

## SCRUTINY COMMITTEE - ECONOMY

3 June 2010

### Present:

Councillor Margaret Baldwin (Chair)

Councillors Gale, P J Brock, Newcombe, Payne, Robson, Sheldon, Taghdissian, Wardle and Winterbottom

Interim Director Economy and Development, Head of Economy and Tourism, Acting Head of Estates Services, Head of Parking, Engineering and Business Support and Member Services Officer (SLS)

### Also present:

Councillor Peter Wadham - Portfolio Holder for Sustainable Development and Transport

Councillor Stella Brock - Portfolio Holder for Economy and Tourism

### 23 **Minutes**

The minutes of the meeting held on 11 March 2010 were taken as read and signed by the Chair as correct.

### 24 **Declarations of Interest**

The following personal interests were declared:-

<b>COUNCILLOR</b>	<b>MINUTE</b>
Councillors Newcombe and Winterbottom	25 (members of the Exeter Canal and Quay Trust)
Councillor Payne	28 (employee and member of Board of Governors of Exeter College)
Councillors Gale and Taghdissian, P J Brock and Newcombe	29 (members of the Exeter Highways and Traffic Orders Committee)
Councillor Gale	29 (Chair of the Exeter Community Transport Association Board)

### 25 **Portfolio Holders Priorities for the Forthcoming Year**

Councillors Winterbottom and Newcombe declared a personal interest as members of the Exeter Canal and Quay Trust.

Councillor Wadham presented the following priorities within the Transport and Sustainable Development Portfolio for 2010/11, and covered the following topics:-

- Long Term Spatial Strategy;
- The Challenge of Delivering Strategic Sites;
- Quality of Residential Development;
- New Growth Point;
- Affordable Housing;
- Single Conversation;

- Climate Change;
- Bus Station Site;
- City Centre Enhancements;
- Long Term Transportation Strategy;
- Concessionary Travel
- Civil Parking Enforcement.

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

The following responses were given: -

- the Regional Spatial Strategy Housing recommendation was due to be debated at forthcoming meetings of the Planning Member Working Group and Executive.
- the Member suggestion for involving and encouraging local talent in some aspect of the design of the city centre enhancements and developments around the city would be investigated.

Councillor Mrs S R Brock presented the following priorities within the Economy and Tourism Portfolio for 2010/11, and covered the following topics:-

- Economic Development Strategy;
- Exeter & Heart of Devon Economic Development Partnership;
- Small Businesses;
- City Centre Promotion;
- Canal Basin;
- Science Park;
- Inward Investment;
- Skills and Workforce Development;
- Tourism
- Employment Land Provision.

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

The following responses were given: -

- The Head of Economy and Tourism confirmed that the recent transfer of the Northcott Theatre to a new company for the period until March 2011 was progressing. He outlined the administration process, stating that the question over the return of some or all, of the interest free loan to the City Council remained with the administrators and could not be a matter for the new company. The Council had in principle, committed its grant funding, with the bulk of the grant being subject to the preparation of an appropriate programme for the remainder of the year. He also provided an update on the management and staffing structure now in place.
- Councillor Mrs Brock referred to the challenges of monitoring the economy in the current financial climate. The City Council was working in co-operation with a range of partners to support the local economy and progress strategic employment sites such as the Science Park. It was difficult to respond to the Government's intention to rationalise public sector finances at this time, but every effort would be made to continue to work in partnership and keep job losses in both the private and public sector low.

- The Acting Head of Estates referred to the developments at the Canal Basin and the difficulties being experienced by the City Council's development partners in securing funding to bring forward their schemes. Cllr Newcombe provided an update on the Outdoor Education Centre advising that the County Council had agreed provisional terms with the Exeter and Canal and Quay Trust in respect of the proposed site.

Scrutiny Committee – Economy noted the comments and priorities presented.

## 26 **The Challenges of Delivering the Growth Agenda**

The Interim Director Economy and Development made a presentation which identified the challenges of delivering Exeter's Growth Agenda. Exeter will have difficulty in supporting such levels of growth and subsequent impact on demography unless there is an adequate public transport, education, social and transport infrastructure in place. The areas covered were:-

- scale of growth
- infrastructure demands
- cross boundary working
- uncertainty over the national/regional picture
- funding cuts for transport and affordable housing
- costs of delivering a low carbon solution for sustainable homes

The provision of sufficient number of dwellings presents significant challenges and not least the current policy for the delivery of 28,500 new dwellings by 2026, which the City Council's Executive will have to consider. It will also be necessary to determine the amount of housing growth appropriate to meet Exeter's housing and employment needs. The Government have already stated their intention to rapidly abolish regional spatial strategies and return decision-making powers for housing and planning to local authorities.

