

SCRUTINY COMMITTEE - ECONOMY

10 November 2011

Present:

Councillor Cole (Chair)

Councillors Prowse, Bialyk, Bull, Morris, Payne, Robson, Thompson and Wardle

Director Economy and Development, Head of Economy and Tourism, Head of Operational Services & Transport, Parking Services Manager, Archaeology Officer 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

Christopher Green

Halcrow, Exeter

Martin Weiler

Environment Agency

47 **MINUTES**

The minutes of the meeting held on 8 September 2011 were taken as read, and signed by the Chair as correct.

48 **DECLARATIONS OF INTEREST**

The following personal interests were declared:-

| COUNCILLOR | MINUTE |
|-------------------|--|
| Councillor Prowse | 49 (known to the questioner) |
| Councillor Wardle | 60 (a Member of the Devon Archaeological Society and the Devonshire Association) |

49 **QUESTIONS FROM MEMBERS OF THE PUBLIC UNDER STANDING ORDER 19**

Councillor Prowse declared a personal interest as he is known to Mr Harry.

In accordance with Standing Order 19, two members of the public submitted questions on the civil parking enforcement process operating in the city, to which the Portfolio Holder for Sustainable Development and Transport replied. Copies of the questions were circulated to Members and made available at the meeting.

The questions and a summary of the replies (in italics) are set out below.

- (1) In accordance with Standing Order 19, Mr Harry addressed the Scrutiny Committee and asked the following question:-

"I recently received a ticket on street in your City for an alleged parking offence. Can the Chairman of your Committee for which this subject is responsible, assure me that the Council has fully complied with its statutory duty, in notifying me of my rights to make representations against a Penalty Charge Notice".

Councillor Sutton (Portfolio Holder for Sustainable Development and Transport) responded to the question as follows:-

The information set out in the Penalty Charge Notice clearly conveys to the reasonable motorist how to make representations. If any motorist believes otherwise, then the avenue of appeal to the Traffic Penalty Tribunal is of course open to them.

- (2) In accordance with Standing Order 19, Mr Pascoe addressed the Scrutiny Committee and asked the following question:-

Is the Committee able to advise me what expertise was applied to the first and second stage challenges on the penalty tickets issued to drivers parked at what appeared to be a lay-by in Pinn Lane, Pinhoe and also other areas of the City, when tickets have been challenged as to their validity? The reason for my question relates to my disappointment at the level of response I received at both stage one and two of the appeal process employed by the City/County Council. My penalty charge was subsequently overturned following taking it to the third stage (Independent Traffic Penalty Tribunal) however none of my concerns were addressed until this point.

Mr Pascoe made an additional comment stating that he did not feel that he had received a valued response when, in the first instance, he had been sent a standard letter seeking the necessary payment.

Councillor Sutton (Portfolio Holder for Sustainable Development and Transport) responded to the question as follows:-

Mr Pascoe's Penalty Charge Notice was dealt with by an experienced team who have been dealing with PCN appeals since the start of the civil parking enforcement system in May 2008. All the team have had relevant training and all appeals are dealt with in accordance with set guidance to local authorities by the Department for Transport. This guidance also makes it very clear that Councillors should not, under any circumstances, play a part in deciding the outcome of individual appeals. Councillor Sutton added that the appeal process is an impartial one.

Mr Pascoe's appeal was determined on the basis of the facts presented and the views of the highway authority were sought. On this occasion, the Traffic Penalty Tribunal took a different view to that held by City and County Council officers. That does not mean the City Council's team did not fully and fairly consider all the relevant facts or lack expertise; it simply demonstrates the system worked as it should.

Councillor Mrs Thompson sought further clarification on behalf of the questioner relating to the expertise of the team in terms of the qualifications held by the staff.

Councillor Sutton replied that she did not know the individual qualifications of the staff. She stated that she understood that all staff had the relevant expertise and training.

Mr Pascoe asked a supplementary question as he felt that, in relation to the expertise and also with regard to stages one and two of the appeal process, the points he had raised had not been sufficiently addressed. The appeal process is a lengthy process, possibly taking up to four months to see an appeal overturned, and so he sought clarification of the appeal process when at the third stage. He felt members of the public were having their time wasted by having tickets placed on their vehicles, particularly in his circumstance when he felt he had parked lawfully.

Councillor Sutton reiterated the three stage appeal process. She acknowledged that Mr Pascoe went through stages one, two and three and the process had worked as it should.

50 **QUESTIONS FROM MEMBERS OF THE COUNCIL UNDER STANDING ORDER
20**

In accordance with Standing Order 20, a number of questions were submitted on the civil parking enforcement regime operating in Exeter, to which the Portfolio Holder for Sustainable Development and Transport replied. Copies of each of the questions were circulated to Members and made available at the meeting.

The questions and a summary of the replies (in italics) are set out below.

- (1) In accordance with Standing Order 20, Councillor Mrs Thompson submitted the following question to the Portfolio Holder:-

Recently at a Traffic Penalty Tribunal the Independent Adjudicator decided parking at the layby location in Pinn Lane was lawful, although following this decision it was apparently necessary to await instructions from Devon County Council before refunding the monies to the drivers wrongfully issued penalty tickets at this location.

Is it possible to question how Exeter City Council is able to safeguard its position both in the perception of the public and most importantly within the law when acting for the County Council, if the City Council considers it is at variance with the County Council and is it possible for a review of the Agency Agreement to be carried out if necessary?

