

To the Chair and Members
of the Scrutiny Committee - Economy

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AGENDA FOR
EXETER CITY COUNCIL
SCRUTINY COMMITTEE - ECONOMY

The Scrutiny Committee - Economy will meet on **THURSDAY 14 NOVEMBER 2013**, 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, Democratic Services Officer (Committees) 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 5 September 2013.

3 **DECLARATIONS OF INTEREST**

Councillors are reminded of the need to declare any disclosable 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.

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 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 also a copy of the procedure are available from Democratic Services (01392 265107) 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.

ITEMS FOR SCRUTINY COMMITTEE DISCUSSION

7 **KEY PROPOSITIONS FROM THE LGA'S PUBLICATIONS - "RE-WIRING
PUBLIC SERVICES"**

Following on from the visit of Councillor Sir Merrick Cockell, Chairman of the Local Government Association to Exeter to address Local Chief Executives and Leaders a paper has been prepared for consideration setting out key propositions arising from the LGA's publication - "Re-Wiring Public Services" – *report circulated*

5 - 6

Below is a link to the Rewiring of Public Services Campaign which includes the Ten Key Propositions.

<http://www.local.gov.uk/campaigns/>

8 **UPDATE ON THE HEART OF THE SOUTH WEST LOCAL ENTERPRISE
PARTNERSHIP AND ITS EUROPEAN STRUCTURAL AND INVESTMENT
FUND STRATEGY**

To consider the report of the Economy and Tourism Manager – *report circulated*

7 - 14

Tim Jones, Chair of the Devon and Cornwall Business Council will also attend the meeting.

9 **EXETER KNOWLEDGE ECONOMY CONSULTATION UPDATE**

To consider the joint report of the Assistant Director Economy and Economy and Tourism Manager – *report circulated* 15 - 22

A presentation will also be made by Nigel Wilcock of Mickeldore.

10 **BUDGET MONITORING**

To consider the report of the Assistant Director Finance - *report circulated* 23 - 32

11 **CHRISTMAS LIGHTS TASK AND FINISH GROUP UPDATE**

To consider the report of the City Centre Manager, on behalf of the Christmas Lights Task and Finish Group – *report circulated* 33 - 36

ITEM FOR EXECUTIVE

12 **EXETER CULTURAL ACTION PLAN NOVEMBER 2013 TO 2015**

To consider the report of the Museums Manager and Cultural Lead – *report circulated* 37 - 54

Dom Jinks, Chair of the Exeter Cultural Partnership and Jay Milling, Deputy Chair will attend the meeting to present the report.

ITEMS FOR INFORMATION

13 **COMMERCIAL PROPERTY VOIDS AND DEBTS**

To consider the report of the Property Manager – *report circulated* 55 - 60

DATE OF NEXT MEETING

The next **Scrutiny Committee - Economy** will be held on Thursday 16 January 2014 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 Leadbetter (Chair), Brock (Deputy Chair), Bialyk, Bowkett, Branston, Bull, Crew, Crow, Martin, Mottram, Prowse, Robson and Wardle

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EXETER CITY COUNCIL
SCRUTINY COMMITTEE - ECONOMY
14 NOVEMBER 2013

LOCAL GOVERNMENT ASSOCIATION
RE-WIRING PUBLIC SERVICES

THE TEN KEY PROPOSITIONS

1. Give people a meaningful vote on local tax and spending issues: a local treasury in every place. *(Community and Resources)*
2. Cut red tape: bring local services and decisions together in one place. *(Community, Resources and Economy)*
3. Reduce bureaucracy and Whitehall silos: merge six government departments and create an England Office. *(Community, Resources and Economy)*
4. Share money fairly across the UK: replace the Barnett formula with a new needs-based funding model. *(Resources)*
5. Take financial distribution out of ministers' hands: replace it with agreement across English local government. *(Community, Resources and Economy)*
6. Strengthen local say: reduce ministers' powers to intervene in local decisions. *(Community)*
7. End flawed, tick box inspections by bureaucrats: create local service user champions. *(Economy and Community)*
8. Boost investment in infrastructure: create a thriving market in municipal bonds. *(Economy and Resources)*
9. A multi-year funding settlement tied to the life of a Parliament. *(Resources)*
10. Protect local democracy: give the local government settlement formal constitutional protection *(Resources)*

KARIME HASSAN

CHIEF EXECUTIVE AND GROWTH DIRECTOR

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE – ECONOMY

14 NOVEMBER 2013

UPDATE ON THE HEART OF THE SOUTH WEST LOCAL ENTERPRISE PARTNERSHIP AND ITS EUROPEAN STRUCTURAL AND INVESTMENT FUND STRATEGY

1. PURPOSE OF REPORT

- 1.1 To update Members on the priorities of the Heart of the South West Local Enterprise Partnership (LEP) and to note progress that has been made by the LEP to develop its Strategic Economic Plan and in particular the European Structural and Investment Fund Strategy (ESIF) for the period 2014 – 2020 required to secure a potential injection of some £118 million investment into Devon and Somerset.

A representative of the LEP is attending the committee meeting and this paper serves as background to a discussion about the LEP and the potential for working with it to address the city's economic development priorities.

2. BACKGROUND

- 2.1 The LEP area covers the counties of Devon and Somerset, and includes Torbay and Plymouth. It is home to more than 1.6m people and has an output of £28 billion per year.
- 2.2 LEPs are strategic partnerships formed under the leadership of the private sector, and are supported by local authorities and educational institutions with the intention of creating a powerful economic alliance. It aims to lead and influence the economy encompassed by the administration areas of Devon, Somerset, Plymouth and Torbay by improving economic growth and job creation. The Heart of the South West LEP was formed in June 2011 and is one of 39 LEPs created since the Government's Local Growth White Paper was published in October 2010.
- 2.3 After a recent review of the LEP structure and operations, the LEP has decided that:
- the Board moves from an informal partnership to a Community Interest Company
 - the LEP improve its engagement with Devon and Somerset district councils, which has resulted in a nomination from each county area becoming a board member of the LEP, the nomination from the Devon Districts Forum is Cllr Paul Diviani. A Somerset representative has yet to be nominated
 - the LEP board is balanced with an additional two candidates from the private sector, to be recruited
 - the next chair of the Board be found by recruitment and be remunerated, rather than unpaid

The diagram in Appendix 1 shows the current governance structure of the LEP. The above changes will be tabled for formal approval at the next LEP board meeting on 21 November, where the governance structure will be updated.

- 2.4 The LEP has an established Business Forum which is open to all businesses and organisations from across Devon and Somerset. The Business Forum is intended to act as a 'critical friend' to the LEP, canvassing business opinion on LEP priorities and advising on issues.

- 2.5 In addition to the Business Forum, a range of ‘special interest’ and ‘technical’ groups have been established. These groups cover a variety of current and future challenges and to provide the LEP with sectoral advice, the latest business intelligence, future challenges and opportunities facing the area’s economy.
- 2.6 The LEP’s special interest groups are:
- **Social Enterprise**, to receive ideas and feedback from Social Enterprises on how the LEP can help develop the sector
 - **Low Carbon**, to assess opportunities for attracting Government funding and nurture new programmes that require LEP support
 - **Transport**, to input views on transport priorities, shape the LEP’s response to consultations on policy and facilitate partnership working
 - **Planning** – where necessary bring planning authorities, applicants and consultees together in respect of important major applications and comment in order to influence proposed changes to national planning policy and legislation
- 2.7 The LEP technical groups are:
- **Water and environment**, to advise the LEP on issues related to major applications
 - **Skills**
 - **Funding**

The Skills and Funding groups are still evolving and are in the process of refining their remit and Terms of Reference. At this stage the groups are not open to all, but have Business Forum representation.

Each Technical Group will report back to the Board with their recommendations, before consulting with the wider business community. Due to the nature of the Technical Groups, most of this work is undertaken by local authority officers, with assistance from the universities and central government departments.

- 2.8 The LEP has adopted the following draft vision, that the Heart of the South West is **a destination of choice to live, work, learn, visit and invest** and have identified three core aims to take the vision forward:
- **Creating the conditions for growth** – the enabling landscape e.g. infrastructure, connectivity, workforce skills and business support
 - **Maximising employment opportunities** – inward investment, business competitiveness, higher value jobs and career ladder skills
 - **Building on our distinctiveness** – smart specialisation, major projects and our natural environment

The above vision is yet to be finally agreed by the LEP Board.

3. DRIVERS AND BARRIERS FOR GROWTH

- 3.1 Throughout the summer of 2013 the LEP consulted businesses and local authorities to give them the opportunity to inform the development of the Strategic Economic Plan and future business support projects.

The LEP has set out its assessment of the economy within the LEP area and not surprisingly refers to it as complex and at times disparate in nature; it considers that the performance of the economy sometimes masks particular problems and opportunities at a much smaller scale, a point the City Council has frequently made about due recognition not being given to the economic opportunity the city represents.

