



Exeter City Council

To the Chair and Members
of the Scrutiny Committee - Economy

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Our ref:

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AGENDA FOR
EXETER CITY COUNCIL
SCRUTINY COMMITTEE - ECONOMY

The Scrutiny Committee - Economy will meet on **THURSDAY 8 NOVEMBER 2012**, 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 **APOLOGIES**

To receive apologies for absence from Committee members.

2 **MINUTES**

To sign the minutes of the meeting held on 6 September 2012.

3 **DECLARATIONS OF INTEREST**

Councillors are reminded of the need to declare any discloseable pecuniary interests that relate to business on the agenda and which have not already been included in the register of interests, before any discussion takes place on the item. Unless the interest is sensitive, you must also disclose the nature of the interest. In accordance with the Council's Code of Conduct, you must then leave the room and must not participate in any further discussion of the item. Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

Office of Corporate Manager Democratic & Civic Support

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

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

RECOMMENDED 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 particular item(s) on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs of Part I, Schedule 12A of the Act.

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

A period of up to 15 minutes will be set aside to deal with questions to the Committee from members of the public.

Details of questions should be notified to the Corporate Manager Democratic and Civic Support at least three working days prior to the meeting. Further information and a copy of the procedure are available from Member Services (01392 265115) and also on the Council web site

<http://www.exeter.gov.uk/scrutinyquestions>

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

To receive questions from Members of the Council to appropriate Portfolio Holders.

MATTERS FOR CONSIDERATION BY SCRUTINY COMMITTEE - ECONOMY

7 **PRESENTATION BY RICHARD COHEN**

Richard Cohen, Deputy Chief Executive, East Devon District Council - Development Regeneration and Partnership will attend the meeting to talk about the shared economic development agenda and the challenges and opportunities facing the area from an East Devon perspective.

8 **PORTFOLIO HOLDERS TO PRESENT THEIR HALF YEARLY REPORTS**

Councillor Sutton (Portfolio Holder for Sustainable Development and Transport) and Councillor Denham (Portfolio Holder for Economy and Tourism) will present their respective reports and take questions – *respective reports circulated*

1 - 8

9 **THE DEVELOPMENT OF A CULTURAL STRATEGY FOR EXETER
2013 - 2018**

To consider the report of the Assistant Director Economy – *report circulated*

9 - 16

PERFORMANCE MONITORING

- 10 **MARKETS AND HALLS UPDATE**
- To consider the report of the Assistant Director Economy – *report circulated* 17 - 26
- 11 **PROPERTY VOIDS AND DEBTS**
- To consider the report of the Assistant Director Economy – *report circulated* 27 - 32
- 12 **BUDGET MONITORING REPORT TO 30 SEPTEMBER 2012**
- To consider the joint report of the Strategic Director and Assistant Director Finance – *report circulated* 33 - 44

DATE OF NEXT MEETING

The next **Scrutiny Committee - Economy** will be held on Thursday 17 January 2013 at 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 Crow (Chair), Brock (Deputy Chair), Baldwin, Bialyk, Bull, Choules, Crew, Lyons, Mottram, Pearson, Prowse, Robson 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.

Individual reports on this agenda can be produced in large print on request to Member Services on 01392 265111.



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SCRUTINY ECONOMY COMMITTEE 8 November 2012

SUSTAINABLE DEVELOPMENT AND TRANSPORT PORTFOLIO PROGRAMME FOR 2012/13 PROGRESS AT HALF YEAR

IMPROVING SERVICE DELIVERY

- The City Development service has a pivotal role to play in delivering the City Council's corporate vision. A priority this year will be to complete a systems review of City Development that achieves our ambition of delivering good development and in the process generating high income levels, such as through New Homes Bonus, while meeting the desire for greater community involvement.

The systems review started in May and started to take demand over the summer. The initial permanent team of four has been expanded to six and is now consolidating before expansion. Provisional calculations for New Homes Bonus indicate an award of in excess of £900,000 will be earned for each of the next six years, over 50% above the Council's target.

HOUSING OUR COMMUNITIES

- Now the Local Development Framework strategy has been adopted we need to progress consultation on and adoption of an Affordable Housing SPD that includes guidance on the introduction of the higher affordable housing requirements in the Core Strategy, the future mix of units, approach to viability assessments and the calculation of off-site financial contributions.

Executive has agreed a draft Affordable Housing SPD which is subject to public consultation until 16 November. The SPD addresses all the issues highlighted.

- Key focus must be to bring forward outline and full planning permissions to enable the implementation of the proposed new communities at Monkerton and Newcourt and preparation of a development brief in partnership with the local community, for strategic growth at Alphington.

Planning Committee has approved detailed permission for nearly 900 homes this Council year, over 600 of them at Newcourt. Outline applications for about 1,160 homes are due to be considered shortly at Monkerton and 58 homes at Newcourt. Progress is being made on a S106 agreement for 700 homes at Dart land Newcourt. Meetings have commenced with residents of Alphington on the preparation of a development brief.

A CITY OF GROWTH AND BUSINESS

- Implementation of a comprehensive approach to infrastructure planning including adoption of a Community Infrastructure Levy, maintenance of an up to date Infrastructure Delivery Plan and establishment of governance arrangements for CIL and the NHB major infrastructure fund.

The Council has completed the two consultation stages. Further investigations are being undertaken on retail issues following a recent report of a planning inspector who departed from the previous line that it is possible to differentiate between types of retail.

- Adoption of development principles for the Bus Station, consideration of a feasibility study, submission of an outline planning application for the development and approval of

reserve matters application for the first phase. The project will require successful negotiations to relocate the Bus Depot and a finance package for non commercial facilities.

Development principles have been adopted, investigations and negotiations continue on design and funding including the inclusion of a proposed replacement swimming pool for The Pyramids. A masterplan has been agreed for Exmouth Junction identifying a potential relocation site for the Bus Depot.

- Completion of improvements to London Inn Square and King William Street Car Park to coincide with the opening of the proposed JLP store.

The scheme has been implemented and the JLP store opened on schedule on 12 October.

- Implementation of the Princesshay artwork and improvements to support Cowick Street and Heavitree local shopping centres and development of proposals for Central Station forecourt and around Central Library.

The Princesshay artwork has secured planning permission and is shortly to be installed. The first phase of Cowick Street improvements, cleaning and lighting of the railway bridge has been actioned and the remainder will follow. The design of proposals at Central Station has been agreed, notice is being given to tenants by Network Rail and a detailed contract specification is being prepared. Discussions with the County Council regarding public realm improvements around the Central Library are ongoing.

QUALITY OF LIFE

- To update the Council's Open Space Strategy and records of locally important heritage.

Initial work has started on the open space strategy and public consultation has commenced on changes to the local list of heritage buildings.

A SUSTAINABLE CITY

- Development of viable proposals for district heating schemes at Monkerton and the Grecian Quarter/Heavitree Road.

Negotiations on Monkerton have reached a critical stage. A study has been commissioned to inform how to proceed in the Grecian Quarter. A detailed feasibility study has been jointly commissioned with the RD&E Hospital, Exeter University and Devon County Council to inform how to proceed in the City Centre. This study is due to be completed in November. ECC will then be asked to make decisions about the role it will be prepared to play in delivery and the operation of the network.

- Consideration of a Design Review Panel to raise the quality of development.

Other Devon authorities have been approached regarding a joint panel, Exeter would generate insufficient work to justify its own panel.

- Progress implementation of the Council's Green Infrastructure Strategy.

Discussions continue with appropriate bodies such as Natural England on how this relates to funding for mitigation of Natura 2000 sites.

- Preparation and adoption of an SPD on sustainable construction and an approach to allowable solutions.

Priority has been placed on resolving sustainable construction and low carbon energy issues on current planning applications at Monkerton and Newcourt since these provide the main opportunity to deliver change.

THRIVING COMMUNITIES

- Preparation of an Issues & Options DMDPD, conduct of public consultation upon it and consideration of the results.

The document, renamed the Site Allocations and Development Management document, has been prepared, and agreed for consultation by Executive. A report to Executive in early 2013 will consider a proposed response to the 300 representations received.

- Establish procedures and consider applications for neighbourhood plans and support for communities, such as St James Forum, through the process.

A protocol has been agreed by Executive. St James Forum and area has been formally designated and a public consultation by the forum on a draft plan is underway.

- Establish a register of Assets of Community Value in response to any regulations.

The legislation took effect at the end of September. Executive has established procedures and advise has been published on the website..

PUBLIC REALM SERVICES - PARKING, WATERWAYS & FLOOD PREVENTION

- explore the integration of the parking enforcement and community patrol teams to create a new community enforcement & safety team.

This has not yet been progressed because of an external review of civil parking enforcement in Devon, commissioned by the County Council. This review potentially impacts on the City Council's future role in managing CPE; it's initial recommendations are due in December.

- work to determine the preferred option for upgrading Exeter's flood defences and putting in place a local funding partnership that will secure financial contributions from a range of agencies in both the public and private sectors and will in turn unlock the core funding from central government.

Identification of schemes and associated funding solutions to address significant flooding issues in the City affecting the River Exe and Northbrook. We will also be undertaking an early review of the Council's policy framework, and decision-making arrangements, in respect of the river and canal to improve democratic accountability and ensure the city is best placed to maximise the potential of this asset.

Discussions on funding the River Exe scheme are ongoing. The Leader of the Council has indicated that the City Council will contribute £3 million to an agreed scheme and the County Council has formally agreed to match this contribution. The contribution from government is estimated to be £12 million. Private sector contributions for the remaining £6 million are currently being sought via the Local Enterprise Partnership. A core officer group from the City Council, County Council and the Environment Agency has been established to progress the scheme. A formula has been established to allow S106 contributions to the River Exe scheme to be sought from appropriate developers.

The flood protection scheme for Northbrook will be included in the next capital programme. Officers are currently finalising recommendations regarding the future management of the river and canal and a report is due to be considered by Executive in the near future.

- progression of the various ideas/initiatives generated by the Parking Task and Finish Group successfully setup by Scrutiny – Economy. These reports to be provided to Executive for future consideration.

The report on new tariff bands will be considered by Executive in November.

- the completion of the King William car park refurbishment in readiness for the opening of the John Lewis store.

Completed on time.

**Councillor Rachel Sutton
Portfolio Holder Sustainable Development and Transport
November 2012**

**SCRUTINY ECONOMY COMMITTEE
8 NOVEMBER 2012**

Key Elements of the Programme for the Economy Portfolio for 2012/13

The importance of Exeter's economy as an economic hub and focus for growth within Devon and the wider South West is clear. The area provides a base for leading regional, national and international employers, attracting people with higher level skills and investors. Maintaining and improving the competitiveness of and confidence in the city for investment, promoting and helping people into employment and attracting more visitors have to remain high priorities

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

The key priorities for supporting growth and recovery in 2012/2013 are summarised as follows:

- We will continue to work with Land Securities and the Crown Estate to build on the City Centre Vision, and feasibility study undertaken with a view to bringing forward the development of the Bus & Coach Station site. 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. In conjunction with these proposals we will undertake feasibility and initial planning for a new leisure facility.

Feasibility Study submitted by Land Securities and Crown Estates. Estates team evaluating the feasibility study.

2 Oct Executive considered the report on the assessment of need and business case for a new swimming and leisure complex in Exeter and resolved that we continue to progress the project.

- *A Project Manager is to be appointed*
 - *A capital funding plan is being prepared*
 - *A regular project team meeting is taking place with Land Securities*
 - *Design process has led to development principles and has informed masterplan approach*
 - *Development principles approved*
 - *£8 million of Regional Growth Funding has been secured which may assist with progress*
 - *Negotiations are progressing with Stagecoach regarding identifying a site for the relocation of bus depot.*
 - *Progress on traffic modelling of options for reducing cross town traffic*

 - In the short term 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.
- London Inn Square enhancement scheme has been completed. Cowick Street first phase railway bridge improvements have been completed and second stage due early 2013. Central Station – PMWG has agreed scheme. DCC Cabinet approved 12 Sept 2012. Network Rail now gives six months notice to the tenant.*

- A priority for this year will be to continue to work to capitalise on the investment that has been made in the “Growth Point” outside the city. We will continue to 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.

Cranbrook has now opened up and houses are selling well with up to 120 dwellings likely to be built by Christmas. Representation continues to be made to government to build on the current investment and to open up the phase 2 land. In a similar manner bids have been made to government to support a local infrastructure fund to capitalise on the investment made to date. Two successful bids have been made to the LEP for funding in relation to the Science Park and Matford.

- 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.

The Skills Board has launched the first “Growth Club” programme supporting the development of management and leadership skills of 6 business owner manager, the aim being to promote the survival and growth of businesses with subsequent impact on jobs ; A new “My Exeter Business Guide” website is near launch as a portal for employers to access information and advice on skills issues including benefits, funding and providers; The” Step 2 Skills Initiative” has started, aiming to involve employers in services and programmes that improve the skills of unemployed people, increase take up of apprenticeships, provide opportunities for graduates to get into employment and reduce skills gaps - 2 large high street outlets have been engaged and at least 10 new un-paid work placements are to be generated, and a major new hotel is working with the Skills Board to coordinate vacancy advertising to focus on recruiting local people and using pre-employment training to support applicants; “Community Energy Fit Exeter” is being delivered in partnership with E.on and National Energy Action aiming to up-skill 160 unemployed people to improve their employability - 4 sessions held so far since training commenced in Aug 12, up-skilling 20 unemployed people

- Develop the Council’s approach to helping people into employment. The report before Scrutiny Committee sets out some proposals including the creation of a number of apprenticeship opportunities within the Council.

Scrutiny Committee in September received an update on measures being taken by the city council and others to help people into employment. In addition to the training related measures just outlined the report referred to the Council’s recruitment of 6 apprentices and its intention through the planning process to promote local employment and workforce skill development. Three work clubs are being supported to offer help for unemployed people to find training, apprenticeships, employment or self employment.

- We will continue to progress the development of Exeter Science Park with a particular focus on progressing the first buildings on site and its promotion.

Members will be aware from previous reports that the proposed first building, the Science Park Centre, is the key to supporting the overall development of highly important strategic employment sites. Now that the infrastructure works have largely been completed, the science park is also available for development. The Centre is to provide a high quality suite of incubation space for scientific based businesses requiring “start up” or “grow on” space and itself create some 250 jobs. In the current climate, funding is tight

and there are few opportunities from sales of plots to generate the funding to build the Centre in the short term. An application to the Growing Places Fund for £4.5 million as a contribution to the total cost of £7.25 million is the subject of final negotiation. In anticipation of a successful outcome a planning application has been submitted and approved. Marketing of the science park has started and the Council will be supporting this activity.

- We will maintain our support for measures to promote business formation and survival through a programme of activities coordinated by Exeter Business Support which is based on a partnership with the University of Exeter Innovation Centre.

The Council continues to support measures to help new business formation coordinated through this partnership. A report reviewing progress will be made to this committee in January

- Support for the formation and survival of social enterprises.

Likewise a report reviewing progress will be made in January

- Agree and implement a place marketing strategy differentiating the city from others focussing on promoting and securing investment in the Exeter economy.

This Committee supported the direction and approach of the strategy at its meeting in May this year. Officers have worked with marketing specialists in the city to determine a branding strapline and are preparing to use "Exeter – be part of the energy" in order to dispel the perception of sleepy Devon and relate the momentum and success being enjoyed through individual organisations and partnership effort. The strapline would not be used in isolation from imagery and messages designed to clarify and portray Exeter as a successful and attractive location for investment, and relocation of people and organisations. The planned improved website and promotional activity will now be implemented.

- Provide a responsive and proactive commercial property and investment support service to facilitate investment and the finding of suitable accommodation.

Over the past 12 months the service has handled over 970 enquiries of which 120 were from new start up businesses. The Council Property Register contains over 800 vacant properties and sites in and around the city and is kept up to date through close contact with commercial agents. The vast majority of enquiries are received via the City Council website

- Work with the Cultural Partnership to prepare a cultural strategy to develop the breadth and quality of activity in the city and to realise the contribution culture can make to the life of residents and the city's economy.

The proposed framework, strategic goals and way forward for the preparation of the cultural strategy is the subject of a report to this Committee today for your comments.

- We will continue to support key festivals in the city including Respect, Animated Exeter and the Exeter Festival of South West Food and Drink. Recognising the importance of events and festivals to the image, attraction and enjoyment of the city, we do recognise a gap at the moment in the spread and nature of events across the year. We will, with

partners, be looking to develop either a new kind of event, or variation of an existing one, where resources allow.

Members received a detailed review of the programme of festivals supported by the Council last Scrutiny Committee. The report also referred to the intention to develop a new major festival for the city focussing on commissioned outdoor arts performance and arts in hidden or unusual places across the city, indoors and outdoors. Work is progressing to develop the first phase of the festival linking with Animated Exeter in February 2013. The second phase – a 10 day festival featuring commissioned work is being planned for September 2013.

- We will seek to support district shopping centres in local communities to ensure they continue to be vibrant and vital. This will require attention through the planning process, and consideration of approach to support communities through the New Homes Bonus.

Works are underway in relation to St Thomas district centre and proposals for use of S106 funds towards improvements to Heavitree and Magdalen Road will be discussed with traders/businesses.

**Councillor Rosie Denham
Portfolio Holder Economy and Tourism
November 2012**

EXETER CITY COUNCIL

SCRUTINY COMMITTEE – ECONOMY 8 NOVEMBER 2012

THE DEVELOPMENT OF A CULTURAL STRATEGY FOR EXETER 2013 - 2018

1.0 PURPOSE OF REPORT

- 1.1 This sets out for Member comments a draft framework for a Cultural Strategy of Exeter 2013 – 2018 produced by Exeter City Council in partnership with Exeter Cultural Partnership. The report seeks support for the proposed strategic goals and ways forward to achieve the strategy by end of May 2013.

2.0 BACKGROUND

- 2.1 Exeter City Council in partnership with the Exeter Cultural Partnership proposes to create a Cultural Strategy for Exeter. This document sets out the first step towards developing the strategy
- 2.2 This framework intends to provide some initial ideas for and a firm basis on which the City Council and Exeter Cultural Partnership can build a deliverable strategy by March 2013. The strategy will aim to cover the next five years to 2018. Following a review of the existing Arts and Media Strategy, an in depth consultation with Exeter Cultural Partnership and research on cultural strategies considered to have been successful in other UK cities, There is now a proposed draft framework for the Cultural Strategy that identifies 5 goals as set out in item 4.
- 2.3 Exeter Cultural Partnership is over 2 years old. The steering group for the partnership, which has been responsible for working on the draft framework for the strategy, currently has representation from libraries, museums, heritage, sport, higher education, creative industries, the arts and retail sectors. The partnership is also recognized by Exeter Vision Partnership as providing the lead for collaboration on cultural activity in the city.
- 2.4 The development of the partnership originated from People, Places & Spaces – A Cultural Infrastructure Strategy for the South West commissioned in conjunction with the RDA in 2008 in which Exeter was defined as a Planning Area for Culture. The strategy recognized the importance of culture on the region's economy and encouraged the various strands of the cultural sector to come together to create a cohesive voice for the promotion and development of culture.
- 2.5 Exeter's current Arts and Media Strategy 2008 – 2012 is coming to an end. The strategy focused solely upon the Arts and Media sector and did not take into consideration the impact of the city's wider cultural sector.
- 2.6 The core aim behind the Arts and Media strategy was to set out strategic objectives against the city's mission statement as set out in the Exeter Vision: "To enhance Exeter as a regional capital and to work in partnership to improve the quality of life for all people living in, working in and visiting the city. "

2.7 The Arts and Media Strategy recognised the importance of arts and media and the creative industries in creating a successful economy in the city, set out to address the need to support production by artists and arts organisations and to encourage wider participation in the arts and media. The strategy identified eight key objectives to develop the sector and take on board the city's aspirations as a regional capital, as follows:

- the city council should adopt a corporate policy approach to arts and media development which places arts and media at the heart of the city's ambitions and matches the city's level of aspiration
- to develop and strengthen the arts and media infrastructure and support and encourage innovation and creative production in the City
- to develop further the City's portfolio of Arts and Media Festivals and explore opportunities 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 from diverse backgrounds, and in particular young people, to engage in arts education and learning programmes.
- to work strategically in developing new partnerships 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 streams

2.8 The City Council currently invests some £5,129,700 into funding and supporting cultural activity in the city. This funding includes support for the Arts, Leisure, Parks and Open Spaces, Rivers and Canals, Tourism and RAMM. It is estimated that this investment levers £4,680,107 (£1,376,928 of income generation by Council services and £3,303,179 of additional income generation by Council funded arts organizations) of economic benefit into the city. For a full breakdown please see *Appendix 1 – Breakdown of Council support for Cultural Activity*.

3.0 THE DEFINITION OF CULTURE AND THE CULTURAL SECTOR

3.1 Culture includes the physical infrastructure of museums, arts venues, creative industries, centres for sport, libraries, heritage sites, rivers and canals, parks and open spaces, retail and tourism. It also includes the various activities that are associated with these groups, other organisations and individuals that develop social, personal relationships through participation in culture that enriches and improves the quality of peoples' lives.

3.2 The City's cultural sector is wide ranging and diverse. It is made up of public, private and voluntary sector organisations and businesses, individual artists and small creative industries. There is a large commitment of voluntary activity, major support from the local authorities and significant contribution

from other public sector bodies and agencies such as the Arts Council and Heritage Lottery and Sports Council. The new strategy looks to broaden the focus of delivery and include a range of sectors that represent Culture on the Exeter Cultural Partnership.

4.0 THE NEED FOR A CULTURAL STRATEGY

4.1 The cultural sector has a huge impact on:

- the City's economy
- the quality of life for residents and visitors
- developing a positive image of Exeter as a place to live, work and invest
- a sense of enjoyment, inspiration and individual fulfillment
- local regeneration and encouragement of community led initiatives
- contribution towards life long learning

4.2 An example of the cultural impact of one of the city's key sporting organisations, Exeter City Football Club, serves to highlight the identified benefits in 4.1. The club, which is owned by its supporters through the Exeter City Football Club Supporters Trust has some 4000 active members. ECFCT not only runs a strong community programme which reached over 31,000 children and young people last year and contributed to their lifelong learning, but also based on the multiplier effect (assessed at x 2+ for leisure activities) on the gross turnover, the football club can be said to contribute some £8m per annum to the overall local economy. This of course does not include additional spend by attenders at matches. Taking an average of 4000 people per match (total attendance in 2011/12 was 124,410) if each person spent only £2 per visit in the wider community, City business benefit is increased by approximately £200,000 per year (based on 25 matches).

4.3 The City's cultural sector is showing remarkable resilience in spite of the economic downturn. It has managed to adapt and survive, with the result that new partnerships have been formed which maximise resources and minimise risk.

4.4 This resilience is further borne out in the recent update of the employment figures for the cultural sector in Exeter drawn from Nomis (29 September 2012) which show that figures for 2011 have only fallen slightly from 3,200 in 2010 to 3,145. These figures are made up of arts, entertainment, recreation and other services in the cultural sector..

4.5 Recent events such as the Torch Relay, Exeter Respect Festival and the Ignite Festival have provided a clear example that by working in partnership, the City can produce cultural events for large audiences that would not necessarily attend cultural activity. These together with the opening of RAMM and its successful award as Museum of the Year underline the ability of culture to develop a positive image of the city, and their contribution both to the city's economy but also the quality of life of its residents and visitors.

4.6 This core resilience is recognized by core funders such as Arts Council England, the Heritage Lottery who continue to support city arts and heritage

organisations through National Portfolio funding and project funding. The city's future development plans, including John Lewis, the redevelopment of the Bus Station, and the Central Library, all indicate a thriving city. It is vital that the vision for culture at the heart of the city is seen as an important strand, that it is picked up and runs through the city's other strategies assisting these strategies to meet their objectives:

- The Place Marketing Strategy
- City Centre Strategy
- The Tourism Strategy
- Parks and Open Spaces Strategy

4.7 The strategy will aim to map the city's cultural sector to help determine the scale and range of activities and their importance. It will establish a clear set of goals and an action plan that will improve, develop and deliver on the strategy's vision of ***Culture at the heart of the City***.

5.0 WHO IS THE AUDIENCE FOR THE STRATEGY?

5.1 The audience for this strategy is varied. It includes Exeter City Councillors, other relevant public sector organizations such as regional authorities, the Arts and Sports Councils and Heritage bodies, private and voluntary cultural sector organizations and individuals, city residents and visitors.

5.2 The key audience for culture is the public, the city's residents, workers and visitors. The strategy will need to have this at the forefront of its delivery. However, the strategy needs to be able to communicate and define the strategic goals on different levels and to highlight different needs. Therefore the style of communication will vary, dependent on the group.

5.3 People's perception of culture is often defined by their experience and those who feel part of a minority or a disadvantaged group can find it difficult to express their views or gain recognition for their culture and place in society. It is important to acknowledge the contribution of, include and promote the interests of minority and disadvantaged groups for a Cultural Strategy to be successful and more creative.