The presentation also identified the critical transport infrastructure needed to deliver the growth including the enhancement of Junction 29 of the M5 motorway. The immediate demands must be to ensure a funding access strategy for phases one and two of the East of Exeter developments including the Science Park, Sky Park and Cranbrook. Future growth is dependent on the Department for Transport and Regional Infrastructure funding and a decision on whether such projects will proceed is largely dependent on whether the funding will continue after the forthcoming Emergency Budget on 22 June. A number of alternative funding models were discussed.

The future direction and way forward included consideration of the following:-

- consideration of the core strategy and identify the total number of dwellings to be provided;
- develop an essential Infrastructure Plan;
- provide an alternative delivery plan for the Phase 2 Access Strategy;
- explore alternative funding mechanisms;
- scrutinise key public transport proposals to assess implications for delivering the Devon Metro, (the network of services radiating from Exeter to Paignton, Plymouth, Exmouth and Barnstaple), to look at providing additional train capacity on the existing and future infrastructure/ and High Quality Public Transport, which could provide a real alternative to private car use,

- persuading more people to use public transport with new and faster bus routes across the city; and
- explore with energy providers the option for bringing forward energy distribution networks.

The Chair suggested that the Scrutiny Committee explore up to three of the topics identified above through Task and Finish Working Groups and they could explore the subject matter in more detail, inviting representatives from relevant individuals or bodies. The Interim Director suggested that the groups would need to consider the principles and detail of the future infrastructure, and draw on existing effective partnership work as well as source new and established contacts. It was suggested that up to four sessions would enable an understanding of the topics and to report back to Scrutiny Economy in the Spring 2011. Members would be contacted for a nomination from each Group. A Member agreed that there was also a need to have a discussion with the most relevant Highways and Traffic Orders Committees including Exeter, East Devon and Teignbridge District Councils. It was noted that a considerable amount of work was already being carried out by these Districts and the County Council.

Members supported the establishment of a Task and Finish Working Group to consider the Devon Metro concept.

## 27 **Economy Update**

The joint report of the Interim Director Economy and Development and Head of Economy and Tourism provided Members with an update on the performance of the national and the local Exeter economy.

A Member commented on the likely long term impact and mitigating measures relating to the change in VAT and a more pronounced downward trend towards large scale loss of business. The Head of Economy and Tourism stated that a number of indicators including the Chamber of Commerce indicate an improving trend.

Scrutiny Committee – Economy noted the report and would present a further report to the next meeting.

(Report circulated)

## 28 **Economic Development Service - Update**

Councillor Payne declared a personal interest as an employee and a member of the Board of Governors of Exeter College.

The Head of Economy and Tourism presented a report which provided Members with an overview of the Economic Development Service's activities during 2009/2010 and set out its priorities for 2010/11. The report provided a broad overview on the strategic focus of the long term strategy, together with the key areas of business support, partnership activity, and the opportunities and potential growth that lie to the east of the city.

The Service's key priorities for the year were summarised in paragraph 5.2. A briefing note on the progress of the proposal for the Business Improvement District (BID) for Exeter was circulated for information. A BID would enable both the public and private sector to make a number of improvements and offer added value to the

environment and community of the city centre. This initiative is business led, and their support will be needed to ensure that this is in place for spring 2011.

The Head of Economy and Tourism responded to a number of Member comments and outlined the detail of the Exeter Positive Steps funding, which had originally taken advantage of EU funding. The primary target of support is for individuals of all ages and for schemes in deprived neighbourhoods. The outcomes and participants are closely monitored with support for existing participants included in the current financial year. He would explore the suggestion of whether the City Council could offer some support for a science based bursary or similar long term educational offer, in conjunction with local business, to encourage an individual to develop a career in engineering and science. This could start from the primary years through to a locally based higher education course, culminating in assistance to find local employment. The Head of Economy and Tourism also responded to a comment referring to the difficulty of monitoring service performance due to the nature of the role and the lengthy time needed for projects to create employment opportunities, such as the Science Park.

