

SCRUTINY COMMITTEE - ECONOMY

11 June 2009

Present:

Councillor Margaret Baldwin (Chair)

Councillors Gale, P J Brock, Coates, Martin, Robson, Sheldon, Shiel, P A Smith, Starling and Wardle

Director Economy and Development, Head of Economy and Tourism, Member Services Officer (SLS) and City Centre Manager

Also present:

Councillor Peter Wadham - Portfolio Holder for Sustainable Development and Transport
Councillor Stella Brock - Portfolio Holder for Economy and Tourism

17 **Minutes**

The minutes of the meeting held on 12 March 2009 were taken as read and signed by the Chair as correct.

18 **Declarations of Interest**

The following personal interest was declared:-

| COUNCILLOR | MINUTE |
|-------------------|--|
| Councillor Coates | 25 (Member of Friends of Exeter Cathedral) |

19 **QUESTION FROM A MEMBER OF THE COUNCIL UNDER STANDING ORDER 20**

In accordance with Standing Order 20, a question from a Member was submitted on whether an annual return for the first year of operation of civil parking in the city was available, to which the Portfolio Holder for Sustainable Development and Transport replied. A copy of the question was made available at the meeting.

The question and the reply from the portfolio holder (in italics) was appended to the minutes.

20 **PORTFOLIO HOLDERS TO PRESENT THEIR PRIORITIES FOR THE FORTHCOMING YEAR**

Councillor Wadham 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 New Growth Point; Affordable Housing; Climate Change; Bus Station Site; City Centre Enhancements; Pedestrian Signing in the City Centre; Cowick Street Enhancement; Long Term Transportation Strategy; Concessionary Travel and Civil Parking Enforcement.

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

The Director Economy and Development gave the following responses to Members' questions –

- The forthcoming reduction in services operated by Stagecoach to the west of Exeter remained a concern, and a recent response from First Great Western, advised that the Department for Transport would shortly confirm how they will address the reduction from December 2009.
- Further information on the levels of civil parking enforcement activities within a ward was always available to Members. The Enforcement Team staffing levels were now at full complement.
- The Castle site owners still had aspirations for a mixed use scheme including residential development and an art gallery. A report on the refurbishment of the Holloway Street mural was being presented to the next Planning Member Working Group.
- 25% of new housing needed to be affordable and 85% of this was at an affordable rent. Affordability was defined by reference to the average wage.
- The proposed High Quality Transport Service is part of an important transport package that the County Council is working up, and more detailed proposals should be available in a few months.

Councillor Wadham commented on the proposed Park and Ride site to the west of the city and anticipated the difference this facility would make. He also spoke in his capacity as a Ward Member, and stated that whilst no site had been agreed, there were still lots of issues to consider.

Councillor Mrs S R Brock presented the following priorities within the Economy and Tourism Portfolio for the forthcoming year, and covered the following topics:- Economic Development Strategy; Responding to the Recession; City Centre Promotion; Canal Basin; Science Park; Science Base; Inward Investment; Tourism.

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

Councillor Mrs S R Brock gave the following responses to Members' questions –

- That the RDA still recognises the economic importance of projects such as the Science Park to Exeter.
- The City Council had already started to work in partnership on festival events, and in particular working with the Northcott and Barnfield Theatres. Further Information on developing joint working for the 2010 festivals package will be reported to the next Summer Festival Advisory Committee.

Scrutiny Committee – Economy noted the priorities presented for the forthcoming year.

21 **RESPONSE TO THE RECESSION**

The Director Economy and Development submitted a report which advised Members of a range of possible initiatives intended to respond to the impact of the recession on businesses and individuals in Exeter. Discussions had taken place with

stakeholders including the Chamber of Commerce and the Federation of Small Businesses to establish a number of key priorities. The proposals could be funded from the Local Authorities Business Growth Incentives Grant. (LABGI)

Members welcomed the report and noted the Director's responses to their comments:-

- Support and debt recovery advice by many of the public sector services was acknowledged, but there were some additional benefits from setting up the Trinity Project. A dedicated adviser in the City Council's Customer Services Centre should ensure there was more opportunity to provide the advice and support needed by those facing re-possession. A presence at Home Re-Possession hearings at the County Court was also proposed.
- A sum of £570,000 was available to the City Council from the LABGI grant and there was flexibility on how this could be used. It was logical to spend some on building a base for the city's future economic recovery.
- Although there have been signs of economic recovery, it was still too soon to call this the end of the recession, and limited indicators such as increased house viewings, and an uplift in the mortgage availability are being countered by increasing unemployment figures.
- The Economic Development and Estates Teams and the City Centre Manager have made great efforts to improve the window treatment of vacant City Council owned properties, with a proposal to display some colourful, non commercial material. They continued to speak to landlords and agents with empty retail premises particularly in the city centre, but with no results to date.
- Promotion and publicity to provide guidance for small businesses on how the procurement process operates would ensure that local small businesses are more capable of competing effectively. Part of the funding for this proposal would provide a dedicated web site for use by local business to share information and encourage greater use of locally based companies.
- The Head of Economy and Tourism added that a scheme to provide more specialist expertise for local employers to identify their skills base, would also be very beneficial. He agreed with a Member that there was likely to be some existing data to support this project and so it was possible that any external specialist support could be more limited. The funding would also ensure that the campaign could be backed up by a range of promotional materials in a sustained approach to make businesses more aware.

Scrutiny Committee- Economy supported the recommendation that Executive approve the proposals outlined in Section 3 of the report.

(Report circulated)

22 **ECONOMIC DEVELOPMENT UPDATE**

The Head of Economy and Tourism presented a report and provided Members with an overview of the Economic Development Service activities during 2008/09. He included the action taken since September 2008, following Executive's endorsement of the Exeter and Heart of Devon Economic Development Strategy for the period

2008 – 2013. A set of statistics profiling the Exeter economy was also attached as an appendix to the report.

A broad overview on the strategic focus of the long term strategy was outlined, together with the key areas of business support, partnership activity, and the new opportunities and potential growth that lie in the east of the city.

The following responses were given to Members:-

- The latest school leavers faced even more of a challenge to find suitable employment and this was likely to have an effect on the city's unemployment figures. There had already been a significant rise in the level of applications to local further education establishments.
- School attainment in the five city high schools has shown a marked improvement and the results were a credit to the hard work and dedication of all those involved. It was important to see the statistics in a wider context. Every effort would be made to ensure the latest available attainment figures were made available.
- The Strategy sets out the intention to promote attainment particularly in the growth areas of science and engineering. This included working up a number of initiatives with specialists and professionals from industry and education in the local community.

Scrutiny Committee – Economy noted the report and agreed that the longer term objectives and more immediate actions being undertaken be reviewed with an update on the economic position to be provided at the next Scrutiny Committee

(Report circulated)

23 CITY CENTRE PERFORMANCE UPDATE

The City Centre Manager presented a joint report with the Director Economy and Development and briefed Members on current city centre performance levels, with updates on retail unit vacancy rates, car park statistics, retail sales information and pedestrian footfall data.

He circulated a copy of a survey on city centre vacant retail units for a three year period, which confirmed an 8.3% vacancy rate, out of a total of 588 units. It was noted that the UK average vacancy rate had been running at 15% with some centres reporting vacancy levels of up to 39%. The City Centre Manager stated that whilst the current economic downturn remained a challenge, current analysis of key performance indicators in Exeter was relatively encouraging. He indicated, however, that there were no grounds for complacency, with the economic picture often appearing confusing, contradictory and fast moving.

Scrutiny Committee – Economy noted the report.

(Report circulated)

24 **CONCESSIONARY TRAVEL SCHEME**

The Director Economy and Development presented a report advising Members on developments in relationship to the concessionary travel scheme and also sought their views on a number of options for changing the administration of the scheme.

