

Public Document Pack

Mid Devon District Council

Economy Policy Development Group

Thursday, 5 October 2023 at 5.30 pm
Phoenix Chambers, Phoenix House, Tiverton

Next meeting
Thursday, 16 November 2023 at 5.30 pm

Please Note: This meeting will take place at Phoenix House and members of the Public and Press are able to attend via Teams. If you are intending to attend in person please contact the committee clerk in advance, in order that numbers of people can be appropriately managed in physical meeting rooms.

[To join the meeting online, click here](#)

Membership

Cllr G Cochran
Cllr A Cuddy
Cllr J M Downes (Chairman)
Cllr M Farrell
Cllr B Fish
Cllr M Fletcher
Cllr N Letch
Cllr R Roberts
Cllr G Westcott

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 **Public Question Time**
To receive any questions relating to items on the Agenda from members of the public and replies thereto.

- 3 **Declaration of Interests under the Code of Conduct**
To record any interests on agenda matters.

- 4 **Minutes** (*Pages 5 - 8*)
To consider whether to approve the minutes as a correct record of the meeting held on 3 August 2023.
- 5 **Chairman's Announcements**
To receive any announcements that the Chairman may wish to make.
- 6 **Medium Term Financial Plan - General Fund** (*Pages 9 - 22*)
To receive a report from the Deputy Chief Executive (S151) presenting to Members the updated Medium Term Financial Plan (MTFP) which covers the period 2024/25 to 2028/29 for the General Fund.
- 7 **Junction 27 update**
To receive a verbal update from the Director of Place.
- 8 **Car Parking Working Group update**
To receive a verbal update from the Chairman of the Working Group.
- 9 **Economic Development Team Update** (*Pages 23 - 30*)
To receive a report from the Director of Place providing an update on activities carried out by the Economic Development Team over the last two months, since the last committee meeting.
- 10 **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:
- Economic Development Team update
 - Draft budget update
 - Viability of a Crematorium in Mid Devon

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

Stephen Walford
Chief Executive
Wednesday, 27 September 2023

Meeting Information

From 7 May 2021, the law requires all councils to hold formal meetings in person. The Council will enable all people to continue to participate in meetings via Teams.

If you want to ask a question or speak, email your full name to Committee@middevon.gov.uk by no later than 4pm on the day before the meeting. This will ensure that your name is on the list to speak and will help us ensure that you are not missed. Notification in this way will ensure the meeting runs as smoothly as possible.

Residents, electors or business rate payers of the District may make a statement or shall be entitled to ask questions at a meeting which concerns the Council's powers / duties or which otherwise affects the District. If your question does not relate to an agenda item, the question must be submitted to the Democratic Services Manager two working days before the meeting to give time for a response to be prepared.

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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 3 August 2023 at 5.30 pm

Present

Councillors

J M Downes (Chairman)
G Cochran, A Cuddy, M Farrell (Vice Chairman), B Fish,
M Fletcher and R Roberts

Apologies

Councillor(s)

G Westcott

Also Present

Councillor(s)

D Broom, R Gilmour, B Holdman, S Keable and S Robinson

Present

Officer(s):

Richard Marsh (Director of Place), Paul Deal (Corporate Manager for Finance, Property and Climate Change), Luke Howard (Environment and Enforcement Manager), Zoë Lentell (Economic Development Team Leader) and Andrew Seaman (Member Services Manager)

15 **Apologies and Substitute Members (00:03:46)**

Apologies were received from Cllr G Westcott who was substituted by Cllr M Jenkins

Cllrs J Buczkowski, S Clist, A Glover, F Letch, J Lock and M Fletcher attended the meeting via Teams.

16 **Public Question Time (00:04:16)**

There were no public questions.

17 **Declaration of Interests under the Code of Conduct (00:04:32)**

No interests were declared under this item. Members were reminded of the need to make declarations of interest where appropriate.

18 **Minutes (00:04:50)**

The minutes of the previous meeting, held on 8 June 2023, were approved as a correct record and **SIGNED** by the Chairman.

19 **Chairman's Announcements (00:05:23)**

The Chairman encouraged and welcomed ideas from Councillors that supported revenue generating opportunities for the Council.

20 **Car Parking Working Group Update (00:06:41)**

The Group received and **NOTED** a verbal update from the Chairman of the Working Group on car parking. The working group aimed to look at: the sustainability of car park; improved presence of the Council to user groups; development of redundant and zero revenue parking areas; future planning and community provision; revenue streams; tariff and permit options and Devon County Council (DCC) traffic management plans.

The following was discussed:

- Coach parking was important for the local area and should be included within the provision of the working group.
- A sensibly priced option for car parking, there were some cases where cars needed to move in the afternoon, this was particular to those who worked in Town and why an all-day option was needed.
- There was a need to look at long term stay parking and to encourage use of car parks. There was a need to promote options available to the public such as parking permits.
- That working group present the finance options report for the Economy Policy Development Group.
- It was raised whether there were flexible options for parking permits, there could be more flexibility, officers explained that communications had been made to make residents aware.
- Making residents aware of the options available was very important and needed to be clear.
- Whether there was an opportunity for parking overnight for motorised homes.
- The Chairman encouraged other Councillors to participate with the working group.