Scrutiny Committee – Economy noted the report and the economic development activities for 2010/2011.

(Report circulated)

## 29 **Exeter Community Transport Association**

Councillors Gale, P Brock, Newcombe and Taghdissian declared a personal interest as members of the Exeter Highways and Traffic Orders Committee (HATOC). Councillor Gale also declared a personal interest as Chair of the Exeter Community Transport Association Board (ECTA).

The Projects and Business Manager presented a report which informed Members of the financial overrun experienced by Exeter Community Transport Association (ECTA) in respect of the budget for the Taxicard scheme for 2009/10. It is proposed that ECTA's funding will be brought within the Council's grant allocation process so that with effect from 2011, with funding agreed in principle for three year periods if the Grants Committee considered this appropriate. A Member made a plea that every effort be made to support the increasing costs faced by this very necessary service.

Scrutiny Committee – Economy noted the report, in particular the steps proposed by the Exeter Community Transport Association (ECTA) to deal with the budget shortfall for Taxicard, and the proposal to include ECTA in the core grants process from 2011.

(Report circulated)

## 30 **Capital Programme Monitoring**

The Interim Director Economy and Development presented a report which advised Members of the final position with regard to the 2009/10 capital programme for the Economy and Development Directorate. He responded to a number of comments including the maintenance of the Heavitree Arch and Network Rail's productive response to the ongoing Central Station Gateway enhancements which requires a more practical approach.

Scrutiny Committee – Economy noted the contents of the report.

(Report circulated)

### 31 **Economy Stewardship 2009/10 (Final Accounts)**

The Interim Director Economy and Development presented a report which advised Members of the overall financial performance of the Economy and Development Directorate for the 2009/10 financial year ending 31 March 2010. The final outturn highlighted the major difference by management unit from the approved annual budget and the main variations showed a final surplus of £389,927 after accounting for transfers to earmarked reserves.

He highlighted the current financial situation of a number of areas including Building Control and the Archaeological Field Unit, both of which continue to suffer from the downturn in the building industry. He referred to the action taken last year to address the deficit by adjusting staffing levels and every effort continues to be made to drive down costs, and be as competitive as possible. He also referred to changes in Planning Services following a marked reduction in staff. The service should be commended for the professional and competitive manner in which they operate, in what has been a very difficult 18 months.

Scrutiny Committee – Economy noted the contents of the report.

(Report circulated)

### 32 **Annual Results of Performance Monitoring 2009/10**

The Interim Director Economy and Development presented a report, which identified the annual figures for those statutory and local performance indicators that relate to services provided by the Economy and Development Directorate. The report included national indicators as well as locally set targets.

A Member commented on the withdrawal of parking for European coaches at the Bus Station and suggested this would have a detrimental effect on visitor numbers at attractions in the city. It was noted that this was part of a national policy change by Stagecoach. Despite local protest and lobbying through the Chamber of Commerce and local Hoteliers Association, Stagecoach has not changed their stance and a ban on all such coach parking on the Bus Station site remains. The Head of Economy and Tourism stated they would continue to lobby with the private sector and the County Council.

Scrutiny Committee – Economy noted the report.

(Report circulated)

### 33 **Review of Business**

The Interim Director Economy and Development sought Members' approval of the programme. Two additions included a further report on the economy to be made to the next meeting and a report from the Task and Finish group early next year.

Scrutiny Committee – Economy supported the programme for the year.

(Report circulated)

The meeting commenced at 5.30 pm and closed at 8.00 pm

Chair

## **SCRUTINY ECONOMY COMMITTEE 3 JUNE 2010**

### **Sustainable Development and Transport Portfolio Programme for 2010/11**

#### **Long Term Spatial Strategy**

The regional Spatial Strategy has been delayed and as a consequence there has been an impact on the Council's production of the Core Strategy. Nevertheless we will press on with delivering the agreed figure for Exeter of 12,000 additional homes between 2006 and 2026.

We will revise the Council's Local Development Scheme, that outlines the scope and programme for documents that will comprise the Council's Local Development Framework, and agree this with the Government Office.

We will consult on a pre submission core strategy in the summer, prior to submission to the Secretary of State in the Autumn and a examination in public next Spring. The evidence base to support the core strategy, such as on infrastructure requirements, flood risk, green infrastructure and the housing market will continue to be developed and updated.