3.2 From the consultation process the following drivers and opportunities for growth were identified:

- the existing knowledge base and innovation infrastructure – a strong knowledge base with world-leading research and innovation activity
- urban growth – urban centres possess many of the ingredients for growth
- environment – an important driver for growth that is influential to the region
- growth beyond our borders – growth may come from working with neighbouring LEPs
- growth of the energy/low carbon sector – benefits from major infrastructure projects, most significant being Hinckley C
- growth of the marine sector – through activities proposed within the Plymouth City Deal
- virtual connectivity – essential improvements in the broadband infrastructure

The following barriers to growth were identified:

- persistent productivity gap – continues to be lower than the UK average with wide variations within Devon and Somerset
- transport connectivity and accessibility – distance and time from markets
- micro-businesses, SME's and enterprise – low SME start up activity
- broadening our market horizons – lack of consumer demand
- demographic aging – the LEP has an higher than average aging population, which is likely to rise
- workforce skills – lack of certain skills in some parts of the LEP
- employment and social inclusion – LEP area masks pockets of deprivation and social exclusion

3.3 These barriers and drivers of growth are providing the context for the development of the ESIF Strategy and the Strategic Economic Plan. The LEP board has agreed that a 'Balanced Model' for delivery would give the greatest outcome, driving growth through a mixed approach, balancing opportunities for high growth with the need to address wider productivity gaps. This aspect of the approach will no doubt provoke the important debate about focussing on areas where success is proven and more likely rather than attempting to spread resources thinly with lesser impact.

4. EUROPEAN STRUCTURAL AND INVESTMENT FUND STRATEGY (ESIF)

4.1 Earlier this year the government announced that the European Regional Development Fund, European Social Fund and part of the European Agricultural Fund for Rural Development will be combined into the ESIF Growth Programme covering 2014–20.

The majority of this new funding stream will be devolved to the 39 LEPs and will be made available to encourage enterprise, innovation and skills, to boost local economies and sustainable long-term growth. The LEPs are required to set out how they will spend this new funding stream in their ESIF Strategy. Alongside this, LEPs are required to develop a Strategic Economic Plan to determine their overall growth priorities through a Growth Deal with government.

- 4.2 A series of consultation events have been held across the LEP area to engage with the business community to support the development of the Strategic Economic Plan and the ESIF Strategy for the Heart of the South West.

The LEP had to submit the first draft of its ESIF Strategy to Government by 7 October 2013. The final document is due for submission to government January 2014, aimed at accessing the allocated share of EU funds with final agreement expected in February 2014 and the new programme to start mid 2014.

The ESIF Strategy will also link into the LEP's Strategic Economic Plan, which is currently being developed, and the first draft will be submitted by Christmas 2013. The ESIF is seen by the LEP as one of several funding channels that will support the implementation of its Strategic Economic Plan for growth with other channels including the Growth Deal, the Regional growth Fund, Local Authority, Unitary and private sector investment plans.

- 4.3 The draft Strategic Economic Plan and indeed the ESIF Strategy has been broadly broken down into three themes: Place; Business; People.

The LEP have identified an extensive range of priorities setting these out as the programme for growth. The LEP and its partners have agreed to support those activities that will:

- create jobs that are sustainable and more skilled than our present stock
- support business competitiveness
- capitalise on the unique opportunities existing in our area

Appendix 2 sets out the LEP priorities as currently defined and broken down into the three themes. There are 15 activities to be the focus of the ESIF, which are highlighted in bold.

5. IMPACT ON EXETER

- 5.1 The overall development programme for the city's economy is geared to the creation of some 26,000 jobs over the next 12-15 years. There are specific activities and projects which are important to achieving that objective, which could also benefit the wider area, with Exeter being recognised as a regional economic and cultural hub. It is hard to determine at this stage if the ESIF Strategy can play an important role in this development and if the city is able to access funding for specific measures and investments as at this stage. The current draft document is as yet too generic and should draw out the more distinctive opportunities to be supported.
- 5.2 When Exeter prospers, the wider region benefits. Over 45% of the city's 94,000 employees commute in from outside the city boundary. There is a real need to further support the creation and growth of businesses to address the key issue of diversification to create higher quality employment, attract and retain high calibre employees and importantly raise overall wage levels to create a more sustainable economy. Embracing this opportunity is a priority for the City Council and with the recent commissioned report looking at how to develop a knowledge-based economic development strategy for the city, Exeter can play an even greater role which will benefit the wider area and the LEP.

- 5.4 Looking forward, Exeter and the wider economy will benefit from focussing on building upon the exciting platform which has been created towards developing a knowledge economy, based on attracting and growing science and technology organisations and creating high quality employment opportunities in and around the city. This should be recognised by the LEP and within documents produced by the LEP.
- 5.5 The City Council along with East Devon and Teignbridge District Council will be submitting a combined response to the draft ESIF Strategy.

It is suggested that the City Council will wish to see the following taken into account within the final version of the ESIF Strategy and to press the case with the LEP:

- city centre development - developing the Bus/Coach station site into a quality extension of the existing city centre to include an arrival gateway based on a retail, office, housing and leisure mix, which adds to the experience of visitors, the reputation and competitive position of the city, the attraction of further investment and the attractions and retention of high calibre employees
- transport improvements in and to the city – initiatives to improve road and rail access, to ease congestion into the city and through the development of existing and new park & ride facilities
- development of the knowledge-based sector in the wider Exeter economy and support for the Met Office super computer investment to provide the basis for a ‘world class’ centre for environmental science, prediction and services
- encourage HE & FE institutions to work collectively together to provide training and educational opportunities to relevant developments in the economy
- support for the development of Exeter Science Park and Sky Park and the role they can play within the LEP economy
- develop and reinforce the distinctiveness and marketing of the city and the area to attract investment
- recognise that the natural and cultural heritage is an important driver of our economy, branding and distinctiveness
- clarify how the Plymouth City Deal will benefit the wider area
- supporting the introduction of broadband into parts of the city not currently able to use it

6. RESOURCE IMPLICATIONS

- 6.1 There are currently no financial or resource implications for the City Council, apart from staff time to contribute to the consultation process and to discuss potential investment opportunities with the LEP.
- 6.2 Officers will continue to work with the LEP to try to ensure the economic development priorities of the city and its wider economy are recognised by their inclusion in the Strategic Economic Plan and in the ESIF Strategy. Inclusion in these documents is a prerequisite for the opportunity to secure funding support towards realising those priorities from Government and the EU.

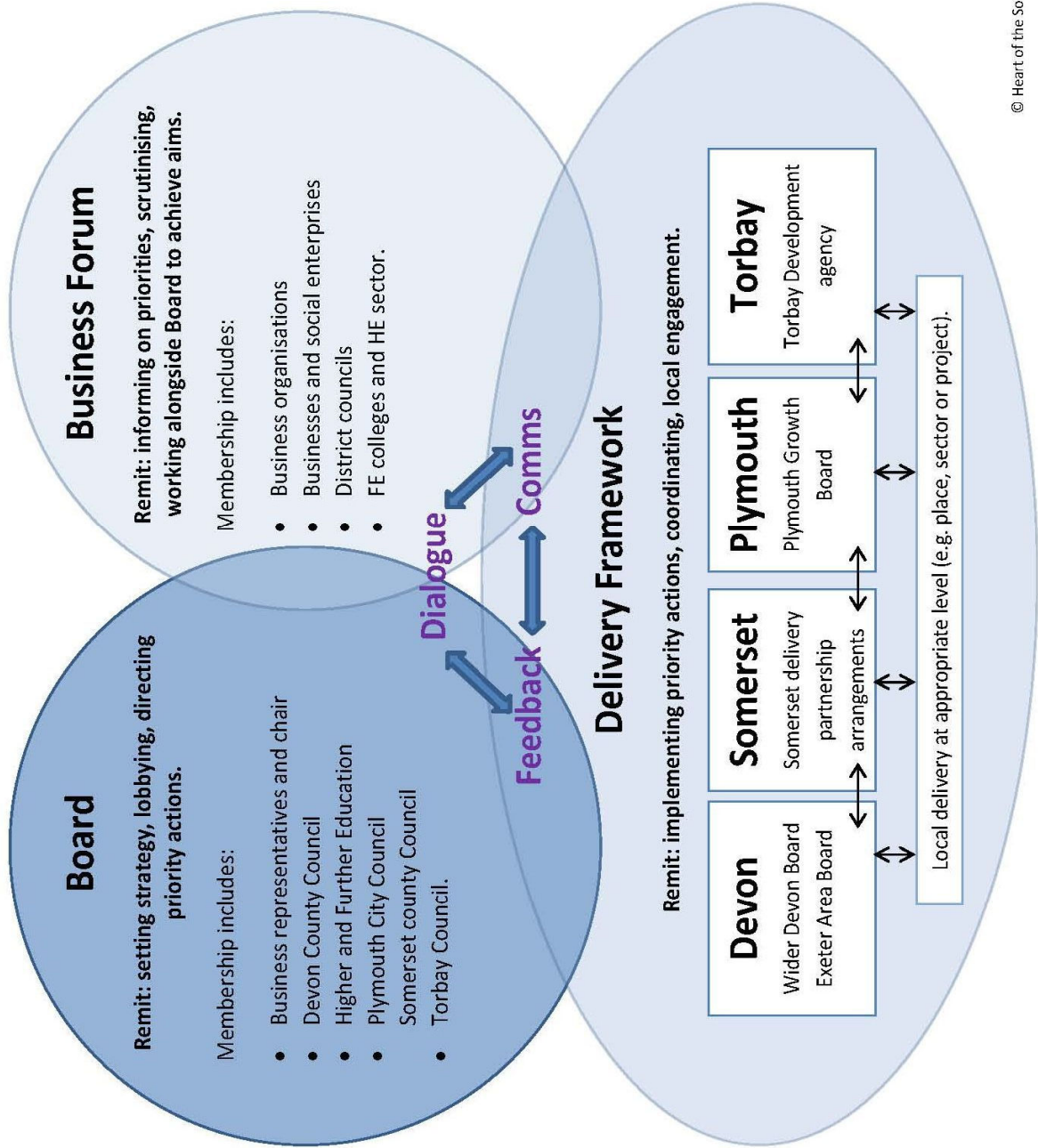
7. RECOMMENDATION

- 7.1 That Members comment on the emerging priorities of the LEP as expressed in their draft European Structural and Investment Fund Strategy.
- 7.2 Progress with the LEP's strategic plans and funding bid documents be reported back to future meetings.