21 **Economic Development Team Update (00:22:47)**

The Group received and **NOTED** a report* which provided an update which provided members on activities undertaken by the Economic Development Team during the last two months.

The following was highlighted:

- Funding of £1m from the Shared Prosperity Fund (SPF) was received. £800k had also been allocated from the Rural England Prosperity Fund (REPF)

- Through the REPF grant schemes 16 applications of interest had been received with 11 meeting the necessary criteria. Work was being done to encourage others to apply.
- Town centre projects were being promoted with 6 projects undertaken, next round of applications were due to take place in October 2023.
- Promotion of the 'Field to Fork' scheme continued.
- Pilot of a walking festival was due to be launched in September 2024.
- Other local support activities that had occurred included job fairs, a recent event saw 22 employers participate and that the next job fair was due to place on 20 September.
- A shop survey had been undertaken in Crediton, Cullompton and Tiverton. Vacancy rates were: 4.3% for Crediton, 15.5% for Collumpton and 9.9% for Tiverton. The national average for vacancy rates was 13.8%.
- Footfall for Quarter 1 had exceeded pre-pandemic levels. The latest Visit Mid Devon Guide had been launched. Public engagement in schemes such as the 'Escape to Mid Devon was to be analysed.
- Visitor boards were due to be drafted for Bradninch and Bampton in September 2023.

The following was discussed:

- Asked how many responses there had been, it was confirmed that the Council received 40 responses from the consultation.
- Asked why there was not a pie chart for Cullompton it was explained by officers that this data was not available but could be gathered for the next Economy PDG meeting.
- That the shop vacancy rate in Cullompton was above average and that work had been undertaken through the heritage works. It was raised whether businesses were encouraged to set up within the Cullompton high street. Officers explained that a Project Officer was working on the long-term occupancy of shops within the Cullompton high street.
- It was noted that spaces along high streets needed to be utilised and that bigger retail units were struggling.
- It was asked if, for the Shopfront Enhancement Scheme there could be pie charts to show funds allocated and funds remaining.

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

22 Finance and performance update (00:44:58)

The Group were presented and **NOTED** a presentation was given by corporate manager for finance, which provided an introduction to finance as well as budgetary information which related to the Economy PDG's remit.

The Committee Members were given the opportunity to ask questions to which the Corporate Manager for Finance and the Director of Place answered accordingly.

23 Identification of items for the next meeting (01:37:52)

The following items were identified by the Group as needing to come to a future meeting:

- Junction 27 Update
- Viability of a Crematorium in Mid Devon
- Budget Options

(The meeting ended at 19:10)

CHAIRMAN



Report for: Economy Policy Development Group

Date of Meeting:	5 October 2023
Subject:	Medium Term Financial Plan – General Fund (GF)
Cabinet Member:	James Buczkowski – Cabinet Member for Finance
Responsible Officer:	Andrew Jarrett – Deputy Chief Executive (S151)
Exempt:	N/a
Wards Affected:	All
Enclosures:	Appendix 1 – General Fund MTFP Summary Position Appendix 2 – General Fund Savings Options

Section 1 – Summary and Recommendation(s)

To present to Member's the updated Medium Term Financial Plan (MTFP) which covers the period 2024/25 to 2028/29 for the General Fund (GF) and consider initial savings options.

Recommendation(s):

That the Policy Development Group Members:

- 1. Note the updated MTFP's for the General Fund covering the years 2024/25 to 2028/29**
- 2. Consider the options included within the Appendix 2 and recommend to Cabinet the way forwards, noting that if the committee doesn't support any options, alternative suggestions should be made.**

Section 2 – Report

1.0 Introduction and purpose of the Medium Term Financial Plan (MTFP)

- 1.1 This report summarises the report to Cabinet on 19 September outlining the MTFP position for the General Fund (GF). Members are encouraged to read**

that Cabinet report in full to provide greater understanding of the overarching financial position.

- 1.2 The main purpose of the MTFP is to show how the Council will strategically manage its finances in order to support the delivery of the priorities detailed in the Corporate Plan 2020 – 2024 and future years beyond that plan. This will importantly need to take account of the new council administration in their emerging corporate plan ambitions.
- 1.3 The MTFP has been a key corporate requirement for a number of years and is an essential part of the budget setting process. It provides a financial model which forecasts the cost of providing Council services over a future rolling five year period, together with an estimate of the financial resources that will be available.
- 1.4 The MTFP helps strategically plan the budget setting process, but of equal importance, gives Management and Members an overview of future budget gaps so strategic decisions can be made over levels of future spending, Council Tax levels, policies for fees and charges, asset investment or disposal, etc.