Councillor Sutton (Portfolio Holder for Sustainable Development and Transport) responded to the question as follows:-

She stated that she did not accept that the interests of the City Council were at variance with those of the County Council in relation to Pinn Lane. She was aware that Councillor Mrs Thompson did not agree with the enforcement of restrictions in this location, but others supported enforcement on the grounds of public safety. Councillor Sutton agreed with the latter view. She commented on Councillor Mrs Thompson's interest in this matter as this part of Pinn Lane did not fall immediately in her ward. It would be irresponsible if this Council was to start ignoring the views of the Highway Authority and put the interests of motorists who were parked in contravention of parking restrictions (and have a statutory appeal process open to them) above bigger questions of public safety and highway management. She questioned who would defend the City Council if there was an accident in this location caused by a pedestrian stepping into the road to avoid parked cars, and also if we did not address the situation despite very clear instructions from the County Council to take action.

She did not support acting independently from the views of the County Council in matters of on-street enforcement. In this matter the City Council is simply the agent of the County Council. The Agency Agreement can be reviewed, and there is provision for a review every 18 months in any case, but she did not support any review which blurred the respective responsibilities of the City and County Councils.

Councillor Mrs Thompson stated that her involvement in this matter was due to this issue being raised by a local resident who had contacted her as a Pinhoe councillor. Councillor Mrs Thompson asked a supplementary question:-

In previous correspondence our Head of Legal Services advised:- 'We are obliged to act in accordance with their wishes ('their' being reference to Devon County Council) I note the letter from the Traffic Penalty Tribunal was addressed to Exeter City Council and to our Exeter City Council officer saying 'You must comply with any adjudicator's directions to you'. Following this direction Exeter City Council continued to wait for approval from Devon County Council. A further email dated 19 October 2011, from Devon County Council following rejection of their appeal, stated Exeter City Council act as agents for the County Council – they therefore cannot do whatever they might consider is right'.

On what basis does Exeter City Council consider it feels 'obliged' to delay acting within the instructions which have been given, addressed and sent to our Exeter City Council Authority until approval is received from Devon County Council?

Councillor Sutton reemphasised that the City Council acts as the agent on behalf of Devon County Council and the matter should be addressed to the County Council. The Enforcement Officers have acted entirely properly and will refer matters of on-street enforcement to Devon County Council and act on their instructions.

(2) In accordance with Standing Order 20, Councillor Prowse submitted the following questions to the Portfolio Holder:-

1. Penalty Tickets

On Friday 21 October 2011, I alerted this Council to a potential legal issue regarding the penalty tickets that we issue on behalf of DCC for alleged parking offences.

a) What positive action has this Council taken to confirm the legality of the ticket?

The City Council's legal team is currently looking into the matter. Their preliminary view is that the Penalty Charge Notices are enforceable. We have also sought the views of the County Council, in their capacity as highway authority. I understand they have taken advice from their lawyers and consider that the PCN's comply with the relevant regulations. As such, the County does not consider it appropriate to suspend on-street enforcement.

b) If it is the case then was a suspension notice issued?

c) If not why not?

No suspension notices have been issued because the City Council has to date not received any legal advice that would support such action.

- d) If no suspension notice was issued, then how many tickets were issued in this City for alleged offences from the time of my revelations (approximately 15.00hrs) using tickets that were legally flawed, and until 18.00hrs of the 9 November?

1,170 Penalty Charge Notices have been issued in the time specified by Councillor Prowse.

- e) What is this Council doing (if not already done) to re-order a re-print to include the statutory notice and secondly to omit those words and phrases which are not correct.

No Penalty Charge Notices are being reprinted at this stage.

2. Residents Parking in Newtown

Ten of the eleven car parks in this area are owned by the Council. Prior to 5 May 2008 they were covered by the City of Exeter (Residents Parking Places) Order 1995; this order was revoked but ceased to be legally enforceable on 5 May 2008. Residents using these car parks have however paid an annual permit of £20 assuming after administration costs, any residue has been passed to Devon County Council.

- a) Under what authority are we taking their money?
- b) Currently as it stands, anyone can park in these car parks and not be liable to a charge or penalty ticket. This situation is untenable. Who took this outrageous decision?

In respect of Residents' Parking in Newtown, the City Council is not taking anyone's money. Residents' parking in Newtown operates entirely under a Devon County Council scheme. Residents pay the County Council and are issued a County Council Zone C permit. The authority therefore resides with the County Council. Residents are also entitled to use the off-street parking areas referred to by Councillor Prowse, and that entitlement still exists. We don't currently enforce the use of off-street parking places by non-permit holders because those areas are not in our 2008 Off Street Order. The City Council's legal team is currently working on a new Order that will rectify this.

In accordance with Standing Order 20, Councillor Prowse asked a supplementary question: -

He referred to the number of people who habitually park in Newtown and under what authority did the City Council collect the revenue on behalf of Devon County Council and how was that revenue used. He would be satisfied with a written reply.

This question should be directed to the County Council.

3. Sandy Park - Residents Parking Zone

For two years I have raised the issue regarding the thousands of pounds of penalty tickets and permits that were issued in this zone from the 5 May 2008. I stressed that all this money had been taken with not one ounce of legal authority from motorists who had committed no offences and were not even legally required to buy a permit. At long last notices went up around this zone issued by this Council announcing that the penalty money could be returned. Who took this decision?

- a) How many tickets and permits were issued during the period 5 May 2008 and 26 August 2010?

In respect of Sandy Park residents' zone – all decisions on this have been made by the County Council, so Councillor Prowse should direct his questions to them. 144 Penalty Charges Notices were issued in the period specified by Councillor Prowse.