Victoria Hatfield
Economy and Tourism Manager

Local Government (Access to Information) Act 1985 (as amended)
Background papers in compiling this report:-
None

Heart of the South West Local Enterprise Partnership – Governance Diagram



APPENDIX 2

Heart of the South West LEP emerging priorities from the draft Strategic Economic Plan

Bold indicates priorities to be taken forward with European Structural Investment funding.

Themes	Creating the conditions for growth	Maximising employment opportunities	Building on our distinctiveness
Place	<ul style="list-style-type: none"> • Unblocking development opportunities • Unlocking funding (public & private) • Developing a pipeline of oven ready strategic infrastructure & transport projects & improving resilience • Working with partners to protect & enhance environmental assets 	<ul style="list-style-type: none"> • Improving connectivity • Workspace for enterprise & growth • Infrastructure that supports year round employment • Maximising potential of growth centres • Education and skills infrastructure 	<ul style="list-style-type: none"> • Opening up key sites for specialist development • Development of specialist research, innovation & skills infrastructure • Creation of Growth Zones linked to key development opportunities • Low carbon technologies & infrastructure
Business	<ul style="list-style-type: none"> • Make support to start, grow & develop businesses relevant & easier to find • Make it easier for businesses to access public sector procurement opportunities • Provide a single Access to Finance platform 	<ul style="list-style-type: none"> • Ensuring national delivery meets local needs • Supporting businesses to reach new markets • Supporting businesses to innovate through working smarter • Attracting businesses to locate & invest 	<ul style="list-style-type: none"> • Transformational innovation – creating an eco-system around key smart specialisation opportunities
People	<ul style="list-style-type: none"> • Ensuring the skills needs of growth sectors / opportunities are understood and planned for • Skills infrastructure is aligned to demand • Develop an effective mechanism for engagement of employers in skills and employment sites • Collaboration & partnership working between public, private and voluntary sector on most difficult social problems 	<ul style="list-style-type: none"> • Raising aspirations & supporting those most excluded from the labour market • Employment support for the long term unemployed, inactive and youth unemployed • Improving skills to progress in work • Improving technical & higher level skills 	<ul style="list-style-type: none"> • Leadership, management & enterprise skills • Developing our R&D talent, aligned to smart specialisation • Attracting higher level skills

EXETER CITY COUNCIL

SCRUTINY COMMITTEE – ECONOMY 14 NOVEMBER 2013

EXETER KNOWLEDGE ECONOMY STRATEGY PREPARATION

1. PURPOSE OF REPORT

- 1.1 To update members on industry consultation and research undertaken in the preparation and development of a knowledge based economic development strategy, and to present the final recommendations.

Members at Scrutiny Committee - Economy will receive a presentation from Mickledore, the appointed consultant and views are invited on the strategy and final recommendations. A copy of the current draft strategy is available on the Council and Democracy pages on the Exeter City Council web site.

2. BACKGROUND

- 2.1 Scrutiny Committee – Economy (7 March 2013) and Executive (19 March 2013) approved funding to appoint a consultant to provide specialist advice to the City Council and key partners on the opportunities to grow the city's knowledge economy. The intention is to create a focus for attracting investment and renowned expertise, growing businesses, developing new sources of business activity for local companies, and creating employment opportunities for local people.
- 2.2 At Scrutiny Committee – Economy (9 September 2013) Mickledore presented on the work undertaken so far to understand the current position of and the opportunity presented by Exeter's emerging knowledge economy. Preparation of the strategy is now almost complete.
- 2.3 The development of the knowledge economy has been an ongoing priority for the City Council and its partners in the Science Park, East Devon District Council, Devon County Council and the University of Exeter. The city's economy has proved resilient throughout the economic downturn but there is no room for complacency. The creation of high value added employment opportunities, attracting and retaining high skilled workers, and capitalising on existing strengths and assets (such as the University of Exeter) are especially important as the city continues to strengthen its economy.

3. INDUSTRY ENGAGEMENT

- 3.1 A project steering group of knowledge economy businesses and other relevant organisations was established to question and monitor the work and research undertaken by Mickledore, to ensure that the resulting strategy and action plan is pragmatic, deliverable and relevant to the city's economy. A wider selection of organisations were consulted on a 1-2-1 basis. A list of businesses that have been consulted is shown within Appendix 1.
- 3.2 The project steering group met on three occasions: 8 August, 28 August and 11 October with discussions proving invaluable and extremely useful in developing the knowledge economy strategy and action plan.

3.3 Further consultation will be undertaken during autumn 2013 on the findings, recommendations and action plan as presented to this meeting, which will result in it being incorporated into the new Exeter Economic Development Strategy, with the final version being presented to Scrutiny Committee – Economy January 2014.

4. CURRENT POSITION

4.1 The programme of work has been undertaken in a number of interlinked stages focused on:

- understanding the current priorities of Exeter’s knowledge economy in terms of its capability and other key assets
- identifying the opportunities to grow the knowledge economy as well as barriers to its development
- developing the action plan and identifying the resources required to achieve it
- setting out national and international case studies of how other locations have developed a knowledge economy

4.2 Exeter has sector strengths in legal and accounting, telecommunications, professional services, scientific and technical activities. Beyond the typically labour intensive sectors of retail, wholesale trade and public services (i.e. health, education, social services) the largest industries in Exeter, in terms of total employment, are:

- legal and accounting activities (4,000)
- services to buildings and landscape activities (2,900)
- telecommunications (1,900)
- other professional, scientific and technical activities (1,700)
- specialised construction activities (1,500)
- financial service activities, except insurance and pension funding (1,400)

4.3 The collective view following early analysis and discussions with the project steering group is that undoubtedly Exeter is at an embryonic stage of developing its knowledge economy. There is not yet a critical mass in key knowledge economy sectors.

4.4 The figures above for employment do not fully illustrate the performance of industries and sectors in Exeter. To better understand where Exeter has a comparative advantage compared to other areas, Location Quotients (LQs) are used.

LQs present the proportion of employment in each sector within Exeter compared to the equivalent percentage at the national level, against other comparable destinations. Scores over 1.00 indicate a relatively strong representation, while scores of over 2.0 indicate that double the proportion of employees in Exeter work in the sector compared to the position in England.

Relatively speaking as shown in the table below, in comparing the city with similar locations the concentrations of relevant employment show a respectable level of activity. Exeter has sector strengths in legal and accounting, telecommunications and professional, scientific and technical activities.

Industry	Exeter	Warwick	Cambridge	Norwich	York
Water collection, treatment & supply	7.52	1.42	1.42	1.14	0.34
Electricity, gas, steam, & air	4.40	2.89	0.22	0.35	0.25
Scientific & technical activities	3.70	1.20	1.95	0.60	0.57
Telecommunications	2.87	0.84	1.06	0.88	0.78
Legal & accounting services	2.23	0.88	1.20	1.06	1.01
Public admin, defence	1.84	1.31	0.63	1.49	0.99
Postal & courier services	1.64	2.99	0.71	0.88	1.00
Human health activities	1.58	0.90	1.46	0.47	1.17

4.5 Water Collection, treatment and supply is the sector with the highest LQs. This highlights the dominance of South West Water (part of the Pennon Group plc).

Some of the numbers need to be treated with some caution. In electricity supply the numbers employed in Exeter may be inflated by the presence of EDF Energy's call centre. This may also partly account for the telecommunications sector's high LQs, although there are key companies in this sector such as South West Communications.

4.6 There are a number of key organisations which will certainly be important to progressing the strategy which are explored in this document, including the Met Office, University of Exeter, Royal Devon & Exeter Hospital and the Medical School.

5. ECONOMIC DEVELOPMENT OPPORTUNITIES

5.1 The consultants and steering groups view is that there are four ways in which the knowledge economy can directly lead to increased economic activity and therefore strengthen the local economy:

- Spin out activity from the University of Exeter
- New company start-ups and strengthening existing companies
- Attraction of inward investment
- Strengthening of existing institutions

However, the current structure of the Exeter economy suggests that the first two also are unlikely to create the step change in economic performance that is sought. The last two are important ways in which the economy can be stimulated.

5.2 From work undertaken by Mickledore consideration was given to Exeter's existing assets, identification of key sector trends and how these could provide opportunities for Exeter. The main sectors Mickledore examined in detail, and which are recommended to be focussed upon to develop the knowledge economy, where proactive project work is most likely to generate a positive outcome are under the five umbrella headings of:

- Big Data
- Climate Change
- Healthcare
- Water
- Agri-tech and food safety

For each of these sector groupings Mickledore focused on the strengths, competencies and the industry / market problem that could be solved – this is the economic opportunity for Exeter. It is important that the sectors are considered in their widest sense across their entire supply chain and customer base. The example given is that of climate change, as understanding the opportunity should not be limited to those niche companies working on climate prediction, but to companies to which climate change will be highly relevant such as companies ranging from flood

prevention to insurance. These five sectors also relate to each other in many ways

The detail on trends, existing assets and opportunities within each of the sector groupings are within the attached strategy.

6. REPORT'S RECOMMENDATIONS

- 6.1 The knowledge economy activities recommended within the strategy should be focused on a broad range of sectors, as mentioned in the previous section. It is difficult to define these sectors too tightly and sometimes is unhelpful to do so. This is because many sectors rely on knowledge-based activities and processes irrespective of the final product or service produced.