2.0 Framework for the Medium Term Financial Plan

- 2.1 The starting base for an MTFP is the 2023/24 approved budget, which is then adjusted for any supplementary estimates approved by the Council or any significant budget variances identified in the budget monitoring report to the Cabinet.
- 2.2 This base then has to be adjusted for unavoidable costs, such as, pay increases, inflation, service pressures associated with new legislation, a growing residential or business property base or improving performance, etc. The MTFP will also consider forecasts for investment receipts and income from fees and charges.
- 2.3 Finally the MTFP considers and makes assumptions regarding future levels of funding, in particular Council Tax including the potential growth in tax base, Business Rates again including any movement in the baseline as well as changes in the reliefs, multipliers and overall retention levels. Forecasts are also made for the likely level of future Central Government funding.
- 2.4 Note however, at this time, the financing requirement included reflects the 2023/24 Capital MTFP as it is currently being refreshed. The update will be brought back to Cabinet later in the budget cycle. Furthermore, the MTFP should be recognised as a high level estimate of the financial position – it is not a projected based upon a line-by-line review of costs / income.

- 2.5 The MTFP models an overall aggregated position for the GF based on a range of assumptions. This then predicts an overall budget position, which can highlight a potential budget gap and then propose remedial action which can be taken to resolve it. Clearly, these assumptions can be challenged or changed. They will vary due to changes in the local, national and international economic position and of course, the ongoing consequences of the Cost Of Living Crisis will have implications, not only for the current year, but also for the years to come.
- 2.6 The development of a five year financial model is based on a number of assumptions and perceived risks. These become more difficult to predict the further into the future you consider. In general terms a prudent/reasonable approach has been taken regarding forecasts, professional accounting guidance has been followed and external technical opinion has been sought where necessary.

3.0 Background to the Medium Term Financial Plan

- 3.1 Given this is a new administration, Members should be aware that this MTFP has been developed against a backdrop of:
- Austerity – an aggregate cut in Central Government Grant of c£5m during the austerity measures put in place since 2010/11 and been replaced with lower levels of more volatile funding sources e.g. New Homes Bonus, Business Rates and numerous one-off grants. In addition certain funding streams have also been capped, such as Council Tax;
 - Covid-19 – service income through fees and charges in some areas is only just recovering to pre-covid-19 levels, i.e. Leisure and Car Parking;
 - The invasion of Ukraine significantly impacted the availability and therefore price of energy and fuel, leading to A Cost of Living Crisis not seen since the early 1980's. It has required the reallocation of Council resources into supporting the Government with their Energy Rebate and Homes for Ukraine schemes and is impacting budgets through high pay and price inflation;
 - Locally, resources previously realigned to manage the Government's response to the Pandemic and Cost of Living Crisis are again only just returning to their substantive roles;
 - Nationally, the cost of the Pandemic and Cost of Living Crisis has been significant, with the government's gross debt being £2.537bn (100.5% of

GDP) with the net borrowing £24.4bn¹. This indicates that austerity measures are likely to continue;

- Political change at a national level leading to uncertainty and emergency policy decisions being taken that have unsettled the financial markets. Interest rates have soared to combat the high inflation as is now expected to reduce at a slower rate.

Yet the Council continues to deliver a wide range of well performing services.

4.0 Summary of the Medium Term Financial Plan

4.1 There is significant pressure on the GF arising from the decisions taken to balance the 2023/24 budget, namely the £400k staffing vacancy target and the £625k draw from reserves. The assumption is that these are not rolled forward into 2024/25. However, despite this in-year £1,025k challenge, the Qtr. 1 forecast indicated an over spend of £527k on the General Fund, indicating that £498k has been offset, albeit not all through ongoing savings measures. Any overspend position will negatively affect reserve balances, which reduce the option to smooth this budget deficit over time.

4.2 There are also a range of other pressures falling on the budget, including, but not restricted to, the following:

- The Cost of Living Crisis with high inflation affecting pay and material prices for all services. The 2024/25 assumed pay award is an increase of 4% - adding a pressure of circa £700k to the GF budget.
- Many services are experiencing high staff turnover and sickness levels requiring additional temporary staff being employed to keep key services such as waste collection operational. To mitigate this pressure and deliver the £400k staffing vacancy target within the GF, a soft recruitment freeze has been implemented. Where a role is required to maintain key service provision, for example a lifeguard or waste operative, these positions will be filled. However, where other posts become vacant, recruiting is being delayed / postponed to free up budget. Inevitably, this does impact on the quality and speed of service delivery, and this is mitigated as far as possible.
- The significant increases in energy charges have also had an impact on the Council's finances. The Cabinet recently agreed to extend the current provider (Laser) and increase the proportion of Electricity purchased from 100% renewable sources. It is currently too early to receive the new energy prices due to cover the year beginning 1 October 2023, therefore the

¹ [UK government debt and deficit - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

forecast remains as previously projected, although the energy cap has reduced since that forecast, potentially leading to a saving for the Council from the assumed circa £400k GF pressure. Furthermore, over time with the use of more electric vehicles, there will be a move away from fossil fuel to electricity.

