



Exeter City Council

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AGENDA FOR
EXETER CITY COUNCIL
SCRUTINY COMMITTEE - ECONOMY

The Scrutiny Committee - Economy will meet on **THURSDAY 2 SEPTEMBER 2010**, 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 3 June 2010.

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

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

"RESOLVED that, under Section 100A (4) of the Local Government Act 1972, the

press and public be excluded from the meeting for the particular items of business on the grounds that they involve the likely disclosure of exempt information as defined in the relevant paragraph(s) of Part 1 of 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)

MATTER FOR CONSIDERATION BY SCRUTINY ECONOMY

6 **DEVON COUNTY COUNCIL STREET LIGHTING POLICY**

To consider the report of the Interim Director Economy and Development Directorate – *report circulated* 1 - 14

7 **BUSINESS IMPROVEMENT DISTRICTS**

To consider the report of the Head of Economy and Tourism – *report circulated* 15 - 18

8 **ECONOMY UPDATE**

To consider the report of the Head of Economy and Tourism – *report circulated* 19 - 24

9 **ARTS AND MEDIA STRATEGY 2009 - 2012 - ACTION PLAN REVIEW**

To consider the report of the Head of Economy and Tourism - *report circulated* 25 - 40

10 **TRANSPORTATION INITIATIVES AND ISSUES - UPDATE**

To consider the report of the Interim Director Economy and Development – *report circulated* 41 - 52

11 **PETITION IN RESPECT OF OPEN SPACE AT LORAM WAY, ALPHINGTON**

To consider the report of the Acting Head of Estates Services – *report circulated* 53 - 56

PERFORMANCE MONITORING

12 **ECONOMY STEWARDSHIP TO JUNE 2010**

To consider the report of the Head of Treasury Services – *report circulated* 57 - 62

DATE OF NEXT MEETING

The next **Scrutiny Committee - Economy** will be held on Thursday 11 November 2010 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 Winterbottom (Chair), Mrs Danks (Deputy Chair), Coates, A Hannaford, Hobden, Newcombe, Payne, Sheldon, Taghdissian and Wardle

Find out more about Exeter City Council services by looking at our web site <http://www.exeter.gov.uk>. This will give you the dates of all future Committee meetings and tell you how you can ask a question at a Scrutiny Committee meeting. Alternatively, contact the Member Services Officer on (01392) 265115 for further information.

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EXETER CITY COUNCIL

ECONOMY SCRUTINY COMMITTEE 2 SEPTEMBER 2010

DEVON COUNTY COUNCIL STREET LIGHTING POLICY

1 PURPOSE OF REPORT

- 1.1 To bring to the Committee's attention the changes to the lighting regime proposed by Devon County Council.

2 BACKGROUND

- 2.1 Devon County Council is in its second year of a three to five year programme to introduce part time lighting in residential areas across Devon.
- 2.2 This programme forms part of DCC's carbon reduction strategy.
- 2.3 The strategy has two parts:
- Phased part-night lighting in residential areas which means that the lights will be on from dusk to 12:30 am and from 5:30am to dawn
 - All-night lighting of major routes, roundabouts, CCTV sites, high crime risk areas, night clubs, taxi ranks etc. consideration would be given to dimming these lights. Roger Crane (Control Centre Manager) has commented that dimming would not be suitable in CCTV areas as evidential quality images need to be gathered.
- 2.4 It is of interest to note that some of Exeter City Council's "District Lighting" (not public lighting that DCC is responsible for but other lights that ECC maintain and pay for the energy) could also be adjusted and this could help towards our carbon reduction strategy. Note that some lights in parks and open spaces may be considered but only where safe and appropriate.
- 2.5 Exeter City Council currently pays around £30,000 for energy costs for District Lighting.
- 2.6 It is understood that part-time lighting may give rise to concerns in some areas so DCC and D & C Constabulary will be working together to ensure that the decision making process includes considerations of crime, disorder and road safety. There will be discussions with the local councilors for the individual areas to ensure that the best arrangements are agreed on.

3.0 VIEWS – COMMUNITY SAFETY PARTNERSHIP CO-ORDINATOR

- 3.1 Michael Miller (the Community Safety Partnership Coordinator) has been in touch with Devon & Cornwall Constabulary and has prepared the following comments. Note that some of the observations such as having different times on different days are impractical. However a trial area could be given consideration to see the effects of the changes.
- 3.2 "From the viewpoint of Exeter Police and the Community Safety Partnership, there

would be some concerns about the effect on crime and disorder of reduced or zero lighting in areas of the city.

- 3.3 As so often, it is difficult to prove in advance what the outcome would be, but we can be fairly certain that, even if actual crime were not to increase, public fear of crime certainly would. People walking home late at night would undoubtedly feel less comfortable with no street lighting.
- 3.4 We would therefore suggest that any alteration to the current system should be regarded as a trial, for say three months, in order to monitor any effect on crime and disorder in the area, and to gauge public reaction.
- 3.5 There are parts of the city where there is good coverage by CCTV, especially the city centre, and this provides good evidence when prosecuting cases in court. However, CCTV requires good lighting conditions in order to ensure the best possible quality. It would therefore be detrimental for lighting to be switched off or even reduced in Area 3. The proposal needs perhaps to be considered in terms of the appropriate solution for each Area, according to the day of the week, and the proposed times.
- 3.6 Consideration should be given to varying the times on different days of the week. For example, there are areas where there could be significantly different issues on Thursday, Friday and Saturday nights, as against the other days of the week. Perhaps on those nights, the lighting could be reduced after, say, 3.30am.
- 3.7 It is not clear whether the areas as indicated on the maps need to be taken as a whole, or whether individual streets can be considered separately – presumably they can be, as the main routes have already been isolated. For example, Longbrook Street could be lit, while the rest of Area 2 is not, and following from the previous point, it could be lit on Thursday, Friday and Saturday, but not Sunday to Wednesday.
- 3.8 Depending upon any response to these suggestions, further analysis could be undertaken to establish areas or streets which would be regarded as hotspots for crime and disorder, and therefore deserving of individual attention.”

4 RECOMMENDATION

- (1) Members' comments are sought on the proposed changes to the street lighting regime for Exeter;
- (2) that Members give consideration to choosing an area of the city to trial the implementation of the Policy for a period of six months; and
- (3) that the city centre area should be exempted from the Policy.

**KARIME HASSAN
INTERIM DIRECTOR**

ECONOMY AND DEVELOPMENT DIRECTORATE

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

DCC letter, leaflet and maps

Michael Miller draft

Environment, Economy & Culture

Ms R Whiter
Exeter City Council,
Member Services
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14th July 2010

Dear Ms Whiter

STREET LIGHTING: PART-NIGHT LIGHTING POLICY

Devon County Council has entered the second year of a three to five year programme to introduce part-night lighting in residential areas across Devon. This is being implemented to reduce carbon emissions and energy usage. The enclosed leaflets provide more information.

As part of the process to implement part-night lighting, the local council for each area, the local County Councillor(s) and Police are to be consulted, to identify any issues that need to be considered in respect of lights being switched off at night.

The enclosed general plan ① indicates the main A and B roads in and around Exeter that will remain lit all night.

As there are just over 14,000 street lights in Exeter, it may be helpful to discuss part-night lighting in Exeter as indicated on the plan ② showing 11 areas located between the above A and B roads. The City Council may consider that sub-areas 1, 2, 5, 9, 11, 7, 10 and 6 are suitable for part-night operation, while sub-areas 3, 4 and 8 require more detailed consideration. Alternatively, the City Council may wish to consider the proposal by individual wards as indicated on plan ③.

To-date, other local councils have liaised with their County Councillor(s) and local Police contacts and this may be an appropriate route for the City Council to take. The County Council has issued press releases over the last six months and set up a web site, <http://www.devon.gov.uk/streetlighting>, but has not contacted residents individually.

However, some town and parish councils have issued press releases through their local media and this maybe something else the City Council may wish to consider.

I would appreciate your feedback on any lights you consider should remain on all night, together with evidence to support a departure from the part night lighting policy (e.g. accident or crime records linked to lighting issues) by 20 August so that I can issue an instruction for the necessary works.

If you have any queries, please do not hesitate to contact me.

Yours sincerely,

M D'Alesio

Team Leader, Street Lighting



Cc: County Councillor Vanessa Newcombe
County Councillor Percy Prowse
County Councillor Rob Hannaford
County Councillor Richard Westlake
County Councillor Saxon Spence
County Councillor Jill Owen
County Councillor Philip Brock
County Councillor Andrew Leadbetter
County Councillor Olwen Foggin

**national
transport awards**
2006 and 2009

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www.devon.gov.uk
Environment Economy & Culture
Executive Director: Chris McCarthy



FS 27671



EXCEPTION CRITERIA

The County Council's policy for part-night lighting is to be introduced in all residential areas.

In determining exemptions to the part-night street lighting policy, the following factors should be considered when one or more apply:

- Major traffic routes – predominantly A and B roads
- Conflict sites e.g. roundabouts, lit by columns greater than 6m high.
- Sites where street lights have been installed for accident remedial measures
- Town Centre locations where there are one or more of the following features:
 - a) CCTV sites
 - b) High crime risk
 - c) High concentration of people at night such as - nightclubs, taxi ranks etc.
- Main approaches to areas defined above where there is a mix of development between residential and commercial/industrial i.e. not exclusively residential
- Sites where the police can demonstrate that there will be an increase in crime if the lights are switched off after midnight.
- Where there is a statutory requirement.

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With the combined pressures of rising energy prices and the need to reduce emissions to prevent dangerous climate change, action is required to reduce energy consumption in street lighting.

A number of options have been assessed, the most cost-effective solution is to follow the lead of the Highway Agency and turn off non-essential street lighting from 12:30am to 5:30am.

It is estimated that this could save up to 4,000 tonnes of CO₂ and reduce the present energy bill by £450,000. These emissions savings would go a long way to meet both the national and our local emissions reduction targets.

See the stars

In addition to the carbon and money savings, 'sky glow' or light pollution will be significantly reduced allowing for better viewing of the stars and the moon in the night sky.

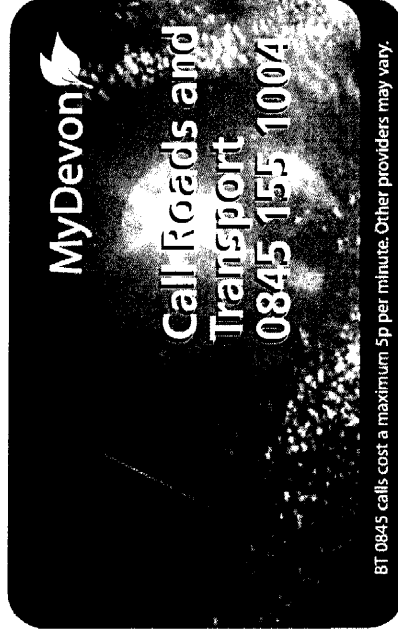


Working together

The County Council has been working with Devon & Cornwall Constabulary who understand that part-night lighting may give rise to concerns in some communities and as such will be working with the County Council to ensure that the decision-making process includes considerations of crime, disorder and road safety in residential areas. Working together Devon County Council and Devon and Cornwall Constabulary are aiming to reduce carbon emissions.

DCC is encouraged that the part night lighting schemes already installed in some parts of Devon work well and that some communities are already coming forward asking to be included in the street lighting carbon reduction programme.

Contact us



Save Carbon, Save Money, See the Stars!

September 2009
jn00076 Corporate Comms Design Service



Street Lighting in Devon



Devon County Council is beginning a programme to change its street lighting policy.

This programme forms part of Devon County Council's (DCC) carbon reduction and management strategy and contributes to our goal to make Devon greener.

There will be two new phased options for street lighting across the county:

- **Phased part-night lighting in residential areas.** Meaning that the hours some streetlights are on will be changed from all-night long to lighting between dusk and 12:30am and again from 5:30am until dawn.
- **Main road lighting and areas of high night-time activity,** such as town centres, will remain lit all night, but consideration will be given to dimming lighting where possible.

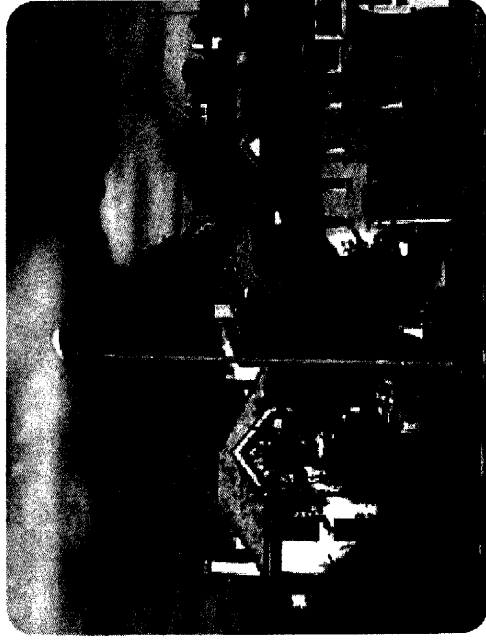
Through switching lights off in mainly residential areas between half-past midnight and 5:30am and dimming of all other lighting, energy consumption, carbon emissions and energy costs are expected to reduce by a third at the end of the programme.

The conversion of lighting from all-night to part-night operation will be carried out over a five year period (or shorter) across the county and will initially be included as part of planned

maintenance operations, to keep costs to a minimum.

Factfile

- The County Council is responsible for nearly **75,000 streetlights**, which consume **37 million kWh of energy**, which in turn produces nearly **20,000 tonnes of CO₂** annually.
- The present annual cost of electricity for street lighting is approximately **£2,200,000**.
- This is the equivalent to the total annual energy use of **7,300** average Devon homes - a town about the size of Honiton!
- The cost to convert a street light is about **£20 to £30**, and the energy saving covers this cost within about **3 years**, so the part-night solution is a cost effective way to cut our carbon emissions.



electricity generation. As a result, the Government has initiated a mandatory carbon trading scheme the 'Carbon Reduction Commitment' for large private and public sector organisations. Devon County Council is included in this largely due to its significant energy consumption in street lighting.