Mickledore recommends that the activities proposed are the basis of the future economic development strategy for the City. The Exeter economic strategy should be built around the knowledge economy because of the real opportunities presented by the activities and standing of the University of Exeter, the University of Exeter Medical School, the RD&E Hospital and the Met Office.

- 6.2 Exeter has the foundation for growing a knowledge-based economy, and is at the beginning of a shift in the economy towards this area. As a result, Mickledore recommends that a 'vision' is created for the strategy and for Exeter. Development of a vision can provide an overall direction for all work carried out in this area. It is suggested that the work undertaken by partners focuses on an effort '*to make Exeter the best-known city in the south-west of England for innovation*'.

Visions are useful to direct and guide work, but it needs to be combined with specific and measurable objectives for the work to be undertaken. Mickledore suggests that the objective of the knowledge economy strategy is that within 5 years the work results in the establishment of:

- 75 new companies
- 2000 new jobs linked to the sectors identified in the strategy

- 6.3 In order to ensure that the recommendations of the strategy and any future interventions are co-ordinated and delivered, there is a need for a 'governance' structure to be put in place. It is not suggested that a new committee or body is created - there are already structures in place that could take up this role, two such bodies are EXiST and the Exeter & the Heart of Devon Growth Board. Discussions will commence with both organisations on the approach and resources required to take the knowledge economy strategy forward.
- 6.4 The supercomputer investment secured by the Met Office has the potential to provide a significant change to the Exeter knowledge economy. Under current proposals the supercomputer will be located at Exeter Science Park and it is envisaged that private sector companies and others will have access to its computing power alongside the Met Office. There is therefore clear potential for companies undertaking 'Big Data' initiatives to benefit from access (and proximity). The promotion of the supercomputer capacity and ability to provide a very clear understanding of the terms of its use will be important to attract interest. Mickledore recommend work should commence on this immediately.
- 6.5 In terms of the health sector, there are opportunities that are likely to arise building upon the strengths of the city. Work locally in diabetes, cardiovascular risk and ageing, neurology and mental health, environment and human health and in product introduction in the areas of telehealth and digital health solutions all present opportunities for commercial collaboration which may involve investment and jobs

- 6.6 The agricultural technology sector in the UK has been acknowledged as world class and where continued success could make a huge difference to the UK economy. The University of Exeter's activity in this sector could provide an area of differentiation for the city and is an activity in which Government spending is expected to increase.
- 6.7 Much of the work recommended within the strategy focuses on the attraction of new investment. The organisation with primary responsibility for the attraction of inward investment into the UK is UK Trade & Investment (UKTI). There is an opportunity for the City Council to put forward a proposition to UKTI for each of the core sectors. The objective is to ensure that Exeter is considered by UKTI and put forward to clients when potential investment projects from overseas arise.
- 6.8 In terms of establishing a knowledge economy an equally important government agency is the Technology Strategy Board (TSB). Fewer public agencies focus on the TSB as an organisation with whom influential relationships should be built. This represents an opportunity for Exeter in terms of influencing future funding, further extending the understanding of Exeter's key sectors and those key businesses present in Exeter; and in ensuring that Exeter is considered for high-profile initiatives such as Catapult Centres. Mickledore recommends a long-term strategy to build close links with the TSB at all levels and is considered an important strand of the strategy. The Council has already had success with project funding from the TSB towards a Passiv-Haus housing project and feasibility work for a new swimming pool.
- 6.9 The provision of reliable and fast broadband across the City is obviously a pre-requisite for a knowledge economy strategy, particularly in considering sectors such as 'big data'. The roll-out of improved broadband through the contract provided by Connecting Devon and Somerset to BT is underway and the more general commercial upgrade to areas not requiring public subsidy will be undertaken by a range of providers.

There is concern within the City that the availability of the service will be slow to arrive, will upgrade exchanges but not necessarily all cabinets, and will still leave coverage black spots. This is an evolving issue, but it is clear that there will not be 100% next generation access for the entire area.

As a result, in addition to maintaining pressure on Connecting Devon and Somerset and BT, Mickledore recommends the need to explore the use of ERDF / LEP funding to extend the coverage (this has been achieved elsewhere) and to ensure that alternative models of delivery are known and worked up in some detail to provide a solution to potential occupiers.

7. RESOURCE IMPLICATIONS

- 7.1 The cost for the preparation of this strategy will be no more than £20,000 and is funded from the New Homes Bonus receipts.

It has never been intended that this knowledge economy strategy is owned exclusively by the City Council. This is a strategy for the city of Exeter and for those key players within the knowledge economy. Delivery of the Exeter knowledge economy strategy will be implemented from applications to external funding bodies and from existing resources with the City Council and partners.

8. RECOMMENDATION that

- 8.1 Scrutiny Committee – Economy members receive and comment on this report, and the presentation from Mickledore.
- 8.2 Scrutiny Committee – Economy support the adoption of the knowledge economy strategy as the basis for the economic development strategy to be presented to the City Council for approval, early in 2014.

Victoria Hatfield
Economy and Tourism Manager

Richard Ball
Assistant Director Economy

Local Government (Access to Information) Act 1985 (as amended)
Background papers in compiling this report:-

Knowledge Economy Consultation Update
Scrutiny Committee – Economy
9 September 2013

Preparation of Knowledge Economy Strategy 2013 – 2018
Executive
19 March 2013

Preparation of Knowledge Economy Strategy 2013 – 2018
Scrutiny Committee – Economy
7 March 2013

APPENDIX 1

The following organisations and individuals were consulted by Mickledore on the Exeter knowledge economy. A number of individuals were unavailable due to time constraints, these will be contacted again for consultation on the final document.

* indicates individuals who have been members of the project steering group.

Organisation	Contact	
University of Exeter	Sean Fielding	*
University of Exeter Medical School	Prof Angela Shore	*
ExIST	Robert Mcilwraith	*
Vacye Associates	Dr Paul Sheppard	*
South West Communications Group	Harry Langley	*
Met Office	Lynda Jones	*
Heart of the South West LEP	Vinita Nawathe	*
Stratton Creber Commercial	Jonathan Ling	*
Jones Lang LaSalle	Andrew Page	*
blur group	Tara Rampersaud	*
Exeter City Council	Richard Ball	*
Exeter and East Devon Growth Point	Andy Wood	
Mid Devon District Council	Gordon Cleaver	
Exeter Science Park	Gerry Shattock	
Royal Devon & Exeter Hospital	Vaughan Lewis	
University of Exeter, Business School	Prof Robin Mason	
University of Exeter	Dr Robin Jackson	
University of Exeter	Prof Ken Evans	
Exeter College	Iain Hatt	
Exeter Chamber of Commerce	Derek Philips	
ATASS	Vanessa Cobb	
South West Water	Stephen Bird	
South West Water	Mike Davies	
Environment Agency	Vikki Quinn	
Exeter & Heart of Devon Employment and Skills Board	Gill Bishop	

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE - ECONOMY 14 NOVEMBER 2013

BUDGET MONITORING REPORT TO 30 SEPTEMBER 2013

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

Budget monitoring updates in respect of the Economy and Development Capital Programme are 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.

1.3 AREAS OF BUDGETARY RISK

Potential areas of budgetary risk are also highlighted in this report, so that Members are aware that certain budgets have been identified as being vulnerable to factors beyond the control of the Council, which may result in potential deviations from budget, and are therefore subject to close monitoring by officers.

2. REVENUE BUDGET MONITORING TO 30 SEPTEMBER 2013

2.1 The current forecast suggests that net expenditure for this committee will increase from the revised budget by a total of £39,750 after transfers from reserves and revenue contributions to capital, as detailed in Appendix 1. This represents a variation of 0.99% from the revised budget. This includes supplementary budgets of £273,610. Capital charges have been deducted from this to provide the total budget for management accounting purposes.

2.2 The current forecast variance represents an increase in expenditure of £39,750. The significant variances are:

MU Code	Management Unit	Over / (Underspend)	Detail
83A1	Property & Estates Services	(63,580)	<ul style="list-style-type: none"> Additional income from property portfolio - High Street and the Guildhall offset by a shortfall at South Street and Paris Street. Void allowance used to offset shortfall at Paris Street and South Street.
83A3	Car Parking	20,000	<ul style="list-style-type: none"> Income from parking fees is currently below the profiled budget. The shortfall is partially offset by additional income from other charges.
83A4	Economic Development	36,430	<ul style="list-style-type: none"> Additional salary costs – transfer of staff member, additional costs offset by saving in Resources committee. Christmas Lights core budget - approved by Executive.

MU Code	Management Unit	Over / (Underspend)	Detail
83A9	Building Control	(49,080)	<ul style="list-style-type: none"> Additional income – from Building Control fees anticipated. Reserve – the surplus will be transferred to the earmarked reserve.
83B5	Planning Services	157,630	<ul style="list-style-type: none"> Planning fee income – projected to be significantly less than budget for year Salary savings – saving on salary budget due to non-recruitment to vacant posts Revenue contribution – Contribution to Cowick Street Environmental works capital scheme. Additional expenditure – Habitats Assessments, Community Infrastructure Levy and Local Development Framework. Reserve – transfer from earmarked reserve to cover additional expenditure.
83B8	Major Projects	(45,000)	<ul style="list-style-type: none"> Budget saving - The bus and coach station project has not progressed as anticipated this year to date which has substantially reduced the need for consultancy advice.
83B9	Markets & Halls	(43,980)	<ul style="list-style-type: none"> Additional income – Corn Exchange and Livestock Centre income expected to exceed budget. Additional Expenditure – Event promotion at Corn Exchange (offset by additional income) and additional expenditure on food and drink at venue.