- There are also regulatory requirements to fulfil such as Fire Safety, decarbonisation and increased the use of renewable energy.

4.3 In summary, the forecast GF shortfall for 2024/25 can be attributed to the removal of the one-off targets included within the 2023/24 budget, plus the assumed inflationary uplift driven by the Cost of Living Crisis. The sum of these pressures has added c.£2.1m to our cost base. The longer term shortfall (rising to £5.2m) is largely due to inflation and the assumptions around reduced government funding.

4.4 This is clearly a challenge built upon a number of assumptions, caveats, decisions based upon external advice and the most up to date information available at this time. Clearly, any major variations in these assumptions would require a fundamental review of the MTFPs and would be reported back to Cabinet and the wider Membership as soon as practical, coupled with proposed courses of action that could be implemented.

4.5 The Council has a legal requirement to set a balance budget and needs to ensure its overall costs are affordable i.e. they can be funded through income and planned short-term use of reserves. Members therefore need to take the necessary decisions and actions to manage net spending within affordable limits.

5.0 Approach to closing the Budget Gap

5.1 In order to reduce the forecast deficit the Council will strive to constantly manage its costs and revenues by:

- Ensure fees/charges are revisited regularly and that the Council are charging appropriately for all items possible;
- A continued reduction of service and employee costs – which may incur short term upfront costs;
- Continue and expand partnership working where practical;
- Investigation of a number of spend to save projects;
- Review the current and future property asset requirements;
- Maximise procurement efficiencies;
- Explore new commercial opportunities;
- Examine different ways of delivering services to reduce costs;
- Continued benchmarking and learning from best practice;

- Consideration of growing the residential and commercial property base to align delivery with Government funding priorities.
- 5.2 The above plans will require all service areas to play an active role in securing future savings and the Council will also continue to consult with all of its major stakeholders, especially the tax payers and tenants, to ensure all future budgetary decisions accord with their priorities.
- 5.3 During the summer, services have been reviewing a range of budget options that could be considered in order to help mitigate the 2024/25 budget shortfall. Those relevant to this Policy Development Group (PDG) are included within **Appendix 2**. The views of this PDG on where any possible budget savings could be found to resolve the immediate budget gap for 2024/25 and future years will form the basis of the discussions with a view to the PDG making recommendations to Cabinet.
- 5.4 Members will appreciate that all budget options will require political support and therefore if some suggestions are deemed to be unacceptable then other savings will need to be proposed. Members should indicate where these alternatives should be sought.

6.0 Balances and Reserves

- 6.1 The Council should look to match on-going spending plans to available in-year resources. It currently holds an uncommitted General Fund Reserve with a balance of £2,025k, which is above the current balance of £2m set by Full Council. However, this will be impacted by the outturn position of 2023/24 and the degree to which the £1,025k in-year target cannot be mitigated, which is projected to reduce to £527k. This will only leave £1,498k in the reserve and will need to be replenished over the lifetime of this MTFP.
- 6.2 The Council holds these reserves for a number of reasons. Firstly to deal with any short term cash flow or funding issues. Secondly to provide a contingency for exceptional one-off acts (i.e. flooding, fire, terrorism, business rate failure, etc.) and, thirdly to provide a buffer for known circumstances whose final affect is unknown (i.e. changes in legislation or major funding changes). Clearly, the more uncertainty that exists, the higher the balance required to mitigate this risk. This level of minimum reserves is assessed annually to ensure it is adequate.
- 6.3 As stated above, this plan does not include any utilisation of these reserves. However, with the scale of the deficit, it is conceivable that some utilisation could be necessary. If so, this should be on the basis that the reserve is replenished by the end of the MTFP period.

6.4 The Council also holds GF Earmarked Reserves of circa £20m, which have been set aside for a specific purpose, such as sinking funds for asset replacement. Although these reserves are ring-fenced and should not to support ongoing expenditure within the budget, a review of all Earmarked Reserves is undertaken annually and any identification of funding no longer required to be earmarked can be released and could be used to support the budget. As these funds are one-off, they only delay the requirement for the identification and implementation of a sustainable saving.

7.0 Conclusion

7.1 The MTFP will continue to be updated to ensure it is a live document. It is subject to amendment and review by Leadership Team and Members and will provide a clear guide prior to commencing the annual budget setting process in future years.

7.2 Like all councils, Mid Devon is facing an ongoing and very challenging financial future. Having a realistic financial plan for the next five years will enable the Council to ensure it is allocating its limited financial resources to its key priorities. Moving forward Members will be provided with regular updates on the financial impact of any variation to what has been previously assumed.