6.0 DRAFT STRATEGIC GOALS

6.1 After initial consultation with Exeter Cultural Partnership the following draft strategic goals have been identified that will contribute to Exeter as a regional capital and towards improving the quality of life of its residents and visitors:

- developing a vibrant cultural economy - Exeter as a cultural destination
- developing cultural opportunities and experiences
- enabling wide and diverse participation
- capacity building and sustainability for the cultural sector
- communication and audience development

6.2 A key component of the creation of the cultural strategy will be a consultation phase with the various sectors of culture (libraries, sport, arts, retail, heritage, parks/open spaces and museums) and the wider public, including

disadvantaged or minority groups, to determine a clear set of aims and measurable objectives for each strategic goal that will contribute towards an action plan for each goal over the life of the strategy.

7.0 WAY FORWARD

- 7.1 The proposed timeline for the realization of the Cultural Strategy is attached in *Appendix 2 – Proposed Timeline for Exeter Cultural Strategy*
- 7.2 The City Council will contribute to the cost of a consultant to work with Exeter Cultural Partnership to manage the consultation process across the sectors that will seek to identify achievable aims and objectives/opportunities for each sector under each strategic goal over the next five years. This consultation will form the substance of the draft strategy that will be brought to the Scrutiny Committee – Economy in March 2013.
- 7.3 As a separate but linked area of work, Exeter Cultural Partnership will work with the Audience Agency, a national audience development agency, to understand and research into developing new audiences for culture in the city. This work will be the subject of an application by Exeter Cultural Partnership to Arts Council England's Grants for the Arts scheme.

8.0 FINANCIAL IMPLICATION

- 8.1 The funding of up to £3000 for the consultant will be found from the Arts and Events budget 2012/13.
- 8.2 The above funding will act as match funding and leverage for the Exeter Cultural Partnership's application to Grants for the Arts to facilitate the consultation process.

9.0 RECOMMENDATION THAT

- 9.1 Members note the report and comment on the proposed approach to the delivery of a new Cultural Strategy for Exeter 2013 -18.

Richard Ball
ASSISTANT DIRECTOR ECONOMY

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

Background papers used in compiling this report:

Exeter Arts & Media Strategy 2008 – 2012

Business Register and Employment Survey 2010 & 2011, Office for National Statistics, Crown Copyright Reserved

APPENDIX 1 – A BREAKDOWN OF CITY COUNCIL SUPPORT TO CULTURE

1. Tourism, Arts & Leisure based on 2011/12 full year figures
2. RAMM attendance and income figures from the re-opening in 2011 – Sept 2012
3. Parks and Open Spaces is a traded service, the figures below exclude a recharge figure of £208,100 , giving an overall net budget figure of £1,828,770 in 2011/12
4. Parks and River & Canals have given only an indication of numbers of events/hires which they are able to monitor, not attendances which they are unable to do

	£ Annual Budget : (Salaries, premises, transport, support services)	£ Annual Budget Project/Activity Spend/services	£ Income leverage	Attendance
RAMM	1, 877, 240	196, 000	463, 765 (a)	265, 181
Tourism	493, 730	131, 540	184, 210 (b)	272, 581 (c)
Arts & Events	112, 950	307, 210 (d)	3, 312, 572 (e)	249, 314 (f)
Leisure (g)	344, 880	146, 620	335,140	56, 710 (h)
SUB TOTAL	2, 828, 800	781, 370	4, 295, 687	843, 786

	£ Annual Budget other costs (as above)	£ Annual budget supplies/services	£ Income/ Leverage	No. bookings/events
Parks & Open Spaces	1, 882, 150	339, 870	185, 150 (i)	1,358 (j)
River and Canals	418, 750	119, 900	199, 270 (k)	43 (l)
SUB TOTAL	2, 300, 900	459, 770	384, 420	1, 401

TOTAL	5, 129, 700	1, 241,140	4, 680, 107 (m)	
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Notes:

- (a) income figure include Renaissance funding £264,000; Arts Fund £100,000; £99,765 various sponsorship amounts ranging from £1000 - £8000
- (b) income figure includes grant from Exeter Canal & Quay Trust to run Quay Visitor Centre; tickets and sales from facilities
- (c) figure compiled from Tourism run facilities including Red Coat tours, EVIT, Quay House Visitor Centre, Underground Passages and Heart of Devon website. These figures contribute to total number of day/overnight visitors to Exeter 2011/12: 1,981,000
- (d) made up of Arts/Events £65,000, festival support £26, 350 and Arts Grants £215,860

- (e) made up by income, other revenue and project grants (Arts/Events: 33,673; Festivals: £74,720; funded arts organisations: £3,303,179
- (f) attendance figures made up by funded organisations: 174,722; attendance at Arts Events /Festivals: 74,592
- (g) figures based on Leisure contract with Parkwood Leisure
- (h) figures from 5 leisure centres
- (i) income figure includes income from pitch hire in winter season September - May £33766, Bowling and croquet green income of £16,000; event hire £4650 in 2012
- (j) Figure include pitch hire winter season based on 35 bookings/week x 36: 1260 with some bookings having up to five teams at each session; 98 event bookings in 2012
- (k) figure includes small amount for hire/bookings and mooring fees
- (l) figure is the number of river bookings
- (m) figure compiled of £1,376,928 Council services income generation and £3,303,928 Council funded arts organisations income generation.

APPENDIX 2: Proposed Timeline for delivery of Exeter Cultural Strategy

November 2012	Scrutiny Economy Committee– for approval of draft framework, timeline and process
October 2012	Draw up consultancy brief - appoint consultant. Agree sector leads with Exeter Cultural Partnership
November 2012 – January 2013	Stage 2 – meetings with cultural sectors led by consultant to: <ul style="list-style-type: none"> • come up with objectives/opportunities for each sector under each strategic goal • some achievable and/or aspirational aims in next five years
January – February 2013	Draft Strategy written with support of lead sector representatives to Exeter Cultural Partnership for comment
March/April 2013	Draft Strategy to Scrutiny Committee Economy for approval
April/May 2013	Wider consultation; any amendments; Equality Impact Assessment
May/June 2013	Final Committee adoption of Cultural Strategy and publication

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - ECONOMY
8 NOVEMBER 2012

MARKETS & HALLS UPDATE

1 PURPOSE OF REPORT

- 1.1 To update Members on the performance of the Markets & Halls team and facilities managed.

2 BACKGROUND

- 2.1 The Markets & Halls section incorporates the Matford/Livestock Centre, Exeter Corn Exchange and markets within the city.
- 2.2 In January 2011 Executive authorised the Head of Estates Services, in consultation with the Portfolio Holder (Economy and Tourism), to negotiate terms for a ten year lease for the operation of livestock markets from April 2012 with new working arrangements which would see the responsibility for maintenance and cleaning of livestock pens and sales rings transferred from Council staff to the livestock auctioneers.
- 2.3 In October 2011 Executive authorised the implementation of a new staffing structure within Markets & Halls to respond to the amended requirements. This new structure involved reducing the number of posts within the section. Seven posts were deleted and replaced with three new posts. The three new posts were filled by existing employees, two employees were made redundant and two employees transferred to other City Council posts. The annual saving made by these changes was in excess of £65,000 pa.
- 2.4 In February 2012 the Markets & Halls team came under the responsibility of the Assistant Director, Economy as a result of the corporate organisational review. No further amendment was made to the staffing structure at this time.

3 EXETER LIVESTOCK CENTRE

- 3.1 Exeter Livestock Centre incorporates pennage and sales rings used for livestock markets, a car auction operation, an events/exhibitions concourse, business units, meeting rooms and a restaurant. The Council benefits from an annual income of around £700,000 earned from these sources. The livestock market is the largest market in Devon and one of only two in the South West that operates more than one livestock market a week. It is seen by the farming community as the main livestock market in the county and supports the farming hinterland of the city. In recent years animal throughput at the centre has increased – see appendix 1
- 3.2 The opportunity for a new 10 year lease & agreement to operate the livestock markets in Exeter was advertised in May 2011. There were a number of applications received and these were evaluated according to previously agreed criteria. A lease was agreed with Kivells & Husseys of Exeter, a partnership set up by two existing livestock

auctioneers. The new agreement has guaranteed income to the Council in excess of that independently forecast and reported to Executive in January 2011. The new auctioneers took over from the out-going auctioneers in April 2012.

- 3.3 The City Council staff based at the centre continue to manage all other aspects of its operation in conjunction with officers from Estates Services where appropriate.

4 EXETER CORN EXCHANGE

- 4.1 Exeter Corn Exchange hosts a varied programme of events including music, comedy, dances, ballet, conferences and examinations. It has the largest capacity (500) of any venue in Exeter city centre. The venue's team organises and promotes events to add to the cultural life of the city and the venue is also available for hire by private and public organisations, community groups and charities. The Council benefits from an annual income of around £450,000 earned from the venue's operation with around 350 events of all types being hosted each year.
- 4.2 The venue's staffing establishment consists of four full-time equivalents. This team looks after all aspects of the venue's operation including programming, administration, event management, marketing, box office and cleaning and maintenance. They also manage the bar/catering operation utilising casual staff as and when required to provide this service and cover front-of-house duties. Contractors are employed for some of the venue's technical requirements and cleaning.
- 4.3 A number of building improvements have taken place at Exeter Corn Exchange over the last few years notably the introduction of tiered seating and refurbished toilets. The venue has developed its marketing and box office operations over the same period; introducing a computerised box office, mailing list, online sales, a printed events brochure (20,000 now printed and distributed twice a year), dedicated website, email marketing capability and the use of social media.
- 4.4 These improvements have assisted the venue team in programming seasonal events programmes including a number of self-promoted events and others in conjunction with external partners. The number of events within the seasonal programmes is increasing on a year-by-year basis and the financial analysis of these events also shows an improving picture with each programme showing a surplus when considering income against variable costs – see appendix 2
- 4.5 In the current difficult economic climate it would be expected that demand to hire the venue for conferences etc would fall but the introduction and expansion of the seasonal events' programmes has enabled the venue to broadly maintain the number of events it hosts. It is now accepted that the Corn Exchange plays an important role as part of the city's overall arts and entertainment offer.

5 MARKETS

- 5.1 The Markets & Halls team organise the Sunday Market/Car Boot Sale at The Matford Centre, Exeter Farmers' Market, Sidwell Street Pannier Market and seasonal markets including Christmas Markets in Castle Street and Fore Street. They also work with visiting market organisers to bring occasional markets to the city and give consent for markets in the city which are organised by others.

- 5.2 The Sunday Market continues to be the largest in the area and earns annual income of around £140,000 for the Council and more than £25,000 for charity and community groups who provide volunteers to assist with the running of the markets.
- 5.3 Exeter Farmers' Market continues to enjoy around 90% stall occupation. There are currently more than 20 food producers at each market, and most of them have been part of the market for many years. The producers have recently appointed reps to work with Markets & Halls staff on initiatives aimed at improving the market in a number of ways, such as improved presentation of the stalls, marketing initiatives and specialist market days. The market was given a Silver Award in the recent Taste of the West SW Flavour Awards.
- 5.4 Sidwell Street Market occupancy has remained relatively constant since Christmas. In previous years the number of licences issued has dropped after the holiday period. A recruitment initiative will be launched after the opening of the new John Lewis store in an effort to increase the number, range and quality of stalls on the market.
- 5.5 The Markets & Halls team has worked with others within Economy to enable the forthcoming Exeter Christmas Market on Cathedral Green as well as organising the markets held each Christmas in Castle Street and Fore Street. In addition the section has issued consents and offered advice to the organiser of the new year-round markets held in the Guildhall Centre. The opportunity to introduce one or two visiting markets to the city in 2013 is being explored.
- 5.6 If a suitable pedestrianised location for markets could be identified in the city centre there may be scope to increase the number of markets organised and many more visiting markets could be attracted to the city.

6 FINANCIAL INFORMATION

- 6.1 The financial performance of Markets & Halls has improved each year for the last three years. The section produced a small loss in 2008/09 and has steadily improved to show a surplus of £236,000 in 2011/12. The forecast for the current year shows an expected further improved position.
- 6.2 The primary reason for this improved position is increased income at the Matford/Livestock Centre from livestock auctions, events and other business streams.
- 6.3 A summary of Markets & Halls accounts are included at appendix 3.

7 RECOMMENDED

- 7.1 That Scrutiny Committee – Economy note and comment on the contents of this report

RICHARD BALL
ASSISTANT DIRECTOR ECONOMY

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

Background papers used in compiling this report:-

None

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Appendix 1

EXETER LIVESTOCK CENTRE THROUGHPUT FIGURES

	Sheep	Annual Increase	Cattle	Annual Increase	Pigs	Annual Increase	Total	Annual Increase
2008/09	131,160		16,309		1,659		149,128	
2009/10	126,481	-4%	16,683	2%	1,790	7%	144,954	-3%
2010/11	132,370	4%	23,261	28%	2,411	26%	158,042	8%
2011/12	146,256	9%	18,792	-24%	2,786	13%	167,834	6%

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Appendix 2

EXETER CORN EXCHANGE SEASONAL EVENTS PROGRAMMES - FINANCIAL ANALYSIS

	Spring 08	Autumn 08	Spring 09	Autumn 09	Spring 10	Autumn 10	Spring 11	Autumn 11	Spring 12
Number of events in programme	14	19	18	19	21	21	24	25	31
Income:									
Ticket income	30,300	34,800	34,500	57,200	47,400	29,700	87,500	54,400	88,000
Venue hire fee	2,000	2,500	1,600	1,700	3,000	15,000	2,000	17,600	5,600
Bar/Catering income	8,300	12,700	12,800	16,300	13,600	25,000	22,700	35,400	26,800
Other income	100	500	3,100	700	3,400	4,400	500	4,200	1,100
Total	40,700	50,500	52,000	75,900	67,400	74,100	112,700	111,600	121,500
Expenditure:									
Artists/Promoters costs	23,200	22,000	24,100	37,300	31,100	20,900	61,200	34,900	60,000
Production costs	1,000	2,700	3,200	2,800	2,400	1,500	3,800	2,900	3,800
Casual staffing costs	2,100	3,200	2,900	3,800	3,500	12,200	3,900	9,200	5,000
Bar/Catering - cost of goods sold	3,300	5,100	5,100	6,500	5,400	10,000	9,100	14,100	10,700
PRS	400	400	500	800	700	500	1,300	500	700
Ticket agency commission	1,000	700	1,000	400	1,500	100	300	100	300
Other	0	700	200	3,000	0	1,200	1,000	400	200
Total	31,000	34,800	37,000	54,600	44,600	46,400	80,600	62,100	80,700
Nett income	9,700	15,700	15,000	21,300	22,800	27,700	32,100	49,500	40,800

Notes:

Events included are those for which the venue offers marketing support (through printed events guide) and box office facilities
 Most events are promoted or jointly promoted by the venue but for some events the venue has been hired by a third party
 Spring events run from January until August, Autumn events run from September until December
 Autumn '10 and Autumn '11 programmes include pantomime (more than 30 performances) counted as one event
 Marketing costs are not included. Energy costs are not included.
 Most venue hires (regular dances, conferences, examinations, fairs etc) are excluded
 Some figures are estimated and a tolerance of plus or minus 5% should be allowed.

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Appendix 3

MARKETS & HALLS FINANCIAL PERFORMANCE

	2008/09	2009/10	2010/11	2011/12	2012/13 projection
C101 Matford/Livestock Centre					
Pay	165,322	174,866	169,776	181,962	121,794
Premises	249,359	217,450	244,381	197,822	170,606
Supplies & Services	77,793	79,157	77,218	73,631	52,814
Transport	2,534	8,400	4,290	8,468	3,070
Support Services	40,637	41,076	40,763	41,612	30,986
Total Expenditure	535,646	520,949	536,428	503,494	379,270
Income	624,163	649,207	721,364	797,276	702,734
Nett Income	88,517	128,257	184,936	293,782	323,464
C102 Markets					
Pay	52,963	53,961	44,518	39,320	43,376
Premises	20,562	23,793	19,310	15,045	23,522
Supplies & Services	5,756	5,594	5,480	2,677	4,828
Support Services	12,296	12,658	12,172	9,594	10,174
Total Expenditure	91,577	96,006	81,480	66,636	81,900
Income	75,509	86,964	83,082	84,136	81,607
Nett Income	-16,068	-9,042	1,602	17,499	-293
C103 Corn Exchange					
Pay	115,190	123,357	131,919	141,549	148,134
Premises	169,141	157,373	153,785	196,197	166,810
Supplies & Services	154,391	178,634	218,767	272,999	264,196
Transport	72	0	133	5,985	332
Support Services	23,450	23,522	24,408	27,493	29,406
Total Expenditure	462,245	482,886	529,011	644,223	608,878
Income	388,867	413,038	512,758	569,296	554,540
Nett income	-73,377	-69,848	-16,253	-74,927	-54,338
Total Nett Income	-929	49,367	170,285	236,354	268,833

These figures exclude capital charges

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE - ECONOMY 08 NOVEMBER 2012

PROPERTY VOIDS AND DEBTS

1.0 PURPOSE OF REPORT

- 1.1 To inform Members of the position regarding void properties as at 30 September 2012 and commercial rent debts for the four quarters ending on the September 2012 quarter day.