The aim of this scheme is to reduce carbon dioxide emissions by putting a price on carbon. Devon County Council's annual emissions total almost 62,000 tonnes of CO₂ of which street lighting accounts for about 30%.

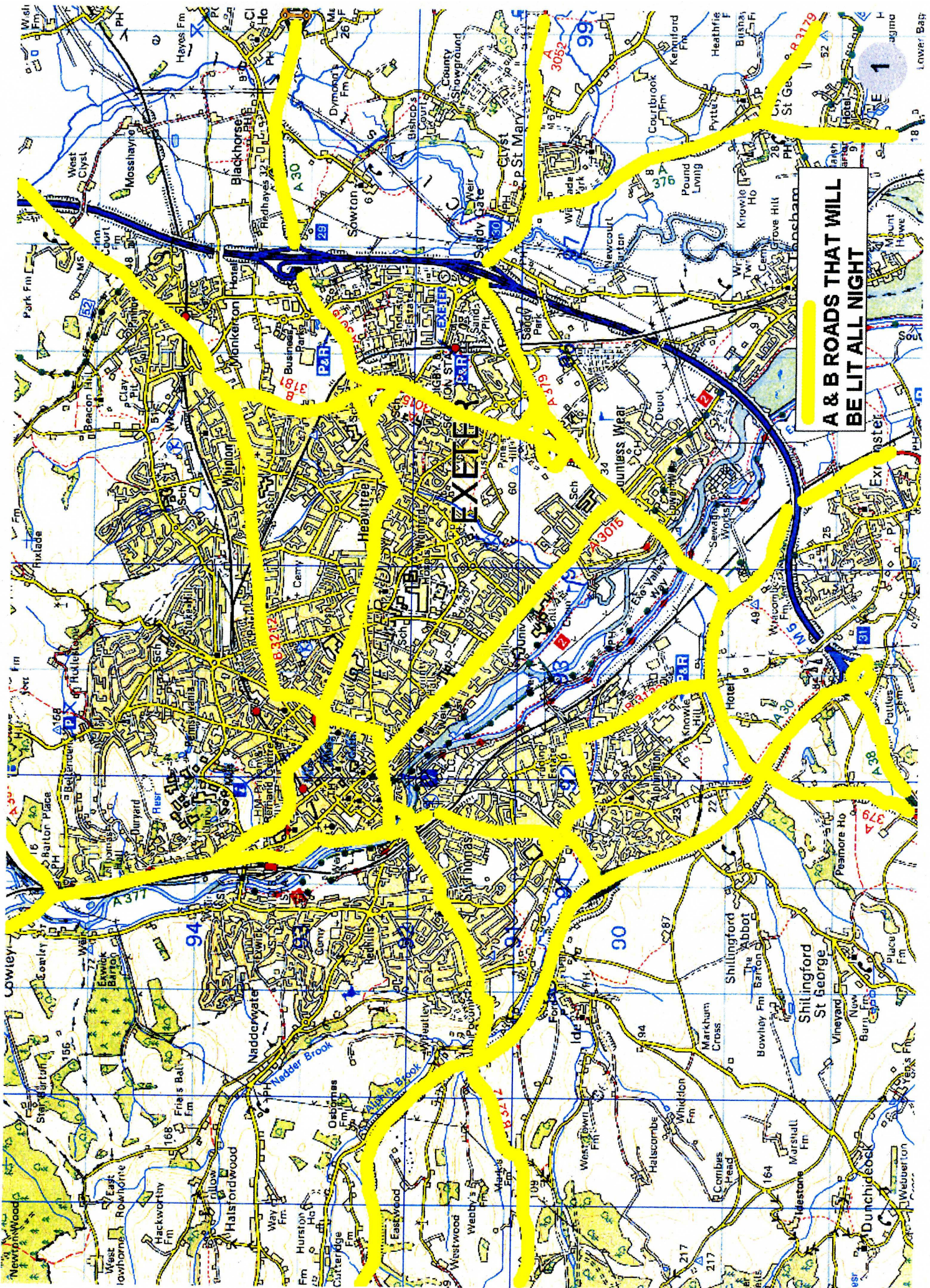
Save money

To buy the pollution permits needed in 2010 for street lighting alone will cost Devon County Council over £200,000 on top of the annual energy cost for street lighting of £2.2 million.

Doing it for Devon

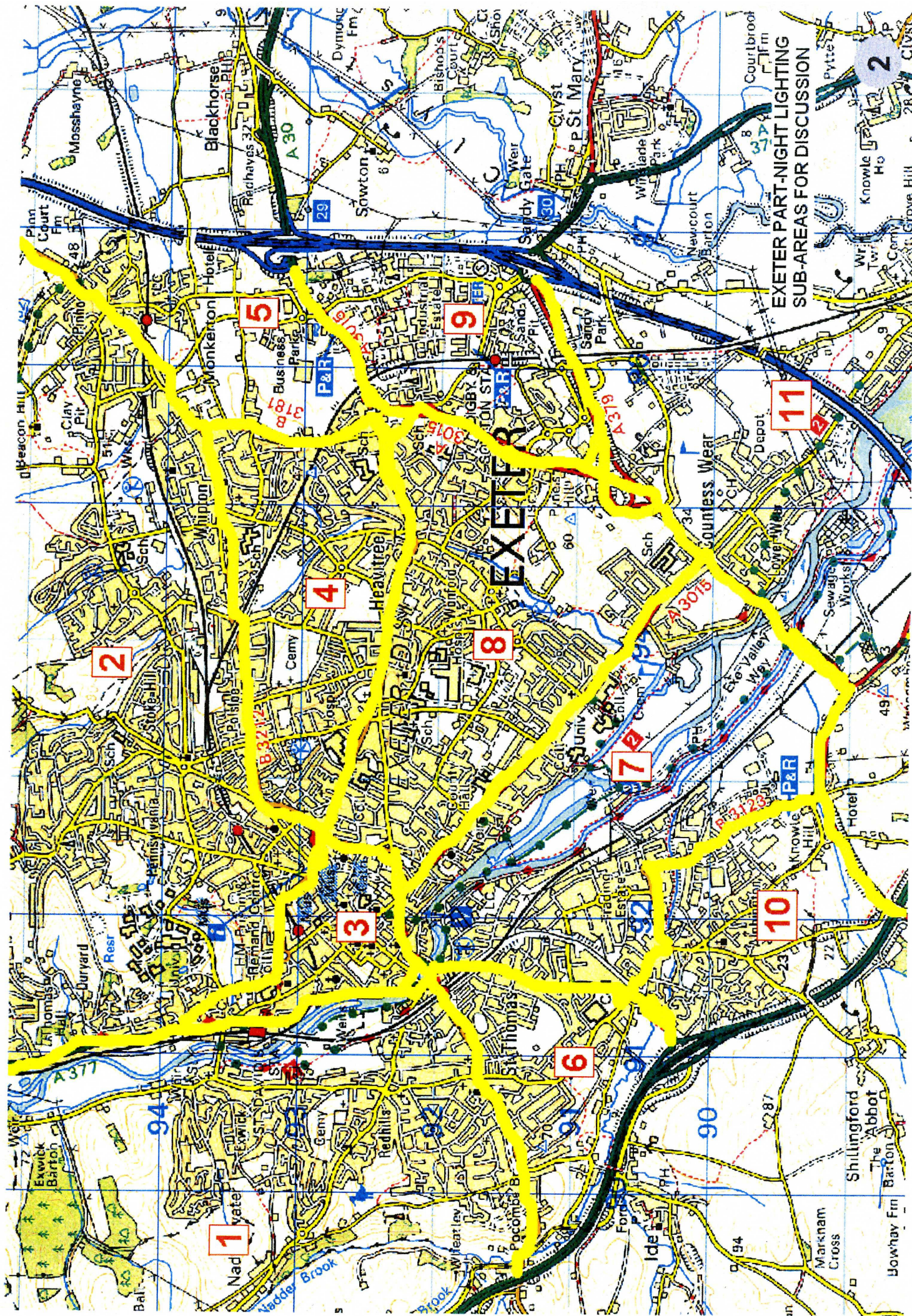
Save carbon

We have already seen a 1 degree Celsius temperature rise in Devon and a 2 degree rise is now inevitable. 30% of the UK's carbon dioxide emissions come from fossil-fuelled

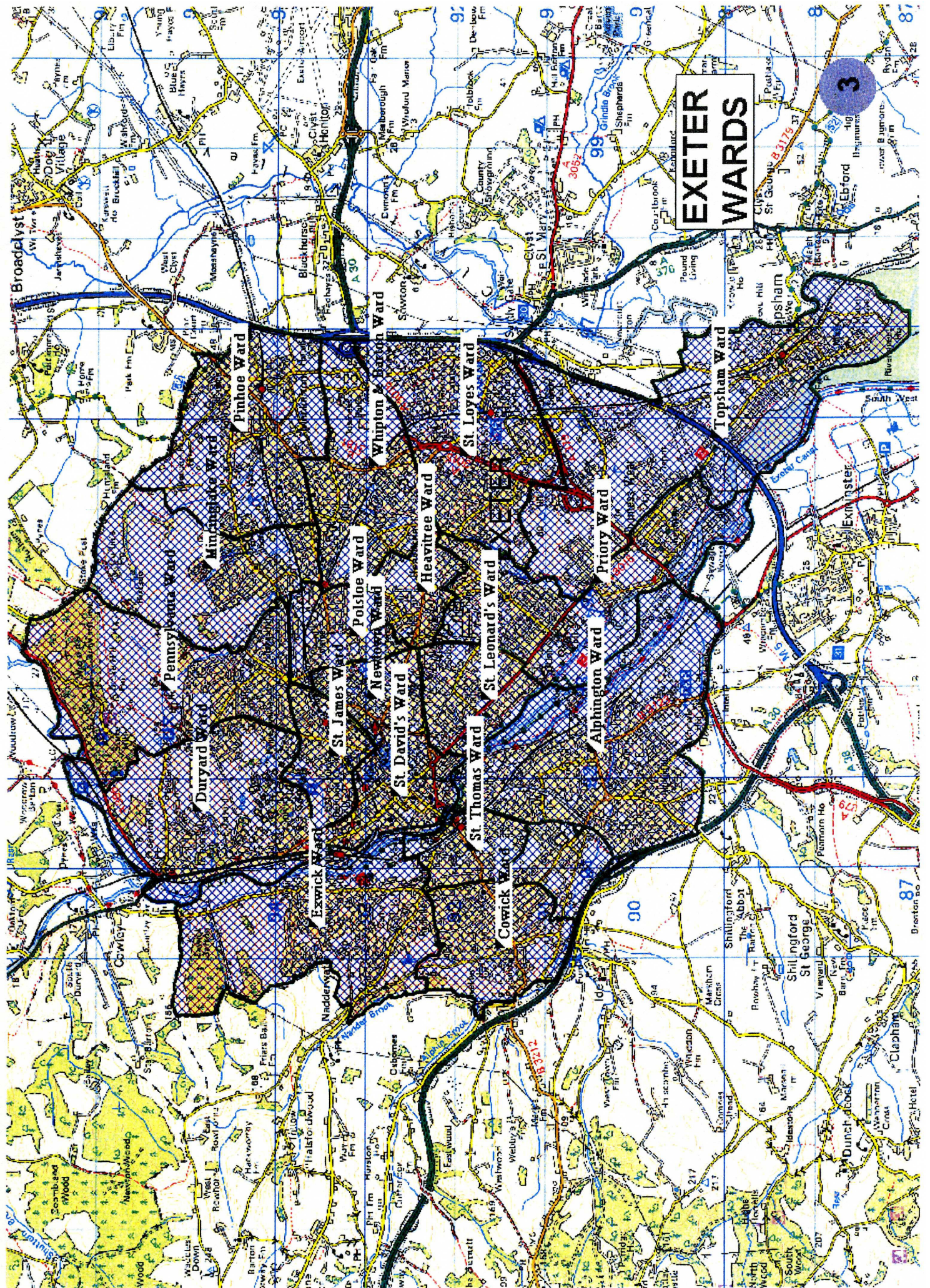


**A & B ROADS THAT WILL
BE LIT ALL NIGHT**

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EXETER CITY COUNCIL SCRUTINY COMMITTEE – ECONOMY

2 SEPTEMBER 2010

BUSINESS IMPROVEMENT DISTRICTS

1. PURPOSE

- 1.1 To brief and seek members views on the proposed Exeter City Centre Business Improvement District.

