

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **ECONOMY POLICY DEVELOPMENT GROUP** held on 23 January 2020 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, J Wright and A Wyer

Also Present

Councillor

R Evans and G Barnell

Present

Officers

Jenny Clifford (Head of Planning, Economy and Regeneration), Adrian Welsh (Group Manager for Growth, Economy and Delivery), John Bodley-Scott (Economic Development Team Leader), Joanne Nacey (Group Manager for Financial Services), Catherine Yandle (Group Manager for Performance, Governance and Data Security) and Sarah Lees (Member Services Officer)

52 **Apologies and Substitute Members**

There were no apologies for absence.

53 **Declaration of Interests under the Code of Conduct**

There were no interests declared under this item.

54 **Public Question Time**

There were no members of the public present.

55 **Minutes**

The minutes of the meeting held on 28 November 2019 were confirmed as a correct record and **SIGNED** by the Chairman.

56 **Chairman's Announcements**

The Chairman had the following announcements to make:

- Following the recent sad passing of Cllr John Daw, he wished to pass on the Group's condolences to the family. Cllr Daw would be sorely missed.
- There would be an informal meeting of the Group at 5.30pm on Thursday 20th February 2020 to discuss year two actions. All members of the Group were encouraged to attend if they were able to.

57 John Sheaves - 'Taste of the West' (00:06:25)

Mr John Sheave was welcomed to the meeting and provided the Group with a presentation regarding the work of 'Taste of the West'. This included reference to how the brand was established, how far it had extended, the membership, the prestigious awards available to retailers and the distribution connections with 'Ocado' delivering high quality food and drink products to various outlets across the South West.

Following the presentation discussion took place regarding:

- How the brand was funded which was through membership fees, a creative business model and sponsorship.
- Trading members were able to claim a discount at trade shows.
- The process necessary for businesses to attain a 'Taste of the West' award, from a standard award through to a gold or even 'Champion' award, however, it was explained that the criteria used was very robust.
- Sustainable high quality produce, singly sourced, was a key to success.
- The national, local and industry led reaction to the climate change crisis would have a huge impact on the sector going forwards.

The question was asked as to how 'Taste of the West' and the Council could benefit each other moving forwards? It was explained that much could be achieved through the Business Forum if the will and enthusiasm was there. If the Council wanted to set something up where the focus was on the consumer then 'Taste of the West' could help to support that especially given that developing the food and drink sector was a common aim of both parties. They could also help with local roadshows and support markets (although they would not run them). It was also suggested that perhaps 'Taste of the West' could be approached to be a consultee within the master planning process.

58 Performance & Risk Report (00:53:18)

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

The contents of the report were outlined with reference to the fact that the report provided results up to the end of November 2019. The report also now included a chart showing the trend of empty shops across the three towns, as had been requested at the previous meeting

Discussion took place regarding:

- What actions were being taken to achieve the aims stated in the report? It was explained that more detail in relation to particular projects could be found in the Economic Development Update report which would be discussed later in the meeting. In addition to this, the new Corporate Plan, which would be approved by Council in February, would create new key performance indicators linked to its objectives. However, Members were encouraged to suggest alternative measures of performance wherever possible.

- How footfall figures were attained within the town centres.
- The use of the word 'satisfactory' within the risk report and whether the software could be adjusted to provide alternative wording.

Further discussion took place regarding Business Rates and their effect upon businesses. It was felt that they often had a negative effect forcing businesses to close down. However, it was explained that the Council did provide support where it could through the use of the Business Rate Reduction Scheme and discretionary relief. The Group Manager for Financial Services explained that businesses with a rateable value of less than £12k received a 100% reduction in Business Rates. Of the 1,200 businesses we have in the district, 414 received reliefs. Despite this, it was felt that there were many factors working against the high street retail sector although it was not all 'doom and gloom' as some shops were opening and potential business enquiries were being made.

It was **AGREED** that a report be brought to the next meeting providing background information on Business Rates to facilitate a better understanding of this source of funding. The report could provide information on the Government's position and the effect of this upon local authorities. Particular service areas within the Council could also feed into this report. The report would be an important first step towards a deeper understanding of the issues involved and inform what actions Members may wish to take in terms of lobbying going forwards.

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

59 **Financial Monitoring (01:18:20)**

The Group Manager for Financial Services provided the following verbal update with regard to the income and expenditure so far in the current financial year explaining that a full suite of reports would be provided to the next meeting.

In October a variance of £95k deficit had been reported, this had increased to a deficit of £243k for November.

