

REPORT TO: SCRUTINY COMMITTEE – ECONOMY
Date of Meeting: Scrutiny Committee Economy – 10 September 2015
Report of: Maureen Gori-de-Murden, Senior Economy & Tourism Officer
Title: Exeter Commercial Property Register

Is this a Key Decision?

No

Is this an Executive or Council Function?

Executive

1. What is the report about?

- 1.1 To report on Exeter City Council's handling of investment and relocation enquiries during the previous 12 months and enhancements being made to the Exeter Commercial Property Register.
- 1.2 To update members on progress made in improving the toolkit available to attract and respond to business relocation and inward investment enquiries.
- 1.3 To report on considerations being made to expand the service to cover East Devon, Mid Devon and Teignbridge (Exeter & the Heart of Devon) local authority areas with financial and staffing contributions being made by each local authority.

2. Recommendations:

- 2.1 That Scrutiny notes and comments on progress made with the Exeter Commercial Property Register and the City Council's role in dealing with investment and relocation enquiries
- 2.2 The intention is to expand the area covered by the existing Commercial Property Register and business relocation service to cover Exeter & the Heart of Devon.

3. Reasons for the recommendation:

- 3.1 To inform members of the progress and success made with the Commercial Property Register, in dealing with investment and business relocation enquiries.

4. What are the resource implications including non financial resources:

- 4.1 The Senior Economy & Tourism Officer manages and coordinates the Commercial Property Register and business relocation service for Exeter.
- 4.2 A small number of other staff within the Economy & Tourism unit assist, and or lead on some aspects of work within this committee report.
- 4.3 The Commercial Property Register has been developed with the potential to be expanded to cover a larger area, on the condition of a financial contribution from partners. .

5. Section 151 Officer comments:

- 5.1 There are no financial issues to raise on the basis that the costs of expanding the Exeter Commercial Property Register to cover East Devon, Mid Devon and Teignbridge will be met by the respective local authorities.

6. What are the legal aspects?

- 6.1 Please see Monitoring officer comments below.

7. Monitoring officer Comments:

- 7.1 Legal Services have not been asked to consider how the financial position between the parties is to be governed. It would appear that no consideration has been given as to whether this proposal might adversely impact on the Council in terms of liability. For example, have we ensured Exeter City Council officers have sufficient professional Indemnity cover?

