

# Public Document Pack

Mid Devon District Council

## Economy Policy Development Group

Thursday, 26 September 2019 at 5.30 pm  
Exe Room, Phoenix House, Tiverton

Next meeting  
Thursday, 28 November 2019 at 5.30 pm

Those attending are advised that this meeting will be recorded

## Membership

Cllr J M Downes (Chairman)  
Cllr N V Davey  
Cllr R J Dolley  
Cllr Mrs S Griggs  
Cllr T G Hughes  
Cllr D F Pugsley  
Cllr R F Radford  
Cllr J Wright  
Cllr A Wyer

## A G E N D A

*Members are reminded of the need to make declarations of interest prior to any discussion which may take place*

- 1      **Apologies and Substitute Members**  
To receive any apologies for absence and notice of appointment of substitutes.
- 2      **Declaration of Interests under the Code of Conduct**  
Councillors are reminded of the requirement to declare any interest, including the type of interest, and reason for that interest, either at this stage of the meeting or as soon as they become aware of that interest.
- 3      **Public Question Time**  
To receive any questions relating to items on the Agenda from members of the public and replies thereto.
- 4      **Minutes (Pages 5 - 10)**  
Members to consider whether to approve the minutes as a correct record of the meeting held on 8 August 2019.
- 5      **Chairman's Announcements**  
To receive any announcements that the Chairman may wish to make.

- 6 **Performance and Risk Report (10 minutes)** (*Pages 11 - 20*)  
To receive a report from the Head of Planning & Economic Regeneration providing Members with an update on performance against the Corporate Plan and local service targets for 2019/20 as well as providing an update on the key business risks.
- 7 **Financial Monitoring (10 minutes)**  
To receive a verbal report from the Group Manager for Financial Services presenting a financial update in respect of the income and expenditure so far in the year.
- 8 **Recommendation from the Cabinet that the Economy PDG consider the issue of overpayments for car parking (15 minutes)**  
On 22 August 2019, as part of their consideration of the Car Parking Working Group report, the Cabinet made a recommendation that:  
  
“The Economy PDG be requested to consider the issue of overpayments for car parking and what should happen to the additional income.”  
  
The PDG are accordingly asked to consider this issue and report back to the Cabinet.
- 9 **Free parking in towns in the run up to Christmas - could Town Councils choose to use these 'free' parking days at other times of year? (15 minutes)**  
It was requested at the previous meeting that further consideration be given to this issue.
- 10 **Economic Development Service Update (15 minutes)** (*Pages 21 - 24*)  
To receive a report from the Head of Planning, Economy and Regeneration updating Members on progress with Economic Development Service activities.
- 11 **Cost Recovery & Commercialisation in Growth, Economy & Delivery (15 minutes)** (*Pages 25 - 30*)  
To receive a report from the Head of Planning, Economy and Regeneration presenting to Members steps to introduce cost recovery into the Growth, Economy and Delivery service and to update Members with regard to potential next steps for further commercialisation within the service.
- 12 **The Mid Devon Economy and the UK leaving the European Union (30 minutes)** (*Pages 31 - 36*)  
To receive a report from the Head of Planning, Economy and Regeneration informing Members of the potential impact of the UK leaving the European Union on the local economy and of the support services in place to help ensure business activities continue with

minimal disruption.

13 **Identification of items for the next meeting**

Members are asked to note that the following items are already identified in the work programme for the next meeting:

- Performance and Risk
- Financial Monitoring
- Market policies
- Grant allocations
- Draft budget considerations for 2020/2021

Note: This item is limited to 10 minutes. There should be no discussion on the items raised.

**Stephen Walford**

Chief Executive

Wednesday, 18 September 2019

Anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so, as directed by the Chairman. Any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chairman or the Member Services Officer in attendance so that all those present may be made aware that is happening.

Members of the public may also use other forms of social media to report on proceedings at this meeting.

Members of the public are welcome to attend the meeting and listen to discussion. Lift access the first floor of the building is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available. There is time set aside at the beginning of the meeting to allow the public to ask questions.

An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, or if you would like a copy of the Agenda in another format (for example in large print) please contact Sarah Lees on:

Tel: 01884 234310

E-Mail: [slees@middevon.gov.uk](mailto:slees@middevon.gov.uk)

Public Wi-Fi is available in all meeting rooms.

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## MID DEVON DISTRICT COUNCIL

**MINUTES** of a **MEETING** of the **ECONOMY POLICY DEVELOPMENT GROUP** held on 8 August 2019 at 5.30 pm

### **Present**

#### **Councillors**

J M Downes (Chairman)  
N V Davey, R J Dolley, Mrs S Griggs,  
T G Hughes, D F Pugsley, R F Radford and  
A Wyer

### **Also Present**

#### **Councillor(s)**

R Evans and D J Knowles

### **Also Present**

#### **Officer(s):**

Andrew Jarrett (Deputy Chief Executive (S151)), Jenny Clifford (Head of Planning, Economy and Regeneration), John Bodley-Scott (Economic Development Team Leader), Stuart Noyce (Group Manager for Street Scene and Open Spaces), Chris Shears (Economic Development Officer), Vicky Bowden (Environment and Enforcement Manager), Matt Auty (Communications Officer) and Sarah Lees (Member Services Officer)

## 15 **APOLOGIES AND SUBSTITUTE MEMBERS (00.00.47)**

There were no apologies for absence.

## 16 **DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT (00.01.03)**

There were no interests declared under this item.

## 17 **PUBLIC QUESTION TIME (00.01.20)**

There were no members of the public present.

## 18 **MINUTES (00.01.27)**

The minutes of the meeting held on 13 June 2019 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

## 19 **CHAIRMAN'S ANNOUNCEMENTS (00.02.37)**

The Chairman had no announcements to make.

## 20 CAR PARKING WORKING GROUP REPORT (00.02.43)

The Group had before it a report \* from the Deputy Chief Executive and Group Manager for Street Scene & Open Spaces providing it with an update from the Car Parking Working Group on proposals for new Pay & Display charges.

The Chairman of the Working Group, Cllr R Evans, outlined the contents of the report and the approach that the working group had taken. This had been the first review of car parking charges in three years. He thanked the officers on behalf of the Working Group for their hard work in pulling together all of the relevant data.

He stated that car parking was an important income stream for the Council whilst also emphasising that significant consideration had been given to the effect upon Mid Devon residents and visitors. Maintaining consistency across the district had also been an important factor as well as considering the effect of any changes upon local businesses. The working group had considered at length 'the offer' in each town and associated car park charges. He explained further that many businesses had complained about the lack of 'dwell time' within each town as a result of the current 30 minutes free parking.

The Working Group had had lengthy discussions about the charges relating to the Multi Storey Car Park in Tiverton and had agreed at an early stage that there needed to be a different offer across long stay car parks. A recurring factor continually emerged throughout their discussions in that there was very little up take on the annual permits offered by the Council which provided a significant annual discount.

They had considered each individual car park in turn and reference was made to the subject of their discussions in the attached meeting notes to the report. A significant proportion of their considerations had been focussed on overnight parking in the car parks of each town. Residents in Cullompton particularly were finding it increasing problematic to park outside of their own properties because of the number of non-residents parking their cars on-street and not using nearby car parks. Because of this the Working Group had proposed to reduce the overnight parking permit to £100 as a one off annual payment, or payable by £10 a month for those people opting to pay by monthly direct debit. This equated to approximately 28p per day which was considered to be excellent value for money.

Therefore the Working Group felt that they had given significant thought to the businesses in each of the towns by potentially increasing dwell time whilst also considering the effect upon local residents and offering significant value for money especially when considering the charges made by other towns in the local area.

Discussion took place regarding:

- It was very difficult to predict what the take up of the newly priced permits would be. Advertising of the new permits would take place as it had done previously, for example, on the reverse of each Council Tax bill.
- A report was going to be presented to the Cabinet at its next meeting regarding the costs associated with the maintenance programme for the Multi-Storey Car Park (MSCP) in Tiverton, these costs were not insignificant. However, it was felt that these proposed charges in relation to the MSCP appeared to be out of kilter with those proposed for long stay car parks in

Crediton and Cullompton. It was explained however that the MSCP offered an undercover car park that would be well maintained with CCTV security. The associated costs of such a provision had to be factored into the cost of parking vehicles there. Again, the overriding wish of the Working Group was that regular users of the MSCP, such as workers within the town, would choose the option of the discounted permit to park their cars within the MSCP.

- The new proposed car parking charges would need to be advertised well in advance of being implemented and before that would need to go out for consultation. Businesses needed to encourage their employees to purchase annual permits.

**RECOMMENDED** to the Cabinet that:

- a) The proposed new tariffs for each of the council owned car parks in Mid Devon be approved as detailed in the annexe to the Working Group report;
- b) Overnight parking permits be altered to offer greater value for money for local residents and that the annual one off charge be set at £100. To also approve an option to pay by monthly direct debit at £10 per month with a one month cancellation period.

(Proposed by Cllr A Wyer and seconded by Cllr R F Radford)

Notes: (i) \* Report previously circulated; copy attached to the signed minutes.

(ii) A proposal to consider reducing the proposed fees in the MSCP was not supported.

(iii) Cllr N V Davey requested that his vote against the decision be recorded.

## 21 **MOTION 555 (CLLR F W LETCH - 8 APRIL 2019 (00.50.02))**

Having considered the previous item in relation to car parking charges, the Group considered the Motion which had been referred by Council in relation to offering free parking in the towns on Saturdays.

Cllr F Letch had been invited to attend the Car Parking Working Group to listen to their discussions and contribute where appropriate especially with regard to the subject matter of his Motion. He had commented that he had noticed the number of vehicles trying to find free or affordable parking within Crediton on market days was very significant and initially he had thought that offering free parking on Saturdays would be a way of helping both shoppers and local businesses. However, the council had recently signed up to the climate declaration and aimed to be carbon neutral by 2030. Cars were significant carbon emitters and therefore if the council were to support this Motion it would be seen as encouraging the use of cars.

The Group acknowledged that the Council had, in recent years, offered free parking in each of the towns on the four Saturdays in the run up to Christmas. However the Group felt that it would be worth contacting each of the town councils to ask if they would prefer these 'free days' to be at different times of the year when they might be holding events that attracted a greater number of visitors. It was requested that this

issue be placed on the agenda for the next meeting so that further discussion could take place.

It was therefore **RECOMMENDED** to Council that the Motion not be supported.

(Proposed by Cllr R Dolley and seconded by Cllr R F Radford)

## 22 **PERFORMANCE AND RISK FIRST QUARTER 2019/20 (00.58.40)**

The Group had before it, and **NOTED**, a report \* from the Head of Planning & Economic Regeneration providing Members with an update on performance against the Corporate Plan and local service targets for 2019/20 as well as providing an update on the key business risks.

Consideration was given to:

- The fact that the shop vacancy rates were collated at the start of each quarter hence the figures for 'September' were populated already.
- The funding landscape was very unsure at the moment given the current political climate, however, finding funding streams was only part of the picture. The council could also look to entering into partnerships with other public sector organisations as well as commercial enterprises. A comprehensive approach was being undertaken exploring a range of opportunities. Risks and mitigations with regard to Brexit should be considered and closely monitored by this Policy Development Group and a report was requested to be brought to the next meeting detailing where the council stood with regard to this issue.

Note: \* Report previously circulated; copy attached to the signed minutes.

## 23 **ECONOMIC DEVELOPMENT PROJECTS UPDATE (01.11.38)**

The Group had before it, and **NOTED**, a report from the Head of Planning, Economy and Regeneration updating it on progress with Economic Development Service activities.

The contents of the newly formatted report were outlined with a particular request to the Group that it provide feedback on whether they liked the new format and whether or not they preferred less or more detail on each project.

Discussion took place with regard to:

- Mid Devon Business Awards were considered to be 'at risk' as there had been some reluctance from businesses to take part in the awards or sponsor them. It was possible that a scaled down version would be held.
- The Future 'High Street Fund' bid had been unsuccessful. This was due to an oversubscription of bids being made. Only 20 bids had been successful out of those submitted nationally.

It was **AGREED** that of the two project summary versions offered to the Group, the second, more detailed version, was the preferred option.

Note: \* Report previously circulated; copy attached to the signed minutes.



## 24 **REPORT ON THE HEART OF THE SOUTH WEST LOCAL INDUSTRIAL STRATEGY (01.22.17)**

The Group had before it, and **NOTED**, a report \* from the Head of Planning, Economy and Regeneration informing it about the Local Industrial Strategy being developed by the Heart of the South West LEP and how it related to Mid Devon focused activities.

The contents of the report were outlined with particular reference to the following:

- The draft strategy document was designed to demonstrate to central document how the Heart of the South West's (HOSW) business agenda was aligned with theirs.
- The focus was on areas of high productivity and there was also a strong theme on the Government's 'Clean Growth Strategy'. It was important for Mid Devon that the projects it wanted to focus on aligned with the ethos of the Local Industrial Strategy, especially if the council wanted to draw down funding.

Discussion took place regarding:

- The importance of the Local Industrial Strategy especially in terms of the 'Clean Growth Strategy' and any funding available to support local authority initiatives in this area given the council's recent decision to be carbon neutral by 2030. The HOSW had already identified some of these areas.
- The Economic Development team closely monitored and applied for funding whenever it was appropriate and became available.
- Regular reports and updates would be brought to the Group going forwards and the team would be looking to the Group for guidance.

Note: \* Report previously circulated; copy attached to the signed minutes.

## 25 **CONNECTING THE CULM PROJECT UPDATE (01.38.37)**

The Group had before it, and **NOTED**, a report \* from the Head of Planning, Economy and Regeneration informing it of progress with the Connecting the Culm Project.