2. BACKGROUND

- 2.1 At the last meeting of this committee a briefing paper was circulated on Business Improvement Districts (BIDs) providing the opportunity to discuss the proposal for Exeter City Centre which is now actively under development. The following largely replicates that briefing note and is intended to seek Members views.
- 2.2 A Business Improvement District is an area within which local businesses agree, through a local ballot, to pay an additional charge on their business rates. The additional funds are used to support improvements in the area.
- 2.3 A common factor in successful BID areas is that businesses believe that some of their fundamental needs are not being met. They also typically accept that addressing this problem is **not** purely the responsibility of the local authority and that some new arrangement is necessary to address these needs. Local authority support of BIDs is also seen as essential to their successful development. A BID can be set up by any of the BID partners, but in the majority of cases local businesses take the lead.
- 2.4 Legislation enacting Business Improvement Districts (BIDs) came into force in September 2004 and covers the whole of England and Wales. The principle is that businesses agree, after a democratic process, to levy a supplementary rate on businesses with the defined area of the BID. The businesses in the area are primarily responsible for drawing up the BID proposal which is the subject of the vote. This includes a business plan, an indication of the facilities or services, which will be provided within the BID, the geographical area and the amount to be levied on each business.
- 2.5 A BID can be established for a period up to, but not exceeding five years and, if extended for a longer period, must be subject to a further democratic process.
- 2.6 BIDs are intended to deliver a wide range of improvements to local areas, from town centres and business parks to market towns. Successful BIDs across the country have claimed the following benefits:
- improvement of existing services or facilities, or securing finance for initiatives that enhance a local area;
 - making areas clean and safe including addressing inaccurate negative perceptions where this is more the case;

- enhanced marketing and entertainment including improved local business profile;
 - improving transport links and accessibility
 - attracting inward investment and development;
 - improving tourism.
 - improvement in communication where necessary between the Council and local businesses including clarity of understanding of specific local issues, a chance to shape together what is done in a specific area
 - additional benefit to the businesses within the area over and above the direct delivery of services already available
 - provision of the financial and management structure necessary to take forward projects which will be suited to each local area
- 2.7 The scale of the BID proposal is not a limiting factor, but a BID can only be set up in an area where there is sufficient support from the business community to finance and implement the proposed changes.
- 2.8 The legislation also allows for voluntary contributions to be made to BIDs by any billing authority (i.e. in Exeter the City Council), County Council, property owners and other organisations.
- 2.9 Approval to hold a ballot for a proposed BID has to be sought by application to the Secretary of State, who would give approval for the billing authorities to make “BID arrangements”. In summary:-
- BID arrangements must specify the description of non-domestic ratepayers in the business improvement district who are to be liable for the BID levy for a chargeable period of usually between 3 – 5 years
 - a business is to be liable for BID levy for a chargeable period if the business falls within the description at any time within the period.
 - the amount of a person’s liability for BID levy for any chargeable period is to be determined in accordance with the BID arrangements as set out in the BID proposal
 - the BID levy is to be paid to the billing authority and passed over to the BID company.
- 2.10 Bid proposals are not regarded as approved by a ballot unless two conditions are satisfied, the first removing the risk that the majority of smaller operators will be outvoted by a smaller number of larger organisations:
- first that a majority of the persons voting in the ballot have voted in favour of the BID proposals.
 - second is that A exceeds B where
 - A: is the aggregate of the rateable values of each hereditament in respect of which a person voting in the ballot has voted in favour of the BID proposals.
 - B: is the aggregate of the rateable values of each hereditament in respect of which a person voting in the ballot has voted against the BID proposals.
- 2.11 BID arrangements may be renewed for one or more periods, each of which must not exceed 5 years if the renewal is approved by a ballot of the non-domestic ratepayers in the business improvement district who are liable for the BID levy.

3. PROGRESS

- 3.1 The Exeter City Centre BID proposals are currently being drawn up by a steering group, made up of city centre businesses, chaired by the Chairman of the Exeter Chamber of Commerce and Industry, and supported by the Head of Economy and Tourism and the City Centre Manager. The focus of their work is the preparation of a business plan and set of priorities, which will provide the main elements of the BID proposal and recommended levy that will be the subject of the eventual ballot. It is anticipated that the ballot will take place in March 2011.
- 3.2 A number of consultation meetings have already taken place with the business community within the proposed BID area, to determine their concerns and aspirations for an effective city centre which provides the right environment for successful businesses providing a wide-range of employment. Proposals are still very much only in outline as follows.
- 3.3 The Exeter BID Company Ltd is being formed to take forward the proposed BID and has set out its initial aims as follows, to:
- provide a significant stable financial resource to deliver a programme of activities to promote a successful city centre
 - increase new and repeat customers and visitors through promotional and other activities and events
 - improve the visitor and resident experience, making the area more appealing, safer and cleaner
 - establish a positive brand and profile to take advantage of development and investment opportunities in and around the district
 - decrease business overheads by helping businesses attract and retain quality staff
 - provide an effective business “voice” to support, influence and promote the city centre’s interests
 - act in a honest and transparent way with business funds and in working with partner agencies
- 3.4 Discussions are taking place internally with the Head of Environmental Services and Head of Contracts and Direct Services over the services that the City Council provides in the city centre such as cleansing and parks and planting displays to determine what is currently provided and how, in collaboration with the BID company, such services could be provided and enhanced using BID funding in the future. Similarly, the services provided by the County Council in the city centre are also being explored.
- 3.5 A detailed and costed programme of proposals has not yet been finalised, but such a programme will have to be formulated as an essential element of the BID proposal to be used as the “prospectus/manifesto” for the eventual and necessary vote. The proposed level of the levy has yet to be decided but the assumption to date is that a figure of some £500,000 a year could be raised for an agreed programme of projects.
- 3.6 It is anticipated that the vote will be held in March 2011 with the BID company fully functioning and starting to deliver its programme very shortly thereafter, if a positive result is achieved.

4. FINANCIAL IMPLICATIONS

4.1 The development costs of the BID Proposal, which include consultation events, communication newsletters and specialist support and advice, are estimated to be some £25,000, including the costs of holding the ballot. A great deal of work is also being undertaken on an in-kind basis by all those involved in the Steering Group to continue to progress this as economically as possible.

4.2 The development budget is being funded as follows:-

Exeter City Council	£15,000
Exeter Chamber of Commerce and Industry	£ 5,000
Land Securities and the Crown Estate	<u>£ 5,000</u>
TOTAL	<u>£25,000</u>

5. RECOMMENDED that

5.1 Members support and comment on the proposals for the Exeter City Centre Business Improvement District.

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:

None.

EXETER CITY COUNCIL SCRUTINY COMMITTEE – ECONOMY

2 SEPTEMBER 2010

ECONOMY UPDATE

1.0 PURPOSE OF REPORT

- 1.1 To provide Members with the latest regular update on the performance of the national and local economy.

2.0 BACKGROUND

- 2.1 In June 2010, this Committee received a report providing an update on the national, regional, and local economic picture, a summary of which appears below.
- 2.2 Nationally, the economy showed continued signs of improved activity. However, the economic outlook remained uncertain and was seen as likely to remain weak throughout the rest of the year. Consequently, the Bank Rate was held at 0.5% with forecasts suggesting inflation would gradually decline from 3.4% to below 2% by the end of 2010.
- 2.3 Average earnings growth had also continued to remain weak, and the numbers claiming Job Seekers Allowance (JSA) had fallen nationally to 4.9% of the workforce (March 2010). Conversely, JSA claimants in Exeter had risen from 2.4% in December 2009 to 2.7% in March, albeit below the national rate. In terms of the gender of unemployment in Exeter, the male rate stood at 3.7% and the female rate was 1.5% (March 2010). Long term unemployment of over 6 months had continued to rise, with the younger workforce, aged 18-24 years, continuing to be the most adversely affected, accounting for 30.7% of all JSA claimants.
- 2.4 The Exeter Chamber of Commerce survey (March 2010) continued to report mainly positive findings on confidence and sales. More businesses had indicated that they had employed more staff. However, there had been a small decrease in the percentage of businesses reporting that profit margins were up and cash flow had improved.
- 2.5 The number of business insolvencies had risen in the last quarter of 2009 in Exeter compared with the same period in 2008, similar to the regional picture. Nationally however, numbers had been decreasing.
- 2.6 Exeter's retail premises vacancy rate had remained around 8%, lower than national rates of around 12%.
- 2.8 House prices in the city had declined marginally by around 1.6% from Q4 2008 to Q4 2009, slightly more than seen regionally. However, nationally positive signs were observed in the housing and rental markets with fewer repossessions orders made by the courts.
- 2.9 Exeter Citizen Advice Bureau (CAB) data showed an upward trend in request for debt related support combined with an increase in welfare benefit and employment related enquiries.

3.0 ECONOMY UPDATE

Nationally

- 3.1 The Bank of England in August 2010 published a revised view on inflationary pressures and the revival of economic vitality in the UK economy. Whilst the recovery has continued during the first half of 2010, the next two years are forecast to be difficult:
- banks are likely to lack full capability to lend in order to stimulate growth;
 - the national debt burden is being reduced to avoid an economic crisis;
 - public and private consumption is expected to decrease and;
 - inflation is anticipated to be higher than previously forecast, principally due to the Government's decision to raise VAT to 20% from 17.5% in January 2011, which will contribute to higher levels throughout that year
 - the UK economy would face a shift in the balance of activities which stimulate economic growth "away from private and public consumption and towards net exports".
- 3.2 Research produced in July by the Chartered Institute of Personnel and Development (CIPD) suggests that one-third of public sector employers anticipate reducing employee numbers over the next 3 months. Overall, across all sectors, employers envisage making on average 5.5% of their workforce redundant.
- 3.3 The July 2010 edition of the Local Government Employment Digest provides a useful commentary on key aspects related to the national economy, extracts of which are set out below:
- inflation as measured by the Consumer Price Index (CPI), which excludes house prices, fell from 3.4% in June to 3.2% in July 2010 whilst Retail Price Inflation Index (RPI) fell from 5.1% to 5.0%.
 - forecasts from the Monetary Policy Committee (MPC) suggest inflation staying above the Bank of England 2% target for some months to come, whilst the rise in VAT is likely to add to inflationary pressures. A growing number of analysts have suggested a number of inflationary pressures such as rising price of fuel and wheat may soon 'force' the Bank to raise interest rates to counter inflationary pressures. Nevertheless, the Bank of England kept the base rate at 0.5% in July;
 - retail sales rose slightly again but consumer confidence showed signs of weakening;
 - there was a slight decline in the number of home mortgages approved and according to the Nationwide survey, house prices have changed little month to month in 2010. Supply of houses for sale on the market is reported to be increasing, but demand continues to remain weak, with home purchase mortgage approvals remaining half their long term level;
 - headline average earnings growth including bonuses across the economy also fell from 4.2% to 2.7%;
 - the number of people claiming JSA fell in June to 1.46 million people. The wider International Labour Organisation (ILO) measure, which additionally includes jobseekers who are not claiming benefits also fell by a similar amount to 2.47 million (7.8% of the economically active population);
 - GDP growth figures for Q1 2010 were revised upwards from 0.2 to 0.3 percent, partly due to the strength of business investment over the quarter, and the growth of production output, within which manufacturing grew by 1.2%. Q2 initial estimates for GDP highlight a 1.1% growth over the quarter, driven by demand in business services, finance, and construction.

3.4 The July data on UK purchasing activity from the Purchasing Managers Index (PMI) produced jointly by the Chartered Institute of Purchasing & Supply and 'Markit' for manufacturing, construction and the services sectors showed a mixed picture with a slowing and weakening of activity. In summary:

- manufacturing reported an increase in both production and new work orders and production increased, albeit at its weakest rate, for the 14th month running. Job creation continued for the 4th consecutive month, partly due to companies focusing on reducing a backlog of work. However, future orders for work fell for the first time in 4 months. Exports and overseas sales had virtually stagnated in July, which had been preceded by strong growth in the previous months;
- expansion in construction activity slowed to its weakest in 4 months, although new orders were sustained, albeit at slower rate. Despite sustained rises in new orders and output, employment increases failed to materialise. This ended a two-month period where staffing levels had increased. Alongside the slowdown in new order growth, the fall in headcount was attributed to cost cutting reviews and freezes on recruitment. The use of sub-contractors had similarly decreased. Whilst some companies remained confident of economic improvements boosting demand for their services, overall, positive sentiment had decreased within the industry amidst concerns over public sector spending cuts;
- services activity weakened further as decreased demand from the public sector was reported to have hit growth. Activity levels and new business rose at their slowest rates since June 2009, resulting in a slight decline in payroll numbers for the second time in 3 months as the backlog of work had been completed and demand for services remained weak. Business to business services had fared least well, whilst demand for personal services had seen strong growth. There were a number of reports of cancelled contracts from the public sector. Amidst these concerns of further public sector contraction, confidence within this sector remained historically low.

Regionally

3.5 The July edition of the England Regional PMI's for private manufacturing and services sectors companies mirrors the emerging picture within the UK economy, extracts of which are set out below:

- business activity across all the nine English regions saw its weakest rise in the previous 10 months, suggesting momentum is slowing through reduced orders and concerns about the sustainability of recent demand for products and services. The slowest improvement in new business was in the South East and South West. Overall, the data suggests recent GDP growth may have been temporary with the largest loss in momentum seen in the 'Greater' South East, with those areas dependent on the public sector maintaining momentum – for the time being;
- overall, the South West's PMI index shows that business activity increased for a 15th successive month, although the data suggests the region's recovery lags behind elsewhere in the UK. Growth had been driven primarily in the manufacturing sector by new orders, but demand in the service sector had remained at low levels with reported activity declining as the backlog of work had been cleared and demand for new work had remained weak.

Local Business

- 3.7 The June Exeter Chamber of Commerce quarterly survey of its membership showed a potentially worsening picture since the March 2010. That said, a high percentage of businesses still reported medium to high confidence levels at 88%, down 2% from March.
- 3.8 Profit margins had decreased for 28% of businesses, compared to 25% in March, with only 24% claiming they had risen as opposed to 28% in the previous quarter. Some 10% of businesses indicated a reduction in staff, compared to only 7% in March, with less reporting an increase, 25% in comparison to 27% previously, reversing an upward trend since June 2009. In addition, 43% had introduced a pay freeze, up 5% from March, with a further 4% expecting to do over the 3rd quarter.
- 3.9 However, against this picture, 50% reported they planned to make investments in the next quarter, up markedly from the March survey when 26% planned to do so.
- 3.10 The following figures represent court activity for Exeter and not the actual numbers of individual or business insolvencies. The Insolvency Service publishes national data, but this is not available for Exeter. According to the Insolvency Service, there was an increase of 0.5% of compulsory and creditors' voluntary liquidations in Q2 2010 from Q1 2010, but a 19.1% decrease on the same period in 2009.
- 3.11 There was only 1 company winding up in Exeter in Q1 2010 following a court order and none in Q2 of this year. Between Q3 2009 to Q2 2010 there have been 9 orders issued and no recorded change on the same period last year Q3 2008 and Q2 2009. Regionally there has been a 19% decline and across England & Wales, a 15% fall.
- 3.12 In terms of insolvencies brought about by creditor petitioned bankruptcies from suppliers seeking repayment of debt, 9 petitions were received in Q1 2010 and 5 in Q2 of this year. Between Q3 2009 to Q2 2010 there had been 55, a decline of 14% from Q3 2008 to Q2 2009.
- 3.13 There was a marked decrease in Exeter for debtors' bankruptcy petitions – companies with outstanding debt closing down with 116 petitions in Q1 2010 and 76 in Q2 of this year. Overall, between Q3 2009 and Q2 2010 there were 425 petitions, a decrease of 29% from the same period Q3 2008 to Q2 2009. The trend is also downwards regionally and nationally, but less so than seen in Exeter, by -10% and -4% respectively.
- 3.14 In terms of city centre retail property, the premises vacancy rate has improved, down to 7.5%, from around 8% reported in February. This is against an average national rate of some 12%.

