

Economy & Assets Policy Development Group

Thursday, 28 November 2024 at 5.30 pm
Phoenix Chambers, Phoenix House, Tiverton

Next meeting
Thursday, 6 March 2025 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.

The meeting will be hybrid and an audio recording made and published on the website after the meeting.

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

Meeting ID: 347 405 044 443
Passcode: rR7s2h

Membership

Cllr G Cochran
Cllr J M Downes (Chair)
Cllr M Farrell
Cllr M Fletcher
Cllr L Knight
Cllr N Letch
Cllr J Poynton
Cllr R Roberts
Cllr A Stirling

AGENDA

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 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 7 - 12*)
To consider whether to approve the minutes as a correct record of the meeting held on 19 September 2024.
- 5 **Chair's Announcements**
To receive any announcements that the Chair may wish to make.
- 6 **Presentation from the Apricot Centre**
To receive a presentation from the Apricot Centre.
- 7 **Performance Dashboard Q2** (*Pages 13 - 14*)
To receive the Performance Dashboards for the Economy & Assets area for the previous quarter.
- 8 **Medium Term Financial Plan 2025/2026** (*Pages 15 - 38*)
To receive a report from the Deputy Chief Executive (S151) presenting the updated Medium Term Financial Plan (MTFP) providing options to update the 2025/2026 budget for consideration / approval.
- 9 **Shared Prosperity Fund: Year 4 Outline Delivery Plan (2025/26)**
(*Pages 39 - 50*)
To receive a report from the Director of Place providing Members with an Outline Delivery Plan for a potential extension to the Shared Prosperity Fund programme (2025/26).
- 10 **Shared Prosperity Fund Year 3 Q2 Update**
To receive a presentation from the Economic Development Team Leader providing an update on the Shared Prosperity Fund Year 3, Quarter 2 position.
- 11 **Economic Development Team Update** (*Pages 51 - 56*)
To receive a report from the Director of Place updating Members on projects and activities undertaken by the Growth, Economy and Delivery Team during the last couple of months.

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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 (some of these items are subject to confirmation nearer the time):

- Economic Strategy 2024 – 2029
- Destination Management Plan for Mid Devon (tbc)
- Green Enterprise Grants (tbc)
- Performance Dashboard for Q3
- Assets Management Plan (tbc)
- Chair’s Annual Report for 2024/2025

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

Stephen Walford
Chief Executive
Wednesday, 20 November 2024

Guidance notes for meetings of Mid Devon District Council

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 the Council experience technology difficulties at a committee meeting the Chairman may make the decision to continue the meeting 'in-person' only to conclude the business on the agenda.

1. Inspection of Papers

Any person wishing to inspect minutes, reports, or the background papers for any item on the agenda should contact Democratic Services at Committee@middevon.gov.uk

They can also be accessed via the council's website [Click Here](#)

Printed agendas can also be viewed in reception at the Council offices at Phoenix House, Phoenix Lane, Tiverton, EX16 6PP.

2. Members' Code of Conduct requirements

When considering the declaration of interests and their actions as a councillor, Members are reminded of the requirements of the Members' Code of Conduct and the underpinning Principles of Public Life: Honesty; Integrity; Selflessness; Objectivity; Accountability; Openness; Leadership.

The Code of Conduct can be [viewed here](#):

3. Minutes of the Meeting

Details of the issues discussed, and recommendations made at the meeting will be set out in the minutes, which the Committee will be asked to approve as a correct record at its next meeting. Minutes of meetings are not verbatim.

4. Public Question Time

Residents, electors or business rate payers of the District wishing to raise a question and/or statement under public question time are asked to provide their written questions to the Democratic Services team by 5pm three clear working days before the meeting to ensure that a response can be provided at the meeting. You will be invited to ask your question and or statement at the meeting and will receive the answer prior to, or as part of, the debate on that item. Alternatively, if you are content to receive an answer after the item has been debated, you can register to speak by emailing your full name to Committee@middevon.gov.uk by no later than 4pm on the day before the meeting. You will be invited to speak at the meeting and will receive a written response within 10 clear working days following the meeting. Notification in this way will ensure the meeting runs as smoothly as possible

5. Meeting Etiquette for participants

- Only speak when invited to do so by the Chair.
- If you're referring to a specific page, mention the page number.

For those joining the meeting virtually:

- Mute your microphone when you are not talking.
- Switch off your camera if you are not speaking.
- Speak clearly (if you are not using camera then please state your name)
- Switch off your camera and microphone after you have spoken.
- There is a facility in Microsoft Teams under the ellipsis button called “turn on live captions” which provides subtitles on the screen.

6. Exclusion of Press & Public

When considering an item on the agenda, the Committee may consider it appropriate to pass a resolution under Section 100A (4) Schedule 12A of the Local Government Act 1972 that the press and public be excluded from the meeting on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, as defined under the terms of the Act. If there are members of the public and press listening to the open part of the meeting, then the Democratic Services Officer will, at the appropriate time, ask participants to leave the meeting when any exempt or confidential information is about to be discussed. They will be invited to return as soon as the meeting returns to open session.

