 2010 for the construction work to start. Planning Consent has been given for the new Walking/Cycling Bridge over the M5 between Gypsy Hill and the Science Park.

Affordable Housing

June Statement

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

Current Position

There is no further progress on this position until the Core Strategy is published.

Climate Change

June Statement

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

Current Position

As I outlined above the proposal for a Combined Heat and Power scheme to serve Skypark and Cranbrook is well advanced with a planning application imminent and funding in place to deliver it. Other CHP or renewable energy opportunities will be explored as part of the urban extension proposals for Monkerton, Newcourt and south west Exeter.

Bus Station Site

June Statement

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

Current Position

Work on the Transportation Study is almost complete and the Parking Study is well underway, for completion by Christmas. The Archaeological Evaluation will shortly be on site. As a result of all of this work being completed early in the New Year, we will move to the preparation of a full Master Plan during 2010. It is not anticipated that there will be a start on site in less than five years.

City Centre Enhancements

June Statement

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

Current Position

Members have agreed to prioritise resources on improvements to Northernhay Street, the top of Fore Street and Gandy Street. Design proposals for Fore Street and for Northernhay Street have progressed, but the Gandy Street proposals are on hold whilst discussions regarding the Madhouse unit are completed.

Pedestrian Signing in the City Centre

June Statement

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

Current Position

As previously indicated, this work is now complete.

Cowick Street Enhancement

June Statement

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

Current Position

Outline design work is proceeding well with full public consultation having taken place in August and three meetings of the Steering Group dealing with more detailed design work having taken place since then. Unfortunately London and Cambridge Properties are not prepared to participate in this scheme and so the focus is on most of the length of Cowick Street and adjacent streets. The design is being very much driven by local residents and we will be reporting back on progress to the November meeting of Planning Member Working Group, with the likelihood of a final public consultation in January 2010.

Long Term Transportation Strategy

June Statement

We will continue to work with the County Council to find a package of measures that will limit the growth in car traffic and ensure reasonable air quality. We welcome the County Council's commitment to expand Park and Ride and we are working with

them on the development of their High Quality Public Transport proposals. I continue to believe that the interests of the City centre are best served by effective traffic management which puts pedestrians and shoppers ahead of the convenience of motorists. We want to work with the County Council to ensure that this is achieved.

Current Position

The County Council has now started work on the preparation of Local Transport Plan 3 (for the period 2011-16) which is scheduled for submission to the Department for Transport by late 2010. Given the questions posed earlier by Council with regard to the operation of Paris Street, it is apparent to me that we need a comprehensive City Centre Transport Strategy and I am hopeful that the County Council will work with us over the next few months to prepare such a Strategy for consultation.

Concessionary Travel

June Statement

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

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

Current Position

The City Council has recently had the opportunity to re-state its case by virtue of a ministerial delegation in September. The response from the Minister was very positive with a clear commitment to address the funding shortfall in 2010/11 which we have identified. It is hoped that a revised funding formula will be published in the near future which will address our concerns for 2010/11 (though not for 2008/09 or 2009/10).

Civil Parking Enforcement

June Statement

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

Current Position

Since the last report in June, there have been a number of positive developments in relation to the operation of civil parking enforcement. These include a redesign of beats to improve both effectiveness and coverage, higher levels of Sunday enforcement in residents' parking zones, and the launch of motorcycle patrols to deliver more rapid reactive enforcement. The motorcycle

team have responded to 128 specific requests for enforcement action since the introduction of this service and, as a result of all these initiatives, the number of calls and complaints to the enforcement 'hotline' have decreased sharply.

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

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SCRUTINY ECONOMY COMMITTEE 12 NOVEMBER 2009

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

Economic Development Strategy

June Statement

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

Current Position

Officers continue to present updates on the Economy to each meeting of Scrutiny. A comprehensive update was provided to the September meeting with a comparatively positive picture emerging.