7.3 It should also be noted that the PDGs will continue to play a pro-active role in both reducing ongoing service costs and exploring new possibilities to raise additional income. Options will be brought forward for consideration over the next few months in the run in to setting the 2024/25 budget in February 2024.

Financial Implications

By undertaking an annual review of the MTFP the Council can ensure that its Corporate Plan priorities are affordable. The implications of the revised budget gap are set out within the paper. Many areas require greater clarity, particularly around national funding and the possibility of additional funding to offset the implications of the Cost of Living Crisis. Therefore a number of key assumptions underpin the reported position, which will be refined as greater clarity is received through the budget setting process.

Legal Implications

None directly arising from this report, although there is a legal obligation to balance the budget. There are legal implications arising from any future consequential decisions to change service provision, but these would be assessed at the time.

Risk Assessment

The MTFP makes a number of financial assumptions based on a sensible/prudent approach, taking account of the most up to date professional advice that is available.

Impact on Climate Change

The allocation of resources will impact upon the Council's ability to implement/fund new activities linked to climate change, as the MTFP sets the broad budgetary framework for the Council over the coming years. However, some provision has already been included in the base budget and further evaluation/consideration will be made as the draft budget passes through the PDGs over the next few months. Significant investment is currently forecast within the Capital Programme, however this will be dependent upon full options appraisals and levels of Grant funding available.

Equalities Impact Assessment

No implications arising from this report.

Relationship to Corporate Plan

The Medium Term Financial Plan (MTFP) sets out the financial resources available to deliver the Council's ongoing Corporate Plan priorities.

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: Andrew Jarrett
Agreed by or on behalf of the Section 151
Date: 18 September 2023

Statutory Officer: Maria De Leiburne
Agreed on behalf of the Monitoring Officer
Date: 18 September 2023

Chief Officer: Stephen Walford
Agreed by or on behalf of the Chief Executive/Corporate Director
Date: 18 September 2023

Performance and risk: Dr Steve Carr
Agreed on behalf of the Corporate Performance & Improvement Manager
Date: 18 September 2023

Cabinet member notified: Yes

Section 4 - Contact Details and Background Papers

Contact: Andrew Jarrett – Deputy Chief Executive (S151)
Email: ajarrett@middevon.gov.uk
Telephone: 01884 234242

Contact: Paul Deal – Corporate Manager for Finance, Property and Climate Change
Email: pdeal@middevon.gov.uk
Telephone: 01884 234254

Background papers:

- 2024/25 Medium Term Financial Plan report to Cabinet 19 September 2023

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Appendix 1 – General Fund Medium Term Financial Plan

The Table below gives an overall summary of the Council's General Fund MTFP position (which includes a wide range of assumptions).

MTFP General Fund Summary

2023/24 £'000		Notes	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
16,845	Net Direct Cost of Services		17,035	17,468	18,210	19,036	19,752
(1,884)	Net recharge to HRA		(1,948)	(2,006)	(2,067)	(2,129)	(2,193)
703	Provision for Repayment of Borrowing	1	898	970	1,066	1,063	1,101
15,665	Net Service Costs		15,986	16,432	17,210	17,969	18,659
(1,032)	Net Interest Costs/(Receipts)	2	(1,030)	(1,000)	(900)	(900)	(900)
180	Finance Lease Interest Payable		200	126	116	106	99
(1,582)	Net Transfers to/(from) Earmarked Reserves	3	(59)	188	288	214	314
(625)	Net Transfers to/(from) General Reserves		0	0	0	0	0
12,606	Total Budget Requirement		15,097	15,747	16,715	17,389	18,172
	Funded By:						
(4,319)	Retained Business Rates	4	(4,449)	(4,138)	(4,218)	(4,301)	(4,385)
(98)	Revenue Support Grant		(98)	0	0	0	0
(547)	Rural Services Delivery Grant		(547)	(547)	(547)	(547)	(547)
(320)	New Homes Bonus	5	(320)	0	0	0	0
(90)	2022/23 Services Grant	5	(90)	0	0	0	0
(485)	2023/24 Funding Guarantee		(485)	0	0	0	0
(6,749)	Council Tax–MDDC	6	(7,007)	(7,330)	(7,560)	(7,795)	(8,037)
(12,606)	Total Funding		(12,994)	(12,013)	(12,323)	(12,641)	(12,967)
0	Annual Gap – Increase/(Decrease) In-year		2,103	1,631	658	357	457
0	Cumulative Gap		2,103	3,733	4,392	4,749	5,206

Notes:

1. The Provision for repayment of borrowing incorporates the financial implications of the current Capital Programme.
2. The reduction in Net Interest Costs / (Receipts) reflects the removal of the possible interest earned from 3 Rivers Developments Ltd and is replaced by an assumption on interest earned through treasury investments. Assumption on interest rates to be reviewed.
3. Net Transfers to / (from) Earmarked Reserves reflects planned contributions to, or drawdowns from reserves. This is likely to change significantly during this budget process.
4. The Retained Business Rates increase is assumed to be 3% in 2024/25 and a 2% increase is assumed in future years. However income drops in 2025/26 to reflect the potential changes the Government might implement to the Business Rates Retention Scheme. These include Re-Baselining and Resource Equalisation. No use of the Smoothing Reserve has been factored in (currently £720k but dependent upon annual collection surplus/deficit).