VOID PROPERTIES

2.0 BACKGROUND

- 2.1 The situation regarding void properties as at 30 September 2011 was reported to the Scrutiny Committee – Economy on 10 November 2011.
- 2.2 For the purpose of the report a void is defined as any unused or un-let land or building which is not used for the provision of services but with the following assumptions:
- Includes commercial properties and undeveloped and surplus land
 - Excludes parks and community spaces, allotments and garden plots, grazing land, all highway land, pavement cafes, showcases, parking spaces and residential properties.
- 2.3 Any property remaining un-let for more than one year is treated as a long-term void for the purposes of this report.

3.0 LONG TERM VOIDS

- 3.1 There are no long term voids at present: none of last year's short-term voids "progressed" to long term and two long term voids reported last year were subsequently let – 89 South Street as a Sweet Shop and the offices at 21a North Street to a Charity working with recovering alcoholics.

4.0 SHORT TERM VOIDS

- 4.1 Since last year's report the premises listed under this heading have all been let as follows:

90/92 Fore Street – Charity shop
204 High Street – Frozen Yoghurt and Fruit Teas shop
87 South Street – Nail Bar/Beauty Parlour
174/5 Cowick Street – Ethnic Food shop
Swan Yard Warehouse – Charity Workshop & Sales

- 4.2 The details of the new short term voids are as follows:

- 4.3 88 Fore Street – traded as a clothes shop for two years but never managed to thrive and the tenant was allowed to break his lease and leave. Money is owed. Negotiations are proceeding for a short term let but to date no long-term interest has been received.
- 4.4 88 South Street – this estate agency had been struggling to survive here for some years and the tenant decided to exercise a break clause to allow him to leave at the end of December 2011 – no rents are owed. We have not had a huge amount of interest in these premises, but they are in a fairly good secondary location, are well presented and we hope to be able to re-let them before too long.
- 4.5 82 South Street – previously The Mortgage Shop. In these straitened times the tenants here decided, as did the tenants of 88 South Street above - a related user – to activate a break clause in their lease. Again no rent is owing and as yet no serious interest has been shown in the premises. However we are of course hopeful of re-letting this shop shortly.
- 4.6 Swan Yard Workshop came back to us in April following the sad death of one of our tenants. Several people have shown interest in taking a new lease of the premises and lawyers have now been instructed on a re-letting – subject to planning approval – as an Artists’ Studios with ancillary Tattooing.
- 4.7 During the year the following properties became vacant and were re-let:
 87 Fore Street – was a Toy Shop and is now a Hairdressers;
 77/78 South Street – was a Chinese Restaurant and is again;
 1a Hamlin Lane – Events and Marketing Company is now a Domestic and Commercial Contract Cleaning Company.
- 4.8 The short term voids as at 30 September 2012 are summarised in Table B below.

Table B
Short Term voids

Address	Area m² Approx	Rental Value £	Date Vacated/Available	Notes
88 Fore Street	85	28,000	01/09/12	See note 4.3 above
88 South Street	90	20,500	25/12/11	See note 4.4 above
82 South Street	72	18,850	16/04/12	See note 4.5 above
Swan Yard Workshop	146.5	7,250	22/04/12	See note 4.6 above
Total	393.5	74,600		

5.0 UNDEVELOPED AND SURPLUS LAND

- 5.1 Since the last report no land in this category has been disposed of.

Table C

Land	Area Hectares	Descriptions	Comments
Exhibition Fields (Eastern Fields)	2.6	Development site	Linked to infrastructure provision

6.0 CONCLUSION

6.1 The position on void units compared to the four previous reports is:

Table D

	No of Void Units	Total Area of Void Units in m ²	Annual Rental of Void Units (£)
September 2008	5	400	67,600
September 2009	8	836	81,450
September 2010	10	853	99,200
September 2011	7	1813	217,100
September 2012	4	393.5	74,600

6.2 The inclusion of 204 High Street and 90/92 Fore Street on the Voids last year resulted in an unusually high loss of rent being suffered. This year with fewer voids and with, happily, no very highly rented properties empty, the picture is much better. However, the market is still slow and jittery, and we are having to accept lower rents than previously on re-lettings and several of our tenants are known to be trading at worryingly low levels. Although, being keen to avoid voids as far as possible, we are occasionally coming to agreements with certain tenants concerning their contractually agreed rents. We are not yet having to compromise radically on our rent levels in order to re-let our properties. This can be seen by reference to the total amount invoiced column in the Commercial Debt table at the end of this report.

7.0 RENT AND DEBT COLLECTION

Background

7.1 The table (appendix1) summarises the amount of rent invoiced for each of the four quarters up to the quarter ended 28 September 2012, and the outstanding amounts at various points up to the date of compilation, the 30 September 2012. The first three columns of the table summarise the invoices as sent; the fourth column the amount of rent outstanding at 28 days, along with the percentage of the original total which these figures reflect; the fifth at 90 days, and the final one as at the date of compilation of this table.

8.0 PERFORMANCE INDICATORS

8.1 Targets have been set for debt management where the rent is billed on a quarterly basis. The Council has agreed that debts outstanding 90 days after billing should be less than 2% of the total sum invoiced.

9.0 CURRENT POSITION

9.1 £270,181 outstanding at 90 days, reflecting 8.23% of the total invoiced on the M001-M006 cost centres is very much worse than last year's figures of £117,730 and 3.78% respectively and far too large an amount of rent to have unpaid.

- 9.2 The commercial letting market is generally still in a pretty poor shape although this may not be obvious to the casual observer. The office market in particular is, and has been for some time, somewhat moribund with an oversupply and little movement and even certain of the shop premises apparently re-let over the past year have been done so on terms which are very favourable indeed to the tenants simply in order to minimise the extent of the voids. ECC owns very few offices and in any case most are occupied by charities with the rents being guaranteed by grant. Although there is a large amount of debt being incurred by certain of our shop tenants we have chosen not to create further voids by repossessing unless absolutely necessary: Whilst the tenant remains in the property he is liable for both rent and rates payments and there is at least a chance that these will be repaid if the debting tenant can hang on and trade his way out of his current difficulties.
- 9.3 Of the £143,788 outstanding as at 30 September, some £50,000 owed by two tenants alone has been, or is in the course of being, collected in full.
- 9.4 Three further tenants who between them account for another £39,000 appear to be trading sufficiently well to pay their rent – although on a somewhat haphazard basis: these, along with all other tenancies, are being monitored and their rent debts do not appear to be increasing.
- 9.5 The remaining debtors are mostly those who have not yet managed to pay the full sum of their June quarter's rent.
- 9.6 As noted above, all of these debts continue to be monitored and appropriate action taken when thought to be necessary.
- 9.7 Committee will no doubt note that we continue to invoice and receive well over £3M in respect of these cost centres.
- 10.0 RECOMMENDED that:**
- 10.1 The report on Voids and Debts be noted.

RICHARD BALL
ASSISTANT DIRECTOR ECONOMY

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

Background papers used in compiling this report:

None

Appendix 1**COMMERCIAL DEBT RAISED AND OUTSTANDING
AS AT 30 SEPTEMBER 2012**

Summary	Items	Amount	Outstanding at 28 days	Outstanding at 90 days	Outstanding as at 30.9.12
		£	£	£	£
Billed September 2011	225	786,053	155,612	64,824	5,446
% outstanding			19.80%	8.25%	0.69%
Billed December 2011	228	703,085	113,617	65,218	30,657
% outstanding			16.16%	9.28%	4.36%
Billed March 2012	289	1,128,614	219,799	84,368	52,065
% outstanding			19.48%	7.48%	4.61%
Billed June 2012	222	666,842	137,043	55,771	55,610
% outstanding			20.55%	8.36%	8.34%
Total	964	3,284,594	626,071	270,181	143,778
% outstanding			19.06%	8.23%	4.38%

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE - ECONOMY 8 NOVEMBER 2012

BUDGET MONITORING REPORT TO 30 SEPTEMBER 2012

1. PURPOSE OF REPORT

1.1 REVENUE BUDGET MONITORING

This report advises Members of any material differences by management unit to the revised budget.

1.2 CAPITAL BUDGET MONITORING

Previous capital budget monitoring updates in respect of the Economy and Development Capital Programme have been reported to Scrutiny Committee – Resources as part of reporting the progress of the Council's overall Capital Programme.

Budget monitoring updates in respect of the Economy and Development Capital Programme are now incorporated into this report, which is prepared on a quarterly basis, in order to improve financial reporting to this Committee and help to provide a more comprehensive financial update in respect of the Scrutiny Committee – Economy budgets.

2. REVENUE BUDGET MONITORING TO 30 SEPTEMBER 2012

2.1 The current forecast suggests that net expenditure for this committee will decrease from the revised budget by a total of £458,770 after transfers to and from reserves, which represents a variation of 16% from the revised budget. This includes supplementary budgets of £71,060. Capital charges have been deducted from this to provide the total budget for management accounting purposes.

2.2 Provision for a pay increase of 2.5% has been included in the 2012/13 budgets. The Council proposed a payment of £250 to staff earning a full time equivalent salary of under £21,000 per annum; the proposal was approved at the Executive on 19 September 2012. This has resulted in a saving on salary budgets; these savings have been included in the variance for each individual management unit.

2.3 The main variations by management unit are detailed below:

2012-13 REVISED ESTIMATE Less NOTIONAL CHARGES	£ (2,832,310)
83A1 PROPERTY & ESTATES SERVICES	(15,530)

The reduced pay award has resulted in a saving on pay budgets, see 2.2 above.

The budget in respect of Local Land Charges has been moved to the Planning management unit as part of the senior management restructure. Therefore any variances in respect of this budget will be report in 83B5.

The majority of the income budgets in the property portfolio are broadly on profile as at 30 September. However, there are a number of properties that are currently void. The liability in respect

of National Non-Domestic Rates for a void property falls on the council meaning the expenditure will exceed the budgeted figure at year end.

A void allowance is included in the estimates to cover any potential shortfall of income; the indications are that the void allowance should be sufficient to cover any shortfall of income in the portfolio.

If properties that are currently void are let before the end of the financial year the projected overspend on the NNDR budget will reduce as the council will no longer be liable for this charge.

In addition, the projected shortfall of income currently forecast on the respective properties will reduce due to rental income being received when the property is re-let.

83A2 TRANSPORTATION 0

There are no material variances to report.

83A3 CAR PARKING (51,310)

The reduced pay award has resulted in a saving on pay budgets, see 2.2 above. In addition, savings are anticipated as a result of vacant posts in the service.

External insurance charges are expected to be £13,000 less than the budget.

Income from parking charges is expected to exceed the estimate by approximately £60,000.

These savings are partially offset by National Non-Domestic Rates (NNDR) charges exceeding the estimate by £35,000, and increased supplies & services and maintenance costs.

83A4 ECONOMIC DEVELOPMENT 18,770

The reduced pay award has resulted a saving in this unit. A further saving will be made on salary costs due to a member of staff taking voluntary redundancy with effect from 31 December 2012.

The salary saving will be offset by the associated redundancy cost; this payment will be funded from the earmarked reserve.

83A5 ARTS & EVENTS (5,690)

Expenditure in respect of the Olympic Screen (£17,500) and the Royal Visit (£9,700) has been funded in this management unit.

The budget for the year in respect of the Olympic Torch Event will not be spent, the budget for this is fully funded in 2012/13 however an element of the expenditure was incurred in the previous financial year and reported as an overspend.

Due to the above mentioned events taking place the annual budget for summer events will not be spent in this financial year, a request will be made at year end to carry forward any unspent budget to the next financial year (£25,000).

83A6	TOURIST INFORMATION	(2,390)
	<p>The reduced pay award has resulted in a saving on pay budgets, see 2.2 above.</p> <p>Income in respect of the Visitor Information Centre is anticipated to be less than the annual budget.</p>	
83A8	DISTRICT HIGHWAYS & FOOTPATHS	(12,500)
	<p>Maintenance and electricity costs are expected to be less than estimated.</p>	
83A9	BUILDING CONTROL	(18,120)
	<p>The reduced pay award has resulted in a saving on pay budgets, see 2.2 above. Additional savings are also anticipated to be made due to non recruitment to a vacant post.</p> <p>The Building Control fee earning account is budgeted on a cost recovery basis. The income from building control fees was on profile as at 30 September 2012.</p> <p>The surplus on the fee earning account is expected to be £14,610; This takes into account the saving on the vacant post. The surplus will be transferred to the building control earmarked reserve at year end.</p> <p>The reduced pay award has resulted in savings on pay budgets; this saving was not declared in quarter 1 due to the volatile nature of fee income. Fee income is on profile, and it is anticipated that the income budget will be achieved at year end.</p>	
83B2	ADMINISTRATION SERVICE	0
	<p>The Administration team was transferred to the new Corporate Support Unit with effect from 1 April 2012. The cost of this service and any variance will be reported through the Scrutiny Resources budget monitoring report.</p>	
83B3	DIRECTOR ECONOMY & DEVELOPMENT	0
	<p>This management unit and the associated costs have been transferred to Chief Executive's Unit as part of the senior management restructure; any variances to the budget will be reported through the Scrutiny Resources budget monitoring report.</p>	

83B5 PLANNING SERVICES (246,430)

The reduced pay award has resulted a saving in this unit (see 2.2 above). A further saving will be made on salary costs due to a member of staff taking voluntary redundancy with effect from 30 June 2012.

It was reported in the quarter 1 budget monitoring report that income from planning fees was 32% above the profiled budget. This trend has continued and fee income was 76% above the profiled budget as at 30 September. It is therefore anticipated that fee income will exceed the annual budget (£195,000).

Expenditure has been incurred in respect of the match funding contribution to Exeter and East Devon New Growth Point Delivery Team, this expenditure has been approved as an overspend and a budget will be funded in 2013/14.

83B6 CONSERVATION 0

There are no material variances to report in this quarter.

83B7 ARCHAEOLOGICAL FIELD UNIT (20,000)

The budget in this management unit is in respect of the running costs of the Customs House.

Part of the Custom House has been leased meaning additional income will be received in the year.

83B8 MAJOR PROJECTS 0

There are no material variances to report in this quarter.

83B9 MARKETS & HALLS (90,620)

The reduced pay award has resulted a saving in this unit (see 2.2 above).

Income figures continue to be above the profiled budget as at 30 September with income at the Matford Centre and the Corn Exchange being above the profile. It is anticipated that this will continue meaning income received from each facility will be above the budgeted figure.

Sources of income that are anticipated to be above the budgeted figure are Corn Exchange events income and income from concourse events, boardroom hire and car parks at the Matford Centre.

This additional income has been partially offset by unbudgeted expenditure in respect of markets. This expenditure related to the 2011/12 financial year but was not included in the accounts for that year.

The budget in respect of event promotion at the Corn Exchange will

be exceeded. This additional expenditure will be covered by the additional income received in respect of the events held at the venue.

83C1 WATERWAYS

6,010

The Topsham Ferry Operator and Quaymaster's contract was revised from 1 April 2012. Under the previous arrangements, the operator received all income from the ferry and a reduced salary. He now receives a full salary, and the Council retains all income from the ferry. It is anticipated that the new arrangements will increase costs.

External insurance costs will exceed the estimates as no premium was charged in 2011/12.

2012-13 EXPECTED FINAL OUTTURN

EXPECTED TRANSFERS TO / (FROM) RESERVES (20,960)

EXPECTED TOTAL NET EXPENDITURE (3,291,080)

3. CAPITAL BUDGET MONITORING TO 30 SEPTEMBER 2012

To report the current position in respect of the Economy and Development Capital Programme and to update Members with any anticipated cost variances, acceleration of projects or slippage of schemes into future years.

3.1 REVISIONS TO THE ECONOMY AND DEVELOPMENT CAPITAL PROGRAMME

The 2012/13 Economy and Development Capital Programme was last reported to Scrutiny Committee – Resources on 19 September 2012.

- 3.2 A review of the 2012/13 Capital Programme has been undertaken by the Strategic Management Team in consultation with portfolio holders. Resulting from this review various capital schemes have either been reduced or removed completely. These proposed variations to the capital programme are detailed in appendix 2 to this report and will go forward to Executive on 4 December for approval.