Responding to the Recession

June Statement

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

Current Position

As Members are now aware Executive agreed a wide ranging package of measures to help address the problems created by the Recession and I am pleased to say that those initiatives are now underway. The initiative of particular importance is that which provides funding for the Citizens' Advice Bureau to provide debt counselling and home repossession advice through the City Council's Customer Service Centre. That has now been running for two months and the use of the CAB service has been particularly high. In terms of the Recession itself, it would appear that at present the impact on Exeter is less than had been feared, with unemployment having dropped between August and September and currently standing at 2.6%. The retail vacancy rate stands at around 8% and re-lettings of both the City Council's own stock and units in Princesshay have been going well. Evidence from other partners suggests that whilst there a worrying increase in youth unemployment one particular side effect has been a rise in 16-18 year olds going on to Exeter College rather than going on directly to employment. The Council has been working particularly with the Federation of Small Businesses to set up a website to assist small businesses in offering their services to the public sector as a way of encouraging public sector buyers to place more business with local companies. The new website will be launched at the end of November.

Participating public sector organisations include the Met Office, the University, the Royal Devon and Exeter Foundation Trust, Devon County Council, Devon and Cornwall Police, Exeter College and the Devon and Somerset Fire Service.

City Centre Promotion

June Statement

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

Current Position

A series of displays were commissioned and have been in place in vacant units owned by the City Council. With the letting of units in South Street, only one display is in place at present in the former card shop at the top of Fore Street. We continue to press private sector partners to use this free service but with limited results. The Christmas launch event will be on 17 November fronted by Toby Anstis. Some 80,000 brochures have been printed for distribution in Devon.

Canal Basin

June Statement

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

Current Position

Work on the 14 Affordable Housing Units will be completed in November and it is expected that tenants will be occupying the properties shortly afterwards. The tender for the construction of Michael Browning Way has been returned and is within budget and a start on site is expected in November.

Science Park

June Statement

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

Current Position

There have been significant changes in this project recently with the formation of the Science Park Company anticipated imminently, and the arrival of the new Chair – Professor Sir William Wakeham – who has now taken over the steering of the development and implementation of this key project. The planning application for the Science Park is due for consideration by East Devon District Council's Development Management Committee later this Autumn. The progress that is being made on the Junction 29 alterations is obviously critical to the implementation of the Science Park and, as Cllr Wadham has indicated, this progress looks most encouraging.

Science Base/City of Science

June Statement

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

Current Position

Senior representatives of the partner organisations involved, remain committed to this initiative and have asked their communication/PR colleagues to work with the City Council in taking it forward. Details of the many science based activities undertaken in the City are being collated and a new website and promotional plan is being developed. It is intended that the initiative will be publically launched early next year.

Inward Investment

June Statement

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

Current Position

The number of enquiries for sites and premises had picked up in the last three months following an understandably quiet period in view of the Recession. There is some evidence of greater interest from investors to open new branches, relocate their existing business or to secure business partners. In addition, enquiries have also arisen via Pera network, which is funded by the UK Trade and Investment Service, from foreign owned companies looking to secure business partnerships with local firms. So far this year 53 business partnership enquiries have been received compared to none in 2008. The Economic Development Team worked closely with LGC (Laboratory of Government Chemists) over several years to identify suitable high quality lab space at the Innovation Centre Phase II; it was officially opened by Princess Anne in April 2009. Over the summer the team worked closely with the National Coastwatch Institution to find them offices for their National Headquarters, they officially opened at the Basepoint Business Centre, Matford in September this year

Tourism

June Statement

The successful re-launch of the Underground Passages in late 2007 has already been reported. The attraction continues to experience growing visitor numbers. We have now reached an agreement with Exeter Canal and Quay Trust to support the Quay House Visitor Centre for the medium term. We will be investing in the Visitor Centre later this year to bring facilities up to modern standards. In order to take

advantage of adverse exchange rates, we will also be increasing our Tourism Marketing budget, targeting particularly the weekend break market for the coming Autumn and the family market for Spring 2010.

Current Position

Marketing campaigns have been implemented to increase promotional activity for the Autumn and are being put in place ready to start promoting the area for next Spring and Summer. This includes targeting the UK Flybe routes. City Council officers play a leading role in driving the activities of the Exeter and Essential Devon Tourism Partnership. Additional businesses are being recruited as partners to participate in and support increased marketing and to encourage greater use of the improved website to attract as many visitors as possible. Development plans to improve Quay House are well advanced and work should be completed by March next year. There has been a record number of people taking part in Heritage Open Days.

**Councillor Stella Brock
Portfolio Holder Economy and Tourism**