Councillor Prowse said he had a copy of the agency agreement and was aware of its contents. He also referred to a Queen's Counsel report which clearly states which authority is responsible for issuing tickets. In accordance with Standing Order 20, Councillor Prowse asked a supplementary question:–

He sought an explanation as to why seven of the eight District Authorities in the County, do not have the statutory paragraph on the back of their Penalty Charge Notices, apart from North Devon District Council. He asked for an explanation from the Portfolio Holder as to why those District Authorities had that omission.

The response can only relate to this Authority's actions. Exeter City Council's Penalty Charge Notices are considered lawful and compliant with the relevant regulations.

4. Residents' Parking Zones Duryard, Regents' Park and Pennsylvania

Between 5 May 2008 and 2 February, this Council issued permits and penalty tickets to the value of just under £21,000. In these zones in this period, 296 penalty tickets were issued.

As a result of my representations the County Council eventually admitted that there was no Traffic Order for these three zones. To date this Council has only refunded four (I repeat four) tickets. This woefully falls short of any evidence of a proactive attempt to return money that does not belong to this or the County Council.

- a) Was the District Auditor made aware of this unlawfully derived revenue?
b) Was the Section 151 Officer of this Council made aware of this situation?
c) Would the Portfolio Holder agree with me that more effort should be made to communicate with these motorists and alert them to their refunds?

In accordance with Standing Order 20, Councillor Prowse asked a supplementary question and said that he would accept a written reply.

He was concerned that the District Authority introducing the agency agreement was also the Authority taking the revenue from those residents in the three zones. He felt the revenue had been unlawfully derived from the residents and Exeter City Council had no power to administer that revenue and send to Devon County Council. He asked under what authority was the revenue taken and directed to Devon County Council?

All decisions on this have been made by the County Council, so Councillor Prowse should direct his questions to them.

5. Residents' Parking Zone – Sandy Park (S1)

Is the Portfolio Holder fully briefed on the full legal implications of the public notice recently attached to a lamppost in the Sandy Park zone?

- a) Was the District Auditor made aware of this unlawfully derived revenue?
- b) Was the Section 151 Officer of this Council made aware of this situation?
- c) Would the Portfolio Holder agree with me that more effort should be made to communicate with these motorists and alert them to their refunds?

The questions relating to residents' parking are all matters for the County Council, not the City Council. This Council simply acts as the County's agent in matters of on-street enforcement and Councillor Prowse should direct his questions to the County Council.

In accordance with Standing Order 20, Councillor Prowse asked a supplementary question – he noted the reply in relation to Duryard, Regents Park and Pennsylvania, but did not feel this addressed the Sandy Park element. Exeter City Council is the agency that deals with the enforcement and he had been aware that there is no authority for enforcement?

These matters were for Devon County Council – the City Council acts as the County agent in this matter and the question should be directed to the County Council.

The Chair acknowledged that it would be beneficial to receive a report covering a number of issues concerning civil parking enforcement as soon as is practicable. Councillor Prowse asked that a report be considered at the next meeting and that appropriate officers including those from Devon County Council be present at the meeting. The Chair agreed to consult with the Portfolio Holder for Sustainable Development and Transport to discuss the matter, including the attendance of appropriate officers. The Director Economy and Development welcomed an opportunity for a thorough explanation on a number of points of detail and assured Members that every effort would be made to ensure that a report was considered at the earliest opportunity, but the process should not be rushed. He thought it was unlikely that a report would be ready for the January cycle, given the complexity of some of the issues that have been raised and the deadline for producing reports. The Chair agreed to a request from Councillor Mrs Thompson that matters surrounding the agency agreement and also the questions submitted

to the Portfolio Holder for this meeting would be included and addressed in the report.

Scrutiny Committee – Economy supported that a report on all aspects of civil parking enforcement in Exeter be considered at the earliest practicable opportunity to scrutinise the matter and ensure all of the necessary information and relevant advice was available to Members.

MATTER FOR CONSIDERATION BY SCRUTINY COMMITTEE - ECONOMY

51 ENVIRONMENT AGENCY PRESENTATION

The Head of Operational Services and Transport introduced Christopher Green, Design Manager and Head Consultant from Halcrow, Exeter and Martin Weiler, Devon and Cornwall Area Manager from the Environment Agency who attended the meeting and presented details of the River Exe Flood Risk Management Scheme. They outlined the Environment Agency's current proposals.

Martin Weiler referred to Exeter's susceptibility to flooding and the urgent need for an upgrade of the scheme was now required. The way in which flood defences are funded is due to change from 1 April 2012 and, from that date, major schemes will require an element of local funding. This significant change in funding needs to be addressed with the cooperation of good partnership working with local stakeholders.

Chris Green showed a map of the city and the areas that would be most affected by a serious flooding incident, such as a one in a hundred years event. The extent of the flooding would be over the top of the city's current defences with the Exe Bridges area being the most vulnerable. Exeter is recognised as an important urban area and the flood plan is worthy of particular attention as flooding in this area would have a dramatic effect on the economy of the whole of the south west. He outlined a number of design options with the preferred design raising the flood defences at Bonhay Road and Okehampton Street which might include an innovative pop up defence. The Environment Agency is expected to team up with other public bodies to explore partnership schemes. Mr Green outlined what this would mean for Exeter. He suggested that a scheme for Exeter would cost in the region of £25 million, with a local contribution of £13 million being required.

The Chair clarified that this presentation provided an opportunity to receive information and debate the issues and there was no expectation from the City Council at this time. The Director Economy and Development confirmed that a report would be made to the January meeting of this Scrutiny Committee setting out the issues.

The Chair thanked Martin Weiler and Christopher Green for their presentation.