Unemployment

- 3.15 The population figures used to calculate the percentage of the resident workforce claiming JSA have changed from working age defined as 16 years to 59 years for females and up to 64 for males to aged 16-64 for both males and females. In addition, the mid-year population estimates for 2009 has been used and in some cases, such as Exeter, the estimated number of people living in the city has been reduced. The changes affect rates for all dates. Thus, the new rates quoted are not exactly comparable to those previously used.

- 3.16 Importantly, the numbers of live unfilled vacancies registered with Job Centre Plus in Exeter increased from 856 in March to 1,025 in July.
- 3.17 The total claimant count for JSA has continued to fall in Exeter since March to July 2010 from 2,224 people to 1,907, representing a rate of 2.3%. This downward trend was mirrored across England and Wales, South West, Devon, Plymouth and Torbay. The rates respectively in July were 3.5%, 2.4%, 1.8%, and 3.5% for both Plymouth and Torbay. Unsurprisingly for urban areas in the county, the rates are above the rate for Devon.
- 3.18 From the start of this year, male claimants of JSA have continued to decrease gradually from 1,643 men in January to 1,320 in July; the rate falling from 4.0% to 3.2%. In contrast, the number of female claimants have risen slightly from 571 in January, to 587 in July; the rate remained the same at 1.4%. Twelve months previously, July 2009, the claimant count was higher, with the number of male and female JSA claimants in Exeter standing at 1,616 and 662 people respectively.
- 3.19 Data for Exeter suggests that those claiming JSA for over 6 months has fallen by around 15 people since March from 595 to 580 persons in July, representing 30.5% of all claimants. This is below the rates for Plymouth, Torbay, the South West and England and Wales, which range from 33% to 36.9%.
- 3.20 However, the numbers of people unemployed who have been claiming for over 12 months has risen slightly by around 10 people from 245 in March to 255 in July, representing 13.5% of all claimants. This rate for Exeter is less than the other areas mentioned, where the rates range from 14.5% to 18.3%.
- 3.21 Job seekers, especially lower skilled and younger claimants, are often disproportionately affected by adverse conditions in the job market and are often likely to stay on benefits for longer period as more qualified and skilled people will be competing with them for available jobs. However, since April 2009 when the number of young people on JSA reached a peak of 795 individuals, numbers have gradually decreased and around 540 persons aged 18-24 years were claiming JSA in July 2010 (680 in March), around a third being female.
- 3.22 In terms of the impact of unemployment on minority ethnic groups, the latest available data, suggests the numbers seeking work in June 2010 has remained unchanged since January at around 70 people. This is still substantially higher than the 30 persons recorded back in May 2008. However, these figures may be understating the position. In May 2008, the data shows that around 40 people preferred not to say what their ethnic origin was, or it was unknown, and for June this year such numbers had increased to around 85 people.

Housing Market/Residents

- 3.23 The overall average house price in Exeter for Q2 2010 stands at £197,900, a fall of £12,400 (-5.8%) from Q1 2010. However, when compared with the same quarter in 2009, prices have remained relatively stable, recording only a 0.2% rise. That said, higher rises over the same period occurred regionally and nationally, up 10.2% and 13.4% respectively. Prices in the city are still below values seen in Q2 2008 and consequently stand at 8.9 times resident median full-time earnings.
- 3.24 During the course of the second quarter of 2010, around 432 properties were sold in the city, (271 in Q1). This compares with 367 transactions during the second quarter

of 2009, a rise of 17.7%. For the same periods in 2008 and 2007 respectively, the numbers sold were 397 and 638.

- 3.25 There continues to be positive signs in the housing market with a downward trend for mortgage and landlord repossessions in Exeter in comparison to regional and national averages. The following figures summarise mortgage and landlord repossession orders by the courts, which represent actions taken for possession and not actual homes repossessed. Repossessions can occur without a court order being made, while not all court orders result in repossession taking place.
- 3.26 For the twelve month period between July 2009 and June 2010 there were 75 mortgage repossession orders issued for Exeter (25 to date in 2010), a decline of 42 % from the 12 month period July 2008 to June 2009. Similarly, the South West and England & Wales had both seen a decline of 29%.
- 3.27 Between July 2009 and June 2010, there were 170 landlord repossession orders issued for Exeter (82 to date in 2010), a decline of 17% from the 12 month period July 2008 to June 2009. Similarly, the South West and England & Wales had seen a decline by 11% and 6% respectively
- 3.28 Debt and welfare benefit enquiries are showing a rather negative picture. Data for June 2010 from Exeter CAB indicates an upward trend in the level of recorded debt related enquires since April 2010, whereas data from November 2009 had shown a decline. Debt enquiries are now around 5.6% higher than in June 2009 but around 41% higher on May 2010. Similarly, enquiries relating to welfare benefits have increased and are now at an all time high. There has also been a noticeable rise in enquiries on bankruptcy and debt relief orders which have nearly tripled on last month and now stand at their highest level since their peak recorded in October 2009.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There are no financial implications arising from this report.

5.0 RECOMMENDATION that

- (1) Members' comments are sought on the content of this report.

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. Scrutiny Committee – Economy June 2010 - Economy Update

EXETER CITY COUNCIL

SCRUTINY COMMITTEE – ECONOMY 2 SEPTEMBER 2010

ARTS AND MEDIA STRATEGY 2009 – 2012 ACTION PLAN REVIEW

1. PURPOSE OF REPORT

- 1.1 To review and update the Scrutiny Committee - Economy on progress with implementation of the Arts & Media Strategy Action Plan.

2 BACKGROUND

- 2.1 The Arts & Media Strategy and the broad strategic framework for Arts & Media Development in the city was supported by the Scrutiny Committee – Economy at its meeting on 22 January 2009 and then adopted by the Executive on 27 January 2009. The Arts & Media Strategy Action Plan adopted by the Scrutiny Committee – Economy at its meeting on 3 September 2009 forms the focus for the arts development activities of the City Council.

- 2.2 The City Council's continued support to the diverse arts and media infrastructure and the cultural offer of the city contribute significantly to the Exeter Vision by:
- improving the quality of life for residents and attracting visitors to the city
 - attracting business investment and in helping organisations recruit and retain staff
 - animating the city centre and public space
 - maximising City Council investment and generating income and economic spend in the city
 - developing and supporting the city's creative sector to help increase the economic and social well being of the city

- 2.3 The approved list of objectives within the Arts and Media Strategy 2009 -2012 are as follows:

- 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
- to develop and strengthen the arts and media infrastructure and support and encourage creative production in the City
- to develop further the City's portfolio of arts and media festivals to create a festival of regional/national significance
- to support creative industries growth and development
- 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
- 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
- to work strategically in developing new partnerships in and funding for the arts
- to work with the arts and media sector and other partners to develop new models of sustainability and generate new income and funding sources.

2.4 The Strategy and the Action Plan were developed around the two main areas of City Council's expenditure on the arts: the festivals portfolio and revenue grant funding to strategic arts organisations namely Exeter Phoenix, Exeter Northcott, Exeter Barnfield Theatre, Spacex, Theatre Alibi, Bournemouth Symphony Orchestra and Wren Music. The Action Plan sets out ways to achieve the strategy objectives within the overall time frame of the strategy and involves both directly delivered events (festivals portfolio) and activities delivered in partnership with a range of public, commercial and voluntary sector organisations (revenue and project funding to Strategic Arts Organisations). Many of the outcomes expressed within the Action Plan take account of the expertise and aspirations of the strategic arts organisations who were consulted whilst developing the strategy.

3.0 **PROGRESS AGAINST STRATEGIC OBJECTIVES**

3.1 A more detailed breakdown of progress against strategy objectives is given in Appendix A. Briefly key highlights can be summarised as follows:

3.1.1 Service Level Agreements have been agreed with strategic arts organisations which are more relevant to and demonstrate the strategy objectives, but also, where appropriate, in line with core objectives of other core funders such as Devon County Council and Arts Council SW (ACE SW). These additional objectives are agreed in the formal Annual Review Meeting with the organisations together with ACE SW, which importantly streamlines the requests for monitoring information. Specific achievements include:

- the first formal Service Level Agreement with a newly constituted Exeter Barnfield Theatre, which will help deliver building, staffing and organisational improvements.
- Theatre Alibi's community tour of their annual children's production toured to 10 schools and Exeter Phoenix and reached 1,347 children (the national schools tour raised Exeter's profile and went to 59 schools and was attended by 7182 children); in addition the Exeter run of Ministry of Fear at Exeter Northcott attracted 4,124 people and the national tour a total of 16,663.
- Spacex became a new Summer Festival partner (along with Exeter Northcott, Barnfield, Phoenix and Corn Exchange), the first visual arts partnership for the festival resulting in the public exhibition of Theo Jansen's work in the city centre which helped to attract audiences of over 15,000 people in 3 days; the new format of the Service Level Agreement with Spacex has promoted a wide range of partnership working with city organisations (Exeter Cathedral, Land Securities, Age Concern, Flying Start) reaching the elderly, young people, disabled people across the city. Exhibitions at Spacex continue to regularly attract national previews and reviews in leading arts press
- Exeter Phoenix attracted more than 54,763 audience members in 2009/10 to its diverse performance programme across the full range of arts and digital media (music, dance, theatre, comedy, film, digital media). The overall recorded number of people using the building stood at some 350,000. The Exeter Phoenix continues to lead in the city in the field of digital media and has received funding to carry out research and development plans for the expansion of the Digital Media Centre. The Exeter Phoenix is a key partner in Vibrasonic Festival Ltd and in 2009/10 also led on developing a short Comedy Festival in partnership with other key venues, ran the music festival, Acoustica, as well as a youth arts festival during Exeter Autumn Festival.

- Exeter Northcott – developed Trading Local theatre project with Show of Strength Theatre supported by Exeter Autumn festival in 2009 – involving writing workshops for local writers to devise short monologues based on shops in Sidwell Street which were then produced and performed resulting in over 36 free performances in 15 different independent shops. During the difficult period when the theatre was in administration, Exeter Summer Festival supported the theatre’s Festival programme and mailed out the Theatre’s mailing list, thereby enabling the theatre to have a profile and a level of activity despite being in administration.
- Bournemouth Symphony Orchestra is funded by the city to run 8 workshops with young people in the city. In the past these were run with Exeter Children’s Orchestra. In 2010/11 the agreement is that 6 workshops will be run for Exeter Young Strings based in Whipton and 2 for Exeter Children’s Orchestra. Exeter Young String’s core objective is to reach young people who otherwise would have no access to making music.
- Wren Music continue to target work among a range of communities and schools in the city. An in kind partnership with Exeter Summer Festival saw Singing Across the City with over 500 children from the city’s Secondary, Primary and Special schools.

3.1.2 Exeter Summer Festival 2010 succeeded in giving Exeter a national and regional profile with a new partnership with Spacex and Land Securities and Theo Jansen installing his internationally acclaimed work into the heart of Princesshay and the unique festival commission of free performances of excerpts from La Traviata by New Devon Opera in the city centre. These two events formed the heart of a highly successful PR campaign generating over £70,000 of free advertising for the festival and the city.

3.1.3 The City Council’s commitment to making the arts accessible and encouraging participation in arts activity resulted in the following:

- overall Summer Festival attendance at free events increased by one third to 33,000 as a result of the inclusion of more free events in the programme; attendance at ticketed concerts was 10,976 – a total of 43,976.
- the sustained development of arms length festivals and community events such as Animated Exeter and Exeter Respect. which included offering in kind support in terms of giving practical support and officer expertise as well as funding board development, active involvement in planning, assistance with funding applications to external agencies and other sponsors, advice on production and health and safety and providing direct support at the event.

3.1.4 Increasing opportunities for young people to participate in arts activity is one of the core objective behind the new Children’s Literature Festival, a major new event in this year’s Exeter Autumn Festival, which has been supported by the City Council from its initial meeting. The week long festival which culminates in a weekend of activity in Exeter Autumn Festival has been developed by Exeter University through a new partnership with the city’s key cultural organisations. Core funding has come from the National Lottery Grants for the Arts. The support from the City Council is in kind with valuable marketing support to key Exeter audience through 20,000 Exeter Autumn festival brochures and officer expertise on the Festival steering group, helping with the core funding application and programming advice.

- 3.1.5 Exeter City Council and its support of the arts, both as funder and producer, plays a very important role in the cultural infrastructure of the region. It has been important to ensure that this role is recognised, that strategic relationships with other core funders (Arts Council SW, National Lottery, Screen South West and Devon County Council) are strengthened and maintained and Officers are kept up to date with ever changing criteria and policies of the other core funders. Key relationships have been developed through involvement in regional forums and networking groups such as being on the steering group or boards of the following:
- Outdoor Celebratory Arts Network – led by Arts Council SW
 - Creative Coast Group, (both of the above groups aspire to developing high profile projects for the Cultural Olympiad in 2012 and beyond, in which Exeter has the potential to be involved if joint funding applications from these networks to ACE SW and other funds are successful)
 - advisory involvement on board of Animated Exeter helping the move towards arms-length status
 - attending regional and national consultation meetings on behalf of the City Council about the arts.
- 3.1.6 In order to help maintain and develop new models of sustainability for the city's arts and media infrastructure it is important to be able to demonstrate clear evidence of the economic benefits of the arts in return for investment. In terms of financial leverage the City Council's revenue support of £256,988 in total to the city based strategic arts organisations generated a further £3,902,488 in 2009/10. A further £547,574 was generated through successful Exeter based Grants for the Arts applications (National Lottery) in 2009/10. All Exeter applications are sent to the City Arts and Festival Manager for assessment before final assessment by the Arts Council. (For a full breakdown please see Appendix B – Breakdown of Arts Funding in Exeter). Also by taking a sample of audience evaluations returned from festival audiences the quoted average spend per person of £12 across the total audience figures suggests an additional spend in the economy of £527,712, up 50% on 2009 This represents an addition of nearly £5 million into the city's economy.
- 3.1.7 An Equality Impact Assessment for the Arts and Media Strategy and the Action Plan was agreed by Corporate Equalities Group in January 2010. While this is an internal process, it serves a purpose of helping to remind Officers of core objectives within the strategy such as encouraging access to the arts within community settings and providing more opportunities for people especially young people and those from diverse communities with opportunities to engage in creative learning and activity. The City Council's excellent relationship and support of Exeter Respect Festival helps foster better community relations and has enabled the team to work more closely with some of Exeter's diverse communities including supporting the production of the Multi-Cultural Celebration during Exeter's Autumn Festival and Exeter's first Polish Film Festival – Kinoteka.
- 3.2 It is worth mentioning that the above progress has been made against a difficult economic background - it being very difficult to secure the same levels of sponsorship for festivals and events as in the past and the negative impact on the City's cultural infrastructure of the Exeter Northcott Theatre going into administration. In addition the small Arts and Festivals team experienced staff shortages at critical times caused by one member requiring extended leave following hospital treatment.