3. CAPITAL BUDGET MONITORING TO 30 SEPTEMBER 2013

To report the current position in respect of the Economy 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 2013/14 Capital Programme was last reported to Scrutiny Committee – Economy on 5 September 2013. Since that meeting the following changes have been made to the programme:

Description	£	Approval/Funding
Capital Programme, as at 5 September 2013	2,554,310	
Budget Deferred to 2014/15 & Beyond at Quarter 1	(476,150)	Approved by Executive 1 October 2013
Overspends/(Underspends) reported at Quarter 1	(117,430)	
Canal Basin and Quayside	1,130	Contribution from ECQT
National Cycle Network	4,980	Contributions from DCC

City Centre Enhancements	9,500	Contribution from Land Securities and John Lewis
King William Street Car Park (formerly Leighton Terrace Car Park) Resurfacing	96,000	£60,000 of this will be funded by a revenue contribution to capital outlay, the remainder will be new borrowing. Approved by Executive 1 October 2013
Cowick Street Environmental Works	1,000	Revenue contribution to capital outlay
Revised Capital Programme	2,073,340	

3.2 PERFORMANCE

The current Economy Capital Programme is detailed in Appendix 2. The appendix shows a total forecast spend of £1,730,950 in 2013/14 with £342,390 of the programme expected to be deferred to 2014/15 and beyond.

3.3 SCHEMES WHICH MAY BE DEFERRED TO 2014/15 AND BEYOND

Schemes which have been identified since 30 June as being wholly or partly deferred to 2014/15 and beyond are:

Scheme	Revised 13/14 Budget	Budget to be Deferred	Reason
Canal Basin and Quayside	£151,130	£47,480	Barriers to progress include: larger areas of spend such as pontoonage, boat storage improvements, paving of public realm, etc. require clarity on future management of the waterspace (Public Realm charged with preparing mooring strategy) and further private sector development activity that is not easy to generate at present.
Purchase of Land	£280,000	£280,000	This scheme has stalled because of concerns over unknown environmental liabilities and risks that may be associated with this purchase. Options are currently being considered but it is thought that any expenditure in this financial year is unlikely.
Planting Improvements in Riverside Valley Park	£14,910	£14,910	This budget is S106 money for planting close to Makro. There are no current proposals to spend the budget and the scheme will need to co-ordinate with the emerging Exeter Flood Defence Scheme proposals.

3.4 ACHIEVEMENTS

The following schemes have been completed during the second quarter of 2013/14:

- **Cowick Street Environmental Improvements**

The final stage of the improvement scheme to Cowick Street which started in July is now complete. Improvements have been made to the main shopping areas and other locations along the street and the historic centre of St. Thomas. New seats and a tree have been planted outside the Natwest Bank and a permeable surfacing has replaced the tarmac beneath the trees at the Sawyers Arms to create better conditions for the roots. Other trees have been planted at different locations in the street. New seats, cycle racks, bollards and bins have been installed.

4. AREAS OF BUDGETARY RISK

4.1 The table below identifies a number of areas that have been identified as a budgetary risk within the Economy and Development revenue and capital budgets.

4.2 The revenue budget areas of risk are:

Budget Title	Approved Budget	Risk
Property & Estates Services – Income budgets property portfolio	£3,500,610	<p>Income dependant on properties let and the number of properties which are void for long periods of the year.</p> <p>Leases can be renegotiated at lower rate to ensure income streams are maximized but resulting in shortfall of income against budget.</p> <p>If properties are void there will be a loss of income and the council becomes liable for the Non Domestic Rates at the property. This could result in an overspend if void period is significant.</p>
Car Parks – fee income	£5,660,000	<p>A significantly increased budget was set for 2013/14. The results have fluctuated through the first half year and currently stand at approximately £40,000 less than the budget. At this stage it appears that this shortfall will be partially offset by additional income from recharges. However, this source of income can be affected by factors outside the control of Exeter City Council and even a small shortfall in percentage terms could be significant because of the size of the budget. The income is closely monitored and updates are provided to Members and the Senior Management Team on a monthly basis.</p>

Budget Title	Approved Budget	Risk
Planning Services – planning fee income	£667,850	Fee income projected to be significantly lower than budgeted based on to date figures. Continual monitoring of income is being carried out by officers. An update on the projected shortfall will be provided to Members and the Senior Management Team on a monthly basis.

4.3 The areas of risk for capital budgets are:

Budget Title	Approved Budget	Risk
Exhibition Way Bridge Maintenance	£45,000	This scheme has already been deferred from 2012/13; the delays stem from staffing issues in Engineering. Engineering advise they are shortly to obtain a quote for the works. Due to uncertainty over how succession issues are to be resolved it is not possible to say at this point in time whether the budget will be spent this year.

5. RECOMMENDED that

5.1 Scrutiny Committee – Economy give officers their views on the contents of this report.

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 2013 TO SEPTEMBER 2013

CODE	REVISED BUDGET EXC CAPITAL CHARGES	£	CURRENT OUTTURN FORECAST	£	QUARTER 2 FORECAST VARIANCE	£	QUARTER 1 FORECAST VARIANCE
83A1	PROPERTY & ESTATES SERVICES	(2,856,220)	(2,919,800)	(63,580)	(69,400)	0	
83A2	TRANSPORTATION/CONCESSIONARY FARES	50,000	49,000	(1,000)	0	0	
83A3	CAR PARKING	(3,954,680)	(3,934,680)	20,000	0	0	
83A4	ECONOMIC DEVELOPMENT	565,510	601,940	36,430	25,060	0	
83A5	ARTS & EVENTS	194,740	194,740	0	0	0	
83A6	TOURIST INFORMATION	445,450	447,930	2,480	3,170	0	
83A8	DISTRICT HIGHWAYS & FOOTPATHS	194,120	194,120	0	0	0	
83A9	BUILDING CONTROL	120,700	71,620	(49,080)	(5,000)	0	
83B1	LAND DRAINAGE	153,120	153,120	0	0	0	
83B4	ENGINEERING & CONSTRUCTION SERVICES	(150)	(150)	0	0	0	
83B5	PLANNING SERVICES	789,380	947,010	157,630	127,850	0	
83B6	CONSERVATION	119,710	119,710	0	0	0	
83B7	ARCHAEOLOGICAL FIELD UNIT	61,860	58,210	(3,650)	0	0	
83B8	MAJOR PROJECTS	125,000	80,000	(45,000)	0	0	
83B9	MARKETS & HALLS	(260,730)	(304,710)	(43,980)	(22,930)	0	
83C1	WATERWAYS	245,710	250,710	5,000	9,500	0	
	NET EXPENDITURE	(4,006,480)	(3,991,230)	15,250	68,250		

VARIANCES ON TRANSFERS TO / (FROM) EARMARKED RESERVES

83C1 - Waterways	(5,000)
83B5 - Planning	(31,500)
83A9 - Building Control	40,000
83B8 - Major Projects	
83B9 - Markets & Halls	
REVENUE CONTRIBUTION TO CAPITAL	
83B5 - Planning	20,000
83A2 - Transportation	1,000
OVERALL FORECAST EXPENDITURE FOR THE YEAR AFTER MOVEMENTS TO/FROM RESERVES	(3,966,730)
REVISED BUDGETS	(4,006,480)
ADJUSTED OUTTURN VARIANCE	39,750

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2013/14
CAPITAL MONITORING TO 30 SEPTEMBER 2013

	2013/14 Capital Programme Revised for Qtr 1 Forecast Spend	2013/14 Spend to 30 September	2013/14 Forecast Spend	2013/14 Budget to be Carried Forward to 2014/15 and Beyond	2013/14 Programme Variances Under ()
	£	£	£	£	£
ECONOMY & DEVELOPMENT					
PROVIDE GREAT THINGS FOR ME TO SEE DO AND VISIT					
Canal Basin and Quayside	151,130	8,632	103,650	47,480	0
ACCESSIBLE CITY					
National Cycle Network	76,920	76,912	76,920		0
John Lewis Car Park Refurbishment	2,330	200	2,330		0
King William Street Car Park (formerly Leighton Terrace Car Park) Resurfacing	96,000	0	96,000		0
IMPROVE THE ENVIRONMENT AND MY NEIGHBOURHOOD					
Cowick Street Environmental Works	168,480	103,894	168,480		0
City Centre Enhancements	35,150	8,417	35,150		0
Well Oak Footpath/Cycleway	59,940	46,766	59,940		0
Exhibition Way Bridge Maintenance	45,000	2,975	45,000		0
Northbrook Flood Alleviation Scheme	0	0	0		0
Purchase of Land	280,000	0	0	280,000	0
Paris Street Roundabout Landscaping & Sculptural Swift Tower	43,740	1,890	43,740		0
Heavitree Environmental Improvements	22,880	0	22,880		0
Ibstock Environmental Improvements	3,240	0	3,240		0
Planting Improvements in Riverside Valley Park	14,910	0	0	14,910	0
Central Station Environmental Works	185,000	185,000	185,000		0
MAINTAIN THE ASSETS OF OUR CITY					
Topsham Lock Leak	33,990	33,989	33,990		0
Verney House Window Replacement	60,000	0	60,000		0
OTHER					
Replacement of Car Park Pay & Display Machines	230,000	0	230,000		0
PROSPEROUS CITY					
Science Park	559,570	559,568	559,570		0
137 Cowick Street	3,160	0	3,160		0
SAFE CITY					
Security Measures for Riverside Valley Park	1,900	0	1,900		0
ECONOMY & DEVELOPMENT TOTAL	2,073,340	1,028,243	1,730,950	342,390	0

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EXETER CITY COUNCIL

SCRUTINY COMMITTEE – ECONOMY 14 NOVEMBER 2013

CHRISTMAS LIGHTS TASK AND FINISH GROUP

1. PURPOSE

- 1.1 This report advises members on the progress made in implementing the recommendations set out by the Christmas Lights Task & Finish Group and approved by the Council's Executive in June 2013.