7. Recording of meetings

All media, including radio and TV journalists, and members of the public may attend Council, Cabinet, PDG and Committee meetings (apart from items Media and Social Media Policy - 2023 page 22 where the public is excluded) you can view our Media and Social Media Policy [here](#). They may record, film or use social media before, during or after the meeting, so long as this does not distract from or interfere unduly with the smooth running of the meeting. Anyone proposing to film during the meeting is requested to make this known to the Chairman in advance. The Council also makes audio recordings of meetings which are published on our website [Browse Meetings, 2024 - MIDDEVON.GOV.UK](#).

8. Fire Drill Procedure

If you hear the fire alarm you should leave the building by the marked fire exits, follow the direction signs and assemble at the master point outside the entrance. Do not use the lifts or the main staircase. You must wait there until directed otherwise by a senior officer. If anybody present is likely to need assistance in exiting the building in the event of an emergency, please ensure you have let a member of Democratic Services know before the meeting begins and arrangements will be made should an emergency occur.

9. WIFI

An open, publicly available Wi-Fi network is normally available for meetings held in the Phoenix Chambers at Phoenix House.

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MINUTES of a **MEETING** of the **ECONOMY & ASSETS POLICY DEVELOPMENT GROUP** held on 19 September 2024 at 5.30 pm

Present

Councillors

J M Downes (Chair)
M Farrell, G Cochran, M Fletcher, L Knight,
N Letch and A Stirling

Apology

Councillor

R Roberts

Also Present

Officers

Andrew Jarrett (Deputy Chief Executive (S151)), Richard Marsh (Director of Place & Economy), Paul Deal (Head of Finance, Property & Climate Resilience), Adrian Welsh (Strategic Manager for Growth, Economy and Delivery), Zoë Lentell (Economic Development Team Leader), Linda Perry (Economic Development Officer) and Sarah Lees (Democratic Services Officer)

Councillors

Online

S Keable, J Buczkowski, G Duchesne, D Wulff,
E Buczkowski, A Glover and G Westcott

Officers Online

Dr Stephen Carr (Corporate Performance & Improvement Manager)

16 APOLOGIES AND SUBSTITUTE MEMBERS

Apologies were received from Cllr R Roberts.

17 PUBLIC QUESTION TIME

There were no questions from members of the public.

18 DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT

No interests were declared under this item.

19 MINUTES

The minutes of the previous meeting, held on 20 June 2024, were approved as a correct record and **SIGNED** by the Chair.

20 CHAIR'S ANNOUNCEMENTS

The Chair stated that the Group had received a very interesting briefing session prior to the meeting on the assets owned by the Council. He requested that if this had stimulated any thoughts or ideas around the area of assets that needed further discussion by the Policy Development Group that Members should bring these to the attention of the Clerk for the next or subsequent meeting.

21 PERFORMANCE DASHBOARD Q1 (00:06:00)

The Group were presented with, and **NOTED**, summary information * reflecting performance in the Economy & Assets areas for quarter 1 2024/2025.

The following was highlighted on the Performance Dashboard:

- The Dashboards were intended to provide an 'at a glance' representation of performance in the Economy & Assets area.
- The Dashboards allowed Members to easily see whether service areas were 'on track' and the use of pie charts and RAG (Red/Amber/Green) ratings were used to facilitate this.
- There were three corporate risks in relation to this Policy Development Group (PDG).
- Reference was made to the recent funding announcement regarding the Cullompton Relief Road, this would be monitored going forwards. Further reference was made to the amber rating in relation to capital slippage on the percentage of projects.

The Chair stated that the Dashboard showed an overall positive position for the areas falling under the remit of this Group.

Note: * Dashboards previously circulated.

22 MEDIUM TERM FINANCIAL PLAN - GENERAL FUND (GF) (00:08:00)

The Group were presented with a report * from the Deputy Chief Executive presenting the updated Medium Term Financial Plan (MTFP) which covered the period 2025/2026 to 2028/2029 and took into account the Council's key strategies and demonstrated it had the financial resources to deliver the new Corporate Plan.

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

- The MTFP covered a period from 2025/26 to 2028/29. Normally this would be a 5 year plan but the Council was currently awaiting greater clarification from the new Government and the Chancellor's budget announcement on 30th October 2024. The 5th year will be added following this.
- The MTFP focussed on a framework of principles those being: (i) General Fund Reserves (ii) Optimise Income Generation (iii) Allocation of Revenue Resources (iv) Allocation of Capital Resources
- The MTFP built on a number of assumptions around inflation which were shown in Appendix 1.
- Overall the result of pressures on the budget left a £1.2m gap rising to 4m by year 4 if the Council took no action.

- Over the summer officers had looked at options which had been RAG rated as red, amber, green in terms of risk and deliverability.
- If the green and amber savings were accepted this would reduce the £1.2m gap down to circa £400,000
- All Policy Development Groups would be asked to look at possible savings which would then be presented to Cabinet.

Discussion took place regarding:

- Whether there were any indications regarding the level of Local Government funding emerging following the election of the new Government?
- It was explained that some 'snippets' of information were coming through regarding planning fees and housing targets and funding but little else at the current time.
- The 30th October Government budget would be very important in terms of setting the direction and intention of the Government towards lower tiers of government.
- It was hoped that since the new Government had not been in power for very long, next year's Local Government settlement would roll forward but this would not be known until approximately the middle of December.
- The Local Government settlement only represented 10% of overall funding.
- The level of Council Tax increase that district councils' could set was expected to be 2% or £5, whichever was highest.
- