

# EXETER CITY COUNCIL

**EXECUTIVE  
7 APRIL 2009**

## **EXETER AND THE RECESSION**

### **1.0 PURPOSE OF REPORT**

- 1.1 To advise Members of the current situation and the City's response to the recession and to consider potential initiatives in response.

### **2.0 INFORMATION**

- 2.1 With clear evidence emerging over the last few months of the substantial and growing impacts of the global recession on business, employment, housing and social conditions, a range of key stakeholders have been anxious to discuss the situation as it affects Exeter and to establish what measures could be taken, in a co-ordinated manner, to limit the impact of the recession and to identify ways of assisting the recovery. To this end, the City Council convened a session on 5 March, attended by a range of public and private sector stakeholders to review the situation and identify a number of key actions. To facilitate full openness of discussion the meeting was held under 'Chatham House' rules, but the key elements emerging from that meeting are outlined below.
- 2.2 It would seem that whilst local unemployment has increased significantly, the increase in Exeter is lower than that for the rest of Devon and for the South West as a whole. Young people are likely to be particularly affected with more Year 11's going into learning and a likely decline in apprenticeships, potentially of a significant scale. In terms of the City Centre, retail vacancies have risen but a very recent update indicates that these are still at only 8% where other towns and cities are recording significantly higher levels of such vacancies. The availability of credit for businesses is a national issue but funding through the banks and through the Enterprise Guarantee Fund are routes which should keep a significant number of businesses from facing administration or receivership. The development market in the City has declined dramatically with very low numbers of housing starts and a reduction in the level of commercial activity with a resultant effect on land values. There is a marked increase in people seeking credit advice, mortgage advice and guidance with dealing with re-possession. Volunteering has also increased markedly.
- 2.3 Set against this background there are significant areas of investment which will assist the basis for recovery in the form of:
- o Major expansion at the University worth in excess of £200 million to be implemented over the next three years.
  - o The establishment of a Science Park Company to deliver on behalf of the partnership a high quality, low carbon Science Park on the eastern edge of the City.

- o The granting of Consent for the Flybe Academy and associated hotel at Exeter Airport.
  - o The programming of a number of infrastructure enhancements for imminent implementation such as the track doubling on the Waterloo/Exeter line at Axminster (now on site) and the construction of the Clyst Honiton Bypass (where detailed design work is proceeding) and the submission of a detailed scheme for the enhancement of Junction 29 to provide capacity on this corridor for key elements of the New Growth Point developments.
  - o The selection of a joint venture partner by Devon County Council for the implementation of the Sky Park strategic employment site.
- 2.4 The meeting agreed to establish a vision for taking the City forward and out of the recession and an agreed range of key actions to be identified at a further meeting on 21 April. The Action Plan will be backed by the “Exeter Bites Back” campaign launched recently by the Express and Echo.
- 2.5 There are a number of emerging initiatives which the City Council should consider supporting or running, alongside the wide range of employment, enterprise, business support and voluntary sector support projects to which it already contributes very substantially. Existing budgets should be looked at in the light of prioritising spending on recession-related actions and, notwithstanding the severe current pressures on the authority’s finances, some use of specific LABGI funds should be considered.
- 2.6 An example of the former is Scrutiny Committee Economy’s support, at its last meeting, for a package of business advice, to be provided with a range of partners primarily through Business Link. This involves the establishment of a £25,000 fund to assist at least 100 small businesses with the provision of advice on marketing, financial management, employment law and achieving efficiencies. There is scope to expand this fund if it proves to be successful and valued by local businesses.
- 2.7 Given the expected marked decline in apprenticeships being offered at the present time, it is suggested that there should be a significant commitment to new apprenticeships on behalf of the City Council. There are in fact apprenticeship schemes for almost every professional and technical activity of the Council and it is recommended that a programme of these is brought forward for consideration and approval at a future meeting.
- 2.8 A further area which could be considered for additional attention is the marketing of key sectors of the City to assist economic regeneration and to take advantage of the expected increase in tourism arising from the recession and from the recent movement in the sterling/euro exchange rate.
- 2.9 Members may also wish to see greater support for advisory services helping individuals through the difficult economic circumstances. A range of potential additional services, tailored to the emerging problems caused by recession, is under discussion with CAB and others. These could involve additional use of our Customer Service Centre.
- 2.10 Discussions are also taking place with organisations such as the Federation of Small Businesses (FSB) on initiatives like the further stimulation of local procurement opportunities.

- 2.11 It is recommended that officers continue such discussions and have an open engagement with all key stakeholders to establish how any available resources can best be prioritised over the coming year.
- 2.12 A further report will be made to Executive in June to update Members on progress and to advise on further specific projects for approval.

### **3.0 RECOMMENDATION**

It is recommended that Members

- (i) endorse the approach being taken to co-ordinate activity within the City to minimise the impact of the recession and to support future economic recovery;
- (ii) agree that stakeholder consultation is carried out to establish the key priorities prior to reporting back to Executive in June.

**PHILIP BOSTOCK**  
**CHIEF EXECUTIVE**

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

***Background papers used in compiling this report:-***

None [or Titles of supporting documents]