2. BACKGROUND

- 2.1 The Christmas Lights project was historically delivered by the Exeter City Centre Consortium (disbanded in 2007). The City Council has taken the lead for delivering the Christmas Lights project since 2007.
- 2.2 Business funding for the Lights project had gradually reduced over a number of years – with the trend of a decline in funding starting whilst the City Centre Consortium was still leading on the Christmas Lights project. Christmas Lights were only delivered in 2011 and 2012 due to private sponsorship deals. The area covered by Christmas Lights had also gradually reduced, with the core area lit in 2012 being limited to Princesshay (funded through the Princesshay service charge), Guildhall Shopping Centre (funded through the Guildhall Centre service charge) and High Street. Some Christmas Lights were also delivered in areas such as Fore Street and Castle Street (funded by local businesses).
- 2.4 In March 2013, Scrutiny Committee – Economy agreed to establish a Task and Finish Group to look at the future funding of City Centre Christmas Lights. The Task & Finish Group made a number of recommendations which were supported by Scrutiny Committee and agreed by the Council's Executive on 18 June 2013.
- 2.5 Membership of the Task & Finish Group comprised Cllrs Crow (as Chair of Scrutiny Committee - Economy), Denham (as Portfolio Holder for Economy and Tourism) and Cllrs Brock, Bull & Prowse. Cllr Prowse was elected as Chairman of the Task & Finish Group at its first meeting.

3. SUMMARY OF ACTIONS

- 3.1 A key strand of work has been to deliver a scheme that clearly marks an enhancement of the Christmas Lights delivered in previous years, whilst ensuring that the scheme can be delivered within the core working budget of £14,500.
- 3.2 Whilst the initial proposals for Christmas Lights that were considered by the Task & Finish Group earlier in the year would have represented an improvement on the Christmas Lights delivered in previous years, work has been undertaken to identify a range of options that could be delivered within the same funding envelope. A positive outcome has been delivered through this work, with further enhancements to the core scheme proposals achieved alongside an improvement in the cost base.

- 3.3 Cost reductions, associated with display enhancements, on the original core proposals (High Street crossings, Bedford Square feature, Fore Street column displays & South Street gateway feature) mean that the core display can be extended to include a Queen Street gateway feature. Illustrations of the scheme plans will be available at Scrutiny Committee. A summary of proposed expenditure on the core scheme is shown at Annex A.
- 3.4 Work on raising finance from the private sector to support the Christmas Lights display is on-going, although there has been some progress on this front. A meeting with the Portfolio Holder for Economy & Culture and Task & Finish Group Chair on 9 October agreed that in 2013 the focus should be on delivering (an enhanced) version of the 'core scheme' (to include the addition of a 'gateway' feature in Queen Street, on developing the scheme to include lamp column decorations in Sidwell Street and Paris Street (should business income allow) and supporting businesses in bringing forward their own localised lighting schemes.
- 3.5 An update will be given at the Scrutiny Committee meeting on further fundraising progress.
- 3.6 City Council support for Christmas Lights has already unlocked a commitment from Castle Street businesses to deliver their own Lights, a commitment from Fore Street businesses to add to the number of Christmas Trees they erected in 2012 and it is expected that there will be a commitment from Gandy Street businesses on Lights to follow. A monetary value of £2,000 can be attributed to in-kind commitments to date. In addition, Christmas Lights will be delivered by traders in other parts of the city, including Magdalen Road and St Thomas.

4. FINANCIAL IMPLICATIONS

- 4.1 A City Council budget of £14,500 is in place to support the Christmas Lights project in 2013.

5. RECOMMENDATION that:

- 5.1 Scrutiny notes progress in implementing the previously agreed recommendations of the Task & Finish Group.

JOHN HARVEY

CITY CENTRE MANAGER

on behalf of the Christmas Lights Task and Finish Group

ECONOMY DIRECTORATE

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

Background papers used in compiling this report: None

**Christmas Lights 2013/14
Core Scheme Costs**

Street	No of Crossings/Decorations	Description	Annual Rental Cost (2013)	Erection Cost	Total Cost
High Street	11 cross-street decorations Bedford Square/High Street Feature (x1)	LED Joylights Curtains (Blue) with Flocon Nordique motif (Annex A) Bespoke motif, plus (blue) stalactite decorations (Annex B)	£ 5,742.55 £ 3,189.33	£ 1,037.30 £ 1,380.00	£ 6,779.85 £ 4,569.33
Fore Street	9 Columns	Flip Flocon decorations (Annex C)	£ 776.25	£ 848.70	£ 1,624.95
South Street	1 Gateway Feature	Welcome' feature - Merry Christmas feature (Annex D)	£ 451.99	£ 224.26	£ 676.25
Queen Street	1 Gateway Feature	Welcome' feature - Merry Christmas feature (Annex E)	£ 451.99	£ 224.26	£ 676.25
					£ 14,326.63

Original cost total (reported to T&FG & Economy scrutiny Committee previously) £14,413.98

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EXETER CITY COUNCIL

SCRUTINY ECONOMY COMMITTEE 14 NOVEMBER 2013

EXECUTIVE 26 NOVEMBER 2013

EXETER CULTURAL ACTION PLAN NOVEMBER 2013 TO 2015

1 PURPOSE OF REPORT

- 1.1 To present to Members the new two year Cultural Action Plan produced by Exeter Cultural Partnership in association with the City Council.

2 BACKGROUND

- 2.1 The Exeter Cultural Partnership (ECP) represents the city's cultural organisations including libraries, museums, sport, arts, health, education, food and retail – organisations which touch the lives of thousands of people each year. ECP now has over 150 members across the city and sub region. It is an umbrella organisation, intended to draw together the efforts and interests of an extremely diverse sector which includes public, commercial, charity and independent representation.
- 2.2 ECP's mission as a partnership is to contribute to a city where a vibrant cultural life enriches the experience of everyone living in, working in and visiting Exeter.
- 2.3 For the last nine months, ECP has been working towards the creation of a Cultural Action Plan for Exeter. With support from the Arts Council of England and Exeter City Council, ECP was able to employ a consultant (Christina Dixon) to begin the first phase of work. This involved an in depth consultation with the city's cultural sector at the beginning of 2013, with key findings reported back to ECP and a summary presented to this Committee on 30 May 2013.

3 THE CULTURAL ACTION PLAN

- 3.1 This Action Plan represents the next phase of work to be undertaken by the ECP Steering Group with facilitation support from the same consultant.

The Action Plan is shaped around four key goals:

1. To develop a vibrant cultural economy – Exeter as a cultural destination
2. To develop cultural opportunities and experiences
3. To enable wide and diverse engagement with the cultural sector
4. To build a stronger, more confident cultural sector

- 3.2 These goals are now underpinned by a series of actions designed to strengthen and develop the sector as well as enhance the role of culture in the city's economic, social and community life. The Action Plan is firmly intended as a living, growing document which responds to opportunity but also provides the solid foundation for the cultural ambition that will support the city's vision for its future.

The Cultural Action Plan will be presented at Scrutiny Committee by Dom Jinks, Chair of the Exeter Cultural Partnership and Jay Milling, Deputy Chair.

4 EARLY OUTCOMES OF THE ACTION PLAN

- 4.1 The Action Plan has already provided the basis of a bid made by ECP to the national 'Cultural Destinations' Programme run by the Arts Council of England/Visit England for a programme of activities to improve the promotion and perception of the city as a cultural destination. The intention is to then create a cultural brand for the city and improve the presentation, promotion and accessibility of information on cultural activities through a broad range of media for the benefit of residents and to attract more visitors to the city. The submission date was 25 September and a decision is expected in January 2014. The funding, (application total: £305,000) is for a three year period commencing in April 2014.
- 4.2 If unsuccessful, the Action Plan and the bid content will be used to inform other applications to support similar objectives, for example Grants for the Arts, Heritage Lottery Funding.
- 4.3 The Action Plan, although not a full documented cultural strategy, sets out the way forward for making progress with developing the city's cultural sector in order that it can make a greater contribution to the life of those living, working in and visiting the city. From the City Council's point of view, the document could provide a framework for continuing the collaboration with the Cultural Partnership in its aim of developing culture in the city as a key contribution to its economic well-being alongside other priorities.

5 MONITORING PROGRESS

- 5.1 Progress against actions will be regularly monitored by ECP's Steering Group, which includes City Council officers, and information will be shared with the wider ECP membership, funders and key partners.
- 5.2 The Action Plan recognises the critical support and collaboration with the City Council. ECP proposes that updates are provided to the Portfolio Holder on a six monthly basis with reports to this Committee annually or more frequently when appropriate.
- 5.3 In the intervening months ECP will hold regular meetings with key council Officers and Members to ensure that communication flow is good and emerging opportunities are identified and pursued.

6 RECOMMENDATIONS that

1. Members comment on the report and the proposed Action Plan and consider its adoption as the City Council's framework document for planning, developing and supporting cultural activities in the city;
2. Members recognise and support the continuing work of the Exeter Cultural Partnership.

CAMILLA HAMPSHIRE, MUSEUMS MANAGER & CULTURAL LEAD

ECONOMY DIRECTORATE

Local Government (Access to Information) Act 1972 (as amended)
Background papers used in compiling this report:-



Exeter

Cultural

Partnership

Engaging, empowering, energising culture in Exeter

Action Plan: November 2013

Welcome from Dom Jinks, Chair of the Exeter Cultural Partnership

I have great pleasure, on behalf of the Exeter Cultural Partnership, to introduce you to the Exeter Cultural Action Plan that outlines our plans as a city to further develop culture at the heart of the city.