8. Background

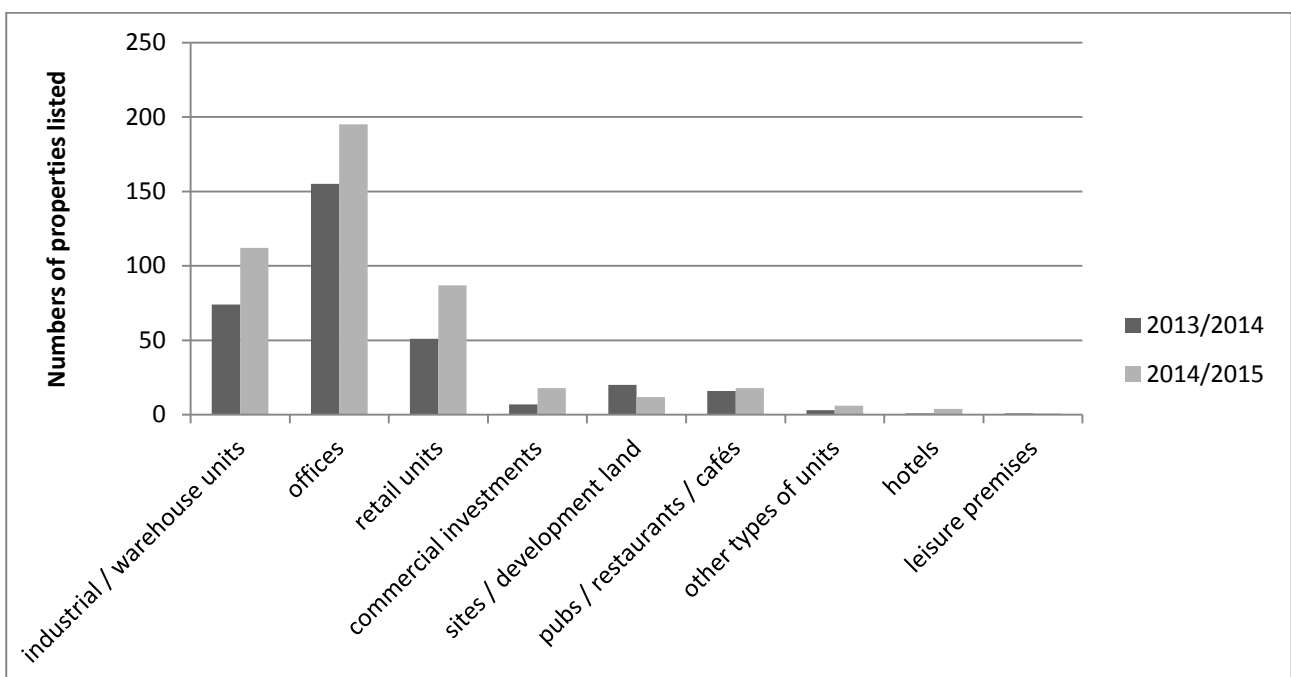
- 8.1 Exeter City Council provides a Commercial Property Register accessible through www.exeter.gov.uk/property which is an unbiased advice service to businesses looking to relocate to Exeter or expand their existing business in the city, and approximately a 3 mile radius. Research into the users of the service confirms that it is seen as a confidential and trusted source of information. The Commercial Property Register is a one stop shop with up to date information on available vacant properties and sites, saving them time in searching, but also an extensive range of essential data about premises costs, the workforce, education, housing, leisure and transportation access.
- 8.2 In 1999 Exeter City Council created a basic database of vacant properties and sites for organisations registering an interest to relocate in Exeter, securing new accommodation or investing in the city, replacing a basic paper based system. In 2002 the Commercial Property Register and enquiries database were converted to enable it to be viewed and browsed online through www.exeter.gov.uk/property. Exeter City Council was the first Council in the country to have an online Commercial Property Register on its website.
- 8.3 In 2004 the service was expanded to cover the East Devon, Mid Devon and Teignbridge local authority areas under the banner of the Exeter & Heart of Devon Economic Partnership. In 2011 the Commercial Property Register was contracted to an outside company. Following numerous problems and poor results over a two year period, the contract was terminated and the Commercial Property Register brought back in-house March 2014. During this period of time, neighbouring local authorities ceased funding the Commercial Property Register, going forward it only focused on the Exeter area.
- 8.4 Working with IT Services (now Strata) a new and much improved Commercial Property Register covering Exeter was launched mid-May 2014. Map-based searches, which were missing from the contracted-out version, were reintroduced and improved, and are proving very popular with users. A mobile version has also been launched enabling smartphone and tablet users to search for property around them while they are out and about
- 8.5 Our neighbouring local authorities have seen their relocation enquiries disappear and business relocations reduce. The Senior Economy & Tourism Officer is in discussions with senior management and officers with a view to resurrecting the EHOD Commercial Property Register and business relocation service, on the condition they contribute financially and provide a staffing resource.
- 8.6 The Commercial Property Register is part of a broader “tool kit” to provide businesses with a bespoke service for those wishing to relocate to, or expand in, Exeter. The key aim is to provide a coordinated and proactive approach to support and encourage business investment and location in the local economy – a one stop shop approach. The Economy & Tourism unit works closely and confidentially with commercial agents and properties within and surrounding the city.

9 Exeter Commercial Property Register

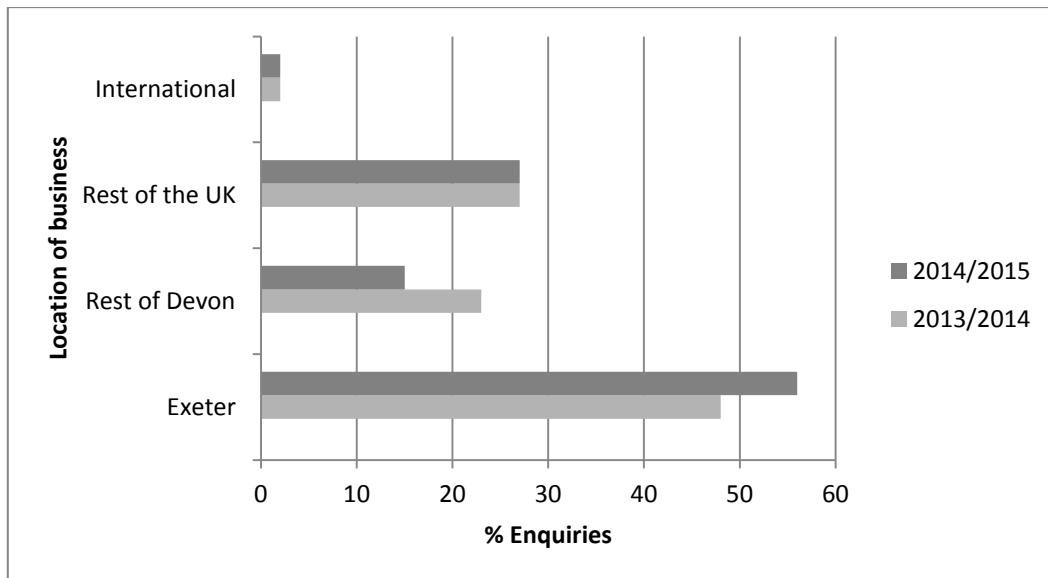
- 9.1 Over the past ten years the Commercial Property Register has grown from strength to strength with a wide range of commercial agents working with the City Council. They use the system to provide an additional vehicle to promote vacant properties. Local, regional,

national and international businesses use the system to browse for vacant properties in Exeter on one website.

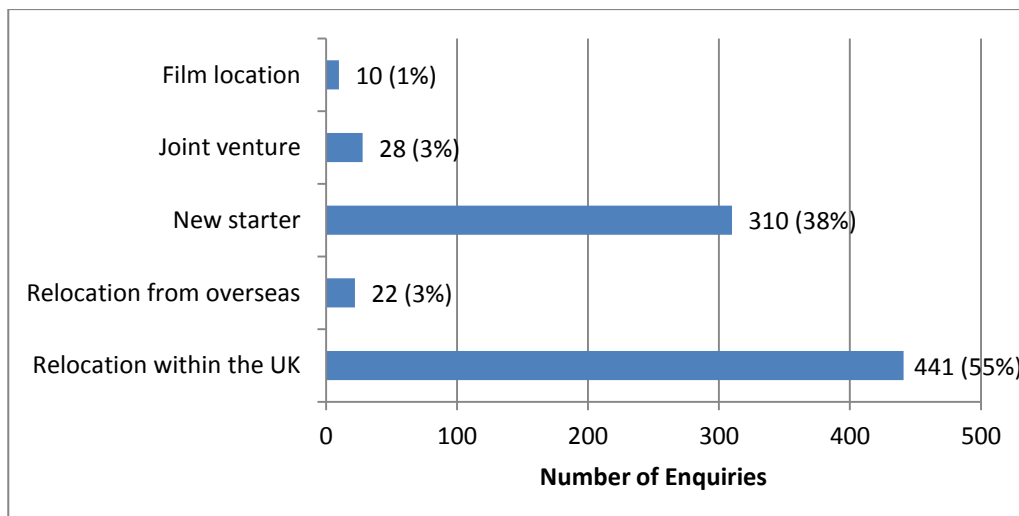
- 9.2 Today, 52 commercial agents update the Commercial Property Register, with new properties being uploaded on a daily basis. If expanded to cover the wider EHOD area, approximately 200 agents will update the Commercial Property Register. Our neighbouring local authorities have indicated they will contribute staff resources to enable this to happen.
- 9.3 Commercial agents have access to the back office of the Commercial Property Register to upload vacant properties. An email reminder is sent to commercial agents every month to check properties listed and update as necessary. Statistics on the number of page views and downloads are included within these emails, which the agents find particularly useful. An information sharing network has been established between the Economy & Tourism unit and the commercial property agents based in and around Exeter. This has worked well in dealing with and providing a rapid response for property related investment enquiries. The number of enquiries passed on by commercial agents to the Economy & Tourism unit continues to grow as the relationship with them has been built on trust and confidentiality.
- 9.4 In July 2015 79% of users of the Commercial Property Register viewed it through a desktop, while 21% used the mobile version. Regarding recent changes, feedback from users and commercial agents has been very positive. The Commercial Property Register captures data on all registered users and all searches carried out by these users, with a comprehensive reporting system having been developed to analyse this data.
- 9.5 As of August 2015, there are 453 vacant properties listed on the Commercial Property Register, of which 433 are properties and 20 are sites. This compares to 328 vacant properties, for the same period last year. If the Commercial Property Register were to be expanded to cover EHOD, approx 900 properties would be listed on the website giving the site an even higher profile with search engines.
- 9.6 Each vacant property listed on the Commercial Property Register is categorised for ease of use, as shown in the table below. The number of industrial, office, retail and commercial investments registered on the Commercial Property Register have all seen an increase in the number of properties listed over the previous 12 months.