The funding and estimated cost of the concessionary fares scheme continued to have a significant effect on the City Council's budget during the current and next financial year. The Council has been lobbying the Department for Transport for a more equitable funding settlement. In the meantime, in an effort to limit the costs of concessionary travel to the Council, and following negotiation with Stagecoach, a three year settlement had been agreed, in effect 'capping' the amount paid to them.

The Director also highlighted the key points of a Department for Transport consultation paper on possible changes to the administration of the concessionary travel scheme, with an intended implementation date of April 2011. Members were invited to form a response by the deadline date of 21 July 2009. In principle, officers would support an approach to shift responsibility from the District to County Councils because of their wider strategic transport responsibilities. Following a lengthy discussion, Members considered that moving the administrative function to the County authority would be the most appropriate approach. Members also felt strongly that the Executive should endorse their comments before responding to the consultation.

Scrutiny Committee – Economy supported the option of transferring the responsibility for administration of the Concessionary Travel Scheme to Transportation Authorities and asked Executive to endorse this.

(Report circulated)

25 **CAPITAL PROGRAMME MONITORING 2008/09 OUTTURN**

Cllr Coates declared an interest as a Member of the Friends of Exeter Cathedral.

The report of the Director Economy and Development was submitted advising Members of the latest position with regard to the 2008/09 capital programme for Economy. A complete list of capital projects was circulated and a number of schemes throughout the city were highlighted, including the latest developments on the Quay, Cowick Street and enhancements throughout the city centre.

A Member referred to the recent listing of the Cathedral's processional steps, which was likely to have an impact on proposals for Cathedral Close and the Green. The Director confirmed that representations had been made by a third party to English Heritage for 'Listed' status for the steps leading down to the West Front of the Cathedral, but it was too early to say what impact this might have on the final scheme.

Scrutiny Committee – Economy noted the contents of the report.

(Report circulated)

26 **ECONOMY STEWARDSHIP 2008/09 (FINAL ACCOUNTS)**

The report of the Head of Treasury Services was submitted advising Members of the overall financial performance of the Economy and Development Directorate for the 2008/09 financial year ended 31 March 2009.

The Director highlighted the main variations by management units from the approved annual budget and despite a few notable exceptions, advised that the final deficit was lower than originally forecast. A Member congratulated the Markets and Hall Manager and team for their enterprising and creative spirit and welcomed the recent improvements at the Corn Exchange.

Scrutiny Committee – Economy noted the contents of the report.

(Report circulated)

27 **KEY PERFORMANCE INDICATORS**

The Director Economy and Development presented the report advising Members of the current position on key performance at the end of the year, on a range of services across the Directorate. There were national indicators as well as locally set targets.

It should be noted that following the introduction of a major applications protocol, the second half year performance for completing major planning applications within 13 weeks had increased. The Director suggested that the introduction of a cut off date of 13 weeks for the completion of Section 106 agreements may be considered and planning officers would discuss the practicalities of such an arrangement with the development industry.

Scrutiny Committee – Economy noted the report.

(Report circulated)

28 **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 185 - EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED that, under Section 100A (4) of the Local Government act 1972, the press and public be excluded from the meeting for the consideration of the following item on the grounds that it involved the likely disclosure of exempt information as defined in paragraphs 1 and 4 of Part 1, Schedule 12 of the Act.

MATTER FOR CONSIDERATION BY THE EXECUTIVE

29 **Post of City Arts and Festivals Manager**

The Director Economy and Development presented a report which sought approval for the merger of the City Arts Officer post and the Festivals and Events Manager post to become the City Arts and Festivals Manager.

Scrutiny Committee – Economy supported that Executive agree the following proposals set out in paragraph 3.3 of the report and that the functions and responsibilities of the posts of City Arts Officer post (ED05127) and the Festivals and Events Manager post (ED05111) be merged into the post of City Arts and Festivals Manager (post ED05127) at Grade 10 from 1 July 2009, with the post of Festivals and Events Manager being deleted.

(Report circulated to Members)

The meeting commenced at 5.30 pm and closed at 7.30 pm

Chair