

## SCRUTINY COMMITTEE - ECONOMY

26 June 2014

### Present:

Councillor Henson (Chair)

Councillors Branston, Brimble, Bull, Crew, Donovan, Foggin, Holland, Lyons, Robson, Wardle, Williams, Sutton and Denham

### Apologies:

Councillors Brock

### Also present:

Chief Executive & Growth Director, Assistant Director Economy, Principal Accountant Service (PM), Economy and Tourism Manager, Events, Facilities and Markets Manager, Service Manager Business and Commercial, Visitor Facilities Officer, Senior Collections Officer, City Centre Manager, Democratic Services Manager (Committees) and Democratic Services Officer (Committees) (SLS)

### In attendance:

Councillor Sutton - Portfolio Holder for City Development

Councillor Denham – Portfolio Holder for Economy and Culture

### 30 **Minutes**

The minutes of the meeting held on 6 March 2014 were taken as read and signed by the Chair as correct.

### 31 **Declarations of Interest**

Councillor Branston declared a discloseable pecuniary interest and withdrew from the meeting whilst Minute 38 was discussed.

### 32 **Portfolio Holders' Statement**

The Portfolio Holders for City Development (Councillor Sutton) and Economy and Culture (Councillor Denham) presented the work programme and broad priorities relevant to their portfolios for 2014/15. They would be working closely with officers to refine and develop these priorities over the coming months. The refined list of priorities for 2014/15, which would also include outcomes and targets, would be published in September 2014 in the Council's Corporate Plan. Also reported were the priorities for 2013/14, and a list of priorities and initiatives which had been completed.

Councillor Sutton confirmed that, through the responsibility of the City Development Portfolio, further details of the Bus and Coach Station would be made available at a separate meeting.

The following responses were given to Members' questions in respect of the Economy and Culture portfolio:-

- the development of a local currency had been part of a fast moving programme. There had been a targeted consultation and an engagement exercise with the public and local traders, and a proposal will come back for consideration by this Scrutiny Committee. This project has been developed in partnership with Exeter University, who have offered research support. There is an ambitious timeline of 2015, but it would be exciting and advantageous to launch this at the same time as the Rugby World Cup comes to Exeter.
- she thanked a Member for their support for the implementation of the living wage, but added that whilst every effort would be made to pursue this widely, this had to be in the context of the available limited resources. However, the City Council was a key employer and will continue to contribute and comment on a range of issues. Research had been carried out as part of work requested by the Cost of Living Wage Forum with a desk based study and a launch to businesses and interested stakeholders to promote a better understanding of the potential impact. They have engaged with the Federation of Small Business to tease out the salient issues and get a better understanding of the concerns to see where best to place the future effort. It had now become apparent that they should target larger employers. She thanked Councillor Donovan's interest in raising this with the Exeter Chamber of Commerce and noted his comment about targeting specific levels of staff of service providers. They hoped to invite representatives from Islington Borough Council who now offered 92% of employees the living wage which was a phenomenal achievement and an example to be draw upon.

Members noted the statements.

### 33 **Annual Scrutiny Report 2013/14**

The Democratic Services Manager presented the report of the Scrutiny Programme Officer and provided an update on the progress and work of scrutiny within the City Council's political framework for the period 2013/14, following her appointment in July 2013. The report included a synopsis of the Task and Finish Group investigations, a review of the proposals for the Scrutiny system and timetabling/plans for 2014/15.

A Member welcomed the report and the achievements made which highlighted the importance of scrutiny. He hoped that the Committee would extend their support and thanks to the Scrutiny Programme Officer and those staff involved.

Scrutiny Committee - Economy:-

- (1) supported the report and were content with the progress and direction of Scrutiny over the past year, together with the proposals on direction for the forthcoming year; and
- (2) approved the Annual scrutiny report for publishing on the Council's web site.

### 34 **Future Management of Waterways**

The Service Manager Business and Commercial Operations reported on the latest position with regard to the management of the Estuary, Quay, Basin and Canal and the outstanding draft Harbour Revision Order. The City Council had continued as the Harbour Authority for the Estuary and Canal. In 2008, following lengthy deliberation, a HRO was submitted to the Department for Transport to allow for the Council's interests in the Exe Estuary to be divested to a Trust Port. This request was held in abeyance until very recently when the application was recently rejected by the Department of Transport. They considered that the HRO would not achieve the

statutory objectives. Following a reassessment in respect of the future management of the waterways and the current financial pressures on the City Council, it was considered that the option of a Trust Port should not be pursued. Work would continue on an alternative solution, which would be carried out in consultation with the users of the Port of Exeter area and other stakeholders and the outcome would be reported back to Members in due course.