52 PORTFOLIO HOLDERS HALF YEAR REPORT

Councillor Denham presented the following priorities within the Economy and Tourism Portfolio for the forthcoming year, and covered the following topics of Economic Development, Estates and Exeter Archaeology.

A copy of the briefing note, together with a brief explanation on each priority and the progress made was attached as an appendix to these minutes.

Councillor Denham gave the following response to Members' questions on the Bus and Coach Station site, stating that every effort was being made to produce a re-

development scheme for the Bus and Coach Station site, but it was important to find the right scheme and ensure that the most appropriate and viable solution was found. The Director advised that a report on the future of the site will be made to a forthcoming Executive.

Councillor Sutton presented the following priorities within the Transport and Sustainable Development Portfolio for the forthcoming year, and covered the following topics: the Core Strategy, Community Infrastructure Levy (CIL) and the Localism Bill, Affordable Housing, Climate Change, City Centre and Bus and Coach Station Site, City Centre Enhancements, Parking, Waterways and Flood Prevention.

A copy of the briefing note, together with a brief explanation on each priority and the progress made was attached as an appendix to these minutes.

A Member referred to the use of the city's 4,604 off-street car parking spaces including those in Newtown and was concerned that the Council did not benefit from any revenue from the Newtown car parks.

Councillor Sutton gave the following response to a Member's question stating that details of the ever-changing housing landscape were still emerging from the Localism Bill, and that the Council's Housing Service was working hard to address the 'affordable rent' changes.

Scrutiny Committee – Economy noted the priorities presented for the Economy and Tourism and Sustainable Development and Transport Portfolios for the forthcoming year.

53 CAR PARKING TASK AND FINISH GROUP

The Head of Operational Services and Transport presented a verbal report on the formulation of a Task and Finish Group to look at the city's car parks which had been discussed at the Scrutiny Committee – Economy meeting held on 8 September. Nominations were sought from each of the Groups represented on the Scrutiny Committee and Councillors Crow, Morris and Ruffle were duly nominated from their Groups. The Group also included the Scrutiny Chair, Councillor Cole and Councillor Sutton, as Portfolio Holder for Sustainable Development and Transport. The Group met on 25 October and completed an initial scoping exercise and identified the remit and terms of reference. The general consensus was that whilst the tariff policy remained in the domain of the Executive, the Task Group would focus on looking at additional ways of developing the income stream derived from car parking. Following a request from Councillor Prowse, the Chair agreed to address the issues of potentially raising revenue from Newtown car parks as part of the Task and Finish Group's discussions.

The Group anticipated having a number of meetings when they would receive more detailed information on the individual car parks as well as consider 'guest speakers' to provide additional information before a final report is presented to the March meeting of the Scrutiny Committee.

The Group were next due to meet on the 5 December.

PERFORMANCE MONITORING

54 CAPITAL PROGRAMME MONITORING

The Director Economy and Development presented a report which advised the current position with regard to the 2011/12 capital programme for the Economy and Development Directorate. The report also contained a summary of the position at the end of September 2011, together with an appendix which contained a list of capital projects.

The Director highlighted a number of schemes including the refurbishment of the King William Car Park and he confirmed that the contract for works was currently out to tender. Work was due to commence on site in the middle of March and was scheduled to be completed by the end of summer 2012. The refurbishment of the Old Electricity Building was substantially completed, and a new lease would be granted shortly along with consideration of an alternative delivery of the scheme.

Scrutiny Committee – Economy noted the report.

(Report circulated)

55 SCRUTINY COMMITTEE - ECONOMY FINANCIAL STEWARDSHIP TO SEPTEMBER 2011

The Director Economy and Development presented a report which detailed the forecast variations of the budget, based on the first six months of the financial year 2011/12. The report highlighted any differences by management unit to the outturn forecast for the first six months of the financial year up to 30 September 2011 compared with the annual approved budget. During this period the total of the variances for overall net expenditure for this Committee would increase by £445,500 and included supplementary budgets of £125,170.

The Director highlighted a number of areas including the income derived from off street car park fees and season tickets which were 4.9% below the budgeted income figure and it was hoped that the busy Christmas period would bring some recovery. There also remained a number of uncertainties regarding the closure of the Archaeological Field Unit which were being closely monitored.

Scrutiny Committee – Economy noted the report.

(Report circulated)

56 HALF YEAR RESULTS OF PERFORMANCE MONITORING 2011/12

The Director Economy and Development presented a report which set out the half year figures for those statutory and local performance indicators that relate to services provided by the Economy and Development Directorate. The national and local indicators were attached as an appendix to the report and included details of any variance from targets and remedial action taken.

The Director stated that the performance for the Exeter Visitor Information and Tickets Centre remained solid, but the increasing volume of traffic on the website may have an impact on future years. He responded to a Member's question on meeting the target for processing minor planning applications in the eight week period and whether there were enough staff, and confirmed that the target for this

period had been met, but the performance was slightly down overall at this half yearly stage. The position has been noted.

Scrutiny Committee – Economy noted the report.

(Report circulated)

57 **RISK MANAGEMENT**

The Director Economy and Development presented a report which identified the risks relating to the areas within the remit of the Economy and Development Directorate and this Scrutiny Committee, and of the actions proposed and taken to mitigate the risks concerned. The following significant new risks were identified in the latest review - Environmental (Flooding); Financial (Planning Appeals) and Partnership/Contractual (Archaeological Field Unit).