**By culture we mean the things that people do.
This can be sports, heritage, learning or the arts.**

Exeter has a rich and rapidly developing cultural scene. The city is home to an extensive range of cultural organisations and festivals. Together their activities deliver important economic, social and educational benefits with culture helping to define Exeter's special character, enhance its quality of life and create a sense of 'belonging' within the community.

Exeter is an ambitious city and we are ambitious for the role culture can play in its future.

Who we are? Exeter Cultural Partnership (ECP)

The Exeter Cultural Partnership represents the city's cultural organisations including libraries, museums, sport, arts, health, education, food and retail - organisations which touch the lives of thousands of people each year. ECP now has over 150 members across the city and sub region.

Our mission as a partnership is to contribute to a city where a vibrant cultural life enriches the experience of everyone living in, working in and visiting Exeter.

For the past nine months ECP has been working towards the creation of a Cultural Action Plan for Exeter. With the support of Exeter City Council and the Arts Council of England, ECP has undertaken in depth consultation with the city's cultural sector producing key findings that have informed this Action Plan.

Working Together

Importantly this Action Plan is one that is 'co-owned' with the City Council, ensuring that culture is embedded in the plans that will shape the city of the future. Named as one of the top five priorities in the City Council's five year strategic plan, culture is seen as a key contributor to future prosperity and growth in Exeter.

Looking ahead

ECP's Action Plan is intended to be a 'living document' continuing to develop over the course of its two year life. After this ECP will, together with partners, review its priorities, repositioning them to respond to the challenges and opportunities that lie ahead.

Vision

The cultural city of choice - that is distinctive & recognisable...
where culture is recognised as essential for quality of life.



Strategic Aim

To develop Exeter as a culturally vibrant city



Goals

Goal 1

To develop a vibrant cultural economy - Exeter as a cultural destination

Goal 2

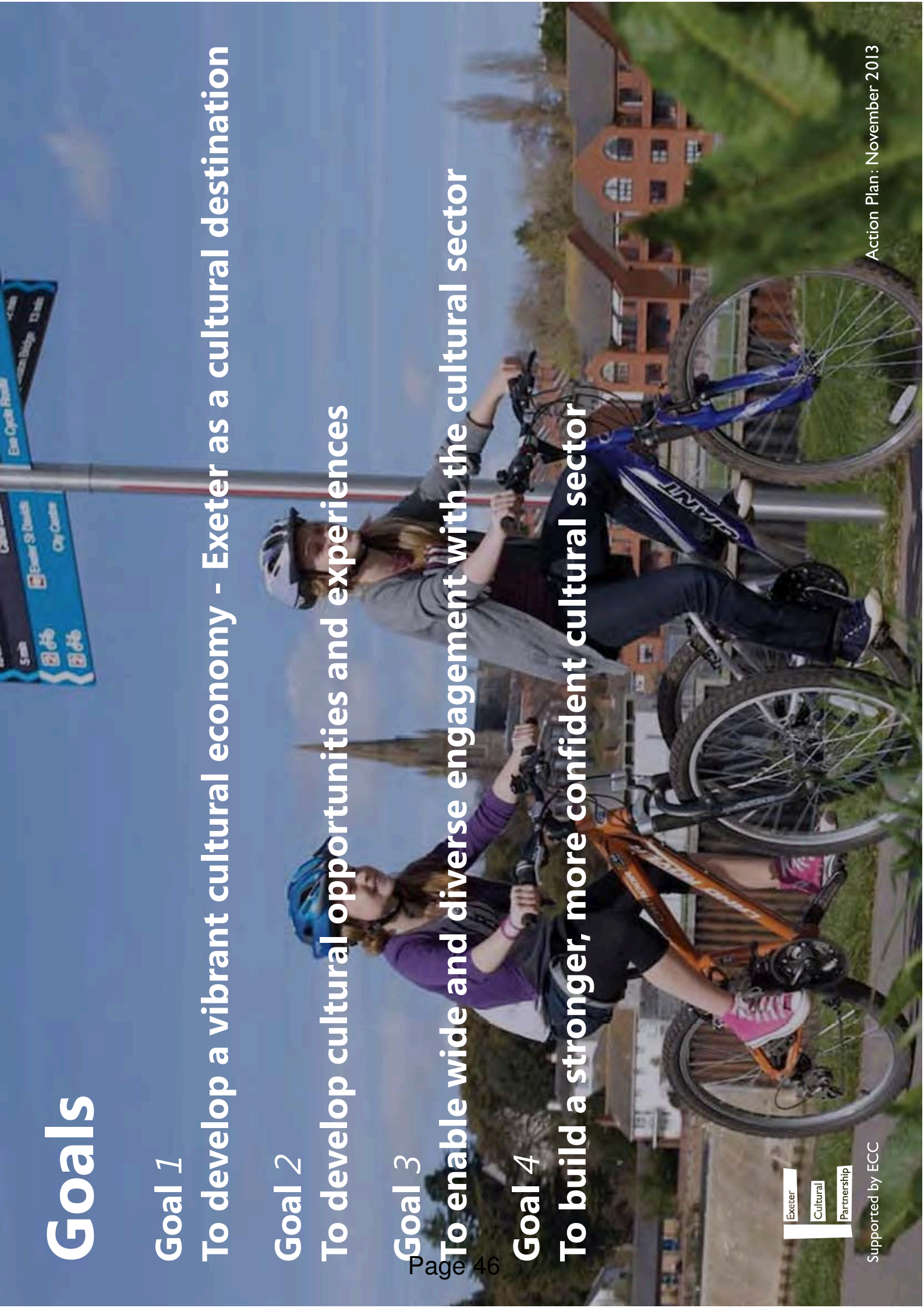
To develop cultural opportunities and experiences

Goal 3

To enable wide and diverse engagement with the cultural sector

Goal 4

To build a stronger, more confident cultural sector



Goal 1

To develop a vibrant cultural economy - Exeter as a cultural destination

Goal 1

To develop a vibrant cultural economy - Exeter as a cultural destination

This goal relates specifically to repositioning culture as a key driver of the economy in Exeter

Actions

- Develop a long term Communications Plan and campaign. This will include:
- Explore options for a new cultural diary for the city, made available through using a variety of media
- A social media strategy
- The development of external networking events (developing relationships with business sector for example)
- The development of internal networking events to enable different parts of the cultural sector to join up more effectively
- Contributing to a rebrand of the city with culture at the core
- Developing a pool of case studies about cultural projects and their contribution to Exeter as a cultural destination
- Ensuring that cultural activity around key strategic events is planned, scheduled and co-ordinated (For example Rugby World Cup, WW1 Centenary)
- Implementing an economic and social impact study of culture's contribution to the economy of the city
- Appointing a Cultural Co-coordinator post connected to funding from Arts Council England's Grant for the Arts scheme
- Building a relationship with Hoteliers Association and Chamber of Commerce
- Devon County Council, The Local Enterprise Partnership and Arts Council of England - Referencing their strategic plans and exploring opportunities to align priorities
- Participating in relevant Visit England promotional campaigns

Goal 2

To develop cultural opportunities and experiences

Goal 2

To develop cultural opportunities and experiences

Actions

- Understand and map out forthcoming strategic events and opportunities within the city. Convene project groups for responding, planning and delivery; encourage cross cultural collaboration.
 - Develop and support more opportunities for cultural programmes connected to the well being agenda such as ageing, dementia, homelessness and social exclusion
- Develop opportunities linked to the City Centre Strategy, green spaces and public realm agendas to animate and contribute to their delivery
- Create better strategic dialogue between Exeter City Council and cultural providers to ensure that strategic programmes, projects and events in the city maximise opportunities for cultural activity.
- Provide feedback on the process and transparency of the distribution of arts finance by Exeter City Council
 - Investigate alternative sources of funding for development, commissioning and promotion

Goal 3

**To enable wide and diverse engagement
with the cultural sector**

Goal 3

To enable wide and diverse engagement with the cultural sector

Actions

- To develop a better and more qualified pool of volunteers interested in cultural events. This will help support larger scale events generated by small organisations with limited infrastructures. It will also provide a central place to access volunteers.
- Develop a cultural volunteering toolkit
- Liaise with Exeter Council for Voluntary Service
- Collate and share box office data, city statistics and demographics to understand where cold spots are within the city and target work and priorities accordingly
- Develop a social impact study for culture to build the evidence base for more work that focuses on people that would not normally participate in cultural events
- Create a better network for accessing schools' engagement through close work with Devon Art In Schools Initiative DAISI and RIO Real Ideas Organisation

Goal 4

To build a stronger, more confident cultural sector

Goal 4

To build a stronger, more confident cultural sector

Actions

- Develop a structured programme for progression routes for young people and cultural workers within the city that includes internships, mentoring, apprenticeships, master classes and discussion forums. Key partners include University of Exeter and Exeter College
- Identify Cultural Leaders for certain areas of work, such as health, sport, heritage etc. Rugby World Cup activity may provide an opportunity to pilot this activity
- Ensure that small scale organisations are supported in terms of space, skills, equipment. Look to widen ECP Steering Group to include more small scale organisations
- Endorse Devon Libraries Enterprising Libraries bid. This will enable support for creative industries, young entrepreneurs and unemployed.
- Develop the skills of cultural sector in fundraising. ECP to act as a hub for the ACE Fundraising Fellows programme
- Build better connections with 3rd Sector and invite Exeter Council for Voluntary Service to join ECP

EXETER CITY COUNCIL

SCRUTINY COMMITTEE - ECONOMY 14 NOVEMBER 2013

COMMERCIAL PROPERTY VOIDS AND DEBTS

1.0 PURPOSE OF REPORT

- 1.1 To inform Members of the position regarding void commercial properties as at 30 September 2013 and the current commercial rent debt situation.