The contents of the report were outlined and discussion took place regarding:

- The project was headed up by Steven Johnson and he would be providing regular updates, the first of which was attached to the report for this meeting.
- This was an analysis project designed to gather relevant data by and for relevant stakeholders of which the council was one. It was emphasised that this was not a delivery project. Various scenarios would be considered including the worst possible weather related incidents within the catchment.
- Ward Members concerns would be collated by the Economic Development team and would be submitted and discussed by the steering group. Relevant Ward Members, whose wards were situated along the River Culm catchment,

had been informed as stakeholders and would be able to contribute to discussions.

- Public engagement would start next year.
- Regular updates would be brought to this Group.
- Understandably Members were taking a keen interest in this issue which very much overlapped with the aspirations of the Culm Garden Village. The council needed to be an active stakeholder, contributing where it could.

Note: \* Report previously circulated; copy attached to the signed minutes.

## 26 IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01.48.15)

The Group noted the items already listed for the next meeting but requested that only the current or 'more pressing' issues come forward. In addition to this, it was requested that a report on the Brexit implications for this council be presented as well as the issue of free parking on the four Saturdays leading up to Christmas and whether towns would prefer this to be offered at different times of the year.

It was also **AGREED** that a special meeting of the Group be held to focus on the Tiverton Pannier Market. The date of this meeting to be confirmed.

(The meeting ended at 7.25 pm)

**CHAIRMAN**

**ECONOMY PDG  
26 SEPTEMBER 2019**

## **PERFORMANCE AND RISK REPORT**

**Cabinet Member** Cllr Graeme Barnell  
**Responsible Officer** Head of Planning & Economic Regeneration, Jenny Clifford

**Reason for Report:** To provide Members with an update on performance against the corporate plan and local service targets for 2019/20 as well as providing an update on the key business risks.

**RECOMMENDATION(S):** That the PDG reviews the Performance Indicators and Risks that are outlined in this report and feeds back any areas of concern to the Cabinet.

**Relationship to Corporate Plan:** Corporate Plan priorities and targets are effectively maintained through the use of appropriate performance indicators and regular monitoring.

**Financial Implications:** None identified

**Legal Implications:** None identified

**Risk Assessment:** If performance is not monitored we may fail to meet our corporate and local service plan targets or to take appropriate corrective action where necessary. If key business risks are not identified and monitored they cannot be mitigated effectively.

**Equality Impact Assessment:** No equality issues identified for this report.

**Impact on Climate Change:** No impacts identified for this report.

### **1.0 Introduction**

- 1.1 Appendix 1 provides Members with details of performance against the Corporate Plan and local service targets for the 2019-20 financial year. The PDG is invited to suggest measures they would like to see included in the future for consideration.
- 1.2 Appendix 2 shows the section of the Corporate Risk Register which relates to the Economy Portfolio. See 3.0 below.
- 1.3 Appendix 3 shows the profile of all risks for the Economy at present.
- 1.4 All appendices are produced from the corporate Service Performance And Risk management system (SPAR).

## **2.0 Performance**

- 2.1 An Economic Development Service Update which covers specific projects is a separate item on this agenda.
- 2.2 Regarding the Corporate Plan Aim: **Focus on business retention and growth of existing businesses:** we record **Businesses assisted**; they have to be assisted for a minimum of an hour to be included in this figure.
- 2.3 The GED team is working proactively to bring forward strategic developments and overcome obstacles to development. The team is currently in discussions with all allocated employment site land owners.
- 2.4 Regarding the Corporate Plan Aim: **Improve and regenerate our town centres with the aim of increasing footfall, dwell-time and spend in our town centres:** for **Empty Shops**, the vacancy rates in Tiverton and Crediton are better than this time last year. It should be noticed that the vacancy count is done at the start of each quarter hence the figures for “September” are populated already. The destination website is under construction at present.
- 2.5 Local Plan update: A post hearing advice note was received from the Inspector on 23<sup>rd</sup> May 2019. In response officers prepared and submitted a draft housing land supply update. The Inspector then invited hearing participants to comment upon it and the Council to make a further submission in response to those comments. We await clarification from the Inspector on how he wishes to proceed to the next stage. A report on the proposed main modifications will be considered at a future meeting of Cabinet and Council prior to a further stage of public consultation. We await guidance from the Inspector after which we will be in a clearer position over timescale going forward.

## **3.0 Risk**

- 3.1 Risk reports to committees include strategic risks with a current score of 10 or more in accordance. (See Appendix 2)
- 3.2 Operational risk assessments are job specific and flow through to safe systems of work. These risks go to the Health and Safety Committee biannually with escalation to committees where serious concerns are raised.
- 3.3 The Corporate risk register is regularly reviewed by Group Managers’ Team (GMT) and Leadership Team (LT) and updated as required.

## **4.0 Conclusion and Recommendation**

- 4.1 That the PDG reviews the performance indicators and risks for 2019-20 that are outlined in this report and feeds back any areas of concern to the Cabinet.

**Contact for more Information:** Catherine Yandle, Group Manager for Performance, Governance and Data Security ext 4975

**Circulation of the Report:** Leadership Team and Cabinet Member

## Corporate Plan PI Report Economy

Monthly report for 2019-2020  
Arranged by Aims  
Filtered by Aim: Priorities Economy  
For MDDC - Services

Key to Performance Status:

Performance Indicators:	No Data	Well below target	Below target	On target	Above target	Well above target
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\* indicates that an entity is linked to the Aim by its parent Service

### Corporate Plan PI Report Economy

#### Priorities: Economy

#### Aims: Attract new businesses to the District

##### Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Number of business rate accounts</u>	3,049	(5/12)	3,150	3,104	3,112	3,123	3,137	3,149								Andrew Jarrett, Fiona Wilkinson	

#### Aims: Focus on business retention and growth of existing businesses

##### Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Businesses assisted</u>	122	(5/12)	250	10	28	50	61	69								Adrian Welsh	(August) 9 New Enquires & 8 Businesses Assisted (MF)

#### Aims: Improve and regenerate our town centres

##### Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Increase in Car Parking Vends</u>	53,627	(5/12)		51,120	51,775	48,697	50,894	51,261								Andrew Jarrett	
<u>The Number of Empty Shops (TIVERTON)</u>	21	(2/4)	18	n/a	n/a	17	n/a	n/a	20	n/a	n/a	n/a	n/a	n/a	n/a	Adrian Welsh	(Quarter 1) The number of vacant units is 7.1% equaling 17 units. (MF)
<u>The Number of Empty Shops (CREDITON)</u>	8	(2/4)	8	n/a	n/a	6	n/a	n/a	7	n/a	n/a	n/a	n/a	n/a	n/a	Adrian Welsh	(Quarter 1) 5.0% of units vacant. (MF)
<u>The Number of Empty Shops (CULLOMPTON)</u>	7	(2/4)	8	n/a	n/a	12	n/a	n/a	12	n/a	n/a	n/a	n/a	n/a	n/a	Adrian Welsh	(Quarter 1) The number of vacant units within Cullompton is 12 (MF)

#### Aims: Other

##### Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Group Manager	Officer Notes
<u>Funding awarded to support economic projects</u>	£0	(1/4)	£100,000	n/a	n/a	£10,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Adrian Welsh	(Quarter 1) £10,000 bid to Arts Council from Cullompton Town Council (AD) (JB)

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## Economy PDG Risk Management Report - Appendix 2

Report for 2019-2020

For Economy - Cllr Graeme Barnell Portfolio

Filtered by Flag: Include: \* Corporate Risk Register

For MDDC - Services

Filtered by Performance Status: Exclude Risk Status: Low

Not Including Risk Child Projects records, Including Mitigating Action records

### Key to Performance Status:

Mitigating Action:	<b>Milestone Missed</b>	<b>Behind schedule</b>	<b>On / ahead of schedule</b>	<b>Completed and evaluated</b>	<b>No Data available</b>
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Risks:	<b>No Data (0+)</b>	<b>High (15+)</b>	<b>Medium (6+)</b>	<b>Low (1+)</b>
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## Economy PDG Risk Management Report - Appendix 2

**Risk: Economic Strategy** Failure to deliver projects/outcomes in Economic Strategy

Service: Growth, Economy and Development

Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
Completed and evaluated	Continue to seek out existing and new funding opportunities	To assist in ensuring adequate funding for delivery.	Adrian Welsh	10/06/2019	10/06/2019	Fully effective (1)
On / ahead of schedule	partnership working	Continue to work closely with delivery partners to gain advance warning of difficulties so as to seek to mitigate	Adrian Welsh	10/06/2019	10/06/2019	Satisfactory (2)
On / ahead of schedule	Project Management	Continue rigorous project management, monitoring and reporting	Adrian Welsh	10/06/2019	10/06/2019	Satisfactory (2)
<b>Current Status: Medium (12)</b>		<b>Current Risk Severity: 4 - High</b>		<b>Current Risk Likelihood: 3 - Medium</b>		
<b>Service Manager: Jenny Clifford</b>						
<b>Review Note:</b>						

## Economy PDG Risk Management Report - Appendix 2

**Risk: Funding** Insufficient resources (including funding) to deliver growth aspirations of Corporate Plan.

**Service: Growth, Economy and Development**

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
On / ahead of schedule	Officers have reprioritised work programmes to explore new funding opportunities	End of European funding sources	Adrian Welsh	10/06/2019	10/06/2019	Satisfactory (2)

**Current Status: High (16)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 4 - High**

**Service Manager: Adrian Welsh**

**Review Note:** Uncertainty as to whether funding will continue in current political climate.

**Risk: Infrastructure delivery** Inability to deliver, or delay in delivering, key transport infrastructure to unlock planned growth

**Service: Growth, Economy and Development**

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
On / ahead of schedule	Partnership working with infrastructure providers and statutory bodies	Reduce risk of delays and communication.	Adrian Welsh	10/06/2019	10/06/2019	Satisfactory (2)
On / ahead of schedule	target funding opportunities	To seek to bring forward delivery	Adrian Welsh	10/06/2019	10/06/2019	Satisfactory (2)

**Current Status: Medium (12)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: Jenny Clifford**

**Review Note:**



## Economy PDG Risk Management Report - Appendix 2

**Risk: Tiverton Pannier Market** Failure to maximise the economic potential of Tiverton Pannier Market

**Service: Growth, Economy and Development**

### Mitigating Action records

Mitigation Status	Mitigating Action	Info	Responsible Person	Date Identified	Last Review Date	Current Effectiveness of Actions
On / ahead of schedule	Continue to retain and prioritise market budget	To ensure most efficient use of resources	Adrian Welsh	10/06/2019	10/06/2019	Satisfactory (2)
On / ahead of schedule	continue to work with traders on promotion	To increase footfall.	Adrian Welsh	10/06/2019	10/06/2019	Satisfactory (2)
On / ahead of schedule	Implement and review market strategy	Implementation of strategy will increase market's financial success and help fulfill its function as a key driver for the town.	Adrian Welsh	10/06/2019	10/06/2019	Satisfactory (2)
On / ahead of schedule	Masterplan Implementation	To realise benefits from the Masterplan to increase visibility of market and increase footfall.	Adrian Welsh	10/06/2019	10/06/2019	Satisfactory (2)
<b>Current Status: Medium (12)</b>		<b>Current Risk Severity: 4 - High</b>		<b>Current Risk Likelihood: 3 - Medium</b>		
<b>Service Manager: Jenny Clifford</b>						
<b>Review Note:</b>						

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# Risk Matrix Economy Appendix 3

Report  
 For Economy - Cllr Graeme Barnell Portfolio  
 For MDDC - Services  
 Current settings

<b>Risk Likelihood</b>	<b>5 - Very High</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>
	<b>4 - High</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>1 Risk</b>	<b>No Risks</b>
	<b>3 - Medium</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>3 Risks</b>	<b>No Risks</b>
	<b>2 - Low</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>1 Risk</b>	<b>No Risks</b>
	<b>1 - Very Low</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>1 Risk</b>	<b>1 Risk</b>
		<b>1 - Very Low</b>	<b>2 - Low</b>	<b>3 - Medium</b>	<b>4 - High</b>	<b>5 - Very High</b>
		<b>Risk Severity</b>				

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**ECONOMY PDG  
26<sup>TH</sup> SEPTEMBER 2019**

## **REPORT OF THE HEAD OF PLANNING, ECONOMY AND REGENERATION**

### **ECONOMIC DEVELOPMENT SERVICE UPDATE**

**Cabinet Member(s):** Cllr Graeme Barnell

**Responsible Officer:** Mrs Jenny Clifford, Head of Planning, Economy and Regeneration

**Reason for Report:** To update members on progress with Economic Development Service activities.

#### **RECOMMENDATION: That the report be noted**

**Relationship to Corporate Plan:** The work of the Growth, Economy and Delivery team supports the corporate objectives for the economy:

- Bringing new businesses into the District
- Business development and growth
- Improving and regenerating our town centres
- Growing the tourism sector

**Financial Implications:** There are no additional financial implications arising from the report.

**Legal Implications:** There are no legal implications arising from the report itself – any implications arising from the projects are dealt with operationally.

**Risk Assessment:** Risks related to the individual projects are noted in the update spreadsheet

**Equality Impact Assessment:** None anticipated

**Impact on Climate Change:** The impact of individual projects on climate change will need to be factored into their business plans.

#### **1.0 Introduction**

1.1 The report provides members with an update on progress with Economic Development projects as identified in the Council's Economic Strategy Year 1 Action Plan. The spreadsheet gives a summary of the latest activities, next steps and key risks / issues relating to each project. Projects have been given a RAG (Red, Amber, Green) rating according to whether they are on track (Green), generally on track but delayed or facing issues that might delay their implementation (Amber), not on track and facing issues that will jeopardise their implementation (Red).

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**Circulation of the Report:** Cllr Graeme Barnell  
Leadership Team

**List of Background Papers:** None

	Theme	Econ Strategy Targets	Update 10/09/19	Next Action	Risks / Issues	Status
Employment & Skills	<b>Investment and Growth Packages</b>	Develop a core business support 'offer' by Sept 2019 & develop sector specific investment packages by Apr 2020 (including identifying possible financial incentives)	Team meetings have been held to identify activities that should form part of the support packages	MDDC webpages to be reviewed and revised signposting businesses to relevant sources of support	Further work will be required to identify what support will be available post Oct '19	AMBER
Employment & Skills	<b>Business Champions Group</b>	Business Champions Group established by Dec 2019	List of strategic businesses has been created	Encourage councillors and senior managers to meet with key strategic businesses.	Businesses unwilling to engage	AMBER
Employment & Skills	<b>Incubation Space</b>	Develop a detailed business plan by Sept 2019	Two potential sites have been identified and ERDF bids are being developed in parallel success. However, the bidding environment will be highly competitive.	EOI bids to be submitted by end of September	Bids may not be successful, which will mean other options will have to be considered	GREEN
Employment & Skills	<b>Business Awards</b>	To undertake a Mid Devon Business Awards Event by Dec 2019	Due to the lack of private sector interest for a formal award ceremony we can no longer proceed with a full award format. Therefore we are looking at other options to achieving the original goals.	Meet with media partner w/b 16/09 and agree a plan of action	It will be delayed / postponed / cancelled	RED
Place	<b>Cullompton Historic England Bid</b>	Develop a partnership scheme with Historic England to commence April 2020	Cullompton High Streets Heritage Action Zone bid submitted on 12th July. HE have sought clarification on budgets.	<b>COMPLETE</b> - Await decision	If HSHAZ bid is unsuccessful The Council can enter negotiations with Historic England to create a Partnership in Conservation Area scheme SEP19	GREEN
Place	<b>Future High Streets Fund</b>	To submit a Future High Streets Bid for Tiverton (Cabinet decision 16th March)	Future High Streets Fund bid submitted on 22nd March	<b>COMPLETE</b> - Bid Unsuccessful	Other opportunities for will be sought	GREEN
	<b>Tiverton Public Realm</b>	Scope and costing exercise to commence with a view to produce a public realm plan	Stage 1: Scope and costing exercise (Oct 1st)	Draft Public Realm Plan	Ensuring S106 monies are spent within the requisite time period. Ensuring appropriate consultation is undertaken prior to member sign off.	GREEN
Place	<b>Crediton and Cullompton Town Centre Partnerships</b>	To work with local town centre bodies in Cullompton and Crediton to set up functioning town centre partnerships by April 2020	Crediton - has a successful Town Team which leads on several popular events and projects. Cullompton also has a Town Team delivering a number of projects including the food and drink festivals in the highstreet.	In Cullompton it is proposed to have a Town Centre Regeneration Partnership to advise on HAZ bid and masterplanning exercises (Draft TOR to be circulated).	Dependent on the willingness of partners to participate	AMBER
Place	<b>Tiverton Masterplan</b>	Deliver early milestones for Tiverton Town Centre Masterplan	Draft masterplan being reviewed by Officers prior to Stage 2 public consultation.	Stage 2 public consultation to take place in Autumn 2019		AMBER
Place	<b>Cullompton Masterplan</b>	To complete a masterplanning process in Cullompton with adoption in June 2020	Stakeholder event was undertaken on 04.09.19 (48 attendees). Comments are being collated ahead of Stage 1 public consultation.	Stage 1 public consultation in Nov/Dec 2019		GREEN
Place	<b>Tiverton EUE. Area B Masterplan</b>	To complete a masterplanning process for Area B of the Tiverton Eastern Urban Extension with adoption in Spring 2020	Landowner and stakeholder consultation event (Sept 2019). Stage 2 public consultation Jan 2020			GREEN

Place	<b>Shopfront Schemes</b>	Deliver shopfront grant schemes in Tiverton, Cullompton and Crediton	£30,000 S106 funding has been identified to extend the scheme in Tiverton. £20,000 funding for scheme in Cullompton has been written into HSHAZ bid.	Identify match funding to support a shopfront grant scheme in Crediton.	Dependant on identifying match funding	GREEN
Place	<b>Destination Website</b>	Develop a destination website to promote the district by Jun 2019	There has been a delay due to management changes at the web company. We have engaged with all Town and Parish councils for information which we are currently uploading. We are also resolving legal requirements for this project.	To finalise all the legal documents / agreements. Continue to upload content. Activate launch!	Go live' has slipped another two weeks	AMBER
Place	<b>Connecting the Culm</b>	Deliver three year Interreg funded partnership programme	Work on the Whole Catchment Survey is underway to provide baseline.	Stakeholder Engagement plan to be developed	<b>ON TRACK</b>	GREEN
Infrastructure	<b>Town Centre Wi-fi</b>	Develop a clear project plan for delivering a free public wi-fi network in Tiverton by Sept 2019	Consultation completed	Tender document to be developed, scoping the project and seeing what added value delivery partners could bring to the project.	The S106 should be enough to cover the cost of installation, but we will need to consider ways to avoid on-going maintenance / management costs.	AMBER
Infrastructure	<b>Broadband - Gigabit Voucher</b>	Promote Gigabit Voucher Scheme from Jan 2019	Promotional materials produced and Gigabit Voucher Scheme advertised through social media campaign	<b>COMPLETE</b>	<b>COMPLETE</b>	GREEN
Hi-Tech, Innovation and Green Energy	<b>Hydromills Project Tiverton Weir</b>	Deliver a hydro-project on Tiverton Weir by 2022	Meeting taking place on Friday 13th of September to coordinate submission of EA permission documents and updates	Submission of all documentation to the EA, initiation of work to design the structure which will house the Tiverton Weir scheme.	EA permissions not being granted.	AMBER
Agriculture / Food & Drink	<b>Food and Drink Promotion</b>	Create a database of local food and drink businesses by Dec 2019; Work with partners to create two Food & Drink campaigns by Jun 2020; Organise a Mid Devon Food and Drink forum event by Dec 2020.	The database is populated and entering its completion ready for December 2019.	End point of research: Exploring the district to ensure all businesses are included.		GREEN



**ECONOMY PDG  
26<sup>TH</sup> SEPTEMBER 2019**

## **REPORT OF THE HEAD OF PLANNING, ECONOMY AND REGENERATION**

### **COST-RECOVERY AND COMMERCIALISATION IN GROWTH, ECONOMY AND DELIVERY**

**Cabinet Member(s):** Cllr Graeme Barnell

**Responsible Officer:** Mrs Jenny Clifford, Head of Planning, Economy and Regeneration

**Reason for Report:** To present to members steps to introduce cost recovery into the Growth, Economy and Delivery service, and to update members with regard to potential next steps with regard to further commercialisation within the service.

#### **RECOMMENDATION:**

- 1. That Members recommend to Cabinet to approve the bill of charges for economic development related advice with regard to the planning process laid out in Section 2.0**
- 2. That Members authorise officers to seek LGA funding to help investigate opportunities within the service for further commercialisation including the potential to develop a commercial arm for the delivery of some discretionary services.**

**Financial Implications:** In recognition that it is increasingly difficult to find public sector funding for discretionary services, the Economic Development Team is working towards a more commercial approach to service delivery. This report sets out potential measures to introduce cost recovery fees for certain discretionary services provided by the Economic Development team within the financial year 2019-20. It also raises the potential opportunity for exploring further income generation through the creation in the future of a commercial arm either from within the service, or across the organisation.

**Legal Implications:** Charging fees on a cost-recovery basis is within the legal remit of the Council as set out in Part 8, Section 93 of the Local Government Act 2003. However, if the Council wishes to explore developing income generating schemes that go further than cost recovery it would need to consider setting up a commercial arm which is able to trade on its behalf.

**Risk Assessment:** It is difficult to predict with any accuracy the number of economic development planning advice enquiries that the team may receive in the coming years. Therefore there is a risk that returns may be lower than anticipated. There is also a risk that a fee may deter applicants from seeking pre-application advice. It should also be noted that as levels of local authority funding diminish there is a risk that discretionary services supported by the Economic Development team may have to be discontinued, if there is no cost recovery in place.

Local authorities are limited to raising money on a cost recovery basis. Should the Council wish to set up a new company to raise income such a decision would include

consideration of risk as part of that decision making process. The risks associated with this would need to be subject to a detailed risk assessment as part of business planning.

**Equality Impact Assessment:** No equality impacts are foreseen.

**Impact on Climate Change:** None anticipated

**Relationship to Corporate Plan:** The Economic Development team helps to deliver the Council's objectives for the Economy:

- Bringing new businesses into the district
- Business development and growth
- Improving and regenerating our town centres
- Growing the tourism sector

## **1.0 Introduction**

- 1.1 The Economy PDG at its March 2019 meeting previously considered cost recovery opportunities. These included recouping costs with regard to general economic development activities, business support and input in the planning process. It also considered commercialisation opportunities over and above costs recovery which would require the setting up of a commercial arm which is able to trade on its behalf.
- 1.2 The Group recognised the importance of looking at becoming more financially sustainable but were concerned that charging for business support services could be a disincentive, particular for fledging companies. The Group also wished to better understand how other authorities were grappling with these financial challenges.
- 1.3 Since the Economy PDG previously considered this item officers have been undertaking more research. Of all the above opportunities relating to cost recovery, the area which officers consider could be introduced most simply and quickly and has the necessary mechanisms in place is the input of the service into the planning process. This relates to both pre-application enquiries and economic development input into Planning Performance Agreements.
- 1.4 Discussions with other local authorities have identified that there are no directly relevant nearby examples of charging for some of the areas previously considered. However other opportunities may exist than those previously considered. More work is required to better understand these opportunities and current barriers to implementation along with gaining a clearer indication on how best to introduce more commercialisation opportunities without providing a disincentive to businesses. This additional work is explained later in the report.
- 1.5 This report therefore makes proposals on elements of cost recovery that could potentially be actioned now and acknowledges the need for further consideration of other commercialisation opportunities.

## 2.0 Cost-recovery for Planning Advice

2.1 The areas that seem most appropriate for cost recovery currently are planning performance agreements and specific economic development advice related to pre-application enquiries. These are explored in more detail in the following paragraphs.

### ***Planning Performance Agreements (PPAs)***

2.2 A PPA is an agreement between the local authority and the applicant that lays out agreed timescales, actions and the required resources for processing their application. They give greater certainty to both the applicant and the local authority that technical issues will be addressed in a timely manner and the application will be processed to an agreed timetable. PPAs give a much firmer basis for charging the appropriate fees for the work undertaken in processing and assessing major applications, and are therefore more likely to approach full cost-recovery for the services provided. The Development Management Service is already using a PPA approach for applications on major development sites. The Development Management Service currently has a target of £20,000 per year from PPAs. Although it is difficult to know in advance how many major applications will require Economic Development input as this fluctuates from year to year we envisage that additional income from this could be around £4,000 per annum.

2.3 In line with planning fees, there is an exemption for charging pre-application advice for commercial developments less than 200m<sup>2</sup>, which would exclude all minor applications. The proposed fee structure is laid out below. Fees for pre-application advice are aligned with those already levied by the Planning, Regeneration and Economy Service for heritage / conservation advice.

### ***Pre-application Advice***

2.4 The Economic Development team currently gives advice in connection with pre-application enquiries. It is proposed that this time could be charged in a similar manner to those levied in the Development Management service for Listed Building / Heritage advice. This would include pre-application advice on employment, and commercial site applications, meetings and site visits with clients, and production of a summative report. Fees would be levied as part of pre-application fees administered by the planning service to reflect officer time involved.

#### Proposed Fee Structure

		<b>Proposed Fee Structure</b>	
Planning pre-application advice	Pre-application advice on planning applications concerning employment / commercial property by the Economic Development team.	(in addition to normal planning services fees)  In principle advice no visit  Detailed advice and visit  Additional advice /	  £90  £180  £60

		visit	
Planning Performance Agreements	PPA advice on planning applications concerning employment / commercial property by the Economic Development Team	Relevant hourly rate for the member of staff (on a cost recovery basis)	

### 3.0 Further Commercialisation Opportunities

#### *Benchmarking*

- 3.1 The GED team recently carried out a benchmarking exercise by emailing out a short questionnaire to all authorities involved in the ‘Better Business for All’ commercialisation project nationally, backed up with additional desktop research. Many authorities now charge for non-statutory advice on regulatory services (Environmental Health and Trading Standards).<sup>1</sup> However due largely to government funding for business support activities, business advice is still offered free of charge.<sup>2</sup> However some authorities have externalised some or all of their economic development function through stand-alone development agencies which can take a more commercialised approach to business support or manage grant-funded business support programmes (Torbay Development Agency, North Devon +).
- 3.2 A Local Government Association survey in 2017 showed the huge variety of commercial activities being undertaken by local councils up and down the country. These ranged from commercialisation of conventional council services to totally unrelated commercial activities including running film studios and airports. The most common commercial activities related to economic development and regeneration involve investment in or development of commercial property, and the subsequent rental of the commercial space created. Linked to this and with more of an economic development focus is creating managed workspace, as a business hub, innovation centre or incubation space.
- 3.3 Such commercial activity is often conducted through specially created trading arms set up as commercial companies or not-for-profit social enterprises. Local examples include the Torbay Development Agency (TDA) and Cornwall Development Company (CDC), where business support services are linked to more extensive property and asset management services. There are also independent Business Support Agencies such as West Devon Business Information Point (BIP) (Okehampton) and Somerset Business Agency CIC (Langport) who create income by:
- Applying for Government and EU funding to deliver business support programmes
  - Tendering for Government and EU-funded business support service contracts