4.0 LOOKING FORWARD

- 4.1 In light of impending reductions in funding from all core funders, it is important to ensure that the city's arts and media infrastructure can nonetheless continue to provide a valuable service to the city and the economy. While provision of the arts is not a statutory responsibility of the City Council, Exeter has an excellent record of support to the arts and it is acknowledged that the cultural offer is a recognised part of why people want to live, work, invest or bring up their families in a particular place.
- 4.2 As a result of the likelihood of greatly reduced arts and festival funding and sponsorship over the next few years nationally, regionally and locally, it is clear that while the strategic objectives of the Arts and Media Strategy remain relevant as aspirations and overarching objectives, the Action Plan, put together before any real indication of the full impact of the recession, no longer remains feasible within the lifespan of the strategy.
- 4.3 The situation will require change to our ways of working and the development of new ideas and relationships that help retain the economic benefit that the arts bring to the city. The challenge for the Economy and Tourism Unit will be to help arts organisations to become more sustainable with less funding whilst trying to meet the cultural expectations of city businesses and communities.
- 4.4 The key areas of work in the coming year will be to:
- develop and manage a festival/event programme following potential reductions in budgets that can demonstrate best value and meet core objectives and if possible to balance high profile activity involving national or international artists with developmental support to community based events such as Exeter Respect
 - continue to work closely with the city's strategic arts organisations and partner funding organisations to find ways to maintain and improve financial sustainability in light of reduced budgets in order to help the city retain a strong and effective cultural sector
 - maintain a strategic presence regionally and nationally through liaison with Arts Council SW, the National Association of Local Government Arts Officers, and other relevant organisations and networks to advocate the benefits of the arts and creative sector by highlighting the number of jobs created by the sector in the region, the additional leverage the City Council's investment brings to the city's economy and the contribution it can make towards achieving overarching objectives such as enabling communities to have a voice, boosting civic pride and encouraging participation in community activity.
 - continue to develop new partnerships and consider new ways of working – sharing resources such as offering marketing support and offering the benefit of officer expertise as valuable in kind support, exploring further possibilities of working collaboratively and sharing costs. The forthcoming Children's Literature Festival, a partnership of the city's key public and voluntary sector cultural organisations and the Like Music event, a partnership involving commercial and public sector organisations in Exeter Autumn Festival are good examples of new partnerships and new ways of working.
 - ensure that arts and media marketing campaigns are innovative and adopt current practice to make best use of social media and can demonstrate a positive return in terms of press and media coverage

5.0 FINANCIAL IMPLICATIONS

5.1 The City Council's total expenditure on arts and media events and infrastructure in 2010/11 is £586,570 summarised as follows (for full breakdown please see Appendix B Breakdown of Arts Funding in Exeter):

- | | |
|---|----------|
| • Festivals and Events | £281,010 |
| • Revenue funding to Strategic Arts Organisations | £285,060 |
| • Project funding | £20,500 |

5.2 The additional leverage on this investment in 2009/10 was some £4,977,774 summarised as follows:

- | | |
|---|------------|
| • Additional income raised by Strategic Arts Organisations | £3,902,488 |
| • National Lottery Grants for the Arts awards in Exeter | £547,574 |
| • Estimated additional economic spend by Summer Festival audience | £527,712 |

6.0 RECOMMENDATION that:-

6.1 Members note the report and the proposed approach for the future development of the Arts and Media Strategy against a difficult economic background.

RICHARD BALL

HEAD OF ECONOMY AND TOURISM

ECONOMY AND DEVELOPMENT DIRECTORATE

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

Exeter Arts and Media Strategy 2009 – 2012

Exeter Arts and Media Strategy Action Plan 2009 – 2012

Arts Council Grants for the Arts Awards 2009/10 Regions

Appendix A - Achievements Against Arts and Media Strategic Objectives

The following sections set out the main areas of progress and achievement against each of the key strategic objectives. The strategic objectives are stated in bold type.

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 ambition

1.1 Arts & Media Strategy working group: The Arts and Media Strategy recommends that an Arts and Media Strategy working group be established initially within the City Council. Meetings have been held with Planners about public art, with Estates about building based organisations and with Parks, Leisure and Museums on a project by project basis. In view of further uncertainty of funding and other pressures creating the group is not a priority.

2 Develop, strengthen the arts and media infrastructure, support and encourage innovation and creative production in the city

2.1 A total of 7 key organisations, "Strategic Arts Organisations" receive revenue grant funding from Exeter City Council (SpaceX, Exeter Phoenix, Exeter Barnfield, Theatre Alibi, Exeter Northcott, Bournemouth Symphony Orchestra and Wren Music) and represent a main delivery mechanism of a range of arts activities and education programmes in the city. A key priority of the City Arts and Festivals Manager has been to continue to develop and support the city's Strategic Arts Organisations. The main way of achieving this objective is through individually tailored Service Level agreements with each organisation. The detailed requirements in the agreements are monitored on a 6 and 12 month basis and together with the financial accounts form the basis of the levels of funding agreed by the Grants Committee for each organisation.

2.2 Progress and key achievements this year are as follows:

- Exeter Phoenix's agreement includes targets for attendance at performances, digital media, film, artists workspaces, the number of workshops and breaks down earned income into direct promotions and hires; there has been a massive increase in attendance. The organisation remains at the forefront of digital media work in the city, and it became the main venue for Animated Exeter's new-look festival in 2009. It is a key Summer festival partner, and in 2010 successfully ran Exeter Summer Festival's main box office. Exeter Phoenix is a key partner in development of new music event in Exeter Autumn Festival
- As well as the obvious attendance at its gallery, SpaceX's agreement sets out to highlight the number of partnerships the gallery successfully manages to develop that help raise its profile not only locally, but regionally and nationally (for example, in 2010 The Showroom London, Museum of Contemporary Art in Miami and STANDARD in Oslo, Amino in Newcastle). As well as the high number of local workshops delivered to all ages and abilities (for example in 2010 local primary schools, Isca College of Media Arts and Exeter College, Flying Start centres across the city, St Petrocks (homeless) and Age Concern). Exeter Summer Festival and SpaceX worked for the first time in a partnership, which brought a major international artist into the Summer Festival. The financial value to the festival (£2000) helped the festival to gain record attendance figures as well as a national media profile. The iconic image of the artist's work helped to

publicise the festival, and in return Spacex benefited from the large amounts of festival publicity produced together with a media profile that exceeded any that Spacex could have achieved on its own. The Theo Jansen project was also the City's first major Cultural Olympiad project, included as part of the national AntiBodies visual arts programme funded by ACE and carrying the LOCOG Inspire Mark

- Theatre Alibi have had a particularly successful year with record attendance at their Exeter shows and on national tours. The agreement now seeks not only to record number of the shows and attendance in Exeter but also to support and measure their national activities and their prowess at taking a strong cultural image of Exeter across the UK
- Exeter Northcott Theatre – 'Trading Local' – a unique free theatre project was developed to support independent traders along Sidwell Street, in association with the Show of Strength Theatre Company and Exeter Autumn Festival 2009. More detail is provided later in this appendix
- Bournemouth Symphony Orchestra – workshops and not their regular performances in the city have been traditionally supported by City Council funding. These are now mainly targeted at Exeter Young Strings, a voluntary arts organisations whose core objective is to provide access to children in Whipton who otherwise would have no access to music
- For the first time an appropriate Service Level Agreement has been developed with the Exeter Barnfield Theatre with includes objectives for promoting organisational and staff development as well as ways of progressing capital works on the building
- Wren Music – the focus remains on providing a range of community based choirs and traditional music programmes in Exeter's poorer communities. A new partnership was developed with Exeter Summer Festival to promote "Singing Across the City" which led to over 500 children from Exeter's secondary and primary and special schools performing in Exeter Cathedral.

- 2.3 Since the Action Plan was adopted in September 2009, events beyond the control of the City Council have occurred which have had an impact on the proposed outcomes within the action plan. Specifically the Exeter Northcott Theatre going into administration in February 2010, which not only resulted in a loss of jobs in the sector, but also resulted in the temporary closure of the theatre.

The theatre going into administration has also had a negative financial effect on several of the other strategic arts organisations who have either lost money (Bournemouth Symphony Orchestra, Exeter Phoenix) or will lose their base and rehearsal space (Theatre Alibi).

- 2.4 In order to try and secure a base for professional theatre and not to lose a prime venue in the city, the City Council has supported the University of Exeter in the development of a new company to take over the running of Exeter Northcott Theatre. In the interim period, with the agreement of the Administrators, Exeter Summer Festival maintained its partnership with the theatre and supported the theatre to run a programme during the festival, enabling it to maintain a profile during its closure and a link with its supporters. The Arts Council SW have supported this move, the Arts

Council SW are the main funder of Exeter Northcott and have confirmed a level of funding until March 2011. The theatre has just launched its new programme for the coming Autumn season.

- 2.5 Exeter's Strategic Arts Organisations not only provide an excellent cost effective service to the city and its residents and visitors but they also generate income from a variety of sources. Core revenue funding for these organisations primarily comes from the City Council, along with Devon County Council and Arts Council England SW. A sound core funding base also enables these organisations to also apply for funds for specific projects both from National Lottery Grants for the Arts and also other trusts and charities. A number of organisations also generate earned income through box office and bar sales. In 2009/10 the five city based organisations funded by Exeter City Council (excluding Wren Music and Bournemouth Symphony Orchestra) raised an additional sum of £3,902,488 against an investment by the City Council of £265,988. (See Appendix B for a full breakdown).

3 Develop further the City's portfolio of Festivals and explore opportunities to create a festival of national or international significance

- 3.1 Progress and key achievements this year are summarised as follows. A more detailed report will be given to the next Scrutiny Committee.

- Exeter Summer Festival achieving national press and significance with Theo Jansen exhibition
- total attendance at Exeter Summer Festival up significantly from 25,000 in 2009 to 43,976 in 2010
- festival commission of innovative Flash Traviata – 4 free performances of opera in city centre
- 70 hours of free activity – making the festival more accessible to more people
- successful and effective press and media campaign generating over £70,000 of free publicity for the city
- Exeter Summer Festival's audience expenditure boosted the city's economy by some £527,712 in 2010
- exciting new cross sector partnerships established for Exeter Autumn Festival 2010 to deliver new high profile events
- Animated Exeter 2010 will be produced by Animated Exeter Ltd ,a company limited by guarantee, a fully arms-length festival with the aim of giving the festival the potential for a sustainable future.

- 3.2 The Exeter Summer Festival, backed by the Festival Advisory Steering Group, made a conscious decision to programme over 70 hours of free activity in the 2010 festival. These free events attracted audiences of approximately 33,000 people; more than double the number who attended free events last year. Total attendance at ticketed concerts was 10,976.

Based on a conservative average additional spend of £12 per person indicated by the results of evaluating 190 feedback forms, it is a conservative estimate that some £530,000 was spent in the city by audiences during the Summer Festival period.

The free events included:

- three days of Living History re-enactments in Northernhay and Rougemont Gardens (attracting over 4000 visitors including schools from across the region), working in partnership with Devon Armed Forces, Royal British Legion, police

and Lord Mayors office to produce Exeter's first National Armed Forces Day parade

- three days of a public presentation of Theo Jansen's Strandbeest involved working together with Spacex , Land Securities and the City Centre Management to facilitate the installation of the work in Princesshay Square and increased the accessibility of the sculpture to Exeter residents and visitors. It is a conservative estimate that over 15,000 would have seen sculpture – Princesshay recorded a footfall of more than 19,000 on one day in the period
- the Summer Festival commissioned a unique, high profile Flash Traviata performance by New Devon Opera – a first for the company and a first for Exeter - Four seemingly random free performances of excerpts from La Traviata in different busy city centre locations on the final Saturday of the festival, which attracted over 1500 audience members who stopped to listen and reached thousands more
- festival finale – Party in the Streets attracted over 4000 people and used Exeter Castle, Rougemont Gardens, High Street and Princesshay – three stages each compered by radio station, Heart , Phonic Fm and Exeter FM – spectacular finale firework display.

- 3.3 Summer Festival Partnership Working - The festival partnership with key city venues (Exeter Phoenix, Northcott, Barnfield and Corn Exchange) was maintained in 2010 and extended to include Spacex (ensuring the Festival involvement in the Theo Jansen project and the first visual arts partnership for the festival.

The festival has continued to develop marketing partnerships with Exeter Craft Festival, Exeter Regatta and Exeter Cathedral concerts benefitting those organisations by inclusion in the 60,000 printed festival programme and in additional print for free events.

A new partnership, and thereby a new event, was developed with Exeter City Football Club who produced a fund raising evening in Rougemont Gardens making use of the production infrastructure and professional event support of Exeter Summer Festival. This is a partnership that the football club are keen to renew in the future.

Partnerships with Exeter Radio – each local station took over the compering of stages during the finale: Heart Live Music stage in Rougemont Gardens; Exeter FM and Dance in Devon dance stage in Princesshay; and Phonic FM's DJ stage in Exeter Castle, which led to Phonic FM's first live outside broadcast.

