

EXETER CITY COUNCIL**SCRUTINY COMMITTEE – ECONOMY
5 JUNE 2008****EXETER AND HEART OF DEVON
ECONOMIC DEVELOPMENT STRATEGIES 2008– 2013****1.0 PURPOSE**

- 1.1 To seek Members' views on the emerging Exeter and sub-regional economic development strategies covering the period 2008 – 2013.

2.0 BACKGROUND

- 2.1 Work has started on updating the Exeter and Heart of Devon Economic Strategy which will include a separate strategy focussing on specific issues related to the City.
- 2.2 Exeter's economy is at the core of the Exeter and Heart of Devon (EHOD) sub-region, an area which sits across the districts of Exeter, East Devon, Mid Devon and Teignbridge. Exeter's sub-region is a principal economic driver making it an important part of the South West economy.
- 2.3 The Council has supported the economic development of the city under the banner of the EHOD Economic Partnership's Economic Development Strategy 2005 – 2008. The Strategy complements the Exeter Vision and also the South West Regional Development Agency's (RDA) Regional Economic Strategy.
- 2.4 Strategic economic development issues specific to Exeter were incorporated within the EHOD document. The strategy provides a framework for the economic development activities of the City Council, neighbouring authorities and key agencies focussing on promoting and securing the growth of businesses, a better-trained workforce, helping people into work, the availability of employment land and investment in transportation and communications infrastructure.
- 2.5 The Vision for the current EHOD Economic Development Strategy included an aspiration for Exeter to develop its role as the main commercial and regional centre west of Bristol. The Strategy highlighted that whilst the city and the surrounding area had enjoyed surges in investment and had established the foundations for a successful and sustainable modern economy, the city and the sub-region was faced with a number of significant challenges, which partners needed to address in order to grasp the benefits offered by emerging opportunities, including: -
- sustaining and building upon the recent growth in the economy
 - developing a highly productive knowledge-based sector (includes telecommunications, computer and information services, business services, high-technology industries) in the economy
 - facilitating investment in strategic communications infrastructure, sites and premises
 - tackling social and economic exclusion
 - investing in skills and learning to enable the existing and future workforce to contribute to and benefit from improving economic productivity.

- 2.6 These opportunities required partners to work concertedly to respond to the social, technological, economic and environmental changes already underway, namely:
- a growing population and labour force
 - in-migration of wealthy retirees, many of which are relatively young and highly skilled
 - low unemployment but comparatively low level of household incomes
 - low levels of new business formation
 - young people continuing to move out of the sub-region to achieve high wages and/or more affordable housing
 - requirements for the workforce to have advanced ICT skills and a commitment to lifelong learning
 - competition for investment with many communities in Eastern Europe, the Far East, as well as the rest of Western Europe and other parts of the UK.
- 2.7 For Exeter, the EHOD Strategy suggested that positive change could be achieved by focusing on the following objectives for the city: -
- sustain the city's competitive position by aiming to grow the numbers employed in knowledge based industries for Exeter and the Heart of Devon by a further 1%, up to 10.5% , representing a target of 1,900 jobs
 - securing investment in and development of strategic communications and transportation infrastructure
 - make available sufficient and suitable employment land to meet strategic and local business needs across the city and work with neighbouring authorities to facilitate the development of strategic employment land
 - significantly reduce social and economic exclusion of the local population by facilitating projects which reduce the number of households earning less than £15,000 per annum
 - improve the competitiveness of local businesses by encouraging investment in workforce skills and development
 - achieve a balanced housing market including the provision of an adequate supply of affordable housing.
- 2.8 The contributions towards the EHOD Strategy made by the economic development service working in partnership with others were reported to this Committee in January 2008.
- 2.9 In December 2007 Executive approved funding for the production of a new EHOD Strategy for 2008 – 2013. The updated strategy is being jointly funded with Teignbridge and East Devon District Councils. In order that issues particular to the city are given due attention, the consultants will also set out a strategy specific to Exeter.
- 2.10 Some current initiatives, such as those major projects to the east of Exeter will carry forward as a priority; namely the Science Park, the multi-modal freight terminal and development of the Airport. These projects will be affected by changes in the performance of the UK and local economy and are reliant on public and private sector funding which will influence to a greater or lesser extent the pace of development.

2.11 This work will also need to: -

- take account of and build upon these opportunities and others
- advise on how best to promote a more enterprising culture
- address current and future skill issues
- address pockets of deprivation related to low incomes and employability
- maintain and develop the competitive position of the city through attracting additional private and public investment whilst raising income levels amongst employed people.

2.12 In February 2008 following a tendering process, Cooper Simms consultancy was appointed to undertake the work on behalf of the partners.

3.0 PROGRESS

3.1 Working with Officers, Cooper Simms have:-

- analysed existing data and the state of the economy, drawing also on work from Local Futures who produced the 'State of Exeter' report for the Exeter Vision – Community Strategy
- carried out a series of one to one interviews with key stakeholders
- facilitated a series of workshops in Exeter, East Devon and Teignbridge to draw out the views of key employers and relevant agencies

3.2 At Scrutiny Committee, Members will receive a presentation for discussion from Cooper Simms setting out the emerging issues and actions being proposed.

3.3 Following this presentation, revised draft economic development strategies for both EHOD and for the City Council will be circulated widely with key stakeholders in the private, public and voluntary sectors for comment before the final strategies are produced in the autumn.

4.0 FINANCIAL IMPLICATIONS

4.1 Any financial implications for the implementation of the City of Exeter and EHOD economic development strategies will be reported to Committee on a project by project basis.

5.0 RECOMMENDED that: -

5.1 Members note the report and provide their views on the emerging strategies for Exeter and also for the Exeter and Heart of Devon Economic Partnership.

5.2 Members support the key aims and priorities as discussed as the basis for wider consultation.

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ECONOMY AND DEVELOPMENT DIRECTORATE

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

Background papers used in compiling this report:

1. Exeter Vision – the city's community strategy
2. Regional Economic Strategy for the South West of England
3. Exeter and Heart of Devon Economic Development Strategy 2005 – 2008
4. Scrutiny Committee – Economy, 17 January 2008, 'Economic Development Service Overview