Early delivery of new housing is likely to be required to ensure an adequate supply of housing land.

We will consider representations on the draft Newcourt and Monkerton / Hill Barton masterplans and convert them to adopted supplementary planning documents to enable housing land in these strategic allocations to be brought forward as soon as possible.

#### **The challenge of delivering strategic sites**

As the Government embarks on its comprehensive spending review, it is likely that we will see a major impact on public sector spending; areas such as transport and housing are likely to have significant cuts in national and regional funding. This will have implications for infrastructure planning and we will need to look carefully at our delivery plans for the strategic sites, such as Newcourt and Monkerton.

I have asked the interim Director of Economy and Development to consider putting together a delivery mechanism for the strategic sites. It is important that members understand the infrastructure requirements for the delivery of the additional housing and I would wish to take members through the work we have been doing to build an infrastructure model for the City.

#### **Quality of residential development**

A residential design standards supplementary planning document to ensure high quality sustainable design of new housing developments has been produced in draft form for early discussion with stakeholders with the intention to move forward to adoption. This is an important document that will address the challenge of creating high quality environments at high densities, addressing the impact of the car, poor internal space standards, and mediocrity.

### **The New Growth Point**

The City Council is a key partner in work of the Growth Point and we continue to play an important role in bringing forward the strategic sites both in east Devon and to in the east of the City. Critical infrastructure is intended to be funded from Regional Infrastructure Funding and Dept for Transport funding: Junction 29 and 30 of the M5 and the new railway station at Cranbrook. A decision is awaited on the major scheme bid of £12m for the Junction 29 and 30 improvements and access to the Exeter Science Park is dependent on this funding. I anticipate being in a position to report on the outcome of this bid in October this year. We also expect confirmation from the SWRDA that £12m of Regional Infrastructure Funding has been released in the coming weeks to contribute to these works.

I expect to confirm in coming weeks that New Growth Point Funding has been awarded for the construction of the Clyst Honiton Bypass and that works are expected to commence in October. This will mark the opening up of the Growth area for development.

### **Affordable Housing**

Representations on the draft Affordable Housing Supplementary Planning Document will be considered and a revised document adopted in the Summer. We will also consider when to introduce increased affordable housing requirements, through a higher percentage and a lower threshold.

### **Single Conversation**

Officers are working on the production of a Investment Plan as part of the Homes and Communities Agency's Single Conversation process. This will be the principle process by which the City will secure grant funding in the future for affordable housing and support for programmes such as the Growth Point, Carbon management, and regeneration.

### **Climate Change**

Council recently agreed a series of reports that set out a climate change strategy. The priority for 2010 will be a sustainable energy strategy pursued through the Council acting as 'ringmaster' in negotiations and viability studies of district heating schemes for the half dozen largest development areas in Exeter.

### **Bus Station Site**

A City Centre Vision, city centre transport study, concept master planning and viability studies will be undertaken to inform the adoption of a detailed development brief or masterplan in 2011 and pre-application negotiations on a planning application for the site.

The background studies have all now been completed and work has now begun on developing a master plan in conjunction with feasibility/ viability analyses being carried out by Land Securities to help inform the master planning process. A two year exclusivity agreement is being negotiated with Land Securities/ Crown Estate to provide comfort to the parties during this process.

### **City Centre Enhancements**

We will finalise and commence schemes for Gandy Street and Northernhay Gate and finalise proposals for Cowick Street and King William Street Car Park.



### **Long Term Transportation Strategy**

We will continue to work with the County Council to influence the best transportation outcomes for Exeter at a time of significant pressures on government funding. Three specific projects will continue to be strategically important: High Quality Public Transport/Project Exe-Press – a proposal to link Cranbrook and key employment sites with the city centre and St. David's station; Devon Metro – a scheme designed to deliver enhanced local rail services; and major scheme bids by DCC to deliver improvements to the Alphington Road & Topsham Road/Bridge Road corridors, together with a new Park & Ride facility at Alphington.

We will also continue our commitment to promoting sustainable transport, focusing in particular on ensuring that the momentum created by Cycling Demonstration Town status is carried forward to future projects designed to fill gaps in the network and use the planning system to ensure that new developments facilitate cycling as a viable and preferred method of travel.