5. The current assumption is for a cash freeze in grants for 2024/25. However in 2025/26, it is assumed that the long awaited implications for grant funding arising from the Fair Funding Review are implemented, i.e. those announced as one off / ceasing will have stopped. However, there is an expectation that these are replaced, at least in part, but forecasting that is impossible. Therefore it is hoped that this is the prudent / worst case forecast.
6. Council Tax income is forecast assuming Band D charge increases in line with referendum limits in 2024/25 and assumed referendum limits in future years, and an increase in the taxbase in line with the local plan requirements (c350 properties per annum) and a return to normal (98%) collection rate over the life of the MTFP.

Business Plans - 2024/25 Headline Savings options - Round 1

Appendix 2

Cabinet / PDG	Service	Budget	Cost Centre	BRIEF Saving Description (including risks of delivery)	Low Risk	Medium Risk	High Risk
Economy	Property Services	Paul Deal	PS Commercial Income	A review of leases leads to updates and an increase in income. Figure based on c 5% increase		£ 25,000	
Economy	Property Services	Paul Deal	Transfer of Assets / Financial Contribution	An assumption that either a financial contribution or transfer of assets is secured with some or all of the major Town Councils. Current negotiations are not overly encouraging. Therefore, as indicated previously, some pservices will cease.			£ 150,000
Economy	Car Parks	Matthew Page / Darren Beer	CP520 / 530 / 540	Increase in income from parking charges raised above 3% (includes extra forecast above budget for 2023-24)		£ 40,000	
All	ALL	ALL	All Services	Potential savings could be made in certain areas linked to de-scoping or downsizing activity, should turnover allow for a natural wastage approach in these identified areas. Organisation-wide turnover should allow for a realisation of some of these savings over the coming months and years. However, they are categorised as amber/red to denote that these are not immediately realisable (amber) or would not be recommended due to the severe negative impact on service delivery (red). This aligns with the early steer from the administration around prioritising and protecting service delivery to customers alongside a desire to ensure no redundancies are required given the opportunities to manage workforce resource effectively through targeted vacancy and turnover management.	£ 40,680	£ 370,840	£ 363,806
All	ALL	ALL	All Services	Reduction in agency spend following implententation of new structure Implications: Will require services to scrutinise need and develop greater relationships with agency providers, negotiating where required Could result in services offering a lesser service at a lower rate should it be decided agency spend is not favourable			?
All	ALL	ALL	All Services	Reduction in cost of sickness Implications: Would require us to take a less risk adverse attitude to managing sickness which could result in claims			?
All	ALL	ALL	All Services	Business Rates - possible reduction arising from appeals	?		
All	ALL	ALL	All Services	Energy costs - possible movement depending on new unit price. Need to reduce usage.	?		
All	ALL	ALL	All Services	Fuel Costs - Possible movement depending on how prices move	£ 30,000		

TOTAL £ 269,380 £ 535,566 £ 532,731

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Report for: Economy PDG

Date of Meeting:	5 October 2023
Subject:	Economic Development Team Update
Cabinet Member:	Cllr Steve Keable, Planning & Regeneration
Responsible Officer:	Richard Marsh, Director of Place
Exempt:	N/A
Wards Affected:	All wards
Enclosures:	N/A

Section 1 – Summary and Recommendation(s)

To update members on activities undertaken by the Economic Development Team during the last two months.

Recommendation(s):

That members note the contents of the report.

Section 2 – Report

1.0 Introduction

1.1 This report provides an update on activities carried out by the Economic Development Team over the last two months, since the last committee meeting.

2.0 Shared Prosperity Fund (SPF)

2.1 Prosperity Programme Grants

2.1.1 Following a tender exercise, we appointed Diverse Regeneration Company (DRC) CIC to work with us to undertake the grants administration and monitoring for the Prosperity Programme. DRC will assess and score applications against the scheme criteria before they are considered by the Funding Panel for grant award decisions and follow-up with ongoing monitoring to measure the impact of the funded projects.

2.1.2 The Prosperity Programme Grants Scheme launched in June 2023. We received 16 Expressions of Interest by the close of the first round (23 July 2023), of which 10 were invited to Full Application. One applicant has since withdrawn and three applicants have announced their intention to apply to Round Two. The remaining 6 applications will be considered at a Funding Panel meeting on 20 September. A verbal update on grant decisions will be made at the PDG meeting.

2.1.3 We continue to receive enquiries about the Grants Scheme and are actively promoting the funding opportunities amongst our business communities.

