

EXETER CITY COUNCIL**SCRUTINY COMMITTEE – ECONOMY
7 MARCH 2013****EXECUTIVE
19 MARCH 2013****PREPARATION OF KNOWLEDGE ECONOMY STRATEGY 2013- 2018****1. PURPOSE**

- 1.1 To seek support for the preparation of a strategy and action plan setting-out how the City's economy could benefit from focussing on the development and attracting of science and technology organisations, creating high quality employment.

2. BACKGROUND

- 2.1 The Development of the knowledge economy has been an ongoing priority for sometime for the City Council and its existing Economic Development Strategy, and in its partnership working with its neighbours, East Devon District Council, Devon County Council, the University of Exeter, Peninsula College of Medicine and Dentistry, Exeter College, the Met Office and others. The current ongoing economic difficulties and the uncertain future facing different sectors in the city, have lead to a realisation that the city has to embrace the need for managed change in its economy and that it has had to deliver the infrastructure needed to support and facilitate economic growth.
- 2.2 The knowledge economy is described as being based around activities which create value from exploiting knowledge and technology rather than physical assets and manual labour. It is growing primarily because consumer demand has increased for different types of products and services, and because the methods involved in making them are changing. New highly skilled jobs in developing, managing, and applying these knowledge based assets are replacing older technologies and approaches. The economic drivers resulting from these changes represent a fundamental and sometimes considered irrevocable shift in how organisations work, apply their resources, create value, change employment practices and where they choose to operate.
- 2.3 Against a background of reducing average income levels and enforced restructuring of the economy, supporting the growth of higher value jobs is an essential element of looking to the future success of the city. There is no room for complacency arising out of the relative positive position of the city's economy. In the short to medium term, supporting the creation of such employment opportunities will be especially important as the city seeks to recover from the recession. In order to facilitate recovery and growth, it will be important to be clear about and play on the city's strengths, identify its relevant key assets and be realistic about the sources from which growth is likely to come.
- 2.4 Recent developments and the achievements of key organisations in the city have created what might be regarded as a platform for facing up to the key challenges to

growing the city's knowledge economy. A proposed strategy will build upon the opportunities arising out of:

- Exeter's position as a principal economic driver and its relationship with the wider "real" economic geography of the city, including its economic relationships with East Devon, Mid Devon and Teignbridge.
- rationalising and promoting the city as a prime location for investment and relocation
- the important strategic developments including the Exeter Science Park, Skypark Business Park, and existing developments, organisations and networks such as the Innovation Centre, the Met Office and the "Exist" initiative by the Chamber of Commerce
- the research and development strengths of the University of Exeter, recently acclaimed as University of the Year with its developing world class research environment with positive engagement and knowledge transfer between users of research in industry, government and the third sector.
- the above national average level of employment in the knowledge economy in the area and the above average skills levels
- the high quality of life in the city and surrounding area

3. PROPOSAL

- 3.1 It is recommended that specialist advice is sought and provided to the City Council, and to key partners, on the potential opportunities to grow the city's knowledge economy further as 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.
- 3.2 A strategy needs to be developed to set out the opportunities for growing the knowledge economy and key realistic and achievable actions that should be taken to realise these opportunities. The strategy should identify and deal with barriers to progress which might be related to the workforce and skills, access to finance, sites and premises, issues affecting the productivity of the area, targeting key potential "anchor" organisations and the perception of the area.
- 3.3 The consultants will be required to engage with other key agencies and major private and public (including academic) sector organisations involved in or whose activities influence economic development in the Exeter economy and who will be instrumental in achieving the aims of the strategy.
- 3.4 The consultants will be required to include realistic recommendations for how key proposals could be achieved and resourced.

4. FINANCIAL IMPLICATIONS

- 4.1 It is estimated that the cost of this piece of work should be no more than £20,000, but that measures will be taken to produce the strategy for less.
- 4.2 The project can be funded from the unallocated element of the New Homes Bonus receipts.

5. RECOMMENDATION that:

- 5.1 Scrutiny Committee – Economy agree that a strategy be developed to promote the further development of the city's knowledge economy.
- 5.2 Executive approve funding of up to £20,000 be provided to secure specialist advice to prepare the strategy.

**RICHARD BALL
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Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

None