

## **SCRUTINY COMMITTEE - ECONOMY**

11 November 2010

### **Present:**

Councillor Stella Brock (Chair)

Councillors Mrs Danks, M A Baldwin, P J Brock, Payne, Prowse, Robson, Spackman, Sterry, Taghdissian and Ruffle

Interim Director Economy and Development, Head of Economy and Tourism and Member Services Officer (SLS)

### **Also present:**

Councillor Greg Sheldon	- Portfolio Holder for Economy and Tourism
Councillor Rachel Sutton	- Portfolio Holder for Sustainable Development and Transport
Mr David Allen	- University of Exeter

#### **43 Minutes**

The minutes of the meeting held on 2 September 2010 were taken as read, and signed by the Chair as correct.

#### **44 Declarations of Interest**

Members declared the following personal interests:

<b>COUNCILLOR</b>	<b>MINUTE</b>
Councillor Prowse	45 (student landlord)
Councillor Prowse	47 (member of Devon County Council regarding civil parking enforcement )
Councillors Mrs S R Brock, Ruffle and Spackman	49 (individual stallholders at Exeter Respect Festival 2010)

## **MATTERS FOR CONSIDERATION BY SCRUTINY COMMITTEE - ECONOMY**

#### **45 Presentation by David Allen, Exeter University**

Councillor Prowse declared a personal interest as a student landlord.

A presentation was made by David Allen, Deputy Chief Executive of Exeter University about their development plans and the contribution made to the local economy as an employer, as an institution and economic driver. He also spoke about the impact of the spending review on the University and proposals for new graduate contributions. He referred to the University's proven reputation and provided detailed facts and figures about the two campus sites of Streatham and St Luke's and student numbers, which in term time made up 12.5% of the city's population. He emphasised the University's contribution to the local economy, which delivered £360 million of additional economic benefit in 2009/10, and was likely to rise to nearly £450 million by 2012. There had been a significant capital investment both in the academic facilities and student residences with Phase 1 having cost over

£300 million, and Phase 2 should be in excess of £80 million. This was matched by careful management to ensure minimal impact on the environment, and the University's commitment to reduce 60% of their Co2 emissions by 2050.

The University had been working in partnership with a number of organisations throughout the city and been particularly supportive of the case for Exeter and the City Council in the recent Local Enterprise Partnerships consultation. The University continues together with the City Council to be involved in the development of the Science Park, the growth of the Innovation Centre, as well as the expansion of the medical college and building on a productive relationship with the Met Office.

Members asked the following questions -

- Whether any future privatisation would affect the working relationship between the Met Office and the University. David Allen explained that the relationship remained a tangible positive asset for the city, and every effort would be made to maintain dialogue over areas where there was a common interest.
- Whether the Green Travel Plan was rigorously pursued as the increasing numbers of students who brought their cars to University was an issue. David Allen advised that students were strongly discouraged from bringing cars to University and together with staff were encouraged to use public transport. There had been a major investment in the D bus, and he would continue to put the message across to students and work with the City Council.
- What contingency plans were in place if Lord Browne's proposals for higher education funding were not implemented. David Allen outlined the University's financial position and the number of opportunities to progress development and employment including the Science Park which was now under way.
- With just under 15,000 students and increasing numbers now on campus, what targets were set for the future? David Allen referred to the continued investment and current building programme of student accommodation around the Streatham site to address the pressure on the city's infrastructure.
- What assistance could the University offer to help secure the Northcott Theatre's future and if the recent changes in car parking will have an effect on its future. David Allen outlined the plans for the Theatre and the surrounding area which included a new piazza, landscaped areas and provision for disabled parking. He felt sure that once finished, the Theatre would be at the heart of a very attractive environment.
- What could the City Council do to support the University outside of the planning process and should they be working on a more international basis potentially in association with the University. David Allen welcomed any opportunity to continue to work in partnership with the City Council.

The Chair thanked David Allen for his very informative presentation.

## 46 **Impact of Public Sector Spending Cuts**

The Head of Economy and Tourism presented a report which briefed Members on issues raised, based on the analysis of the impact of the public sector spending cuts by the South West of England Regional Development Agency.

The Interim Director Economy and Development commented on the need to view the wider picture and address the dependency and inevitable transfer of activity from the public to the private sector. A Member referred to the recent debate over Local Enterprise Partnerships (LEP's) and if closer partnership working with international organisations such as Exeter University might help attract more inward investment. The Head of Economy and Tourism referred to extensive, existing collaborative work, but it was not clear at this stage who would take the LEP lead as Government was looking for private sector leadership.