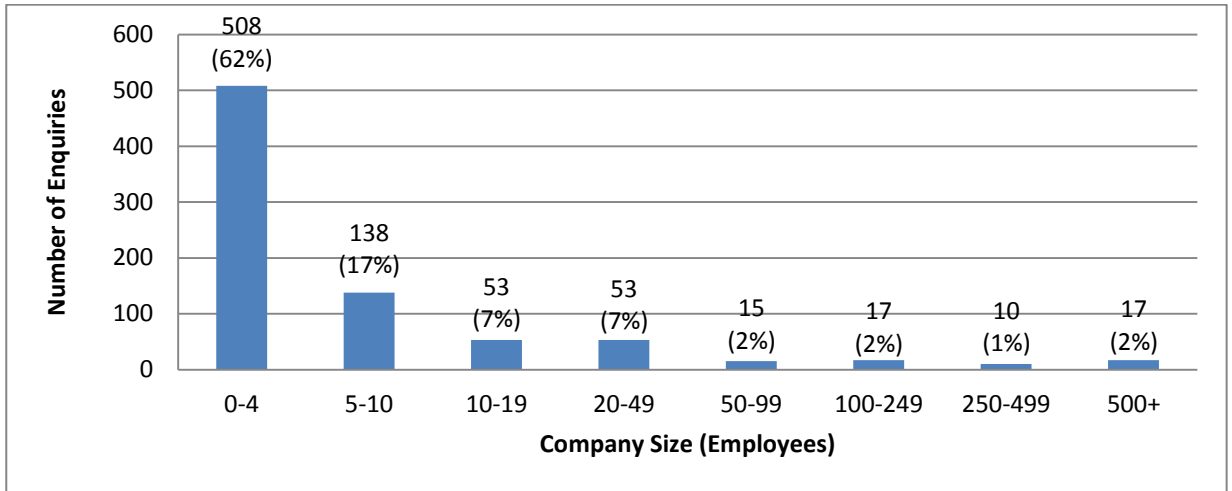
- 10.1 The table in Appendix 1 shows the number of enquiries received through the Commercial Property Register since 2007, a steady increase since the recession. In recent months, the server in which the Commercial Property Register sits on has received a number of cyber attacks, resulting in no enquiries being received. No data has been compromised, but it has been necessary to take the Commercial Property Register website down a number of times, which has impacted on the number enquiries received. In the 12 months leading up to 31 July 2015, 811 new relocation enquiries were received by the Economy & Tourism unit, compared to 1,033 during the same period in the previous year. Exeter is one of the few councils in the South West seeing such a healthy number of relocation and investment enquiries.
- 10.2 When we drill down into where a business is located that is looking for a vacant property in the city, the majority of businesses are located within Exeter but a significant number are from outside Devon.