A Member referred to the availability of free car parking in Newton Abbot in the run up to Christmas and whether this was something that the BID project could promote. The Director suggested that whilst free car parking could be considered, there was an expectation that Exeter offered a quality retail experience including events, performances and activities that helped increase footfall and the income derived from car parking maintained the public realm which attracted shoppers and visitors to Exeter. He referred to the presentation on the Rive Exe Management Scheme made earlier in the meeting, which reinforced an increased risk of flooding in the city. The technical and funding challenges from a change in the policy landscape and an expectation that future contributions for flood prevention would be made by local stakeholders would have to be fully debated.

Scrutiny Committee – Economy:-

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

(Report circulated)

58 **PROPERTY VOIDS AND DEBTS**

The Director Economy and Development presented a report which informed Members of the position regarding void properties as at 30 September 2011 and commercial rent debts for the four quarters ending on the September 2011. The report identified key local indicators including both long and short term vacant property levels against a relatively robust performance of the portfolio against national and regional trends.

Scrutiny Committee – Economy noted the report and the performance of the portfolio.

(Report circulated)

MATTERS FOR CONSIDERATION BY SCRUTINY COMMITTEE - ECONOMY

59 ANNUAL FESTIVALS AND EVENTS REVIEW 2011

The Head of Economy and Tourism presented a report which reviewed the performance of the festivals and events portfolio, including the Autumn Festival 2010 and in 2011, Animated Exeter, Vibrasonic, Respect and Summer in the City. He summarised the main characteristics of each of the festivals as well as providing a detailed breakdown of the marketing and financial implications.

The Head of Economy and Tourism replied to a Member's comment about developing a more 'grass roots' approach, working with local schools and churches, stating that the proposed approach involving those organisations grant funded by the Council should provide the opportunity to encourage wider participation. He also responded to an enquiry about the timing of the Summer in the City Festival which would take place in September 2012. Members considered that choosing a date following the very busy summer period could make booking more diverse and the engagement of quality acts easier. A Member requested that the efforts of City Council staff who were coordinating the proposed 'Theatre in the City' project be acknowledged in the minutes.

Scrutiny Committee – Economy noted the report and the future development of the arts and events portfolio in 2012/13.

(Report circulated)

60 WINDING DOWN OF EXETER ARCHAEOLOGY

Councillor Wardle declared a personal interest as a Member of the Devon Archaeological Society and the Devonshire Association.

The Director Economy and Development submitted a report which set out the measures taken to close down Exeter Archaeology responsibly and manage their archive in the run up to, and following, the closure of the service in March 2012. The report detailed the progress made to fulfill the Unit's remaining commercial commitments, and the remaining staff were optimistic that the majority of these would have been processed by March.

A Member referred to the historic buildings records, surveys and maps which might be accessed into the County Records Office in Exeter, and queried whether they would have the space given their reorganisation, and suggested that the Devonshire Association be contacted as they may have some storage capacity. The Archaeology Officer advised that he understood that the Records Office were happy in principle to take the material, but that the Devonshire Association could also be contacted if needs be. In response to another query about digitising the archive and reports, he informed Members that although he had just heard that the bid made by the University of York for money to digitise the Unit's reports had not been successful, the University had offered to take as many of the reports as they could themselves, using their students on placement. He assured Members that no useful report would be destroyed until at the very least an on-line record was made.

In response to a further query as to whether there would be a list of which archives were deposited where, he confirmed that there was already such a list, and that it would be put on the web once the work of the Archives Officer was completed. He noted that whilst the Exeter material was due to be accessed into the RAMM's collection, there was a large amount that has gone and was due to go to other

Museums elsewhere in the region. If there were any remaining issues then discussions would be had with English Heritage, who were being kept updated.

Scrutiny Committee – Economy:-

- (1) noted the considerable progress made by the former and remaining Exeter Archaeology staff in reducing the outstanding commitments and maximising the retrieval of income from their commercial clients;
- (2) supported the contribution to the city's national profile and reputation that will be made by the publication of many of the important discoveries made during the 40 year life of the Archaeological Field Unit and Exeter Archaeology) as evidenced in the media coverage); and
- (3) supported the proposals as set out in section 7 of the circulated report as part of the conclusion of this work.

(Report circulated)

The meeting commenced at 5.30 pm and closed at 8.00 pm

Chair

This page is intentionally left blank

SCRUTINY ECONOMY COMMITTEE 10 NOVEMBER 2011

Key Elements of the Programme for the Economy Portfolio for 2011/12

Economic Development

The importance of Exeter's economy as an economic hub and focus for growth within Devon and the wider South West is clear. Between 2003 and 2008, EHOD generated 68% of the total private sector employment growth seen across the wider Devon County area (including Torbay and Plymouth). The area provides a base for leading regional, national and international employers, attracting people with higher level skills and investors.

There are continued uncertainties in the economy. Therefore an absolutely priority for the City Council must be to continue to support growth and recovery.

The key priorities for supporting growth and recovery in 2011/2012 are summarised in the report of the Head of Economic Development on the main agenda, they are as follows:

- Work with the business community to secure support for the establishment of the city centre Business Improvement District. The City centre remains the engine of the city's economy and I am sure the BID will have a positive impact on the city centre;

Update: The vote in July resulted in a narrow vote against the establishment of a BID. The Chamber of Commerce is currently undertaking a survey of city centre businesses to determine whether there is a real desire to pursue the proposal for a BID and whether the original proposal should be amended. Our position is that the Council will support the holding of another ballot

- The arrival of John Lewis to the City Centre will be a major boost to the economy; we have a lot to do in terms of supporting this investment with improvements to the public realm.
- We will continue to work with Land Securities and the Crown Estate to build on the City Centre Vision, and transport study already undertaken with a view to bringing forward a concept master plan for the Bus & Coach Station site. A key element of this will be to produce a detailed feasibility analysis based on established master planning principles. If a viable scheme can be identified we will be looking to press ahead with the planning processes and seeking to agree Heads of Terms for a development agreement.
- Individual developments, such as John Lewis, and Waitrose have an important role to play both in providing immediate jobs for construction workers and in creating new permanent jobs. Both developments will provide hundreds of jobs and will provide an important boost to the local economy.