<sup>1</sup> see Hampshire County Council

<https://www.hants.gov.uk/business/tradingstandards/businessadvice/chargingbusinessadvice>

<sup>2</sup> see Crannock Chase District Council

<https://www.cannockchasedc.gov.uk/business/economic-development/open-business-business-support>

- Business consultancy

3.4 As an example, the Torbay Development Agency (TDA), was set up in 2007 by Torbay Council to externalise its property and economic development services. It was established as a social enterprise wholly owned and controlled by the Council so that any net surpluses are reinvested to assist economic regeneration in Torbay. Building on its strong relationships with the public sector, it now works across the south west and has a turnover of over £7 million, mainly through its asset management and property services. It offers a range of services including:

- Business Support Services – runs the Growth Hub contracts and manages a number of business centres
- Property development and asset management
  - Regeneration projects, housing and commercial property development
  - Lease of commercial space
- Property Services
  - Property management (Torbay housing stock and schools)
  - Cleaning services under the name 'Complete Facilities Management Services Ltd.'
- Civil Engineering Works
- Investment Fund Management

3.5 The Economic Development team is already looking at a project to develop incubation space. It has identified a number of potential sites, and is discussing with partners options for applying for last round of ERDF funding. Careful consideration would need to be given to the investment potential of these projects, with clear business cases and robust analysis of return on investment.

3.6 It is considered that there is potential for commercial land and property investments to benefit economic development within the district and provide a financial return for the Council. This is not entered into more detail in this report as this is unlikely to provide any returns in the immediate term; however the team are actively working on proposals for consideration.

3.7 To explore commercialisation further, the Economic Development team will be applying under **the LGA's Productivity Expert Programme** for support from a Local Economic Growth Advisor to advise on opportunities for commercialisation within the service. There may be potential to develop a wider commercial trading arm for the Council which could incorporate a number of different service areas throughout the authority. Further analysis would be needed across the Council to better understand the scope for such a corporate trading arm as opposed to the benefits of setting up individual trading companies for discrete services areas.

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**Circulation of the Report:** Cllr Graeme Barnell

**List of Background Papers:**

*Mid Devon District Council Planning Service, CIPFA 2018*

**ECONOMY PDG  
26<sup>TH</sup> SEPTEMBER 2019**

## **REPORT OF THE HEAD OF PLANNING, ECONOMY AND REGENERATION**

### **THE MID DEVON ECONOMY AND THE UNITED KINGDOM LEAVING THE EUROPEAN UNION.**

**Cabinet Member(s):** Cllr Graeme Barnell

**Responsible Officer:** Mrs Jenny Clifford, Head of Planning, Economy and Regeneration

**Reason for Report:** To inform members of the potential impact of the UK leaving the European Union on the local economy and of the support structures in place to help ensure business activities continue with minimal disruption.

#### **RECOMMENDATION:**

1. **That Members note the report.**

**Financial Implications:** There are no financial implications arising directly from this report. It is envisaged that business support mechanisms will be funded through partner organisations and through use of existing budgets.

**Legal Implications:** None directly arising from this report.

**Risk Assessment:** The scope of this report is limited to information to provide an update on this important issue as it relates to business support and the Mid Devon economy, therefore there are no risks identified.

**Equality Impact Assessment:** No equality impacts are foreseen.

**Impact on Climate Change:** This report is for information and therefore no climate change impacts have been identified.

**Relationship to Corporate Plan:** The Economic Development team helps to deliver the Council's objectives for the Economy:

- Bringing new businesses into the district
- Business development and growth
- Improving and regenerating our town centres
- Growing the tourism sector

#### **1.0 Introduction**

- 1.1 There are a number of challenges and opportunities which present themselves to businesses as the UK leaves the European Union and during the transitional process. There are also a number of support mechanisms and resources to which businesses can be referred to help them to both manage change resulting from the Brexit process, and to take advantage of opportunities which present themselves.

- 1.2 Much of the information within this report on the potential impact of Brexit is drawn from Government publications. Mid Devon District Council has also been made aware of the potential impact through direct liaison with businesses, support organisations and other local authorities.
- 1.3 It is important to recognise that this report looks purely at the elements of Brexit relating to the local Mid Devon economy. Given the multiple scenarios that could still happen at the time of writing this report, the paper focuses on the effect of a “no deal” Brexit, as the nature, content and detail of alternatives scenarios involving a deal are unknown at this stage.

## **2.0 Food and Drink and Agriculture**

- 2.1 Agriculture is widely recognised as a key sector which will be affected by the UK leaving the European Union. This is mostly because of the Common Agricultural Policy (CAP), an EU based payment framework which aims to create a level playing field and safeguard farming businesses across the whole of the EU. These payments have helped to secure food supplies and to ensure that farmers are able to make a reasonable living from their produce.
- 2.2 Post-Brexit, the Government has agreed to continue the CAP until a review in 2022. The National Farmers Union (NFU) views this as an opportunity to make changes to the CAP to the benefit of British farmers. This could include restructuring the payments in a manner which will help to reduce cash-flow issues which many farmers currently experience. This could also help to rebalance agriculture across the UK, delivering a higher degree of self-sufficiency. However, the NFU opinion seems to rely on the assumption that the payments will not reduce following the 2022 government review.
- 2.3 Beef and sheep meat producers are the most “at risk” areas of the farming industry both nationally and locally. Government is aware that there is a significant volume of meat being exported to the EU (for example over 37,000 sheep carcasses every week at present). In order to protect the meat industry, Government is proposing to make additional funds available to these specific sectors within the agricultural industry in the event of a no deal Brexit. They may also consider obliging public sector organisations to procure British meat products, to ensure that food which is normally exported can instead be used in the domestic market.
- 2.4 The Mid Devon economy has a significant number of livestock farmers, and the majority of these could be directly affected. There are some local farms which due to their specialist, higher quality product are less vulnerable to the impact of a no deal Brexit.
- 2.5 With regards to the wider food and drink supply within the UK, there have been general concerns about potential shortages of particularly fresh products, as many of these are sourced from the EU. It is possible that Government could temporarily suspend competition laws in order to allow businesses to collaborate on the import, export and distribution of food and drink products in a no deal scenario. This could significantly reduce the risk of shortages across the UK, and minimise as far as possible the impact of increased checks on exports.



- 2.6 There is likely to be a significant increase in the volume of Export Certificates required for businesses in the food and drink industry, as certification could be required for goods being exported into countries in Europe in a similar fashion to how they are exported to other parts of the world at present.
- 2.7 If UK food and drink businesses are able to grow their market share in the UK as opposed to relying on exports, it could enhance local dependence on food and drink producers and diminish reliance on the import market. It could also have an impact on the range of food and drink products available in the UK, whereby products traditionally produced in hotter climates, including from outside of the EU, may become more difficult to import in the short term, until there is greater clarity on the impact of Brexit on trade deals and tariffs.