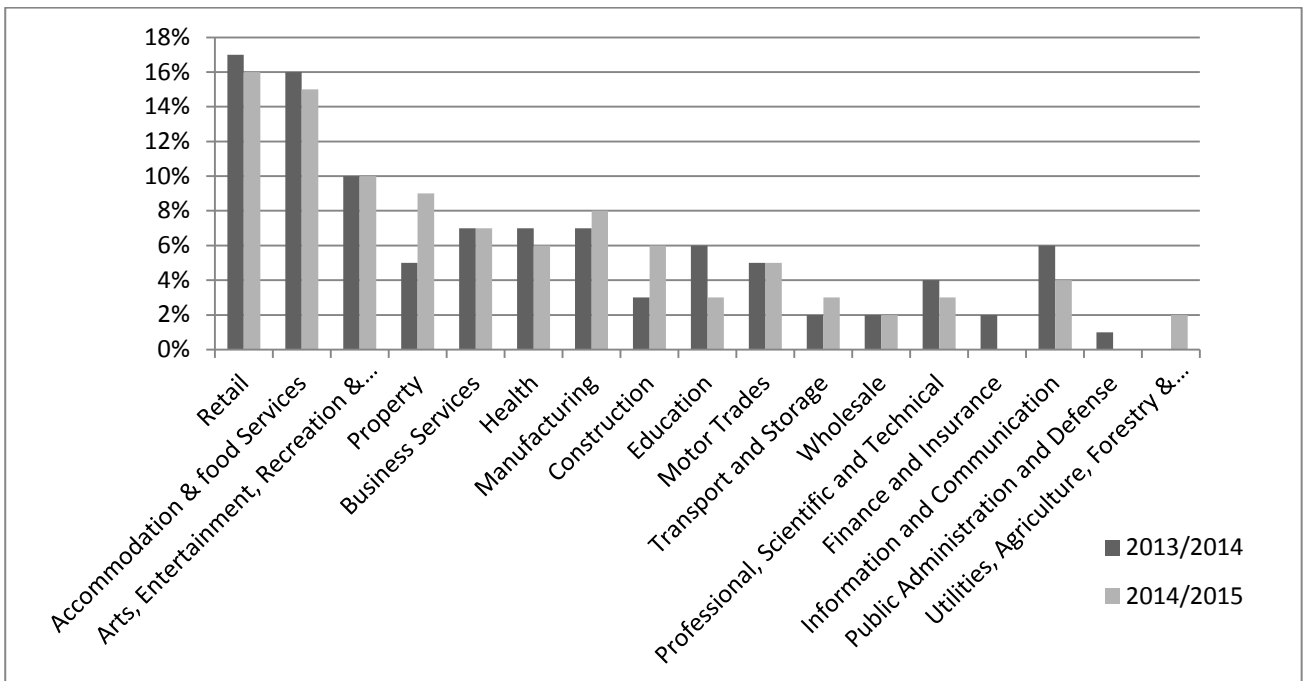
- 10.3 The vast majority of users of the Commercial Property Register (55%) are relocating companies, either based in Exeter or further afield. Of the 441 that were looking to relocate within the UK, only 30 stated that it was for consolidation reasons.



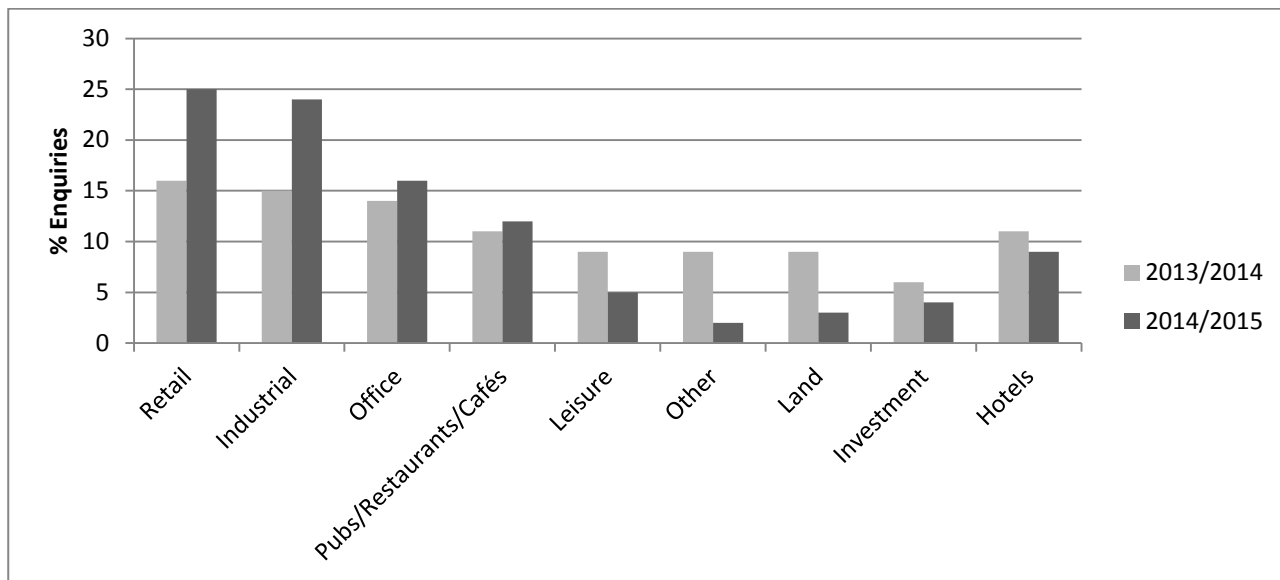
10.4 Analysis can be carried out on the size of the companies that have registered to use the Commercial Property Register. The table below shows the employee size of the companies that have registered – over the previous 12 months. This links very closely with the type of businesses that relocate to Exeter – in terms of employee size.