Update: We are continuing to work with Land Securities and the Crown Estate to bring forward a scheme of redevelopment for the Bus and Coach Station site. A two year Exclusivity Agreement has been agreed in principle with Land Securities/Crown Estate to provide comfort to all parties during this process. Under this it is intended that a feasibility and viability analysis of the site will be delivered which, if acceptable, will clarify the way forward. At the same time we continue to work on the development of a Master Plan for the site and we hope to

be able to confirm the master planning principles by early in the new year. This process has been somewhat delayed by the delivery of the new JLP store in the former Debenhams building, but I am pleased to report that this has now been secured and we can focus our attention on the next vital stage of the City Centre's development.

- A priority for this year will be to capitalise on the investment that has been made in the growth point outside the city. Therefore we will work with the Exeter and Heart of Devon Growth Board to influence and secure support for priority actions and developments from the new Local Enterprise Partnership. Although we do not have a seat at the table of the LEP we will make our presence felt through the new Growth Board.

Update: Dr. Stephen Bird of the LEP Board now attends Growth Board meetings and other more informal contacts are regularly being made to seek support for our priorities. Specific support is being sought for access to finance for developing projects

- An immediate priority will be to assess with our partners in East Devon and the County Council the merits of pursuing proposals for an Enterprise Zone

Update: Proposals were submitted but the LEP chose to support a proposal from Plymouth and a combined bid from Somerset and Devon for a "multi-site" Zone relating to renewable technologies. Neither were successful but in view of the emphasis of most of the successful bids having been approved in areas suffering from more significant economic disadvantage than Exeter's economy, avoiding the city becoming regarded as also a difficult place to do business by association is important in terms of its external perception by investors.

- We will continue to progress the development of Exeter Science Park with a particular focus on its promotion

Update: On-site Infrastructure and access via the revamped motorway junction is progressing well. The Science Park Company has developed a marketing plan and is getting on with implementing it. The priority remains of delivering the first building.

- Increase business formation and survival through a programme of activities coordinated by Exeter Business Support

Update: The partnership the University Innovation Centre to provide support for new and recently started small businesses has dealt with 147 individuals since April this year. So far 18 new businesses have started and a further 10 new businesses were receiving further advice. This service is all the more important now with the reduction in the Business link Service

- Promote the formation and survival of social enterprises through the services of Fruit Tree for Business

Update: A total of 57 enquiries regarding support for social enterprises have been received so far this year. 6 new enterprises have been started and at least a further 4 are in the pipeline. 8 of the 15 started last year are continuing to receive crucial support in their early months

- Adjust service delivery and customer relationship management in the handling of investment enquiries and the operation of the Commercial Property Register with reduced resources

Update: A new web accessed service for enquirers is being established which will free up officer time to concentrate on the more important enquiries and to undertake other economic development activities including improving information available to enquirers

- Continue to work with the Exeter and Heart of Devon Employment and Skills Board to promote investment in relevant training provision for employers and progress projects which support local people to take advantage of job opportunities arising from the Exeter and East Devon New Growth Point projects

Update: The Skills Board have secured funding, working with partners across Devon, from the Jobcentre Plus Flexible Fund, which will bring £250k into Devon (from a Job Centre Plus contract) to support unemployed people overcome barriers to employment through:

- *debt and finance advice*
- *physical and mental health advice and counselling*
- *support for learning disabilities*
- *self employment and business start up advice and support*
- *other timely support (redundancy, housing etc)*

The project lead is North Devon+. The outputs expected are to support a minimum of 200 people by the end of March 2012.

The Skills Board have also secured funding for two other projects. Firstly to promote the development of the skills of key individuals who will be crucial to business growth. Recent evaluations of skills needs and priorities for the ESB identify enterprise, leadership and management skills as key to utilising the skills currently in the workforce and delivering growth. Research shows there to be no shortage in provision, but take-up of existing training by local businesses is quite low. Highly effective management and leadership will only happen if employers, facing day to day realities of running their organisations, see a value and purpose in making such improvements. The project will use a proven approach to target over 60 business owner managers to develop their skills.

A further project will aim to increase investment in skills by encouraging and supporting employers to take on apprentices. Increasing the supply of apprenticeships has been identified as a priority by the ESB but currently only 4.3% of employers in Devon take on apprentices against a national figure of 8.1%

- Through the delivery of Exeter Positive Steps Fund projects assist people from the most deprived neighbourhoods and backgrounds in the city to take up training and/or employment

Update: In the current round of projects 80 people from the most disadvantaged parts of the city have gone on to further training, 79 have taken up voluntary work, 49 have found employment and 25 have come off benefits.

Estates

We will continue to work to deliver the next phases of the Canal Basin regeneration. In particular work is now in hand on the conversion of the Old Electricity Building into a new indoor climbing centre and Devon County Council have confirmed their intention to bring forward their scheme for a new Outdoor Education Centre. Over the course of the summer we will be examining our approach to the listed buildings and the uncompleted site at the head of the Basin in conjunction with the Exeter Canal & Quay Trust.