The Service Manager stated that the costs associated with the waterways had been dramatically reduced over recent years. He acknowledged that it was still an expense for the city and suggested that most people would be surprised at the extent of the Port of Exeter area.

Scrutiny Committee - Economy recommended approval of the following to Executive and Council:-

- (1) that the draft Harbour Revision Order submitted to the Department of Transport was no longer viable and should not be pursued, but an alternative course of action was now required for the management of the Estuary, Quay, Basin and Canal, and
- (2) that a review be undertaken of the options open to the City Council in respect of the future management of the Estuary, Quay, Basin and Canal, in consultation with users of the Port of Exeter area.

### **35 Update on Consortium Bid for Major Arts Council Funding for the RAMM**

The Senior Collections Officer submitted a report on the content of the RAMM's bid to the Arts Council for a Major Partner Museum Grants Programme covering the period of 2015/16, 2016/17 and 2017/18. The funding bid will be for operational activities and has been made as a Member of the Peninsula Consortium with Plymouth Museum & Art Gallery. A bid had been made to Arts Council England and an announcement of the intention to fund will be made on 1 July 2014. Between July and March 2015 the Arts Council England will finalise funding agreements between it and successful applicants and include producing a new business plan. The funding was due to come on stream in April 2015.

Scrutiny Committee - Economy noted the report and requested Executive to endorse the RAMM's bid to the Arts Council for a Major Partner Museum Grants Programme covering the period of 2015/16, 2016/17 and 2017/18.

### **36 Economic Development Strategy**

Councillor Donovan declared an interest as a supplier of services to the Met Office.

The Economy and Tourism Manager reported on the new Economic Development Strategy, based on the Knowledge Economy Strategy, which had been adopted by the Scrutiny Committee - Economy in November 2013. This Strategy had also taken into account the contribution and impact of other adopted city strategies on the economic success of Exeter. The development of the city's Knowledge Economy has been an ongoing priority for the City Council and even though the city's economy has proved resilient there was no room for complacency. The focus remained on improving employees' skills, qualifications and employability and supporting business growth and investment through working in partnership with the business community and the Heart of South West Local Enterprise Partnership (HSWLEP), not just for Exeter, but also for the travel to work areas. The aim of the strategy had been to address issues within the city such as low average wages, low productivity and to

respond to changes and opportunities within the economy following the recession. A higher training level should result in higher pay for employees, and they should, in turn, have more disposable income with less pressure on the public purse.

The Chief Executive stated that this was one of the most important documents to have emerged in recent years and it provided clarity drawing together a number of different strategies. He agreed that the City Council and the city could not deliver this alone, and it was vital for the HSWLEP to buy into this otherwise we will be unable to achieve the opportunity. Exeter was the one place in the South West Peninsular that was capable of moving from a traditional employment base to a knowledge economy, and could emulate York or Cambridge in terms of the knowledge economy sector, taking the city's economy onto another level.

Members received responses to a number of comments -

- The Assistant Director Economy provided an update on the Science Park and of the two buildings that had already been developed, for a private company and a new Science Park Centre that was in effect another Innovation Centre. The new Science Park would provide enlarged space for businesses in the current centre at Exeter University providing another base for a growing small number of high tech businesses. It was likely that the two centres will be run together to ensure that the range of specialist business support was available to users of both Centres and more widely. An experienced commercial agency will be promoting the Science Park around the country and they had already responded to a number of enquiries.
- The Economy and Tourism Manager welcomed a comment on the importance of developing the local supply chain. A small working group had been set up focusing on one sector as the first attempt to pull together large employers with experts at the University and also to explore how best to develop the sector and specifically related to the local supply chain. Using the local supply chain had been a key priority for the development of the Science Park and the Met Office.
- The Chief Executive & Growth Director responded to a comment on the progress of the redevelopment of the Bus and Coach Station site advising that a design team had commenced some preliminary work. A public notice would be placed in the European Journal publication and Land Securities and the Crown Estate will be progressing the pre-planning consultation and after two years of work, there was now, hopefully, a commercially viable scheme.
- In response to a comment on providing low rents for local people, the Chief Executive & Growth Director also advised that the City Council was acutely aware of providing affordable housing to tackle housing issues, particularly for those paid below the national living wage.

Scrutiny Committee - Economy supported and requested Executive to approve the Exeter Economic Development Strategy as summarised in the circulated report.

### 37 **Scrutiny Economy - Final Accounts 2013/14**

The Principal Accountant advised Members of the overall financial performance for the Economy and Development Directorate for the 2013/14 financial year ended 31 March 2014. The final actual outturn had now been calculated and the report highlighted any major differences, by management unit, from the approved annual budget after adjusting for supplementary budgets and excluding the variance on capital charges.

The 2013/14 financial year had ended with a total variance of 54.67% and a surplus of £214,635. The main variations by management units were detailed and related to Planning, Property and Estates, Museums Service and Car Parking where there had been a significant increase in the income budget which had been achieved. Markets and Halls had also seen an increase in income. He referred to the capital programme with a total spend of £1,844,280 in 2013/14 with £863,354 of the programme deferred until 2014/15. The report also identified a number of areas of budgetary risk within the Economy revenue and capital budgets.

The Principal Accountant responded to an enquiry over using flash accounting reporting and also confirmed that Parkwood Leisure did make a small contribution to support the Council's facilities year on year, which was used for a specific area. He also advised that a financial update report was presented to the Strategic Management Team's Performance meeting every month to flag up any budgetary areas of concern. This detail was incorporated into the budget monitoring report and presented to Members every quarter.

Scrutiny Committee - Economy noted the report.

### 38 **Social Enterprise Support through Exeter Business Support**

Councillor Branston declared a discloseable pecuniary interest and withdrew from the meeting whilst this matter was discussed.

The Economy and Tourism Manager submitted a report as part of a review of the current and planned support available for social enterprises in the city and recommended a way forward for business support for social enterprises in the city. The original aim of developing and increasing the scale of this sector had been established over four years of direct funding support. However Peninsula Innovations Limited was now able to deliver this support and they were already fully funded from the economic initiatives budget.

The Economy and Tourism Manager advised that although the Fruit Tree for Business contract would end shortly, they should be congratulated for the ground breaking initiative and support they have given through their activities to existing social enterprises. In response to a Member's enquiry, she advised that the cost of the Fruit Tree for Business contract had been £25,000 but a service was now offered by Peninsula Innovations Ltd, for no additional cost. It was acknowledged that there were issues relating to being able to assist businesses and also social enterprises to access finance across Devon and the Heart of the South West Local Enterprise Partnership (HSWLEP) area.

Scrutiny Committee - Economy noted the following:-

- (1) The contract with the Fruit Tree for Business would not be extended after 30 June 2014;
- (2) business advice, support and guidance for social enterprises to be delivered through the existing contract with Peninsula Innovations Limited, and
- (3) Exeter Business Support working with other agencies will provide alternative options for business support for social enterprises within the city, in signposting to them, or in helping individuals/organisations obtain appropriate advice.

## 39 **Update on Evening & Night-Time Economy**

The City Centre Manager provided a verbal update on the progress made on developing and managing the evening and late night economy, and the efforts to encourage city centre traders to remain open until 7pm. There was support for change but progress was fragmented and a certain amount of frustration over the progress made. It was obvious that there would be huge benefits in connecting the day and evening economy, and the reality was that many businesses were quiet in the first one or two hours of morning trading, in comparison with the level of footfall for the same period after the traditional closing time of 5.30pm. There was an opportunity to capitalise on that and a formal report would be made to the next Scrutiny Committee - Economy meeting on the latest developments of the evening and night time economy.

Although a number of significant challenges to develop the evening and late night economy remained, this needed to be addressed in a meaningful way as emptier streets had a profound effect on levels of anti-social behaviour. There was a clear, logical vision and the City Centre Manager felt that the final outcome would be a success. The latest support for later opening included over 30% of retail business in the High Street, 40% of business in the Guildhall Shopping Centre and 50% in Princesshay. Every effort had been made to target retailers at key arrival points in the main thoroughfare to raise the perception that the city centre was open for business. Some soft publicity was planned and more work was planned with partners over the summer months. There were other potential blocks to success and an unwarranted perception around public transport in relation to Park and Ride in the early evening needed to be changed. The City Centre Manager confirmed a willingness to look at this and to an ongoing dialogue with Stagecoach. He responded to a Member's comment on the timescale and the importance of making progress during the summer months rather than carry on into the winter with this unresolved.

A Member suggested that a change in working hours might have an adverse effect on the staff working in these shops. The City Centre Manager understood the validity of such debate and recalled the case for Sunday opening, and yet that was now the second busiest day after Saturday. A Member suggested obtaining further detail, including sales figures to ensure a sufficient margin to allow retailers to take a measured judgement. The City Centre Manager stated that business did need to engage to see the opportunity for success. He highlighted one or two businesses on the High Street that had already successfully embraced the evening economy.

Scrutiny Committee - Economy noted the report.

## 40 **Tourism Facilities Update**

The Events, Facilities and Markets Manager presented a brief overview and update on the performance of the tourism facilities – the Exeter Visitor Information & Tickets (EVIT), Exeter's Underground Passages, Quay House Visitor Centre and the Red Coat Guided Tours. EVIT's focus had evolved from simply providing tourism information as the business had changed from predominately face to face exchanges with an upward trend in telephone and internet enquiries. There had also been an increase in ticket sales for a range of events. Staff at the Quay House Visitor Centre had also taken on the responsibility for the administration of bookings for the use of Piazza Terracina and the Transit Shed. The Red Coat Guides had always been highly valued by the public and existing tours had been refined and new tours

developed. In response to a Member's comment, the Assistant Director Economy stated that EVIT was not selling tickets for the Rugby World Cup, which would be the responsibility of an online ticketing agency. The Visitor Facilities Officer also responded to a comment on joint ticketing arrangements for the city's attractions such as the Underground Passages, the Cathedral and St Nicholas Priory. Visitors could not obtain a reduced price to visit all three attractions. This idea had been pursued but had not proved practicable as yet. An annual entrance ticket arrangement would also be explored further. The Cathedral had an existing annual pass arrangement for local residents.

A Member was pleased to hear there were 31 Red Coat Guides working in the city, and it was noted that a civic reception was held annually to acknowledge their great contribution to the city. The Events, Facilities and Markets Manager also responded to a comment on adequate signposting for tourism sites in the city.

Scrutiny Committee - Economy noted the report.

#### 41 **Meeting of the Parkwood Leisure Group**

Details of the latest meeting of the Parkwood Leisure Working Group, whose Members contribute to the monitoring of the Parkwood Leisure contract, had been circulated to Members of this Scrutiny Committee to enable them to raise any issues of concern or interest.

The Events and Facilities and Markets Manager also reported that a replacement representative for former Councillor Crow was required. The membership included the Chair of Scrutiny Committee – Economy, Councillor Henson, the Portfolio Holder Economy and Culture, Councillor Denham together with a representative from each of the political groups. Councillor Robson indicated that she wished to remain, and Councillor Donovan was nominated as the Conservative representative. It was noted that a nomination from the Liberal Democrat Group would not be made.

Scrutiny Committee - Economy noted the membership.

#### 42 **Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

**RESOLVED** that, under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting of the following item, on the grounds that it involved the likely discussion of exempt information as defined in paragraph 3 of Part 1, Schedule 12A of the Act.

#### 43 **Exeter and Heart of Devon Growth Board Minutes**

The minutes of the meeting of the Exeter and Heart of Devon Growth Board held on 17 April 2014 were circulated for Member's information, and to inform them of a number of issues that the City Council will need to consider and take forward as appropriate.

Scrutiny Committee - Economy noted the content of the Exeter and Heart of Devon Growth Board minutes.

The meeting commenced at 5.30 pm and closed at 7.30 pm

Chair



**Priorities for 2014/15**

<b>Priority</b>	<b>Assistant Director/ Corporate Manager</b>	<b>Portfolio Holder</b>
Continue to work towards the redevelopment of the Bus and Coach Station and the delivery of a new energy-efficient swimming pool that is fit for a growing population and future climate change.	Richard Ball	Cllr Denham
Support the development of a local currency (similar to the already successful Bristol Pound) to support local businesses and independent traders.	Richard Ball	Cllr Denham
Work with the University and employers to help businesses benefit from the city's graduates and to create more graduate jobs to attract and retain a skilled workforce.	Richard Ball	Cllr Denham
Recognise the contribution that culture makes to the Exeter economy and encourage initiatives to support local businesses, such as new markets, community events and cultural activities.	Richard Ball	Cllr Denham
Promote the Living Wage and Equal Pay amongst Exeter's employers	Richard Ball	Cllr Denham
Introduce a Local Labour Agreement and work with developers to offer more jobs and training opportunities for local people.	Richard Short	Cllr Sutton
Work with employers, training providers, Job Centre Plus and others to identify the skills local people will need for new jobs in the city, including those at the Exeter Science Park.	Richard Ball	Cllr Denham
Continue with the City Council apprenticeship scheme and ringfence 2 apprenticeships for young people with disabilities or learning difficulties.	Caroline Hall	Cllr Edwards
Work with partners to promote and improve bus and rail transport in the city and fight for adequate public transport to meet demand from new housing.	Richard Short	Cllr Sutton

## Portfolio Holder Priorities 2012 - 14

### Key

Grey shaded areas denote initiatives superceded by the new manifesto

<b>Initiative or project</b>	<b>Assistant Director/ Corporate Manager</b>	<b>Portfolio Holder</b>
City Centre Strategy 2013/2022	Richard Ball	Cllr Denham
Advertise premises and sites through our on-line commercial property register	Richard Ball	Cllr Denham
Economic Development Strategy 2013- 2018	Richard Ball	Cllr Denham
Provide free professional advice to small start up businesses and social enterprises and help existing ones grow	Richard Ball	Cllr Denham
Promote the City nationally and internationally to secure investment and attract new businesses and skilled workers	Richard Ball	Cllr Denham
Bring employers to major employment sites, including Exeter Science Park, creating upwards of 26,000 jobs in the next 15 years in the Exeter growth area	Richard Ball	Cllr Denham
Promote the City as a retail and visitor destination	Richard Ball	Cllr Denham
Work with Devon County Council to introduce more efficient and streamlined arrangements for civil parking enforcement and, subject to financial considerations, will be looking to play a leading role in future provision to ensure that Exeter's residents and businesses continue to have effective and measured parking enforcement that balances the competing needs of the city.	Sarah Ward	Cllr Denham
Work in partnership with the County Council and representatives of the community in Topsham to explore the available options for alleviating the reported pressures on parking space.	Sarah Ward	Cllr Denham
Offer an inspiring programme of events, activities and exhibitions at the Museum, enriching the cultural lives of all who live, visit and work in the City	Richard Ball	Cllr Denham
RAMM (Major Partners Museum Bid). Secure a successful bid.	Richard Ball	Cllr Denham
Work with Parkwood Leisure to maintain and improve sporting and leisure facilities operated on behalf of the council	Richard Ball	Cllr Denham
Continue to grant aid to Animated Exeter, Vibrasonic and Exeter Respect festivals	Richard Ball	Cllr Denham
Work with the Exeter Cultural Partnership to prepare a Cultural Strategy to develop the breadth and quality of activity in the City	Richard Ball	Cllr Denham
Review the management arrangements for car parking assets to explore whether a single management and enforcement regime can be introduced for all Council car parks to ensure that charging and other policies are consistently and fairly applied.	Sarah Ward	Cllr Denham
Continue to work with the Exeter and Heart of Devon Employment and Skills Board to promote investment in training provision for employers and progress projects which support local people to take advantage of job opportunities	Richard Ball	Cllr Denham
Work with local partners to explore how we can join up services to help residents to find or get back into employment	Richard Ball	Cllr Denham
Review the management and policy framework for the River & Canal function	Sarah Ward	Cllr Denham

Support thriving district shopping centres including Topsham, Cowick Street, Fore Street, Heavitree, Magdalen Road and Whipton Village	Richard Short	Cllr Denham / Cllr Sutton
Work towards a comprehensive re-development of the Bus and Coach Station, including retail space, new swimming pool and leisure facilities and new bus and coach station.	Richard Ball	Cllr Denham/Cllr Sutton
Continue to highlight the potential impact of aviation policies on Exeter Airport and draw attention to the consequences of air passenger duties on regional airlines and airports.	Richard Short	Cllr Sutton
Explore opportunities to secure funding to unlock barriers to building	Richard Short	Cllr Sutton

## Completed Initiatives/Projects - April 2014

<b>Initiative or project</b>	<b>Assistant Director/Corporate Manager</b>	<b>Portfolio Holder</b>
Support the organisation of the Exeter Festival of South West Food and Drink in Northernhay gardens	Richard Ball	Cllr Rosie Denham
Improve democratic accountability in respect of the river and canal to maximise its potential	Sarah Ward	Cllr Rosie Denham
Refurbish the King William Street car park and install charging points for electric cars	Sarah Ward	Cllr Rosie Denham
Rename key car parks to direct customers to where they want to be	Sarah Ward	Cllr Rosie Denham
Parking Tariffs	Sarah Ward	Cllr Rosie Denham
John Lewis opening	Richard Ball	Cllr Rachel Sutton
Help people into employment through an Exeter City Council Apprenticeship Scheme equipping them with skills and vital work experience	Caroline Hall	Cllr Pete Edwards
Introduce 'pay by phone' parking in all Council car parks to provide greater convenience and flexibility to customers wishing to visit and shop in the city.	Sarah Ward	Cllr Rosie Denham