2.1.4 The team has commissioned 'Be Grant Ready' workshops to support businesses, community groups and town and parish councils to produce quality applications. The workshops, one on 11 October and one in February, are free to attend and bookable via EventBrite. Delivered by Business West, the workshops will cover the requirements of the Prosperity Programme and help potential applicants with the fundamentals of bid writing including:

- What makes a good application
- The funding requirements – understanding match funding
- How to translate your proposal into outputs
- The importance of a good business case

2.2 Love Your Town Centre

2.2.1 Under the Love Your Town Centre umbrella, we have a number of small-scale grant schemes aimed at increasing the vibrancy and vitality of our three main market towns. These schemes include:

- Shopfront Enhancement Schemes: grants of up to £2,500 to help improve shopfronts or signage.
- Vibrant Town Centres: grants of up to £5,000 for businesses working in partnership or £1,000 for individual businesses, to go towards town centre projects that drive new footfall through events, cultural or arts activities.

- Business Growth: fit-out grants of up to £2,500 to businesses taking on an empty unit to help bring new commercial, community and leisure opportunities into the town centre.
- Digital High Streets: offers grants of up to £1,500 to help independent high street retailers, leisure and tourism businesses establish or upgrade e-commerce websites.

2.2.2 Since the previous PDG, we've received:

- One application for the Business Growth Scheme for a business taking on an empty unit in Tiverton.
- Two applications for the Shopfront Scheme in Tiverton and three enquiries in Cullompton.

2.2.3 The next round of Vibrant Town Centres opens for applications on 2 October 2023. This scheme contributes towards SPF outputs on number of arts, cultural and heritage events supported as well as increased footfall. Organisations and businesses are encouraged to apply for projects that will deliver against these outputs.

2.3 Business Support: Prosper

2.3.1 Mid Devon businesses have had access to free business supported through the 'Thrive' programme, coordinated by Devon County Council. This scheme ended earlier this year. Through the Shared Prosperity Fund, Mid Devon (and other Devon authorities) have commissioned a follow-on programme of support: Prosper.

2.3.2 Following a tender exercise, Business Information Point (working in partnership with Cosmic) are delivering the support with Devon County Council coordinating the offer.

2.3.3 Prosper will provide a mixture of specialised online support and in-person one-to-one sessions or workshops offering:

- support with running a business,
- help to improve energy efficiency and become more environmentally sustainable,
- support to start a new business and,
- support for businesses looking to take on additional staff.

2.3.4 To access the programme, businesses need to complete an enquiry form on the Heart of the South West Growth Hub's website.

2.4 Local Growth Fund

2.4.1 The Heart of the South West Local Enterprise Partnership (LEP) is offering top-up funding to local authority partners to compliment emerging provision of business support through Shared Prosperity Fund, Rural England Prosperity Fund and other

funding sources. This Local Growth Fund (LGF) is capital funding primarily to support grant funding for SMEs looking to install measures to improve resource/ energy efficiency.

- 2.4.2 The proportion of capital funding available to local authorities is based on the number of enterprises in their geographical area, taken from ONS data, compared to the number of enterprises in entire South West. For Mid Devon, this amounts to £24,245. We have submitted an application to the LEP; we will find out the outcome of our application in early October.
- 2.4.3 If we are successful, we will use the LGF to extend the green business support through the provision of capital grants to help businesses implement actions that reduce their carbon emissions. The introduction of the grant scheme will enable businesses to apply the knowledge gained from the support workshops, generating additional impact from those support interventions. Working with Exeter City and East Devon District Council, we are proposing an aligned scheme whereby the Green Business Grant will offer up to 50% of the cost of any works, to the maximum value of £5,000.

3.0 Town Centre Health

3.1 Shop Vacancies and Footfall

- 3.1.1 Quarter 3 shopfront surveys will be carried out in October and presented to the next PDG meeting along with footfall data.

3.2 Cullompton Heritage Action Zone

- 3.2.1 Works to enhance the public realm are well underway and are currently running to programme. The work are being phased to minimise disruption to residents and businesses, but unavoidably there will be some disruption as works progress. The appointed contractors have been liaising with adjacent properties to keep them updated on the programme. The initial stage of works has now been completed, without the need for three way traffic lights. Work on the next phase is now underway with paving on the southern end currently being laid.
- 3.2.2 The aim of the project is to make the town centre a more desirable place for businesses, visitors, investors and residents.
- 3.2.3 The grants for property owners, focused around Fore Street, to improve their properties are progressing with several properties now complete and several now in the pipeline.
- 3.2.4 The Cultural programme continues to undertake tremendous work in the town. The Roman festival was a big success and achieved excellent engagement and really positive feedback. The public art project is progressing with installations underway. Three permanent pieces of mosaic artwork are being installed at the Library, the Baptist Church and the former Porters restaurant as follows:
- 3.2.5 A 'Selfie' project was created by Art students at Cullompton Community College and 18 members of the public who took part in a workshop at the Hayridge library. It consists of a panel of low-relief ceramic tiles. Each tile was created by participants who took a close-up selfie on their mobile phone. They were then given a raw clay tile on which to build up a self-portrait based on the image they

have captured, including a few faces based on photographs of residents who live at Clark's Court. It has been installed outside the library.