The main areas of movement since October monitoring included the following:

- **Environmental Services** – net S106 expenditure was slightly less than previously forecast (£9k) this was offset by Earmarked Reserves.
- **Waste** – (£15k) garden waste and permit sales were down against budget, however, it was noted that numbers might pick up before year end.
- **Cemeteries** – income was below that which was previously forecast (£10k)
- **Planning** – S106 expenditure had increased by £82k, however, this was offset by Earmarked Reserves transfer. Planning income was a further £20k less than forecast at the October monitoring.
- **IT** – a salary pressure had been reduced by £11k.
- **Revenues and Benefits** – Housing Benefit Overpayments Recovery forecasts had dropped another £60k. The forecast had been revised following identification of some duplication.
- **NNDR** – Retained Business Rates were forecasted to be £48k lower than forecasted in October following appeals.
- **HRA** – a favourable variance of £486k remained.

Consideration was given to:

- The effect of Universal Credit on Revenues and Benefits which had not impacted significantly yet.
- Concern at the increase in the deficit figure since the previous meeting

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

60 Revised draft GF budget 2020/2021 (01:24:19)

The Group had before it, and **NOTED**, a report * from the Deputy Chief Executive (S151) presenting the revised draft budget changes identified and discussing any further changes required in order for the Council to move towards a balanced budget for 2020/21. This report had been considered by the Cabinet at its meeting on 16 January 2020, however, the Group were asked whether they wished to feed back any further comment to the Cabinet for them to consider at their meeting on 13 February before the budget was finally approved by Council on 26 February.

The following was highlighted within the report:

- The budget gap had been £177k but had risen to £235k following the decision of the Cabinet on 16th January in relation to car parking. Time was running out in order to find the necessary savings to close this gap.
- The budget for 2020/21 was predicated on the proposed savings listed in Appendix 2 of the report.
- There had been a general increase in the required pension contributions from employers.
- The Business Rate forecast would need to be finalised by the end of January.
- The final settlement was awaited but was not predicted to be significantly different from the provisional one received in December.
- New Homes Bonus was at serious risk.
- The Medium Term Financial Plan was already showing a gap in 2023/24 of c£1.5m.
- There were significant concerns about the budget for 2021/22.

Discussion took place with regard to:

- The Homes PDG had made a recommendation to the Cabinet to retain the weed team budget meaning, if approved, that the budget gap would worsen by a further £53k.
- The property maintenance budget.
- An increase in the number of newly built properties would mean additional Council Tax income but there would be a corresponding extra strain on services. The Council would not see a benefit from New Homes Bonus as no new payments were being made, only ones based on previous years.
- The effect of the delay with the Local Plan and the subsequent effect upon income to the Council.
- Using reserves to balance the budget was the least preferred option and could not be sustained.

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

61 Leaving the European Union update (01:50:47)

The Group had before it, and **NOTED**, a report * from the Head of Planning, and Economic Regeneration updating Members on changes to the local economic situation relating to Brexit.

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

62 Economic Development Service Update (01:52:13)

The Group had before it, and **NOTED**, a report * from the Head of Planning and Economic Regeneration updating Members on progress with Economic Development Service activities. This included the following key projects:

Discussion took place regarding:

- Some targets were not being met and therefore the wording against those particular projects needed to be adjusted to more realistically reflect this.
- The Destination website would be officially launched on 26 February 2020. Petroc were providing a free venue. A Members briefing would be held in March to demonstrate the website. It was felt to be regrettable that this project had suffered delay for various reasons.
- A question had been asked at the previous meeting about whether anything could be done about shop rears, some were in a very poor visual state. It was explained that officers had checked the guidance of the shop front scheme and the grant did not cover the rear of shops therefore another source of funding would need to be found to address this. A further question was asked about whether the shop front scheme could extend to the market stall holders outside of the Pannier Market to enhance the appearance of their business. The officer would check the guidance again but felt that the criteria for funding was primarily based on traditional 'shops'.
- It was explained that town centres were required to be 'health checked' on a regular basis and that the results of the latest one for Tiverton would be circulated.
- The Group were informed that the Tiverton Town Centre Partnership would be meeting next week to discuss promotions such as a food and drink event involving the whole town as well as discussing other issues.

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

63 Identification of items for the next meeting (02:04:13)

The following was identified for the agenda for the next meeting (as well as the items already identified in the work programme):

- Business Rate background report

(The meeting ended at 7.40 pm)

CHAIRMAN