Update: At the same time we will continue to work to deliver the next phases of the Canal Basin Regeneration. The refurbishment works and conversion of the Old Electricity Building into a new Indoor Climbing Centre are now substantively complete and the venue is open for business. Devon County Council are continuing to work to bring forward their scheme for a new Outdoor Education Centre and it is their current intention to start on site early in the new year. With the expiry of the Sutton Harbour Exclusivity Agreement at the end of October 2011 we are considering how best to bring forward the refurbishment of the listed buildings and other sites around the Basin in conjunction with our partners, the Exeter Canal & Quay Trust.

The process of selecting a new auctioneering firm to run the livestock markets at the Matford Centre is in hand and we hope to select a new partner over the course of the summer with a view to the new arrangements being in place for next Spring..

Update: We have selected a preferred bidder to run the livestock market at the Matford Centre and are now working to get an agreement in place well in advance of the commencement of the new arrangements in April 2012.

AFU

As members will know Council has agreed to reluctantly close the Archaeological field units. Most of the staff will be made redundant at the end of June with a core team being retained until the end of March of 2012 to close down outstanding projects and to honour contractual obligations. This will be a difficult time for staff and we will wish to achieve this closure in a orderly, and responsible manner with minimal risk to the Council's reputation.

Update: You will be considering tonight a report on the closure of the AFU. You will note the significant progress in completing the outstanding backlog of cases. We anticipate that most of the remaining projects will have been completed by the end of March 2012. For those projects that cannot be finished in time, arrangements will be made to complete the work outside of the AFU. The one area that will require a longer period of attention than previously assessed is the archiving of the material. This is addressed in the officer's report and I would support a proposal to retain the services of the archivist to ensure the archive is appropriately deposited. All in all the remaining staff have done a sterling job to clear the backlog.

Councillor Rosie Denham
Portfolio Holder Economy and Tourism

**SCRUTINY ECONOMY COMMITTEE
10 NOVEMBER 2011**

**SUSTAINABLE DEVELOPMENT AND TRANSPORT PORTFOLIO
PROGRAMME FOR 2011/12**

Core Strategy

The core Strategy will be considered at an Inquiry starting 21st June. A number of significant policy documents will have to be produced during the year and represent a major undertaking for the Department, they include: Development Management Development Plan Document; Site Allocations DPD; and we will begin work on the City Centre Action Plan and Student Accommodation and small HMO's supplementary planning document.

Update: The inquiry into the Core Strategy was held in June and reconvened in August. The Inspector's report is due at the end of November. Further work was required to address issues that arose in relation to achieving a deliverable five year housing land supply (following the loss of an appeal at Hill Barton Farm) and on the provision of essential infrastructure.

Government proposed changes to the planning system, such as The Localism Bill, The draft National Planning Policy Framework, extended Permitted Development rights and local application fee setting have significantly impacted upon the work programme. It is proposed to respond to the changing development plan system by producing a single development plan document that will follow adoption of the core strategy. The first stage of this will be an Issues and Options consultation in the Spring.

The Council has consulted on and adopted a supplementary planning document on houses in multiple occupation and prepared initial guidance on the issue of exceptions that resulted in most public comments.

Community Infrastructure Levy (CIL) and Localism Bill

We have indicated our intention to introduce a community infrastructure levy for Exeter. CIL enables local authorities to obtain contributions from developers towards infrastructure. Unlike section 106 agreements, which are negotiated individually on a case by case basis, and tend only to be used on larger developments, the Levy applies to all new buildings that involve the creation of a new dwelling and possibly non residential development. From 2014 unless a CIL is in place Councils will be restricted in what can be raised by section 106 agreements. Therefore it is important to make progress with this initiative. We are currently working on the evidence base to support CIL. Key requirements will be: to produce a draft charging schedule for consultation; to produce evidence on viability; to produce an infrastructure delivery plan; and a code of practice. The policy framework for this work will be an adopted Core Strategy.

The growth area covers East Devon and Teignbridge and therefore it is preferable to have a CIL that is integrated with neighbouring districts, and vertically with the County Council. Therefore this summer our intention is to establish governance arrangements between the authorities for the introduction of a CIL. This work will be led through the Exeter and Heart of Devon Growth Board.

Update: Significant progress has been made in preparing a proposed Infrastructure Delivery Plan and a proposed draft CIL charging schedule that has regard to local viability. I anticipate that Executive will be asked to agree drafts for consultation around December. Discussions are underway with the other New Growth Point authorities on a sub regional approach and governance arrangements.

The Localism Bill has introduced the concept of neighbourhood plans and this suggests a level of community engagement that will require the Council to have clear protocols in place for engaging community groups and addressing requests for support. It is my intention that we bring forward a report on how the localism agenda will be addressed.

Update: Details of the Localism Bill are still emerging. Draft regulations on neighbourhood planning were recently published for consultation. The Council made a successful bid to DCLG on behalf of St James Forum to secure £20,000 of funding to pilot a neighbourhood plan. Executive will be asked to agree arrangements for the use of some CIL and New Homes Bonus funding to deliver local projects reflecting the localism agenda.

Affordable Housing

The government has profoundly changed the “affordable housing” product that it is willing to support financially. Affordable housing now includes housing that is 80% of an open market rent. The HCA no longer offer grant to subsidise the delivery of affordable housing as previously understood; instead registered providers will now be able to charge rents up to 80% of open market rents and use this increased income to fund new building. In practice this will significantly challenge our ability to deliver affordable housing at the levels historically produced in the City. Given that most affordable housing is likely to come forward through section 106 agreements, we will be working closely with the housing service to address the challenges of producing new dwellings in a fundamentally different policy and financial landscape.