10.5 The table below show the types of businesses searching for vacant properties on the Commercial Property Register in the previous 12 months, comparing to the same period the previous year. We have seen increases in property, construction, transport and utilities.



10.6 When analysing the Commercial Property Register, we can monitor what type of vacant property someone is searching for, as shown below. Historically, retail has always been the most popular searched for vacant property. The chart below shows a shift over the previous 12 months to more retail and industrial enquiries. This has been confirmed by local agents who have seen a strengthening in these sectors.



10.7 The majority of online traffic to the Commercial Property Register is coming from www.exeter.gov.uk/property which shows how popular and important the City Council website is for driving traffic to the Commercial Property Register. Traffic to the main website has been dropping over the last 12 months. It is hoped that the redesigned website being launched in the autumn will rectify this.

10.8 The back office reporting system generates weekly reports which are sent to Business Rates to assist in the timely collection of Business Rates. Reports are also generated for City Development to assist with responses to proposed planning applications and to ensure there is sufficient supply of vacant properties to meet demand.

10.9 As a result of businesses using the Commercial Property register, in the previous 12 months (July 2014 – July 2015) 25 companies were successfully assisted to relocate or remain in Exeter, creating and safeguarding 224 jobs. The time taken for enquiries, particularly larger ones to come to a conclusion, often takes a long period of time. The recent and most notable example is IKEA, who are still planning to open a new store in Exeter. The Economy & Tourism unit, along with City Development and other parts of the City Council have been working with IKEA since 1999.

10.10 The Economy & Tourism unit are currently dealing with a number of business relocation enquiries, below is just a sample:

- A Dutch research & development company is looking to set up its HQ in Exeter, initially creating 15-20 jobs and looking to expand rapidly to 40 jobs.
- A London based technology company is looking to open a satellite office in Exeter for 6 development staff and considering relocating their main office to the city centre.
- A distribution company looking for a site for a 200,000sq ft+ distribution centre with good road links.

10.10.1 In terms of an update on the companies mentioned in last year's report:

- The South African, Barkermad Ltd has successfully relocated their sales office to Exeter and will be attending the Growth Marketing Task & Finish Group in September to share their experiences of relocating to Exeter.
- Gamma Solutions continue to flourish following their relocation to the Innovation Centre in Exeter and state that the move "was the best thing to have ever happened to Gamma". They have outgrown their current premises and are looking to move to larger premises shortly.

10.11 As previously mentioned, the Commercial Property Register is part of a tool kit to promote Exeter as a desirable place for inward investment and business relocations. It is an integral part of an interlinked programme of activities to promote the city and provide effective response mechanisms to interested parties. The main elements are:-

10.11.1 Invest in Exeter Promotional video

The promotional video was launched November 2014 and has since received over 8,800 views on You Tube. The promotional video has also been translated into Spanish, Chinese and Portuguese. The video has recently been edited to create a number of much shorter 30 second videos.

The video is available for councillors and staff to use for presentations and when attending conferences and exhibitions to promote Exeter. The video has been edited for tourism promotion purposes in the run up to Rugby World Cup 2015.

10.11.2 Exeter Image Library

In 2014 the Economy & Tourism unit appointed Tony Cobley to develop an extensive image library on Exeter, specifically related on inward investment and business relocations. These new images have been used extensively within the new prospectus and website. Images have been shared with local commercial agents, local and national press, Invest in Devon and Heart of the South West Enterprise Agency to assist in the promotion of Exeter. New images will be commissioned over the following 12 months.

10.11.3 Exeter Inward Investment Prospectus

The Exeter prospectus has been designed in a folder format to ensure it is flexible in its content showcasing Exeter for inward investment and business relocation enquiries. The prospectus is being distributed at relevant conferences, events and exhibitions, and to key industry leaders and journalists.

10.11.4 Website

The promotional website www.investinexeter.co.uk is the main call to action, with prominent links to the Exeter Commercial Property Register. The site has been up and running since May 2014 with new content being added daily, including business related Exeter news stories and success stories. This website sits within the main City Council's website, but having its own URL address. It is currently being reviewed as part of the overall review of the main City Council website and will be re0launched autumn 2015 with a new look and feel, incorporating a new responsive design.

10.11.5 PR

February 2015, the Economy & Tourism unit commissioned KOR Communications to manage activity to raise the awareness and change the perception of Exeter to local, regional and national journalists and media. Campaign activities will run throughout the year to December 2015. A key event managed by KOR Communications, was the 'A Glimpse into Exeter's Future' that took place in early June 2015. This was the first public event to take place in the newly-opened Exeter

Science Park Centre. With a prestigious guest speaker, futurologist Dr Ian Pearson, this event attracted a good deal of media interest. More importantly, it established and in some cases re-established good working relationships with neighbouring local authorities and organisations. The event was funded by the Heart of the SW Local Enterprise Partnership (HotSW LEP).

10.11.6 **Twitter**

The @InvestInExeter Twitter account now has 1,120 followers (up from 750 six months ago). This social media channel is used to celebrate good news stories such as new businesses relocating to or within the city, research and city developments. This is to ensure that there is a consistent positive message about Exeter's growing economy.

11 Future Position

- 11.1 As previously mentioned, discussions are taking place with a view to resurrect the EHOD Commercial Property Register and business relocation service, covering Exeter, East Devon, Teignbridge and Mid Devon. Additional funding and staff resources have been requested from our partners in order to have the service up and running as quickly as possible.
- 11.2 The Economy & Tourism unit will continue to work closely with, but not limited to, Exeter Science Park, Invest in Devon and the Heart of the South West Local Enterprise Agency to promote Exeter for inward investment and business relocations.

12 How does the decision contribute to the Council's Corporate Plan?

- 12.1 The Exeter Commercial Property Register contributes to 'Building a stronger sustainable city' and the main purpose of help me run a successful business.

13 What risks are there and how can they be reduced?

- 13.1 Legal advice and a SLA will be drawn up to reduce the risk to the City Council from expanding the Commercial Property Register to cover East Devon, Mid Devon and Teignbridge.

14 What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults; economy; safety and the environment?

- 14.1 The Commercial Property Register and promoting the city for inward investment encourages businesses to relocate to, or expand in, Exeter. This creates new and safe guards existing jobs within Exeter, providing employment opportunities for residents from all communities in the city.

15 Are there any other options?

- 15.1 The option to outsource the Commercial Property Register was taken in 2011, but was brought back in-house as the service provided was inferior and did not provide the full range of what could be provided from an in-house system. This option of outsourcing will not be looked into.
- 15.2 There is the option to stay as we are and only cover the Exeter area. We have found that the number of people using the service and relocating to the area has reduced. Expanding into our neighbouring local authority areas will greatly assist in the promotion of the area for inward investment and business relocations.
- 15.3 The option to close down the Commercial Property Register will be seen as a huge step back in the assistance and promotion of Exeter for inward investment and business

relocations. It could result in a reduction in the level of investment in Exeter and potentially some businesses relocating elsewhere, resulting in redundancies.

Maureen Gori-de-Murden, Senior Economy & Tourism Officer

Victoria Hatfield, Economy & Tourism Manager

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

Contact for enquiries:

Democratic Services (Committees), Room 2.3, (01392) 26115

APPENDIX 1

Table: Number of enquiries through the Commercial Property Register

Month	2007	2008	2009	2010	2011	2012	2013	2014	2015
Jan	148	146	76	86	44	120	79	99	70
Feb	137	116	72	74	75	191	121	122	68
Mar	147	120	72	88	97	159	80	90	67
Apr	121	125	74	73	49	87	116	*	49
May	125	69	71	59	47	98	120	*94	46
Jun	121	81	61	62	74	43	85	93	62#
Jul	129	73	59	73	44	59	113	72	52#
Aug	108	74	53	71	39	83	89	62	
Sep	112	75	59	75	55	59	96	83	
Oct	116	75	69	72	66	117	115	70	
Nov	112	75	69	75	*61	99	99	81	
Dec	80	39	41	39	89	46	64	29	
Total	1456	1068	776	847	740	1161	1177	895	
<i>Average number of enquiries per month</i>	121	89	65	71	62	97	98	75	59

* Indicates Exeter Commercial Property Register was offline, 14 – 30 November 2011 and 1 April – 13 May 2014.

Indicates Exeter Commercial Property Register server attacked and was taken offline as a precaution.