### **3.0 Local Businesses**

- 3.1 High streets could be negatively affected as a result of Brexit. Importers of high street goods may find that their products become more expensive in the short term, meaning they could either have to raise prices, or take a hit to their bottom line. This could be exacerbated by the fact that the UK economy is, at the time of this report, just one month away from entering a recession (defined as 3 consecutive months of negative economic growth, of which 2 months have already passed). If a recession occurs, the public are less likely to have disposable income to spend on goods and services, and as with more traditional recessions of the past, this could result in high street closures.
- 3.2 However, it is important to recognise that within the Mid Devon economy, high streets have in the past been relatively resilient to recessions when compared to national trends. This is in part due to the nature of our high streets, which have a high percentage of independent traders, and a strong provision of local sourced goods and British products. While it is not suggested that our high streets would be immune to the impact of a recession, they are likely to fare better than high streets in other parts of the UK.
- 3.3 Behaviourally, people are already showing signs of becoming more frugal due to uncertainty in the wider economy. This mirrors the uncertainty being seen within the business community which is reducing the likelihood of major investment decisions being taken until there is a greater level of clarity in what will happen to resolve Brexit.
- 3.4 The majority of Mid Devon's larger businesses are significantly importers and exporters of goods and services, and so there is a risk that they could be affected by changes to the economy and our international trading systems. However, these businesses are also the most likely to be prepared for such changes, and many of them are involved in niche markets where there is less direct competition.
- 3.5 At the time of writing this report no detail of post Brexit trade deals are known. It is expected that such deals will provide opportunities dependent upon their detail. The scale of businesses and sectors that will be in a position to respond and capitalise upon these opportunities is not yet clear.
- 3.6 Tourism is one sector which is likely to experience a boost as a result of Brexit. With changes in the value of the pound making holidays abroad more expensive, the appeal of a holiday in the UK increases and becomes more affordable. Accordingly

there are opportunities from both domestic tourism and additional international visitors. Mid Devon has a growing tourism sector, and MDDC is already developing a number of projects in partnership to support the industry.

#### **4.0 Green Technology and Innovation**

- 4.1 Since the referendum in 2016, the Government has been developing proposals to support the growth of a green economy and the decarbonisation of existing industries. It has developed a Clean Growth Strategy, which will see over £600m being allocated to supporting low carbon and renewable technology initiatives. The Government's Industrial Strategy also has clean growth as a common thread running throughout the document and influencing all areas of the economy over the next decades.
- 4.2 This creates a real opportunity for Mid Devon to concentrate its efforts on creating an economic environment conducive to supporting and attracting businesses which operate within low carbon industries.
- 4.3 Other parts of the UK will also be looking to take advantage of opportunities to grow their low carbon industries, based on the Government's strategic plans. However, there are local opportunities which strengthen Mid Devon's case for focusing on developing an offer to attract and grow low carbon businesses, including the Culm Garden Village, the J27 development and other significant housing and employment land developments. These developments give the District the opportunity to market itself to "green" businesses, particularly those with links to the construction industry and renewable energy generation and storage, and low carbon transport, with all of these likely of being well supported by future government funding rounds.

#### **5.0 Business Advice and Support**

- 5.1 Action has been taken at a local, regional and national level to help support businesses through the Brexit process, and to ensure that they are able to continue trading with minimal disruption as far as possible. At the national level, the government published a number of implications reports which provided advice to businesses on various issues which could arise as a result of Brexit. These include topics such as importing and exporting, potential VAT regulatory changes, and some sector specific information for example, food labelling requirements post Brexit. There are well over 800 pages of advice for businesses on the Government website ([www.gov.uk](http://www.gov.uk)). As a result of the volume of material published, the Government has recently created a useful tool which asks site visitors 5 questions and uses the answers to determine the Brexit information relevant to their business. This tool has received positive feedback. It can be found at: <https://www.gov.uk/get-ready-brex-it-check>
- 5.2 The Government has also sent various departments including BEIS, MHCLG and the Home Office on regional tours to present to business support organisations, local authorities and businesses about areas of potential change post-Brexit relating to their departments, and what businesses will need to do in preparation for these changes.
- 5.3 The Business Secretary has also recently announced a "No Deal Readiness Fund" of approximately £10m which is available for businesses to bid for to help get them prepared for the event of a no deal Brexit occurring.

- 5.4 For businesses which currently trade goods into or out of the EU and which will continue to do so post Brexit, they will be required to use an Economic Operator Registration and Identification Number (EORI). Government has announced that as many traders as possible will be automatically allocated an EORI number to enable them to trade smoothly once the UK leaves the EU on 31 October. Their priority has been to ensure the VAT registered businesses are allocated their EORI numbers in a timely manner, but non-VAT registered businesses will need to go through a registration process to receive their number. The registration process takes between 5 and 10 minutes to complete and is on the Gov website.
- 5.5 At a regional level, the Growth Hub has been adapting its support so that it is more geared toward supporting businesses to prepare for Brexit. It is now the main place that MDDC refers businesses wishing to access information, advice and guidance on preparing for Brexit. There is also the Brexit Resilience and Opportunities Group (BROG) which was created through the Heart of the South West LEP as the main conduit for sharing information between Government and local authorities, business support organisations and businesses.
- 5.6 At a local level, the economic development team has been in regular liaison with the BROG and MDDC's Chief Executive sits on the group. The Council has been feeding information into BROG and helping to disseminate information being received through government, for example a business survey, and business focused Brexit support event details. It is particularly difficult to develop specific projects at a local level because of the macro-economic nature of Brexit, however, the main role for the local authority at this time is to make sure that businesses are kept up to date with useful information being provided by the Government. It is also important that we are able to support them through advice and signposting during and after this process.

## **6.0 Other Activities**

- 6.1 Outside of the scope of the economic impact of Brexit, it is also worth noting other work being undertaken by the Local Authority which relates to Brexit.
- 6.2 MDDC works with the Devon, Cornwall and Isles of Scilly Local Resilience Forum and as a partner in the Devon Emergency Planning Partnership (DEPP) to ensure a joint approach when responding to events. The Council has practiced our plans, trained our staff and importantly built working relationships with colleagues far and wide. In doing that we are well placed to weather any storm. The Local Authority does not have a Brexit specific plan, but has a plan that sits in a regional and national context to ensure we are able to deal with whatever comes our way. Brexit at its simplest in Mid Devon, as a District Council without a Port Authority, is one of the many possible triggers leading to abnormal operating conditions.
- 6.3 The economic development team will keep members updated via the Economy PDG as the Brexit process progresses and as further information relevant to local businesses becomes available.

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**Circulation of the Report:** Cllr Graeme Barnell

**List of Background Papers:**

**Supporting information from Government Website <https://www.gov.uk/brexit>**