3.3 PERFORMANCE

- 3.4 The current Economy and Development Capital Programme is detailed in Appendix 2. The appendix shows a total forecast spend of £3,220,620 in 2012/13 with £468,820 of the programme expected to be deferred until 2013/14. Below are explanations for the main variations from the approved programme and a general update on the schemes is also included:

Accessible City

- **Well Oak Footpath/Cycleway (Budget £80,150)**

The path will be completed to tie in the adjacent development. It is anticipated that this will take place in spring 2013. A budget carry forward of £40,000 will be needed in order that this work can be completed.

Cared for Environment

- **City Centre Enhancements (Budget £473,840)**

Works on the London Square element of the scheme are to be completed by the end of October 2012. Due to additional work to deal with utilities and delays caused by the interactions with the John Lewis contractor, this scheme will exceed the budget. The final expenditure will be agreed with the contractor by the end of November. We will be seeking to recover part of this overspend. Members will be aware of the extremely tight timetable for completing the external works in preparation for the opening of the store on 12 October. Much of the overspend will be shared 50:50 with Devon County Council. At this stage, officers are working on an upper and lower figure as an estimate.

- **Cowick Street Environmental Works (Budget £200,000)**

The first phase of the works has been completed. Various elements of the street works are to be completed in March or April 2013. A partial budget carry forward is required for these works.

- **Exhibition Way Bridge Maintenance (Budget £45,000)**

An order has been raised for a detailed inspection of the bridge structure which should enable the full extent of the necessary repairs to be identified. It is likely that the works themselves will not take place until 2013/14. This will mean a budget carry forward in the region of £37,000 will be required.

- **Princesshay Artwork (Budget £40,000)**

It is anticipated that the artwork will be installed by Christmas 2012 with the cost being within the allocated budget.

- **Central Station Environmental Works (Budget £185,000)**

Following approval by Planning Member Working Group in July and by Devon County Council Cabinet in September of this year negotiations are in progress about lease arrangements. The detailed design stage continues to progress. Tenders for materials have been received by DCC and expenditure is anticipated in the next quarter. It is expected that contract work on the site will start in spring 2013.

Excellence in Public Services

- **Verney House (Budget £45,000)**

Works to roof covering, window surrounds and edge protection are now complete. A saving of £40,640 has been made on this project due in part to not decorating the windows as it was felt that it would not add to the energy efficiency of the building.

Prosperous City

- **Canal Basin and Quayside (Budget £406,850)**

The new Haven Road Outdoor Education Centre is currently under construction by DCC. ECQT are remarketing the listed buildings and site at the head of the Basin. ECC are looking to carry out a tree planting and seating scheme for Haven Banks

and to bring forward some walkway works around the Basin in 2012/13. Works are underway to install coping stones to the walls in the Haven Road car park.

The expenditure on this scheme in 2012/13 is anticipated to be in the region of £90,000; the budget remaining will be carried forward to 2013/14 in order that the scheme can be completed.

- **Science Park (Budget £735,990)**

The main site infrastructure is nearly complete and marketing activity will now step up. Applications are being made to fund the first building and an offer of funding of £4.5million from the Local Enterprise Partnership is currently the subject of negotiation. Planning approval has been secured for the first two buildings.

4. RECOMMENDED

That Scrutiny Committee – Economy note this report.

STRATEGIC DIRECTOR

ASSISTANT DIRECTOR FINANCE

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

Background papers used in compiling this report

None

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**SCRUTINY COMMITTEE - ECONOMY
BUDGET MONITORING**

APRIL 2012 TO SEPTEMBER 2012

ANNUAL BUDGET	SUPPLEMENTARY BUDGET	CAPITAL CHARGES	REVISED BUDGET	CODE		CURRENT OUTTURN FORECAST	FORECAST VARIANCE
£	£		£			£	£
(2,647,800)	43,000	0	(2,604,800)	83A1	PROPERTY & ESTATES SERVICES	(2,620,330)	(15,530)
72,080	7,210		79,290	83A2	TRANSPORTATION/CONCESSIONARY FARES	79,290	0
(3,361,350)	0	129,510	(3,490,860)	83A3	CAR PARKING	(3,542,170)	(51,310)
648,060	0	0	648,060	83A4	ECONOMIC DEVELOPMENT	666,830	18,770
288,940	0	0	288,940	83A5	ARTS & EVENTS	283,250	(5,690)
457,290	0	3,190	454,100	83A6	TOURIST INFORMATION	451,710	(2,390)
0	0		0	83A7	ARCHAEOLOGY IN EXETER	0	0
377,690	0	156,620	221,070	83A8	DISTRICT HIGHWAYS & FOOTPATHS	208,570	(12,500)
140,510	0	0	140,510	83A9	BUILDING CONTROL	122,390	(18,120)
146,430	0	6,070	140,360	83B1	LAND DRAINAGE	140,360	0
0	0	0	0	83B2	ADMINISTRATION SERVICE	0	0
0	0	0	0	83B3	DIRECTOR ECONOMY & DEVELOPMENT	0	0
0	0	150	(150)	83B4	ENGINEERING & CONSTRUCTION SERVICES	(150)	0
972,510	0	4,410	968,100	83B5	PLANNING SERVICES	721,670	(246,430)
57,300	16,000	5,850	67,450	83B6	CONSERVATION	67,450	0
62,640	0	4,870	57,770	83B7	ARCHAEOLOGICAL FIELD UNIT	37,770	(20,000)
75,000	0	0	75,000	83B8	MAJOR PROJECTS	75,000	0
(175,030)	4,850	17,030	(187,210)	83B9	MARKETS & HALLS	(277,830)	(90,620)
348,600	0	38,540	310,060	83C1	WATERWAYS	316,070	6,010
0							
<u>(2,537,130)</u>	<u>71,060</u>	<u>366,240</u>	<u>(2,832,310)</u>		NET EXPENDITURE	<u>(3,270,120)</u>	<u>(437,810)</u>

Reserve Transfers	
83A9 - Building Control	14,910
83A4 - Economic Development	(35,870)

OVERALL FORECAST EXPENDITURE FOR THE YEAR AFTER MOVEMENTS TO/FROM RESERVES (3,291,080)

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**2012-13
CAPITAL MONITORING TO 30 SEPTEMBER 2012**

	2012-13 Capital Programme	Spend to 30 September	2012-13 Forecast Spend	2012-13 Budget to be Carried Forward to Future Years	2012-13 Programme Variances Under ()
	£	£	£	£	£
ECONOMY & DEVELOPMENT					
ACCESSIBLE CITY					
National Cycle Network	30,030	26,984	30,030	0	0
Signage / Pedestrian Interpretation	31,600	30,000	31,600	0	0
Well Oak Footpath/Cycleway	80,150	1,845	40,000	40,150	0
King William Street Car Park Refurb Stage 1	197,330	195,000	197,330	0	0
King William Street Car Park Refurb Stage 2	858,260	840,166	888,260	0	30,000
CULTURAL CITY					
18 North Street Panelling	870	0	870	0	0
Corn Exchange Enhancements	5,110	154	5,110	0	0
Floodlighting	1,120	0	0	0	(1,120)
St Katherine's Priory Re-Roofing	74,650	470	74,650	0	0
CARED FOR ENVIRONMENT					
City Centre Enhancements	473,840	416,743	697,640	0	223,800
Mincinglake/Northbrook Study	11,820	9,058	11,820	0	0
Ibstock Environmental Improvements	3,240	0	3,240	0	0
Planting Improvements in Riverside Valley Park	14,320	0	0	14,320	0
Cowick Street Environmental Works	200,000	11,036	140,000	60,000	0
Exhibition Way Bridge Maintenance	45,000	0	7,500	37,500	0
Central Station Environmental Works	185,000	0	185,000	0	0
Princesshay Artwork	40,000	40,000	40,000	0	0
EXCELLENCE IN PUBLIC SERVICES					
Verney House	45,000	4,355	4,360	0	(40,640)
LEARNING CITY					
Improvements to Quay House Visitor Centre	1,470	1,084	1,470	0	0
PROSPEROUS CITY					
Canal Basin and Quayside	406,850	0	90,000	316,850	0
Science Park	735,990	0	735,990	0	0
137 Cowick Street	33,850	29,705	33,850	0	0
SAFE CITY					
Security Measures for Riverside Valley Park	1,900	0	1,900	0	0
ECONOMY & DEVELOPMENT TOTAL	3,477,400	1,606,600	3,220,620	468,820	212,040

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