- 3.4 Summer Festival Press and Media campaign - Arts events provide good opportunities to project the cultural image of the city. The Festival employed Watershed Media to take on the role of Press and PR Agent for Exeter Summer Festival who produced an extremely effective campaign which more than fulfilled the brief and aims which were to:

- develop Exeter's profile as an ambitious regional centre for the arts and a desirable cultural destination
- highlight Exeter City Council's leadership role producing a uniquely accessible arts festival
- generate ticket sales on the run-up to the festival.

Traditional media techniques were employed alongside Twitter and Facebook updates. The campaign achieved the following:

- 12 items on PA newswire
- 6 TV pieces (ITV West Country and BBC Spotlight)
- 27 Radio interviews
- 34 full page regional newspaper and magazine articles
- 2 national newspaper articles
- 32 website pieces.

A conservative estimate of the value of the media and editorial coverage is £78,630 (against a cost to the festival of £6000)

- 3.5 Autumn Festival - In November 2009 the number of events (64) and people attending rose (12,691), as did the number of free events (35). Based on the evaluation forms completed by 93% of the organisations included in the brochure, some 92% of the participants felt their events benefited from being in the festival.

For the first time Exeter Autumn festival supported 5 events produced by community arts groups in Exeter Barnfield by covering the hire and technical costs of the theatre. This proved very successful and supported Exeter Barnfield Theatre as well as the arts groups.

The Festival worked in partnership with Exeter Northcott and Show of Strength Theatre Company to produce Trading Local which performed 36 free shows in 15 different shops along Sidwell Street. The short plays were written by local writers following workshops held in Central Library and St Sidwell's community centre. Over 60 submissions were received.

Also a first was Exeter Big Draw – four artists working in different locations across the City inviting passers by, whether adult or children to come and have a go for free.

Work is underway preparing for Exeter Autumn Festival 2010. The festival will see two new exciting events the Children's Literature Festival, EXExtreme Imagination, a week long event featuring top children's authors and writing events, a music commission based on children's poetry and Like Music - Generation EXE, an evening event of up to 9 bands across three venues for one ticket. Both events delivered in partnership with a range of public and commercial organisations in return for the publicity and marketing benefits of being associated with Exeter Autumn Festival.

- 3.6 Animated Exeter - In the hope of creating a sustainable future, with better opportunity for raising funds from public, private and charitable sectors, Animated Exeter became fully incorporated in 2010 into a company limited by guarantee. The 2010/11 festival will be produced by Animated Exeter Ltd, a company limited by guarantee, as a fully arms length festival. The company continues to operate from the Civic Centre.

The City Arts and Festivals Manager sits as an advisor on the Board and has helped write the successful Grants for the Arts application for the high profile Broadsided film projection on Exeter Castle, as well as advising on production, health and safety and liaison with the police for the event.

- 3.7 Festival Three Year Plan - The Action Plan states that a three year festival plan to 2013 to tie in with life of the strategy should be written which would outline "where we are (what works and what we want to retain – eg 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)"

In view of other work pressures this year it has not been possible to develop this plan, although, in light of the changed budget position it may be appropriate to use the opportunity and develop a plan that considers new ways of working.

4. To work in partnership with relevant key agencies and partners to provide more opportunities for people, and young people in particular, to engage in arts education and learning programmes

4.1 Progress and key achievements are as follows:-

4.1.1 Children's Literature Festival - Funded primarily by Grants for the Arts, this new event for young people aged 5 – 16 is taking place in the Autumn Festival 2010 and is directed through a partnership project led by the University of Exeter. Exeter Northcott Theatre, Exeter Phoenix, Spacex, RAMM, DAISI (Devon Artists in Schools), Riptide are involved but notably the festival has developed an active youth forum, from St James off site school, who have not only decided the name of the event, EXExtreme Imagination, but also helped select relevant authors and programmes for young adults.

The City Arts and Festivals Manager is a member of the small steering group and has been able to give support and advice on the grant application, programming and delivery. The City Council is offering additional in kind benefits in terms of marketing and promotion in the Autumn Festival brochure worth over £3,000.

4.1.2 Trading Local - An innovative programme of free theatre in independent shops in Sidwell Street in Exeter Autumn Festival 2009 developed in partnership with Exeter Northcott Theatre and Show of Strength Theatre Company from Bristol. The monologue performances were developed through workshops for local writers held by Show of Strength Theatre Company in Exeter Central Library, Exeter Northcott Theatre (2) and St Sidwell's Community Centre. A total of 40 submissions of short monologues devised around shops of choice in Sidwell Street were received – 15 were selected for professional direction and performed by professional actors, directed by Show of Strength Theatre Company. This resulted in over 36 performances in 15 shops along Sidwell Street. This was greatly appreciated by the Sidwell Street traders, the audience who had come specifically for the show and those people who just happened to be in a shop when the performance was taking place.

5 To work strategically in developing new partnerships and funding for the arts

5.1 Progress and key achievements are as follows:-

- Children's Literature Festival Partnership – delivering new festival within Exeter Autumn Festival 2010 for the city primarily funded through National Lottery Grants for the arts led by Exeter University
- Like Music – delivery of a new ticketed music event for the city in Exeter Autumn Festival 2010 through a partnership of commercial, voluntary sector organisations working with City Council Town Centre Manager and Festivals team. Event underwritten by Like Minds
- Outdoor Celebratory Arts Network – key player in a network established by Arts Council SW of key players in producers of Carnival and other large scale outdoor Celebratory Arts events looking to ensure SW creates an impact in Cultural Olympiad in 2012.

5.2 Networking - It is important, recognising the aspiration of the city to be viewed as the cultural capital of the region, that Exeter is seen to both be able to deliver and to be at the forefront of wider arts development networks in the city and the region. In addition to the developments mentioned as achievements in this area of work, the City Arts and Festival Manager attends and is actively involved on the steering group of several other key networks or projects:-

- Creative Coast group – a member of the steering group that oversee the Jurassic Coast Arts Programme
- Exeter Arts Council – an advisory member on the board of Exeter Arts Council who manage the annual small grant funding from the City Council for arts projects in the city
- Animated Exeter – an advisory member on the newly formed Animated Exeter Ltd board.
- Devon Arts Officers Group – quarterly meetings of Devon Arts Officers
- Exeter PAC (Planning Area for Culture) – meetings attended by key cultural organisations in the city and Head of Culture, Devon County Council to take forward People, Places and Spaces a Cultural Infrastructure Development Strategy for the South West supported by key Arts, Sports, Heritage and Tourism bodies in the region. £5000 raised for Arts Council SW to support way forward in light of funding reductions.
- Cultural Olympiad – attendance at regional meetings led by SW Regional London 2012 Creative programmer (Open Weekend and Count Me In)
- Arts Council SW – consultation meetings
- NALGAO - National Association of Local Government Arts Officers

5.3 National Lottery Grants for the Arts - The City Arts and Festivals Manager regularly assesses Grants for the Arts applications which are relevant to the city, which are sent direct from Arts Council England asking for a professional view. The number of these applications varies from month to month but can be anything from 1 – 4. In 2009/10 successful applications brought a further £547,745 of arts funding into the city (see Appendix B – for a full breakdown of successful funding for the Grants for the Arts awards in Exeter).

It is recommended that organisations wishing to apply should discuss the application with their local Arts Officer. In certain cases this can mean working closely with the organisation, making recommendations, checking budgets and helping to write the bid. The following successful bids were worked on in this way:-

- Animated Exeter – Broadsided projection project February 2010 - £30,000
- Aftermath – Exhibition at Exeter Castle highlighting the need to support ex servicemen suffering from post traumatic stress Summer Festival 2010 £5,000
- Children’s Literature Festival – University of Exeter November 2010 £41,792.

6 Developing new models of sustainability – generate new income and funding sources

6.1 Progress and key achievements_are as follows :-

- helping Exeter University develop a new and sustainable company to run Exeter Northcott Theatre

- working out economic benefit of City Council's arts funding to the city both as direct promotions and also funding to Strategic Arts Organisations (See appendix B – breakdown of Funding for the Arts in Exeter City Council)
- working with Arts Council SW and Devon County Council to help looking at new ways of working in light of forthcoming reductions of budget from Arts Council, Devon County and Exeter City Council
- supporting and helping artists and arts organisations write applications to National Lottery Grants for the Arts

6.2 Arts Council England South West Funding Review - The spending review in Central Government has already seen the Arts Council face an in year 5% cut – which has been met through their reserves and therefore not passed on to funded organisations. Nevertheless the latest request from DCMS to Arts Council SW to model a 25% – 30% cut over the next four years will have an impact on arts revenue funded organisations, including Exeter's Strategic Arts Organisations. The situation will be compounded because it will hit organisations at the same time as expected local authority cuts in spending and reduced private sector support.

6.3 Devon County Council recently announced a reduction in its Arts Investment and Culture Projects budget for 2010/11 of 23.5% which represented cuts of £43,100, resulting in the majority of funded organisations who operate on a countywide basis losing under 2%. However, organisations such as Exeter Phoenix lost just under 25%, (£12,750). Exeter Northcott suffered 100% loss with £53,000 being held in reserve pending outcome of the theatre going into administration and further meetings with the theatre. All arts investment was offered on a one-off basis for 2010/11 only, with no commitment to any level of future investment. Devon County Council's Culture Projects budget also suffered a reduction of 52.5% from £138,000 to £65,000 - which has implications for any future one off project support for festivals and events. Nevertheless some £27,500 has been set aside for Cultural Olympiad support.

6.4 Business Sponsorship of the Arts - Due to the economic recession it is becoming increasingly difficult to generate sponsorship from Exeter's business community for festivals and other events. Sponsorship for Exeter Summer Festival 2010 fell by £17,000 from £27,000 to £10,000.

It is obviously not a good climate in which to be seeking sponsorship and certainly future programmes should not rely on sponsorship. The Government would like to see businesses and philanthropists give more to the arts, perhaps replacing or plugging the gap in current funding. This is unlikely to happen without Government creating incentives to encourage business to give.

Working in partnership with the business community will be very important in the coming years to develop partnerships and good working relationships to try and marry commercial needs with creative community outcomes.

6.5 Like Minds has agreed to underwrite the Like Music event in Exeter Autumn festival by £10,000, this being a highly innovative, high profile event that will use social media to publicise the event, and work in partnership with commercial, voluntary and public sector arts events.

Appendix B - Breakdown of Arts Funding to Exeter

1. City Based Strategic Arts Organisations

City Council revenue funding & other income breakdown summary 2009/10

Organisation	ECC funding*	Other income	Total Income
Exeter Barnfield Theatre	£10,000	£125,500	£135,500
Spacex	£11,365	£248,372	£259,737
Theatre Alibi	£19,196	£401,842	£421,038
Exeter Northcott	£85,231	£1,820,925	£1,906,156
Exeter Phoenix	£131,198	£1,305,849	£1,437,045
TOTALS	£256,990	£3,902,488	£4,159,476

*Exeter City Council has maintained this level of funding in 2010/11.

Exeter City Council also funds Wren Music (£16,205) and the Bournemouth Symphony Orchestra (£11,865) who are not based in Exeter. This brings the **overall total** of Exeter City Council's revenue funding support to **£285,060**

2. Exeter City Council arts project funding

Exeter Arts Council	£13,500
Magic Carpet	£ 4,500
Exeter Phoenix	£ 2,500 (until end 2011 for rent support for artist incubator units)

3. Breakdown of successful Grants for the Arts funding - Exeter Awards 2009/10

Recipient	Project	Amount
Milicia Lewis	Joy Collective Autumn Tour	£4,790
Theatre Alibi	Ministry of Fear	£89,982
University of Exeter	Writer in Residence	£30,700
Cyprus Well	Staff & Operational costs	£98,740
Deborah Robinson	Fish-Eye-I	£4,840
Magic Carpet	Total Arts	£32,072
Animated Exeter Ltd	Animated Exeter 2010	£30,000
Shane Wolfland	Spoken/written bulletin South West	£2,000
Dance in Devon	Dance in Devon 2011/12	£71,950
Devon County Council (Central Library)	Wordquest	£50,000
Cyprus Well	Grass roots and internal organisation	£20,400
Jilly Edwards	Sense of Place	£5,000
Kagemusha Taiko	6th UK Taiko Festival	£4,453
University of Exeter	Children's Literature Festival	£41,792
RAMM	3 integral public art commissions	£60,855
	TOTAL	£547,574

4. City Festivals and Events Portfolio – 2010/11

Summer Festival	£100,000
Autumn Festival	£13,000
Animated Exeter	£20,000
Vibraphonic	£7,000
Christmas Events	£7,220
Exeter Respect	£2,000
Exeter Open Studios	£1,350
Arts and Festivals Team (1 F/T; 2 x 20hours)	£73,110
Support Services	£57,330
TOTAL	£281,010

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - ECONOMY 2 SEPTEMBER 2010

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. In doing so, it also acts as a progress report in relation to the paper presented to this Committee on 21 January 2010 and Executive on 9 February 2010, entitled "Transportation Strategy: Measures to reduce carbon emissions / proposed City Council input to DCC Local Transport Plan 2011-16", which formed part of a suite of papers in relation to reducing carbon emissions in Exeter. Elsewhere in this report, the papers are referred to as the "Carbon Emissions papers", and the annotation "**KM**" against a topic means that it was identified as a Key Measure in those papers.

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 state-owned. The Office of Rail Regulation regulates train services, monitoring the 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, such as contributing financially towards the purchase of new vehicles. It is important to stress that local authorities do not have any general power to subsidise services to reduce fares, apart from specific schemes such as concessionary fares for specified groups, most notably for older and disabled people.
- 2.4 In recent years there have been various funding streams available for transport initiatives, including:-
- the DfT has provided funding to local highway and transport authorities; for example, through the Regional Funding Allocation (RFA) system it has funded major schemes which have been identified as a high priority at regional level, whereas Local Transport Plan (LTP) funding has existed for schemes proposed in the relevant authority's LTP;
 - it has been possible to secure money for infrastructure and to pump-prime new or improved services, where required as a result of new development, 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).

- 2.4 However, on 10 June 2010 the Government announced a series of in-year budget reductions to both capital and revenue expenditure, across the range of local authority services including transport, and informed councils that no further decisions would be taken about RFA scheme bids, pending the outcome of the Comprehensive Spending Review in October 2010. The impact on individual schemes is dealt with below.
- 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 (until March 2011);
 - provision of off-street parking;
 - on-street parking enforcement under an agency agreement with DCC;
 - licensing of taxis;
 - provision of infrastructure, including facilities for cycling and walking;
 - as local planning authority, consideration of proposals affecting highways;
 - influencing schemes being promoted by DCC.
- 2.6 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 promoted.
- 2.7 It may be that, following the Comprehensive Spending Review, the method of funding transport projects, and in particular the various funding streams, will be subject to change. What is certain, however, is that transport will be making a big contribution to the inevitable cuts in public spending, meaning that the emphasis in coming years will need to be on achieving more for less, and looking at more innovative methods of funding.
- 2.8 Against this backdrop, 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 involved bids by DCC to the DfT via the Regional Funding Allocation (RFA) system, which has been placed on hold as described above.
- 3.2 **The "Exeter Principal Urban Area" improvements (KM)**

DCC's proposals have been designed to improve outbound capacity for traffic along the Alphington Road and Topsham Road / Bridge Road corridors, and to improve priority for public transport and to encourage modal shift away from the car. Elements include:-

Alphington Road corridor

- the widening to two lanes of Western Way on the approach to Exe Bridges (already implemented);
- 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.

Topsham Road / Bridge Road

- provision of two lanes on Topsham Road outbound approaching the Countess Wear roundabout and then along Bridge Road to the Matford roundabout; and
- provision inbound of a bus lane and two traffic lanes on the approach to Countess Wear roundabout.

3.3 On 13 November 2008, Members of Scrutiny Committee – Economy gave their support to DCC's funding bid for this package of proposals. It was intended that DCC would submit a major scheme bid this summer. In the light of the Government's announcement, this has been deferred, and DCC is reviewing the scope of some elements of the project to see whether cost reductions can be achieved, particularly in the light of revocation of the Regional Spatial Strategy and the fact that residential development is likely to progress at a slower pace than was envisaged before the recession.

3.4 A planning application for the park and ride site adjacent to the Alphington junction of the A30 was submitted in August 2009. This Council was a consultee, and supported the principle of a site in that location, although it raised objections to the detailed design. The application was refused by DCC's Development Management Committee on 2 December 2009. However, a park and ride site in this location (**KM**) is still considered to be an important element of the future transport strategy for Exeter, and alternative proposals are now being drawn up. City Council officers are working closely with their DCC counterparts to ensure that the detailed design minimises and mitigates the impact on the conservation area and valley park.

3.5 **Junction 29 improvements**

This scheme, to provide access to the East of Exeter development, and particularly to revise junction 29 of the M5, is at the final full approval stage for a major scheme bid of £12m. Now that all such bids have been placed on hold by the Government, DCC is unable to proceed with the scheme, despite having all necessary powers and being in possession of returned tenders. This is delaying progress with development of the Science Park, although DCC remains hopeful that the scheme will receive approval, given its high benefit to cost ratio and its fundamental role in the East of Exeter proposals as a whole.

3.6 **Project Exe-press (high quality public transport) (KM)**

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.

3.7 DCC had intended to submit a major scheme bid for revised proposals to the DfT by late 2010. Public consultation was carried out this spring and the results are being analysed. Given the likely reductions in overall transport capital budgets, DCC is intending to review the scope of the scheme to ensure that it is affordable while providing maximum value for money. ECC will be involved in that process.

4 **RAIL**

4.1 **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 (FGW), 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.

4.2 Services

Recent and forthcoming service improvements include the following:-

- Completion of a long passing loop at Axminster enabling an hourly service between Exeter and Waterloo, with effect from December 2009;
- A 9am start to the Sunday service on the Exmouth line, commencing May 2010 and continuing all year round;
- A new early train from Paddington, arriving in Exeter before 09.30, commencing in December 2010;
- Cascaded "Sprinter" vehicles to replace FGW's unpopular "Pacers" on local lines, 12 of which are due to arrive by autumn 2010 although the remaining 18 will be delayed until next year due to problems with the delivery of new trains elsewhere;
- Upgrading the maintenance depot at St Davids to reduce the need for trains to go to Bristol for heavy maintenance (creating 4 full time equivalent jobs in Exeter);
- Installation of ticket gates at Exeter Central, more revenue protection staff (six full time equivalents), and more ticket vending machines, following a successful bid by FGW to the DfT.

4.3 More disappointing was the publication in September 2009 of a draft Route Utilisation Strategy (RUS) for the Great Western region. This gave no recognition to the enhancements required to cater for the new development proposed in and around Exeter, particularly the need for new stations to serve development at Newcourt and Monkerton. As reported to this Committee in November 2009, this Council responded to the consultation. The joint impact of our response with those from Devon County Council, local user groups, and rail operators, was that the final RUS published in April 2010 at least recognised the existence of these aspirations, should demand be demonstrated and resources become available.

4.4 DCC has stepped up work on its "Devon Metro" rail project (**KM**), having commissioned studies into the feasibility and likely patronage levels of new stations. This Council works informally with DCC and the rail industry on projects such as this, other examples being schemes to improve St David's and Central stations (**KM**). We also participate 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.

4.5 At its meeting on 3 June 2010, this Committee resolved to set up a Task and Finish Group to study rail issues in more depth, with a view to reporting back to the Committee next spring. Establishment of that Group is awaiting the outcome of the elections now fixed for 9 September. However, to avoid further delay, Members are asked to approve the terms of reference set out in Appendix 1 to this report.

4.6 InterCity Express Programme (IEP)

The InterCity Express Programme was set up by the previous Government to develop a replacement for the current fleet of InterCity 125 trains, which serve the Great Western main lines. Following the announcement that electrification would take place

from Paddington to Bristol, Newbury, Oxford and South Wales, the IEP fleet was to include bi-mode trains which could run on electric power where available, and diesel power elsewhere. A review of the IEP commissioned before the general election has now been completed and reported to the Secretary of State, and an announcement on the future of the InterCity train fleet is expected at around the same time as the outcome of the Comprehensive Spending Review. Alongside this, the Secretary of State has commissioned a study into the value for money of the UK's rail industry as a whole.

5 BUS SERVICES

- 5.1 Bus travel continues to make a significant contribution to travel in Exeter. CUBS (comparison of urban bus services) data published in 2009 shows that Exeter is particularly well served by buses for a city of its size, with 73% of its population served by a service at least every 15 minutes during weekdays, and at least hourly on Sundays and right through the evenings. (Of 20 towns and cities with a similar population, only Colchester does better.) Unfortunately Exeter comes bottom of its peer group in terms of scheduled vehicle speed, at around 13 kph (8 mph).
- 5.2 Given that most of Exeter's city services operate without revenue support from DCC, this network represents a significant resource contributed by the private sector to assist in meeting Exeter's transport needs. The effectiveness of this resource can be enhanced by well-targeted public sector intervention; for example bus priority schemes can alleviate delays caused by congestion, which are a major deterrent to bus travel.
- 5.3 Another deterrent is the perceived level of fares, particularly short distance, "walk on" fares. (Better deals are available for regular travellers – see paragraph 9.4.) Members will recall that in autumn 2009, the Office of Fair Trading consulted on a proposed reference to the Competition Commission to investigate the bus industry. Members were keen that we should participate, and we responded in support of the investigation, which has since commenced, with a final report due in the summer of 2011.
- 5.4 Following consultation with the Portfolio Holder for Sustainable Development and Transport, a response was also sent to a government consultation on smart and integrated ticketing in October 2009, supporting it as a concept, and commenting on some practical issues. Members will recall that a Devon equivalent to London's "Oystercard" was supported by the Carbon Emissions papers, one potential benefit being the availability of a "carnet" facility giving better value to occasional public transport users. Investment in smartcard systems is concentrated on the metropolitan areas, but as the technology becomes more widespread and advanced, its extension to Devon becomes more feasible.
- 5.5 Continued fleet renewal means that all Exeter city services are now operated by low floor vehicles, as are many other routes in the local area. A brand new fleet of Park and Ride buses was introduced in December 2009, and new vehicles took to the road in July of this year on route 57 between Exeter and Exmouth. Both of these purchases received some financial assistance from Devon County Council and the vehicles meet the very latest emissions standards (**KM**).

6 CONCESSIONARY FARES

- 6.1 Members will recall that as a result of strenuous efforts by Members and officers, additional grant was received from the Government to reduce the Council's funding

shortfall in relation to this scheme. A shortfall of £2.1m for the current financial year was reduced to approximately £0.45m.

- 6.2 Administration and funding of concessionary fares moves to upper tier authorities from 1 April 2011, and officers are working through the relevant local government organisations to ensure that the transfer does not take an excessive level of funding away from us.

7 COMMUNITY TRANSPORT

- 7.1 This Council contributes to two services provided by Exeter Community Transport Association (ECTA):-

- £13,140 annually to Ring and Ride; and
- £4,100 to the Taxicard scheme.

DCC contributes similar amounts, as well as an additional sum to the Shopmobility service.

- 7.2 Both Councils have worked with ECTA to bring the Taxicard scheme back within budget, following a significant overspend by ECTA last year (met from its own resources). As reported to this Committee in June, the scheme is currently operating with a £75 annual limit on the amount of taxi fares that can be claimed by users, rather than the £125 limit which previously applied.
- 7.3 With effect from 2011, it is proposed to bring these contributions to ECTA within the core grants process, with funding decisions being made by the Grants Committee.

8 CYCLING AND WALKING (KM)

8.1 Cycling Demonstration Town

Exeter's designation as a Cycling Demonstration Town (CDT) comes to the end of its six year span in 2011. Much has been achieved, for example:-

- Significant parts of the Exe Estuary Trail are now complete, most recently the section from Exton to Lypstone in May 2010. The entire Trail is likely to be completed in 2014, with interim measures making the eastern side of the estuary completely cyclable from next year.
- Exeter has seen a 40% increase in cycle trips since 2005, as measured by counters at various locations, with around 22% of children now cycling to school.

- 8.2 Research¹ shows that "safety in numbers" applies and riding a bike is statistically safer per mile travelled in towns and cities where there are lots of cyclists. Given the acknowledged health benefits, it makes sense to invest in facilities which enable and encourage people to lead healthy lives, rather than to spend more in the future treating people for illness resulting from lack of exercise. Given the severe constraints on public spending, this is a message which needs to permeate all levels of government and the NHS.

¹ eg. "A Virtuous Cycle" listed under "Background Papers" below

8.3 In an attempt to embed the favourable attitudes to cycling which have sprung from CDT status, new planning applications are examined to ensure that proposals are as cycle-friendly as possible.

8.4 **Exeter Walking Project**

Exeter City Council is a member of the Exeter Walking Project (EWP), 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.

The shared use path across Wonford Playing Fields completed in 2009 demonstrates how such facilities can benefit pedestrians, cyclists and people with disabilities.

8.5 Project work currently being carried out by Sustrans for the EWP is the preparation of a series of walk descriptions within Exeter. The intention is to produce a set of interlinked walks, building on the success of the Green Circle and providing a network of interesting walking routes throughout the city. This would make use of existing rights of way and walks would not be signposted, therefore the only additional cost would be that of producing the necessary booklets. No funds are earmarked for this, so the possibility of sponsorship is being investigated. An online version is also proposed, which would enable the route descriptions to be set out in sections, which the public could link together and print, to provide a description for their own tailor-made walk.

9 **TRANSPORT AND THE ECONOMY**

9.1 As indicated earlier in this report, these are difficult times for the economy as a whole, and transport is likely to be disproportionately hit by Government spending cuts. However, much new development is likely to take place in and around Exeter in the coming years, so the challenge will be to find ways to enable the transport system to cope. We need to:-

- build on what we have already got;
- compete effectively for what public money is available;
- likewise compete for private sector investment; and
- break down the barriers to use of sustainable travel modes.

9.2 Public money will be scarce. However, provision of cycling and walking facilities can be achieved at relatively little cost. Given that walking is a free means of transport and cycling costs relatively little, the ability to use these travel modes is sure to be welcomed by members of the public whose personal budgets are squeezed.

9.3 In terms of public transport, Exeter is starting from an advantageous position. With eight rail stations and comprehensive bus coverage (see paragraph 5.1), there is scope for making better use of existing networks, particularly outside peak times.

9.4 As an alternative to the car, public transport is more cost-effective than is often realised. Unlimited bus travel in the Exeter area costs £12 a week or £500 a year, while an annual rail season ticket from Exmouth to Exeter costs £804. Combined with walking and cycling for shorter journeys, and perhaps membership of a car club for

harder-to-reach destinations, a package of sustainable transport options can be an economical alternative to car ownership. Accepting that many households regard car ownership as an absolute necessity, such a package can still be a cost-effective alternative to running a second vehicle.

- 9.5 The recently concluded TravelSmart project has demonstrated that lack of knowledge of local transport options can be a barrier to leaving the car at home. Much work is therefore done in co-operation with DCC, distributing their cycling and walking maps via Customer First and Visitor Information, and using the ECC website to direct people to the information available. Our bus information page has proved a particularly popular one (recently achieving over 1900 hits in a month), since when we have been able to set up a direct link to DCC's interactive bus map of Exeter (rather than the Devon-wide version as previously). A "days out by train" section has recently been created on the Exeter and Essential Devon website.
- 9.6 As mentioned above, the TravelSmart project was recently completed and DCC will be arranging a presentation of the results during the autumn.
- 9.7 However, the biggest challenge for transport in the immediate future is a shortage of funds. A key project for the coming year will be the drafting of a planning policy document, to ensure that new developments cater properly for sustainable modes of travel, and to set out a consistent approach to seeking contributions from developers towards the facilities needed to serve their developments.

10 CONCLUSION

- 10.1 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.
- 10.2 In summary, the Council's involvement in transport issues in the coming year will focus on:-
- Information – ensuring that the public are aware of all travel options available to them, not just how to get around by car.
 - Influence – working with DCC and others on projects affecting the city, and responding to government consultations with a view to achieving the best outcomes.
 - Policy – ensuring that a sound planning policy framework is in place, to engage developers fully in catering for all travel modes within their developments, and to secure appropriate contributions to facilities which will serve those developments.

11 RECOMMENDED

- (a) that the report be noted, and that Members offer their continued support for the initiatives designed to encourage more sustainable travel, and the delivery of an ECC transportation function designed to promote the long term interests of the city;
- (b) that Members approve the terms of reference for the Rail Task and Finish Group set out in Appendix 1.

**KARIME HASSAN
INTERIM DIRECTOR**

ECONOMY AND DEVELOPMENT DIRECTORATE

Local Government Act 1972 (as amended)

Background papers used in compiling this report:-

Devon County Council report to Cabinet 14 July 2010

Comparison of Urban Bus Services (Resolutions)

Cycle Exeter Strategy – April 2008 to March 2011

A Virtuous Cycle: Safety In Numbers For Bicycle Riders - University of New South Wales (September 2008)

APPENDIX 1

TERMS OF REFERENCE FOR TASK & FINISH GROUP

<p>NAME OF SCRUTINY COMMITTEE AND CHAIR Scrutiny Committee – Economy Chair – Cllr J Winterbottom</p>	
<p style="text-align: center;">NAME OF WORKING GROUP</p> <p>Rail Task and Finish Group</p>	
<p>RATIONALE/NEED FOR REVIEW/ORIGIN OF SUBJECT UNDER CONSIDERATION</p> <ul style="list-style-type: none"> • Exeter’s growth agenda requires improvements to public transport, otherwise it will inevitably result in increased traffic, which in turn will aggravate congestion and pollution. • The funding required in order to maintain and improve the rail system is becoming increasingly scarce. • An understanding of the issues surrounding the rail system, and potential solutions and obstacles, will assist members in taking informed decisions affecting the future of the city. 	
<p>HOW DOES IT FIT WITH CORPORATE PRIORITIES</p> <p>It supports the following elements of the Exeter Vision:-</p> <ul style="list-style-type: none"> • an accessible city – we aim to encourage greater use of public transport and to lobby for a better rail network; • a prosperous city – because efficient transport systems are essential for economic prosperity; • a city that cares for the environment – because public transport has a key role to play in reducing harmful emissions and improving air quality. 	
<p>REMIT OF WORKING GROUP/TERMS OF REFERENCE/WHAT ARE OUTCOMES/AIMS AND OBJECTIVES</p> <p>Devon County Council has developed the Devon Metro concept, including proposals for improved infrastructure, additional stations, and extra train capacity, and is embarking on exercises to assess the feasibility of these proposals. The aims of the Working Group are to:-</p> <ul style="list-style-type: none"> • understand the importance of rail in serving Exeter now and in the future; • assess the need for improvements; • understand the obstacles to improvement, including the funding gaps; • consider solutions; • identify ways of working with other stakeholders of achieving those solutions. 	
<p>MEMBERS ON WORKING GROUP</p>	
<p>POSSIBLE CO-OPTees</p>	

KEY STAKEHOLDERS/CONSULTEES/INTEREST GROUPS/INVOLVEMENT OF ANY PARTNERS Devon County Council, Network Rail, First Great Western, Rail User Groups.	
POTENTIAL WITNESSES Representatives of the above.	
SITE VISITS Visits to locations for potential new stations may be beneficial.	
BUDGET/RESOURCES AVAILABLE None, other than officer time.	
OFFICERS Ross Hussey (Projects and Business Manager) Karime Hassan (Interim Director, Economy and Development)	
START DATE <i>[To be determined]</i>	
DATES OF MEETINGS <i>[Approx 3 during the lifetime of the Working Group]</i>	
PROPOSED COMPLETION DATE January 2011	
REPORT TO COMMITTEE 10 March 2011	
PUBLICITY OF RECOMMENDATIONS Report to Scrutiny Committee (as above)	
MONITORING/TRACKING/EVALUATING No interim reports envisaged	

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE ECONOMY 2 SEPTEMBER 2010

PETITION IN RESPECT OF OPEN SPACE AT LORAM WAY, ALPHINGTON

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to consider a petition received in respect of the open space areas at the Loram Way estate in Alphington.

2.0 BACKGROUND

- 2.1 The petition was presented by Councillor P Wadham. It includes names, addresses and signatures for over 100 people. The petition requests Exeter City Council to take over the maintenance of green areas on the Loram Way estate. A copy of the petition can be inspected in Estates Services or viewed prior to the meeting.
- 2.2 Council, on 13 July 2010, agreed a petition scheme in accordance with the Local Democracy, Economic Development and Construction Act 2009. This specifies that, if a petition containing between 20 and 750 signatures, is submitted to Council, it will be referred to either the relevant Committee or an officer for consideration.
- 2.3 The practice of addressing open space on new residential development has been that the developer should meet the costs of maintenance of the land in perpetuity. Typically this has been handled by developers paying a sum equivalent to the cost of maintaining the area by the Council for a period of 10 to 20 years. This payment is known as a commuted sum.

There are instances of private open space where the cost of maintenance is met by local residents, usually through some form of Management Committee. This is usually the arrangement in relation to blocks of flats.

The more usual arrangement however is for open space to pass to a local authority together with a commuted sum. The commuted sum is a cost that can be reflected in the price paid for the land and therefore should be covered by the land purchase. This was standard practice in the 1980's and remains so today.

- 2.4 Loram Way and the other cul-de-sacs running off it were built in the late 1980's early 1990's. There were two developers, Costain and Beazers, there was a s52 agreement between them and the Council dated 10/11/1987. The Section 52 Agreement did not include any requirement on management of Open Space. A current member of staff dealt with the negotiation at the time and recalls offering terms for the Council to take the land subject to the developers paying for any outstanding work plus a sum of money to be invested to pay for maintenance in perpetuity, known as a commuted sum. Both developers opted not to pay the money and to maintain the land themselves.

Other developers at about the same period in the immediate area (Chantry Meadow, Tower Walk, Canon Way, Westcombe) did pay the commuted sums, and their areas of open space were transferred to and are being maintained by the Council.

- 2.5 A broadly identical situation exists at Pennsylvania, where some developers elected to pay a commuted sum and transfer open space to the Council and others elected to retain the money and maintain the land themselves. A further small plot on Gloucester Road falls into the same category and there may well be other plots around the city.
- 2.6 The Council has powers under the Town & Country Planning Act 1990 Section 215 to serve a Notice requiring unsightly sites to be tidied up. However the Development Manager advises that the land is not untidy enough for such a Notice. The land is being maintained albeit not to the standard the Council would adopt.

3.0 CONSIDERATION

- 3.1 The current commuted sum if the Council were to take the land over is £23,188. This is based on the play area being returned to grass, as there is an equipped play area in Chantry Meadow, a maximum of 300 metres away. The estimated cost of remedial work to bring the land to an adoptable standard is £2,050, a total therefore of £25,238.
- 3.2 The petition requests the Council to take over maintenance. The Council has not had any recent contract with the landowner. If that landowner requested the Council to take the land over and offered the usual commuted sum the transfer could be authorised under Delegated Powers.
- 3.3 To consider taking on the maintenance without the normal commuted sum would undermine the stance the Council has maintained over the years which is that whilst annoying to the residents it would be inequitable for the council tax payers as a whole to take on this obligation and would be grossly unfair to those developers who have paid the commuted sum to have open space maintained by the Council.
- 3.4 If maintenance were taken on without the normal commuted sum it would almost certainly lead to the same request in other areas and may encourage developers who did correctly make the payments to request return of their money.
- 3.5 The cost of maintaining public open space in perpetuity is greater than the amount saved from developers. Commuted sums are intended to cover a period typically 15 years. Whereas the Council will thereafter maintain the land for decades. Many authorities are now exploring alternative arrangements that do not involve the local authority. This would tend to involve the Management Committees and Trusts where the residents pay an annual sum to a contractor to maintain the land. Areas of open space will also have to accommodate sustainable urban drainage systems and means to handle surface water run offs. Developers will have to consider the maintenance regime for such works and the default position cannot be the local authority.

4.0 RECOMMENDED

- (1) that Scrutiny Committee Economy note the petition; and
- (2) that the petition organiser be advised that the Council could only consider taking transfer of the land if it received the normal commuted sum and cost of remedial work being £25,238.

**MICHAEL CARSON
ACTING HEAD OF ESTATES SERVICES**

ECONOMY & DEVELOPMENT DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

None

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE - ECONOMY 2 SEPTEMBER 2010

ECONOMY SCRUTINY STEWARDSHIP TO JUNE 2010

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 2010/11.

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 2010 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 £2,850 which represents a variation of 1.75% from the revised budget of £163,000. This includes supplementary budgets of £21,610. 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 budgets for 2010/11 included a provision of 0.7% for the pay award. The current position is that Local Government Employers have not offered a pay award for the current year.

- 2.3 The main variations by management unit are detailed below:

	£
2010-2011 REVISED ESTIMATE Less NOTIONAL CHARGES	28,340
83A1 PROPERTY & ESTATES SERVICES	73,000
Property income is lower than expected at various properties due to a general increase in void periods and downward pressures on rent levels across the portfolio	
83A2 TRANSPORT/CONCESSIONSARY FARES	(2,300)
A saving is expected on the contract for maintenance of bus shelters; this saving will be partially offset by additional expenditure required in respect of the concessionary fares scheme for 16 to 18 year olds.	
83A3 CAR PARKING	(60,870)
A saving on employee costs will be made due to a number of vacant posts within the Management Unit.	

Income from off street car park fees is slightly above the budgeted income figure as at 30 June 2010. Additional income is expected in respect of rental of car park spaces; this additional income will be partially offset by income from Car Park Investment properties being less than budgeted.

The budget in respect of National Non Domestic rates will be exceeded.

83A5	FESTIVALS & EVENTS An overspend is expected on the Summer Festival primarily due to unanticipated costs for one of the free events.	7,670
83B2	ADMINISTRATION SERVICE Employment costs are expected to be less than the budget with savings anticipated on salaries and superannuation.	(15,970)
83B4	ENGINEERING & CONSTRUCTION A saving will be made on employee budgets due to a number of vacant posts in the management unit. Income budgets within the management unit are expected to fall short of the annual budget; mainly due to the loss of work in respect of the Pell Frischmann contract.	(30,880)
83B5	PLANNING It is anticipated that planning fee income will be below budgeted levels by the end of the year; this will be partially offset by additional income from legal costs. A significant part of the planning expenditure is funded by Planning Delivery Grant. No grant will be received in 2010/11. However the expenditure in this financial year will be funded from the earmarked reserve at the year end.	49,240
83B7	ARCHAEOLOGICAL FIELD UNIT Work in Progress brought forward from the previous financial year will be written off in the year as the amounts are no longer able to be recovered.	24,570
83B9	MARKETS & HALLS Income at the Matford Centre is expected to exceed the budget due to an increase in livestock sales, car storage, and income from leases. Sunday Markets income is expected to exceed the budgeted figure; this additional income is partially offset by City Centre Market and Car Auction income falling short of the budgeted figures. Cleansing charges in respect of the Matford Centre will exceed the budget. Exeter Corn Exchange income is anticipated to be higher than budgeted due to increased events and lettings and other income associated with these events. Casual staffing costs are expected to exceed the budget. A saving is expected in respect of superannuation.	(41,610)

2010-2011 EXPECTED FINAL OUTTURN	31,190
ADDITIONAL UNBUDGETED RESERVE TRANSFERS	54,000
EXPECTED TOTAL NET EXPENDITURE	85,190

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

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**SCRUTINY COMMITTEE - ECONOMY
STEWARDSHIP**

APRIL 2010 TO JUNE 2010

ANNUAL BUDGET	SUPPLEMENTARY BUDGET	NOTIONAL CHARGES***	REVISED BUDGET	CODE		CURRENT OUTTURN FORECAST	FORECAST VARIANCE
£	£		£			£	£
(2,701,520)	0	(18,440)	(2,683,080)	83A1	PROPERTY & ESTATES SERVICES	(2,610,080)	73,000
1,797,110	0		1,797,110	83A2	TRANSPORTATION/CONCESSIONARY FARES	1,794,810	(2,300)
(2,992,530)	0	111,890	(3,104,420)	83A3	CAR PARKING	(3,165,290)	(60,870)
782,490	0	(11,450)	793,940	83A4	ECONOMIC DEVELOPMENT	793,940	0
281,010	0	(3,610)	284,620	83A5	FESTIVALS & EVENTS	292,290	7,670
529,240	0	(3,140)	532,380	83A6	TOURIST INFORMATION	532,380	0
26,000	0		26,000	83A7	ARCHAEOLOGY IN EXETER	26,000	0
387,930	0	139,340	248,590	83A8	DISTRICT HIGHWAYS & FOOTPATHS	248,590	0
72,040	0	(8,500)	80,540	83A9	BUILDING CONTROL	80,540	0
120,540	0	6,070	114,470	83B1	LAND DRAINAGE	114,470	0
0	0	(4,510)	4,510	83B2	ADMINISTRATION SERVICE	(11,460)	(15,970)
0	0	(6,300)	6,300	83B3	DIRECTOR ECONOMY & DEVELOPMENT	6,300	0
0	0	(12,640)	12,640	83B4	ENGINEERING & CONSTRUCTION SERVICES	(18,240)	(30,880)
1,577,450	0	(33,640)	1,611,090	83B5	PLANNING SERVICES	1,660,330	49,240
92,480	6,300	5,860	92,920	83B6	CONSERVATION	92,920	0
108,000	0	(17,220)	125,220	83B7	ARCHAEOLOGICAL FIELD UNIT	149,790	24,570
0	0		0	83B8	MAJOR PROJECTS	0	0
82,760	15,310	12,560	85,510	83B9	MARKETS & HALLS	43,900	(41,610)
0							
<u>163,000</u>	<u>21,610</u>	<u>156,270</u>	<u>28,340</u>		NET EXPENDITURE	<u>31,190</u>	<u>2,850</u>

*** Includes:

Capital Charges

83B5

FRS17 Pension Costs

Reserve Transfers

Additional unbudgeted transfer from Local Development Framework Reserve	(5,000)
Additional unbudgeted transfer to Planning Delivery Reserve	59,000

OVERALL FORECAST EXPENDITURE FOR THE YEAR AFTER MOVEMENTS TO/FROM RESERVES 85,190

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