3.2.6 The 'Home' project was undertaken with over 120 pupils from Willowbank Primary School and from St Andrew's Primary School Cullompton PTFA. The programme and resulting ceramic artwork explores the concept of 'home' through 3D modelling and writing. Sessions were led by a local ceramic artist and writer. The children made a small 3D model of the building in which they live, or in which they would like to live.

3.2.7 'Wool Wall' is being installed at the Baptist Church. It is being created from knitted squares which will be cast in clay, these squares have been designed by a local business who worked alongside members of the local community including members of the Baptist Church and ran knitting / crochet workshops to create the knitted squares.

3.2.8 Another wool version of the work will be installed inside the Church as another legacy of this community project.

3.3 Crediton Masterplan

3.3.1 Work continues on the Crediton Masterplan; the first stakeholder consultation event took place on 25 May 2023. This was the initial consultation session to support the creation of the Crediton Masterplan, outlining the background to the project, the team and a summary of existing plans and evidence. This has been followed up by a first round of public consultation, which ran from 21 July 2023 until 4 September 2023.

3.3.2 The consultation asked 2 questions:

1. What are the main issues that Crediton town centre currently faces?
2. What opportunities do you think there are to enhance Crediton town centre?

3.3.3 This has led to a broad range of issues being raised by correspondents. In all 78 responses were received which appear to be mainly focused on residents who either live in or visit Crediton Town centre. There was a broad range of comments raised; however most related to traffic, parking and town facilities.

3.3.4 These comments have informed the consultants work in developing proposals which will form the basis of another round of public consultation later this year.

4.0 General Updates

4.1 Jobs Fairs

4.1.1 The team continue to work with the Department for Work and Pensions on jobs fairs. The next event takes place on 20 September at Tiverton Pannier Market. A verbal update on the event will be provided at the PDG meeting.

4.2 Visitor Economy

4.2.1 The Heart of the South West LEP has commissioned Tomorrow's Tourism to develop a business plan for two Local Visitor Economy Partnerships (LVEPs), one in Devon and one in Somerset. The objectives of this project are:

- To address deep-rooted challenges with a more coordinated, strategic approach.
- To unlock the potential by bringing public and private sector partners together, connecting both the policy and delivery context.
- To reduce the number of unconnected activities, consolidate funding and drive efficiencies.
- To identify the top priorities and the wider opportunities for collaboration.

4.2.2 A representative from the Economic Development Team will attend a workshop in early October, which will focus on the development of the LVEP concept for Devon. It is an opportunity to identify opportunities and risks from the proposal and present a voice for Mid Devon's tourism businesses. Updates following the workshop and as the project develops will be presented to the PDG at a later meeting.

Financial Implications

The report is an information report and does not of itself have any financial implications and require any decisions. The report is however providing members with information which is pertinent to the utilisation of SPF and REPF grant monies as well as other grant funding – including the Cullompton HAZ project.

It is hoped that the report demonstrates that the Economy and Growth team is achieving in line with expectations in terms of the successful utilisation of grant monies and other financial resources.

Legal Implications

There are no legal implications arising from this information report.

Risk Assessment

There are no further risks associated with the updates in this report that have not already been reported.

Impact on Climate Change

The impact of individual projects on climate change has been included in the individual reports that will have already been presented to committee.

Equalities Impact Assessment

It is acknowledged that there is a relationship between economy and equality whereby disadvantaged groups of people can have greater or lesser opportunities for economic advantage depending on the climate and growth potential. Economically disadvantaged individuals are socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital or

credit opportunities as compared to others in the same or similar line of business who are not socially disadvantaged. There are unfortunate intersections between socioeconomic status and those with protected characteristics or from marginalised or minority communities putting them at greater risk of social and therefore economic disadvantage. Social and digital isolation issues across a rural district has the potential to exacerbate these risks.

Mid Devon's Prosperity Programme and the Economic Strategy outline key projects to tackle these risks and grow the economy. They are supported by equality assessments and communication plans.

Key strands of the work of the Economy and Growth team continue to seek to address and tackle causes of inequality and deprivation.

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

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: Andrew Jarrett

Agreed by or on behalf of the Section 151

Date:

Statutory Officer: Maria DeLeiburne

Agreed on behalf of the Monitoring Officer

Date:

Chief Officer: Richard Marsh

Agreed by Corporate Director

Date:

Performance and risk: Dr Steve Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: 19 September 2023

Cabinet member notified: (yes/

Section 4 - Contact Details and Background Papers

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Background papers: