

EAST DEVON DISTRICT COUNCIL

Minutes of a Meeting of the Economy Overview and Scrutiny Committee held at Knowle, Sidmouth on 21 January 2010

Present:

Councillors:

Iain Chubb (Chairman)
Trevor Cope (Vice Chairman)

Malcolm Florey
Graham Godbeer
Ben Ingham

Bob Peachey
Steve Wragg

Also Present

Councillors:

Ray Bloxham
Andrew Dinnis
Steve Hall

Ann Liverton
Graham Liverton
Helen Parr

Officers:

Nigel Harrison – Economic Development Officer
Chris Lane – Democratic Services Officer

Paul Hartley – Ottery St Mary Chamber of Commerce
Simon Wood – East Devon Chambers of Commerce
Richard Eley – Sidmouth Chamber of Commerce
Greg Page-Turner – Federation of Small Business
Delia Colgate – Federation of Small Business
Malcolm Colgate – Federation of Small Business
Representative of Budleigh Salterton Chamber of Commerce

Apologies:

Derek Button
Jill Elson
Douglas Hull
John Jeffery

Stuart Luxton
Andrew Moulding
Tim Wood

Marcus Hartnell – Seaton Chamber of
Commerce
Representative of Honiton Chamber
of Commerce

The meeting started at 6.30pm and ended at 8.30pm.

*14 **Public question time**

There were no questions from the public raised at this point of the meeting.

*15 **Minutes**

The minutes of the meeting of the Overview/Scrutiny – Economy Committee held on 8 October 2009, were confirmed and signed as a true record.

*16 **Results of Devon wide Rural Business Survey**

Members received an update on the results of the Devon Wide Business Survey from Liz Abell from Devon Renaissance.

Members noted that Devon Renaissance was a Private Sector partnership organisation which was set up to support rural regeneration. They had run Local Action Groups in Dartmoor and South Devon and had conducted a Business Survey between November 2008 and January 2009, funded by SWRDA and Local Authorities. 3,021 businesses in Devon had responded to the survey, of which 402 were in East Devon..

There were eight main survey themes and these included – recruitment and skills, innovation, ICT usage, constraints on business growth and prosperity. Liz Abell reported that 41% of businesses in East Devon had experienced difficulties recruiting staff, which was the highest of all districts in Devon. The main reason behind this was the lack of trade/professional skills. 76% of businesses in East Devon had identified a business opportunity, the second highest district in Devon. However, the main barriers to innovation included business capacity and lack of finance.

Regarding ICT usage, Members were surprised to hear that 10% of businesses in East Devon did not use computers at all. However, over 40% of businesses in East Devon felt that they fully used computers. The main uses for computers were finance accounting, email and customer communication. The main constraint on business growth in East Devon was the availability of good quality and appropriately sized premises. In addition, 22% of businesses were concerned by both poor road access and a lack of alternatives to road transport.

During discussions the following points and questions were noted:

- Were businesses being involved with the Business South West Exhibition at Westpoint? No communication on this issue had been made by businesses in East Devon and this could be a missed opportunity on their behalf;
- What proportion of businesses required greater IT skills? 70% of businesses had indicated that they required staff with greater IT skills.
- Concern was expressed over the lack of skills of some potential employees, due to a lack of training being available in East Devon. Much of the training for skills such as engineering was only available outside Devon and staff had to be brought in from elsewhere. This was often difficult due to the expensive property prices in the county;
- Were businesses concerned about the lack of communication, literacy and numeracy skills of their employees? This was a lesser concern for businesses with around 25% saying it was a problem.
- How does your work tie in with schools and other learning bodies? Devon Renaissance was trying to link schools into the process and this area had the potential to be developed further;
- Did the survey identify the age profile of those employees lacking the required skills. The survey did not ask for the age of those staff requiring greater skills, and was something that could be included in future surveys;
- Are there the training providers in East Devon that can provide the required training that employers require? Results on training providers were available, but not to hand at the meeting. It was felt to be important that any training provided was done at a cost to business and should not be free;
- Were the difficulties recruiting staff due to the low wages on offer in East Devon, particularly in the retail and tourism sector? 39% of businesses could not recruit as they do not meet staff wage demands. There was an overrepresentation of poorly paid jobs in Devon.

*16 **Results of Devon wide Rural Business Survey (Cont)**

RESOLVED

1. that the skills deficit in East Devon businesses and the difficulty to recruit appropriate employees be recognised;
2. that a lack of training facilities in East Devon, except for those in Honiton be recognised;
3. that the Business South West Exhibition be further advertised with attention being drawn to its advantages to business in East Devon;
4. that the Broadband black spots in East Devon be identified and ask British Telecom asked to provide better coverage;
5. that investigation be undertaken to provide training facilities for business within East Devon District Council, which it was felt could provide the Council with a revenue stream;
6. that the use of Business Link should be encouraged for small businesses in East Devon through the Economic Development Manager.

*17 **Presentation from business organisations present at the meeting**

The Chairman welcomed representatives of business organisations present at the meeting, who had the opportunity to address the Committee and discuss issues relevant to business and employment in their areas and for Members to ask questions. These included:

Budleigh Salterton Chamber of Commerce

Councillor Steve Hall, Vice Chairman of Budleigh Salterton Chamber of Commerce reported that there were only three empty shops in the town and that a Farmers Market had recently been established. The Chamber had four general meetings a year and for the last two had invited a representative of Business Link. He emphasised the importance of maintaining the number of visitors to the town and that this would be helped by continuing to maintain clean streets and toilet facilities.

During discussions the following additional points and questions were noted:

- Do business in Budleigh Salterton experience difficulties in recruiting staff with the right level of communication skills? Many of the employees in Budleigh Salterton were older staff with good communication skills. The Devon renaissance survey results were not reflected in the town;
- Were there any perceived barriers for further business growth in the town? There was nothing that was seen as constricting growth within the town.

East Devon Chamber of Commerce

Simon Wood representing the East Devon Chamber of Commerce and Exmouth Chamber of Commerce, reported that the East Devon Chamber represented 1,000 different businesses in East Devon. He considered that here were a number of issues that were not being done at a local level. He recognised that East Devon District Council was good at

*17 **Presentation from business organisations present at the meeting (Cont)**

East Devon Chamber of Commerce

getting the larger projects completed, such as the Science Park., but these were mainly focused on the West End of the District. He perceived a lack of progress for those businesses in the Eastern part of the District. There was a lot of activity in East Devon related to tourism and Simon Wood indicated that he was unhappy that East Devon did not support tourism adequately as this was a very big sector in East Devon.

The final issue Simon Wood raised was related to town centres being adversely affected by the increase in costs of car parking. He was concerned at the leakage of shoppers to other areas with cheaper car parking and said that this needed to be prevented.

The three issues raised were a reflection of a collective view from across the District. East Devon District Council was focussing activity through the Local Development Forum, on the East of the District. Members also wanted to encourage business in the east of the district. The Council's prioritisation exercise in 2003 had reduced the Council's contribution to tourism, but recently some Councillors had asked that tourism gain a higher priority within the Council. This had included the possible appointment of a Member Champion for Tourism. It was acknowledged that EDDC needed to look again at the way it viewed tourism.

East Devon Federation of Small Business

Delia Colgate representing the East Devon Federation of Small Business reported that the Federation represented 1,300 members in East Devon. Members noted that the Federation had recently undertaken a national survey of its members and the results were due soon. The last survey had produced similar findings to the Devon Renaissance survey, with access to finance and Broadband being particular concerns.

The Federation representatives reported that that the Business South West exhibition was less popular, with poor footfall and was very expensive to attend. It was more of an exhibition of national companies rather than local business, despite the original intention. Malcolm Colgate expressed concerns over the high car parking charges in the District and suggested possible solutions to encourage more shoppers to use East Devon town centres, including free period between 8.30am – 10.30am and 4.00pm – 6.00pm.

The Vice Chairman expressed concern that Business South West was no longer felt relevant to small business in East Devon and the associated loss of the networking opportunities and footfall. Members considered that this problem needed further investigation. The Economic Development Manager reported on the concerns expressed about the impact of the Business Rates revaluation process. Delia Colgate informed the Committee that the Federation was asking the Chancellor of the Exchequer to shelve the recommendations made in the revaluation. South Hams had been particularly badly hit, especially businesses in Dartmouth and Totnes. Members noted that Business Rates Officers in East Devon were willing to help any business which was concerned about the business rates revaluation process.

Otter St Mary Chamber of Commerce

Paul Hartley, Vice Chairman of the Ottery St Mary Chamber of Commerce reported that his Chamber represented 65 members which were , in the main small shopholders. A major problem his members experienced was with the high car park charges. The charges were the same as Exeter but there were far fewer shops. The supermarket proposals for the town were another issue for his members. The majority of them supported the town centre proposal.

*17 **Presentation from business organisations present at the meeting**(Cont)

A Member asked a question about how the growth of Otter Nurseries and Joshuas had affected the town centre? This was not seen as a problem by businesses in Ottery St Mary.

Sidmouth Chamber of Commerce

Richard Eley, Chairman of Sidmouth Chamber of Commerce reported that his Chamber represented 75-80% of businesses in the town. Members noted that Sidmouth was fortunate as all organisations within the town had similar ideas as to where the town should be going. He asked what the District Council could do to assist business in the town. EDDC over the years had gained a reputation for negativity, particularly with regard to its planning policies. East Devon could help business in Sidmouth by having a more positive attitude and retain the current levels of street cleaning and maintenance. Richard Eley acknowledged the financial difficulties being experienced by the Council and felt that there might be some opportunities for efficiencies at the Knowle.

Car Parking was an important issue and businesses in Sidmouth did not want to see a big increases in charges and wished to see increased parking spaces and cheaper car parking provided by the Council. The Business Rate revaluation was also a big concern for businesses in Sidmouth which were seeing an average increases of 28% in rateable values.

The Member Champion for Business was pleased that the Chambers of Commerce and Federation of Small Business had been able to share their concerns. He hoped that the Committee and business organisations could meet at least once a year in order to work together and build up a good relationship.

RESOLVED

1. that the following issues be investigated further:
 - a)The District Council's tourism specific policies;
 - b)The Business South West Exhibition and how it could be improved for the benefit of local business;
 - c)The Council's car parking policy;
 - d)The regeneration and out of town developments within the District;
 - e)The budgetary details relating to reduction in Street Scene spending;
 - f)The impact of the Business Rate revaluations on businesses in East Devon;
 - g)A six monthly meeting with business organisations in East Devon.

2. that an urgent informal meeting be held with East Devon business organisations and the Economy Portfolio Holder to discuss the car parking charges in East Devon.

Chairman Date.....