

SCRUTINY COMMITTEE - ECONOMY

8 September 2011

Present:

Councillor Natalie Cole (Chair)

Councillors Prowse, Bialyk, Crow, Dawson, Morris, Payne, Robson, Ruffle and Wardle

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

Also present:

Councillor Rosie Denham

- Portfolio Holder for Economy and Tourism

Councillor Rachel Sutton

- Portfolio Holder for Sustainable Development and Transport

Stephen Marsh

- E.On Energy Solutions Limited

Ian Hutchcroft

- Energy Savings Trust

Dr Stephen Bird

- Heart of the South West Local Enterprise Partnership Board Member

35 **MINUTES**

The minutes of the meeting held on 9 June 2011 were taken as read, and signed by the Chair as correct.

36 **DECLARATIONS OF INTEREST**

The following personal interests were declared:-

COUNCILLOR	MINUTE
Councillor Prowse	40 (a family member works in retail in the city and as such would have had a vote in the BID process)
Councillor Payne	41 (employee of Exeter College)
Councillor Prowse	42 (Member of Devon County Council and Trustee of Exeter Community Transport Association)
Councillor Prowse	43(Member of Devon County Council)

MATTERS FOR CONSIDERATION BY SCRUTINY - COMMITTEE ECONOMY

37 **EON ENERGY PARTNERSHIP**

The Director Economy and Development updated Members on the work of the E.On Energy Partnership, including the work of the Low Carbon Task Force Group, which had clearly established Terms of Reference and Memorandum of Understanding. The Group had been working on a number of shorter term potential energy-saving projects, but their focus was now on developing a strategy for a number of medium

and longer term projects to take advantage of the emerging Government incentives and evolving energy market.

Stephen Marsh, Strategic Partnership Manager (Sustainable Energy) for E.ON Energy Solutions Limited and Ian Hutchcroft from Energy Saving Trust (EST) attended the meeting and provided an update on the work of the E.ON Energy Partnership. This included being able to take advantage of some niche opportunities including maximising current incentives through the Renewable Heat Incentive (RHI), which is a financial support scheme to encourage take-up of renewable heat initiatives. They also referred to Feed in Tariffs (FiTs) through investment in small scale low carbon electricity generation through solar panels in return for a guaranteed payment for electricity. Other initiatives included the delivery of large scale decentralised energy and district heating for new developments. The Low Carbon Task Force had been working to expand on the knowledge and expertise gained from the Cranbrook development to maximise the technology across the proposed developments within the Growth Point such as at Monkerton and Hill Barton and in the city centre. Although more challenging, there will also be opportunities for existing housing stock's energy efficiency to improve. All of these schemes have the added benefit of being a catalyst for the creation of jobs involving local trades and engineers.

In terms of Exeter, a number of projects such as an ECO Green Deal involving a solar panel roof rental scheme in Exwick; as well as a Private Sector Landlord project to encourage energy saving initiatives for their properties have started. A Member welcomed such projects, but was concerned that private sector tenants might be burdened with additional costs. A Member suggested that such schemes might also offer investment opportunities for local authorities. Stephen Marsh agreed that a solar panel roof rental scheme could attract a significant revenue stream as well as the occupier of the property enjoying a lower energy bill.

Scrutiny Committee – Economy thanked Stephen Marsh and Ian Hutchcroft for their informative presentation and noted the report, and endorsed the Council's continued support of the Strategic Partnership with E.On and the work of the Low Carbon Task Force.

(Report circulated)

38 **PRESENTATION - LOCAL ENTERPRISE PARTNERSHIP**

Dr Stephen Bird, a Board Member from the Heart of the South West Local Enterprise Partnership attended the meeting. He referred to his brief which as one of the 15 Board Members, also included engaging with the City Council and the Exeter and Heart of Devon Growth Board. He outlined the LEP's aim to provide an economic and strategic development lead and highlighted areas of their main focus to -

- secure growth in the key urban centres and facilitate job creation across the Heart of the South West;
- provide support to strong sectors such as tourism, food and drink and land based industries to grow employment opportunities;
- encourage investment in potential growth sectors and create and sustain new private sector jobs and rebalance the economy's over reliance away from the public sector;
- create the right conditions for high level of business start-ups for job growth and expansion of Small and Medium sized businesses (SME's);

- coordinate and secure improvements to infrastructure including superfast broadband and electrification of the rail network, key road improvements and housing, and
- ensure the workforce is equipped with the skills that local businesses need.

He referred to the importance of being clear about what Exeter hoped to achieve from the LEP process, and although as a Board Member with no specific geographic or generic remit, he would make every effort to keep Exeter engaged in the process. In response to a Member comment on the demise of business support from SWRDA and Business Link, Dr Bird advised that he would speak to Board colleagues and ensure a full brief on business support was forthcoming. He also responded to a comment on how the LEP would continue to look at growth in the Exeter area, in the context of the successful development of Cranbrook, and the Science Park and Skypark proposals. He did acknowledge that Exeter had different objectives to other parts of Devon.

The Director Economy and Development reiterated the disappointment of both the City Council and the Scrutiny Committee in relation to the failed Enterprise Zone bid, but certainly lessons had been learned. Members were reassured that a route for dialogue would be maintained through the Exeter and Heart of Devon Growth Board.

The Chair thanked Dr Bird and looked forward to a future presentation.

MATTER FOR CONSIDERATION BY EXECUTIVE

39 EXETER VISITOR STRATEGY 2012-15

The Head of Economy and Tourism presented a report which sought approval for a formal consultation with relevant partners and agencies, of the draft Exeter Visitor Strategy, covering the period 2012 to 2015. A copy of the draft Strategy was circulated with the report. The previous Strategy covered the period 2007 – 2010. The aim of the new Visitor Strategy will build on the outcomes achieved in that document, and continue to recognise key changes within the tourism industry, planned development and the need to adjust activities to reflect market trends. It will also consider how to further the cooperation with the Heart of Devon Partnership and wider business community and develop partnership working with neighbouring local authorities.

In response to a Member question, the Director Economy and Development advised the formal position in relation to the timetable for the redevelopment of the Exeter Bus Station. Land Securities had been given a two year exclusive agreement to work up a Master Plan for the site, but in view of the extended John Lewis development, that Plan has been fundamentally altered. A further review will take place with the conclusion of a Feasibility Study in the next six to twelve months to include a development plan for an outline submission for the site.

Members made the following comments which would be picked up as part of the consultation -

- the Head of Economy and Tourism responded to a comment on the Cathedral's reduced visitor numbers since an entrance charge was imposed, and added that although the decline in numbers was a concern the Cathedral were no doubt pleased that some much needed additional revenue was achieved.

- to improve the public transport travel experience to Exeter, the main train and bus operators should consider offering more integrated ticketing and travel options, and the availability of real time transport information at information points throughout the city.
- Exeter's economic impact from tourism-based retail spending seemed to lag behind other Heart of Devon areas such as Teignbridge and East Devon, which was surprising given Exeter's retail focus. The Head of Economy and Tourism clarified that the figures quoted in the Strategy reflected the different numbers of visitors to each of the areas. Care needed to be taken in making detailed comparisons between the figures as they were based on limited survey work undertaken independently. The figures were more useful as an indicator of trends.
- in terms of the Heart of Devon Tourism Partnership profile and promotional activities, some reassurance was sought that the web site would show new developments such as the reopening of the RAMM, and the opening of John Lewis.

Scrutiny Committee – Economy supported the recommendation that Executive approve the circulated draft Visitor Strategy for the period 2012 – 2015, which will be used for consultation with key industry organisations, partners and other agencies relevant to its delivery.

(Report circulated)

MATTERS FOR CONSIDERATION BY SCRUTINY COMMITTEE - ECONOMY

40 CITY CENTRE BUSINESS IMPROVEMENT DISTRICT

Cllr Prowse declared a personal interest as a family member works in retail in the city, and as such would have had a vote as part of the BID process.