VOID PROPERTIES

2.0 BACKGROUND

- 2.1 The situation regarding void properties as at 30 September 2012 was reported to the Scrutiny Committee – Economy on 8 November 2012.
- 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 Whereas last year there were no long term voids, this year we have one, 82 South Street. These premises were off the market between May and September as they were going to be taken by someone to use as a Tanning Salon; however at the last minute this gentleman decided to apply for 79 South Street instead and we are now remarketing 82.
- 3.2 The long term void as at 30 September 2013 is summarised in Table A below.

Table A - Long Term voids

Address	Area m ² Approx	Rental Value £	Date Vacated/Available	Notes
82 South Street	72	17,150	16/04/12	See note 3.1 above

4.0 SHORT TERM VOIDS

- 4.1 Last year's short term voids have been let (except for 82 South Street) as follows:

88 Fore Street – Hearing Aid shop
88 South Street – African restaurant
Swan Yard Workshop – Tattoo Parlour

- 4.2 The details of the new short term voids are as follows:
- 4.3 21 North Street has been a Nail Bar for some years and the tenant, at the end of the lease, decided to move to larger, better located premises at the top of South Street. It is, subject to contract, now let again for another Nail Bar user.
- 4.4 204 High Street enjoyed a very short life as a Frozen Yoghurt & Fruit Teas shop until the business folded in August with considerable debts. We repossessed the premises in September and we have just begun the process of remarketing. Some interest has already been shown, and a short-term let to Calendar Club agreed in the run up to Christmas.
- 4.5 143 Sidwell Street was, until August, a Hearing Aid shop (Amplifon); they have relocated to 88 Fore Street (see 4.1) and is now on the market with little interest as yet having been shown.
- 4.6 2 South Street, most recently let as a Chinese Restaurant was repossessed in July as the tenants had deserted the premises leaving rent debts. It is now re-let, subject to contract, to an Off Licence and Bar for Craft Beers.
- 4.7 12/13 South Street was left for a short time as a Fish Pedicure business. Unfortunately, the people of Exeter did not take to it and the premises are now on the market again. Interest has been shown, but meanwhile the shop is being used by charities – paying no rent, but removing from the Council the onus of having to pay Business Rates.
- 4.8 79 South Street. The tenants, a barbers, left the premises in August and they are on the market: as in 4.7 above, there is a charity currently in occupation and proper commercial interest is being shown.
- 4.9 Rougemont House. Until recently used by the Council's Museums Service, these premises, having been declared surplus to requirements, are now in the process of being sold on a 125 year lease for education purposes.
- 4.8 The short term voids as at 30 September 2013 are summarised in Table B below.

Table B - Short Term voids

Address	Area m² Approx	Rental Value £	Date Vacated/Available	Notes
21 North Street	35	5,700	18/09/13	See 4.3 above
204 High Street	119	55,000	17/09/13	See 4.4 above
143 Sidwell Street	63	20,000	01/08/13	See 4.5 above
2 South Street	96	22,000	15/07/13	See 4.6 above
12/13 South Street	87	19,000	29/07/13	See 4.7 above
79 South Street	78	17,000	23/08/13	See 4.8 above
Rougemont House	-	Premium to be paid	Nov. 2013	See 4.9 above
Total	478	138,700		

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 – this in turn is being delayed by ongoing village green registration process.

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 2009	8	836	81,450
September 2010	10	853	99,200
September 2011	7	1813	217,100
September 2012	4	393.5	74,600
September 2013	7	478 + Rougemont House	138,700 + Rougemont House

6.2 Although the number of void properties remains a relatively small proportion of the Council's commercial estate, it is still higher than we would wish. Having said that, several of these properties are now under offer, and there is interest in others. We would hope to be able to keep these voids to a minimum over the coming year.

RENT AND DEBT COLLECTION

7.0 BACKGROUND

Previously debts have been reported in a tabular form which has set out the number and value of invoices raised over the four quarters beginning 29 September annually together with the amounts outstanding at 28 days, 90 days and on the 30 September. The amounts reported on related to the total number of invoices raised against the cost centres M001 – M006, and each of the "outstanding" figures was accompanied by the relevant percentage of the invoiced amount which remained outstanding.

8.0 THE NEW TABLE

8.1 In keeping with the way in which similar sets of figures are now reported to the various Committees the table as set out at the end of this report simply shows the totals outstanding broken into various invoiced amounts, within a series of age ranges from "up to 29 days" after invoicing to "1828+ days" after invoicing.

- 8.2 Since the 15 March 2013 all invoices relating to commercial properties and emanating from Estates Services have been included under an “umbrella” code, and all of these invoices which remain unpaid appear within the new table. Prior to that date the only invoices included in the table are those which were sent out under the M0 cost centres. The table does not, therefore, give a true picture of commercial rent debts originating before 15 March 2013, and will not until all debts in respect of invoices during the period prior to that date have been settled in some way.
- 8.3 Because the new table reports on different cost centres at different times, the total of the debts briefly listed below will exceed the total recognised by the new table. However, the report on the current position will provide a picture of both current debtors and those which are more historic in nature.

9.0 CURRENT POSITION

- 9.1 The date of the compilation of the table is 15 October 2013.
- 9.2 The £350,849.70 outstanding from the “up to 29 days” and the “30-59 days” bands of invoices consists almost entirely of the rent due for the quarter beginning 29 September and cannot properly yet be regarded as debts: moreover the total of invoices outstanding (161) is misleading and doesn’t reflect the number of debtors, since many of our commercial tenants receive two invoices each quarter – one for rent and another for insurance.
- 9.3 Of the £221,582.29 “properly” outstanding and where the debtor owes £5,000 or more:
- 9.3.1 Three of our continuing tenants owe between them £61,273.30: in a better market we would have probably repossessed their premises by now, but these tenants are at least paying some rent, are liable for the debt and were we to repossess we would (a) probably have difficulty in re-letting quickly on satisfactory terms and (b) be responsible for a substantial business rates bill whilst the premises remained empty;
- 9.3.2 A further eight previous, or about to become previous, tenants owe between them £165,377.67. These debts are in the hands of Legal Services and are being pursued;
- 9.4 The debt situation is not good but because of the change in the form of the table produced, cannot be sensibly compared with the levels of debt reported previously. When a business folds it is almost always because it is not making money and by the time this becomes obvious debts (not of course only rent debts) have accrued. We are patient with our tenants (rather more patient than many of them would admit), but when we feel that bailiff action would be useful then that is how we proceed. However, if there is simply no money in the business and there are not enough goods of easily realisable value on which to distrain, then this is not always effective. In any case, a struggling business – even if it is intent on survival – will not be able to satisfy the bailiff’s demands. We allow such struggling businesses to carry on as long as possible before, say, taking repossession of the premises, but it is always difficult to maintain the proper balance between Voids and Debts – the harder we come down on debtors who are still trading the more void properties we have.
- 9.5 To put the rent and insurance debt as reported into perspective, the annual rental from the Council’s investment properties currently runs at approximately £3,713,000.

10.0 RECOMMENDED that:

- 10.1 The Report on Voids and Debts be noted and that the Scrutiny Committee – Economy comment on the information provided.

**MICHAEL CARSON
PROPERTY MANAGER**

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:- None

Aged Debtors Banded Summary Report

Use Invoice Date, Include disputes, Include legal,

Aged debtors totals as at 15/10/2013 10:57

Age Range	£0 - £50		£50 - £250		£250 - £1000		£1000 - £5000		£5000 - £10000		£10000 +		Total	
Upto 29 days	£38.03	3	£493.89	4	£3,532.45	6	£12,620.83	7	£0.00	0	£50,238.47	3	£66,769.54	23
30 - 59 days	(£14,793.24)	40	£1,948.68	18	£10,123.08	17	£112,140.11	48	£68,685.03	11	£105,976.50	4	£284,080.16	138
60 - 89 days	£0.00	0	£323.63	2	£1,513.69	2	£3,230.10	2	£0.00	0	£0.00	0	£5,067.42	6
90 - 119 days	£25.34	1	£0.00	0	£0.00	0	£1,098.56	1	£0.00	0	£0.00	0	£1,123.90	2
120 - 365 days	(£10,180.52)	23	£1,049.01	10	£7,800.17	13	£49,027.83	17	£82,075.00	12	£0.00	0	£129,771.49	75
366 - 731 days	£58.66	4	£423.77	4	£1,173.90	3	£25,793.39	7	£29,000.00	4	£0.00	0	£56,449.72	22
732 - 1096 days	£7.50	1	£0.00	0	£925.26	1	£0.00	0	£0.00	0	£0.00	0	£932.76	2
1097 - 1461 days	£7.50	1	£156.30	1	£623.82	2	£4,868.64	2	£13,064.22	2	£0.00	0	£18,720.48	8
1462 - 1827 days	£7.50	1	£0.00	0	£750.00	1	£3,032.11	1	£5,701.07	1	£0.00	0	£9,490.68	4
1828 +	£25.84	1	£0.00	0	£0.00	0	£0.00	0	£0.00	0	£0.00	0	£25.84	1
Total	(£24,803.39)	75	£4,395.28	39	£26,442.37	45	£211,811.57	85	£198,525.32	30	£156,214.97		£572,431.99	281