The emphasis for the final year of the Cycling Demonstration Town programme will be to respond to planning applications to ensure that cycle friendliness becomes the norm, both in the way that we as a council consider planning applications, and in terms of what is actually built.

### **Concessionary Travel**

We are also responsible for the operation within Exeter of the national concessionary fares scheme, although along with a number of Devon authorities we belong to a partnership whereby Devon County Council carries out the administration on our behalf. The scheme is a highly successful one but the shortfall in government funding has created significant problems for Exeter. We have secured an additional £1.65 million for the current financial year, after which responsibility for the scheme will pass to County and Unitary authorities. We have already engaged with DfT and DCLG to try to ensure that the funding shortfall is not repeated in future years.

### **Civil Parking Enforcement**

The priority for the coming year will be to continue to improve the efficiency and effectiveness of the civil parking enforcement function, with particular emphasis on ensuring that it is responsive to the concerns of local residents and underpinned by appropriate regulations. The service operates in a complex and contentious legal and industrial relations environment, and it is important to recognise that this will continue to represent a significant demand on management capacity.

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

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**SCRUTINY ECONOMY COMMITTEE**  
**3 JUNE 2010**

**Key Elements of the Programme for the Economy Portfolio for  
2010/11**

**Economic Development Strategy**

This year the priorities of the Economic Development Strategy focus on promoting and securing the growth of businesses, a better-trained workforce, helping people into work, bringing forward the availability of employment land and lobbying for investment in transportation and the communications infrastructure. A fuller statement of the Economic Development Programme is set out in the report under item 9 of the Agenda.

**Exeter & Heart of Devon Economic Development Partnership**

We shall set out the key themes and actions that are important to Exeter's economy in the Investment Plan for the Homes and Communities Agency's Single Conversation. In particular we shall identify those areas where investment will be sought to bring forward employment sites.

**Small Businesses**

Through the Exeter Business Support initiative, secure the starting up of 50 small businesses in the city.

Help local small businesses to secure public sector contracts by working with partners to improve the functionality and awareness of the 'Buy, Sell, Prosper' website.

**City Centre Promotion**

Work with the business community to prepare a business plan and gain support for the establishment of a Business Improvement District for the city centre seeking to further improve the attractiveness of the city centre to visitors and investment.

**Canal Basin**

The new build at the head of the Basin has been completed and a long lease granted to Signpost. The affordable units are all occupied and negotiations are well advanced with a restaurant operator for the ground floor. The Michael Browning Way extension and new car park/ seasonal boat storage area has been completed. Negotiations are in hand to facilitate starts on both the Old Electricity Building and the remaining new build site at the head of the Basin. Planning consent has been granted for the new Outdoor Education Centre and Devon CC have agreed provisional terms with ECQT for the site. An update on the overall Delivery Strategy will be submitted to Executive in the Autumn.

**Science Park**

Following the establishment of the Exeter Science Park Company we will continue to progress the development with our partners, encouraging the development and growth of science, technology, and research based sectors in the local economy, in particular undertake initial marketing of the site to potential occupiers and to attract prospective joint venture partners for significant investment in phase 2. This year, subject to confirmation of the funding for the Major Scheme Bid for improvements to Junction 29 and 30 we expect to see works commence on the site infrastructure.

**Inward Investment**

Through a new Exeter Marketing Partnership establish a public private partnership to promote a positive and progressive image of the City's economy including the New Growth Point projects and encourage inward investment.

Undertake a marketing campaign aiming to attract government agencies seeking to relocate prompted by the Government's Smith report.

**Skills and workforce development**

Work with the Employment and Skills Board to promote investment in relevant training provision for employers and identify skills issues relating to potential job opportunities arising from the Exeter and East Devon New Growth Point projects.

Assist a minimum of 300 people from the most deprived neighbourhoods in the city to take up training and/or employment by continuing the successful activities of the Exeter Positive Steps Fund.

**Tourism**

We shall continue to grow and develop the Exeter and Essential Devon Tourism Partnership increasing its membership base and thereby its resources to undertake a marked increase in promotional activity.

**Employment Land provision**

The Local Development Framework is expected late this year to identify some 40 hectares of employment land to be brought forward in the City by 2026. A significant addition to Exeter's employment land supply will be provided at Yeoford Way, Marsh Barton where some 15 hectares of employment land has recently been approved by the Planning Committee.

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