The Head of Economy and Tourism reported on the outcome of the ballot towards establishing the proposed Business Improvement District (BID), and also sought Members' views on whether the City Council should support work towards a second ballot. The ballot was held by the Electoral Reform Society on behalf of the City Council, between 24 June and 22 July, but the outcome was not in favour of pursuing an Exeter BID, with the competitive challenges being a key factor. The aims of the BID were reiterated in the report, and a second ballot was proposed. A Member wanted to ensure that Scrutiny Economy received a further report indicating the reasons for those who voted No, particularly after discussing with those businesses who did not use their vote. The Head of Economy and Tourism stated that although the ballot was conducted in secret, every effort would be made to ensure that good quality research was carried out, in an effort to persuade the business community to support a Yes vote next time. It was important to find the balance between the varying parts of the city centre in need of more attention and those areas such as Princesshay that pay a premium rate already. The real winners would be the smaller businesses and independent traders and the City Council could play a part in working with them to make a difference to the city.

Scrutiny Committee – Economy noted the progress made in respect of the first round of the BID process and supported the City Council working with the business community to review the proposals for establishing a city centre Business Improvement District and to promote a second ballot.

(Report circulated)

41 **DEVELOPMENT OF A PLACE MARKETING STRATEGY**

Councillor Payne declared a personal interest as an employee of Exeter College.

The Head of Economy and Tourism presented a report which sought Members' views on a proposal to draft a Place Marketing Strategy. He referred to the recent update of the Economic Development Strategy, which included a number of actions for the period 2011 to 2012 to develop a city wide approach to a marketing strategy to identify and reinforce a distinctive brand for the city. A number of other objectives were also identified including the formation of a Marketing Alliance, which would involve the City Council working proactively with other key organisations in the city,

A Member referred to quality of life issues and agreed that Exeter was a good place to live, work and raise a family. The Director Economy and Development agreed that Exeter stood out and was 7th highest in a survey on UK growth. The message remained that Exeter should be seen as the regional capital, but every effort needs to be made to meet the continued economic challenges to retain that position.

Scrutiny Committee – Economy noted the report and supported officers consulting on the draft Place Marketing Strategy.

(Report circulated)

42 **TRANSPORTATION INITIATIVES AND ISSUES - UPDATE**

Councillor Prowse declared a personal interest as a Member of Devon County Council and a Trustee of Exeter Community Transport Association.

The joint report of the Projects and Business Manager and Head of Operational Services and Transport updated Members on transport initiatives and issues, including the City Council's continued efforts to work with other stakeholders to lobby for rail improvements. In presenting this annual report, the Projects and Business Manager highlighted a number of issues including:-

- the Devon Metro project which had recently gathered pace;
- the reletting of the Greater Western Franchise which had great significance for the city and region; and
- smart ticketing initiatives, as well as work by the Council and Devon County Council to display real time information at a number of locations.

A Member referred to the lack of electrification of the line south of Bristol and the impact on future business and jobs and he suggested this was an area of concern. He also referred to the importance of Exeter's position as a major transport hub for the area. There had been a recent growth in bus patronage, in part due to the Concessionary Fares scheme, but operators faced financial pressures from the County Council's reduction in support for unprofitable services and the reduction in Bus Service Operators' Grant, both of which could have an impact on Exeter's bus services. Stagecoach had invested heavily in the city but they would change the emphasis of their operations if they did not get the financial return, and so pressure needed to be maintained to ensure continued growth in passenger use, and financial support for services into Exeter.

A Member welcomed the priority being given to walking and cycling in the city.

In response to questions from Members about the lack of Park and Ride on the western side of the city, the Projects and Business Manager stated that a site had been identified at Alphington, but the planning application had not been successful, and County officers continued to work on a proposal. He said that no suitable site had been identified in the Cowley Bridge area, although he agreed to respond to a Member's question about a site which had apparently been suggested but rejected by the City Council.

Scrutiny Committee – Economy noted the report and Members gave their continued support for the initiatives designed to encourage more sustainable travel, and the delivery of an Exeter City Council transportation function designed to promote the long terms interests of the city.

(Report circulated)

43 **CAR PARKS TASK AND FINISH GROUP**

Councillor Prowse declared a personal interest as a Member of Devon County Council.

Members were invited to discuss the setting up of a Car Parks Task and Finish Group. The Chair referred to the June meeting of the Scrutiny Committee - Economy when it was proposed that a working party might be convened to look at the individual patronage and revenue derived from off-street parking. The Head of Operational Services and Transport provided some background on the significant income stream car parks generate in supporting other Council services and activities. He reminded Members that an annual report on parking tariffs is considered by Executive, but the brief of the Task and Finish Group could usefully be focused on other opportunities for income generation besides the rather broad instrument of tariffs. Demand for car parking was not necessarily determined by tariff levels but rather was dependent on many other factors such as the strength and quality of the local retail economy, and it should be acknowledged that the broader economic outlook was likely to be extremely challenging over the coming years which was likely to require more creative approaches in protecting and increasing income.

A Member welcomed a review as he suggested that some of the city's car parks were underused, but historically they were in the right place. Members considered whether they could add value to that debate and suggested more information would be useful to help make an informed decision.

Members were invited to set the terms of reference for a Car Parking Task and Finish Group, which would include consideration of maximising income, income generation, increasing use, marketing and signage. A brief scoping document would be made to the next meeting in November and a final report with recommendations as appropriate to be made to the March Scrutiny Economy meeting,

Membership of the Group would include the Chair of Scrutiny Committee - Economy, Portfolio Holder for Sustainable Development and Transport and one Member from each of the political groups represented on the Committee. Councillor Ruffle (Liberal Democrat) and Councillor Crow (Conservative) were confirmed as their respective Group's representatives. A Labour nomination would be forthcoming.

Scrutiny Committee – Economy supported the formation of a Car Parks Task and Finish Group and noted that following the Labour nomination, a brief scoping report including the terms of reference of the Task and Finish Group would be made to the next meeting in November.

PERFORMANCE MONITORING

44 SCRUTINY COMMITTEE - ECONOMY STEWARDSHIP TO JUNE 2011

The Director Economy and Development presented a report detailing the financial performance of the Economy and Development Directorate including forecast variations to the budget, for the three month period of the 2011/12 financial year. The report also highlighted any differences by management units to the outturn forecast compared with the approved annual budget. The total of variances indicate that the overall net expenditure for the areas covered by this Scrutiny Committee will increase by £221,940, including a supplementary budget of £125,170. The main variations by management units were detailed in the report.

The Director Economy and Development highlighted two areas for comment including the costs of a Planning Appeal relating to land supply at Hill Barton and the final costs of closing Exeter Archaeology, allowing staff to draw in any remaining funding and close down the final projects.

Scrutiny Committee – Economy noted the report.

(Report circulated)

MATTER FOR CONSIDERATION BY EXECUTIVE

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

RESOLVED that, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the following item on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3, of Part I, Schedule 12A of the Act.

46 EXETER AND HEART OF DEVON GROWTH BOARD MINUTES

A copy of the minutes of the first meeting of the Exeter and Heart of Devon Growth Point Board minutes was circulated for Members' information. This Board was recently reconstituted from the former Exeter and East Devon New Growth Point Steering Board, and their original terms of reference encompassing infrastructure planning, jobs growth and the delivery of housing had now been extended to include economic development. The new Board will operate within the governance structure of the recently formed Heart of the South West Local Enterprise Partnership and will provide the local delivery structure and economic driver for the growth agenda for Exeter's economy. The minutes were circulated to inform Members of a number of issues that the City Council will need to consider and take forward as appropriate.

Scrutiny Committee – Economy noted the content of the Exeter and Heart of Devon Growth Board Minutes,

(Report circulated to Members)

The meeting commenced at 5.30 pm and closed at 8.35 pm

Chair