The Scrutiny Committee – Economy noted the potential impact of cuts in the public sector on the Exeter economy and that they be kept under review; with both key private and public sector employers invited to outline to Scrutiny Committee an assessment of their organisation's financial "stress" tests, and the level of risk to the Exeter economy.

(Report circulated)

## 47 **Portfolio Holders to Present their Reports**

Councillor Prowse declared a personal interest as a Devon County Council Member in relation to a comment on civil parking enforcement.

Councillor Sutton presented the following priorities within the Transport and Sustainable Development Portfolio for the forthcoming year, and covered the following topics:- *Long Term Spatial Strategy; the Challenge of Delivering Strategic Sites; Quality of Residential Development; The New Growth Point; Affordable Housing; Single Conversation; Climate Change; Bus Station Site; City Centre Enhancements; Long Term Transportation Strategy; Concessionary Travel; Civil Parking Enforcement; 1- 11 Sidwell Street (formerly Debenhams); Canal Basin and the Livestock Centre.*

A copy of the briefing note, together with a brief explanation on each priority was attached as an appendix to the report.

Councillor Sutton gave the following responses to Members' questions –

- That it was in everyone's interest to adequately consult, responding to the comment on the recent proposals for a gypsy and traveller's site at Topsham, but recognised there was a balance to be struck in the extent of engagement on any particular issue.
- That her report was a reflective account on this occasion, and she would provide a detailed programme at a future meeting.
- She reported that the City Council's Leader and the County Council's Director of Transport, Culture and the Environment had met to discuss civil parking issues. The Member referred to adverse publicity for the City Council over the collection of fines in their capacity as agents for the County Council.

A copy of the briefing note, together with a brief explanation on each priority was attached as an appendix to the report.

Councillor Sheldon presented the following priorities within the Economy and Tourism Portfolio for the forthcoming year, and covered the following topics:- *Developments - the Bus and Coach Station site, 1 – 11 Sidwell Street ( formerly Debenhams), Canal Basin, and Livestock Centre; Economic Development Strategy - Supporting New Businesses, City Centre Promotion, Science Park, City of Science, Inward Investment, Skills and Workforce Development, and Tourism; Strategic Priorities; Regional Growth Fund; “Re-Localising the Business Rate”; and Local Enterprise Partnership*

Councillor Sheldon gave the following responses to Members’ questions –

- that a number of options would be explored in respect of the Livestock Centre.
- He hoped that a sound solution would be found for the Old Electricity Building, but that and the development of the Outdoor Centre at Haven Banks, presented many challenges.
- He welcomed more collaborative work between the city’s high schools and colleges, to encourage and develop more of an interest in science, and the future development of the Science Park should contribute to such a prospect.

A copy of the briefing note, together with a brief explanation on each priority was attached as an appendix to the report.

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

## **MATTER FOR CONSIDERATION BY THE EXECUTIVE**

### **48 A Sustainable Energy Future - A Strategic Partnership with E.ON**

The Interim Director Economy and Development presented the details of a proposal to enter into an Energy Partnership agreement between the City Council and the energy supplier E.ON. This will enable the City Council to continue their environmental and economic aim to reduce carbon emissions as well as support business growth and long term sustainability, and build on the resolutions agreed by the Council’s Executive in February 2010. The Partnership arrangement will also provide the opportunity to pool the available expertise, resources and financing options within the respective organisations in order to progress the delivery of projects.

The Interim Director responded as follows to Members’ queries:

- In terms of the benefits for the City Council, the Partnership will enable a local energy solution to drive low carbon standards ever higher, particularly in planning. E.ON has recognised that future business will require a greater community involvement to reach a solution to ensure sustainable development, as well as improving their environmental credentials.

- Although a number of practicalities were recognised, this Partnership did not have any apparent risk and will help focus and draw together existing work with no additional financial commitment.
- In the unlikely event that that this Partnership did not work out equitably, then the model structure could be changed without any obligation.
- That following Members' comments there would be a more regular review of the work of the Partnership on a quarterly basis, and the suggestion of additional officer meetings would also be explored.

The Scrutiny Committee – Economy welcomed and supported the proposal and recommended approval of the following action by the Executive that :-

- (1) Exeter City Council enters into an Energy Partnership agreement with E.ON and East Devon District Council;
- (2) the Exeter and East Devon New Growth Point Board function as the governance structure for assessing performance and managing the Partnership;
- (3) the Partnership will seek to engage Devon County Council in taking forward the work programme;
- (4) the New Growth Point Projects Director act as the principal lead for the Partnership; and
- (5) a review of progress on both the working of the Partnership and the Energy Strategy be made quarterly.

(Report circulated)

## **MATTER FOR CONSIDERATION BY SCRUTINY COMMITTEE - ECONOMY**

### **49 Festivals Review 2010**

Councillors Mrs S Brock, Ruffle and Spackman declared personal interests as individual stallholders at Exeter Respect 2010.

The Head of Economy and Tourism presented a review and report back on the performance of the festivals portfolio, including the Autumn Festival 2009, Animated Exeter, Vibraphonic and the Summer Festival 2010. He summarised the main characteristics of each of the festivals, as well as providing a detailed breakdown of the marketing analysis and financial implications. Funding support for events remained a challenging issue, although they continued to explore smaller funding opportunities and alternative ways of working with a number of venues in the city. He responded to a Member comment about increasing the scope for sponsorship, stating that the challenge was particularly great in the current economic climate. Sponsorship levels had dwindled in recent years from a high of over £80,000 to just £16,000, despite the hard work and effort of the marketing team. The reduction in sponsorship had meant a reduced ability to take more risk on cutting edge or more expensive familiar performers. There were still opportunities to cross subsidise events, but the capacity for tickets sales had changed.

The Head of Economy and Tourism also replied to a Member about housekeeping in relation to the stocks of marketing literature and brochures displayed in hotels and establishments around the county, stating that where possible his staff directed enquiries to the web site, but demand for brochures remained high. A distribution service refreshed and ultimately collected any out of date brochures as well as providing individual feedback to adjust future stock levels to minimise wastage.

Scrutiny Committee – Economy noted the report.

(Report circulated)

## **50 Capital Programme Monitoring**

The Interim Director of Economy and Development presented a report which advised Members of the latest position with regard to the 2010/11 capital programme for the Economy and Development Directorate. This report also included a summary of the position at the end of September 2010, together with an appendix which contained a complete list of capital projects. The Interim Director highlighted a number of schemes and responded to a Member comment on the deferral of funding for enhancement work at Central Station due to the mounting pressures on the County Council's capital programme.

Scrutiny Committee – Economy noted the report.

(Report circulated)

## **51 Economy Scrutiny Stewardship to September 2010**

The Interim Director Economy and Development presented a report which advised Members of any forecast variations to the budget, based on the first six months of the financial year 2010/11. This highlighted any differences by management unit to the outturn forecast for the first six months of the financial year up to 30 September 2010, compared with the approved annual budget. During this period the total of the variances for overall net expenditure for this Committee would decrease by £265,170 and included supplementary budgets of £21,610.

The Interim Director referred to the Archaeological Field Unit, which had worked hard to address their significant deficit. Planning had a reduced income from development applications in part due to the economic downturn and general lack of construction taking place. A Member referred to the City Council's relatively low planning fee for major developments and if that might be remedied in the future. The Interim Director referred to current debate and hoped that there might be more flexibility or discretion in the future. He responded to enquiries on bus shelter maintenance and would pursue the accuracy of anticipated energy savings in respect of street lighting, although this might be in relation to a number of private streets, but he would make enquiries and update Members if necessary.

Scrutiny Committee – Economy noted the report.

(Report circulated)

## **52 Risk Management**

The Interim Director Economy and Development presented a report which identified the risks relating to the areas within the remit of this Committee, and of the actions

proposed and taken to mitigate the risks concerned. He highlighted the significant new risks identified in the latest review.

Scrutiny Committee – Economy :-

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

(Report circulated)

### **53 Half Year Results of Performance Monitoring 2010/11**

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

Scrutiny Committee – Economy noted that the report.

(Report circulated)

### **54 Property Voids and Debts**

The Interim Director Economy and Development presented a report which informed Members of the City Council's commercial portfolio regarding void properties as at 30 September 2010, and debts for the four quarters ending on the September 2010 quarter day. The report identified key local indicators including both long and short term vacant property levels against a relatively robust performance of the portfolio against national and regional trends. A further update to the report was made.

Scrutiny Committee – Economy noted the report.

(Report circulated)

The meeting commenced at 5.30 pm and closed at 8.30 pm

Chair