Update: Developers are increasingly proposing to make provision of ‘affordable rent’ in schemes instead of the ‘social rent’ that reflects the greatest local need. The Core Strategy policy was amended to provide advice on this new form of tenure. Following the Inspector’s report the Council will need to produce guidance in an updated supplementary planning document. The economic climate has changed to one where the Council’s affordable housing requirements are increasingly no longer viable requiring protracted negotiations.

Climate Change

The development of a local energy network to serve the City centre and Heavitree Road corridor to St Lukes and the RD&E is gaining momentum and this year we should see stakeholders and the private sector energy companies develop a commercial proposition. The Energy partnership with E.ON will provide a platform for developing initiatives.

Update: The Council has continued to negotiate Section 106 financial contributions towards a city centre local energy network. Further investigations suggest the most viable start point for a network may be the RD&E.

City Centre and Bus and Coach Station Site

The City Centre Vision is on the agenda of this meeting, a city centre transport study will be shortly concluded and this will provide the technical studies to underpin specific proposals.

Update: A public consultation was successfully concluded on the Vision and transport study. The results are being analysed and will be reported to Members shortly.

We continue to work with Land Securities on a feasibility study of the redevelopment of the Bus and Coach Station site. A two year Exclusivity Agreement has been agreed in principle with Land Securities/Crown Estate to provide comfort to all parties during this process. The work is behind schedule and we had hoped to have received the feasibility study by now. However, developments with the John Lewis store at 1-11 Sidwell Street have given Land Securities reason to pause on the master planning work. This is understandable and we hope to receive the feasibility study in the autumn. The Concept master planning principles for the redevelopment of this site should be reported to a future meeting of Scrutiny committee later this year.

Update: The very welcome decision by John Lewis Partnership to refurbish and extend 1-11 Sidwell Street as a full line new format department store has required additional studies and proposals on transport patterns in the area which are presently subject to public consultation and provided an opportunity for public realm improvements. The implications of the decision on the redevelopment of the Bus Station are being considered. I envisage that the Council will see a draft masterplan for the site which will form the basis of a public consultation exercise in the Spring.

City Centre Enhancements

Members may have noticed the work currently being undertaken on Gandy Street. Works to Cowick Street and Northernhay Gardens are planned for later this year. Proposed improvements to the public realm outside the former Debenhams building are intended for later this year but precise timings will depend on the work programme for the John Lewis building.

Update: Works to Gandy Street have been completed and Urban Outfitters are refurbishing the adjoining retail unit. The scheme for Northernhay Gardens has been delayed for a short time due to the need to ensure that repaving works do not damage basements that extend under the footway

Parking, Waterways and Flood Prevention

It is important for all Members to realise that our ability to generate income from our assets, such as car parks and property, will be tested to the full because of the economic circumstances we face and I have therefore asked officers to pay very close attention to this in terms of the focus of their activities. With regard to parking, I believe we need to rebalance the competing claims of managing the City Council's off-street parking operations on the one hand against running civil parking enforcement on behalf of the County on the other. While the CPE role is clearly an important and high profile one, it is of little direct financial benefit to the City Council and over the next year I will be asking officers to focus in particular on the issue of how we can develop our own parking facilities to deliver a better service for customers and protect and grow income, rather than spending disproportionate management time on CPE-related matters.

We also need to devote time & effort to the City's key infrastructure. I have asked officers to bring forward new proposals for managing the river & canal function (which transferred into my portfolio last autumn) that not only reflect the continuing delay in receiving a decision from the Department for Transport on our future role as Harbour Authority but also the need to effectively meet the challenges associated with this. Dealing with the Department's decision, when it eventually comes, will be a significant task whichever way the decision goes; it will not be business as usual and we must ensure that the arrangements we have in place are fit for purpose.

I am also aware of the need for us as an organisation to engage seriously with the issue of flood risk (which in the wake of the severe floods of 2007, and continuing concerns over the effects of climate change, has moved significantly up the national agenda and has potentially major implications for Exeter). A number of Members will have attended a recent briefing by the Environment Agency outlining their early thoughts on how Exeter's flood defences might be improved, and in the next year I want officers to clarify the likely financial implications of various schemes and develop proposals for potential sources of funding. A paper on this issue will be brought to Scrutiny Committee for discussion in due course.

Update: I was clear in my report in June that I wanted officers to focus on the City Council's off-street parking operations in order to maximise the value and income we get from our car parking assets in the current very challenging financial climate. Two things have happened since June: first, Scrutiny Members will be aware that Executive has approved major investment of £900,000 in King William Street car park in order to take full economic advantage of the opening of John Lewis next year. The tender process for this contract is currently underway. Secondly, Scrutiny Committee itself has set up a task & finish group to look specifically at income generation from car parking and that group is due to report back in March next year. I welcome that initiative.

As also promised in June, officers have implemented new proposals for managing the river & canal function which recognise the continuing delay in obtaining a decision from the Department for Transport on our future role as Harbour Authority, while ensuring that we continue to receive professional advice on our statutory responsibilities. Day to day management of the canal has been added to the duties of the Parking Services Manager while our regulatory responsibility for the river is now provided through the part-time services of a specialist Marine Advisor. We have also implemented a new health & safety management system for the river & canal, again following specialist advice. All this has been achieved at a significantly lower cost than the previous arrangements we had.

Finally, flood risk continues to be a major potential challenge for the city and since June officers in Operational Services & Transport have worked closely with the Environment Agency to ensure that their preferred solution for Exeter will be presented to Scrutiny Committee at the earliest opportunity for further discussion.

Councillor Rachel Sutton
Portfolio Holder Sustainable Development and Transport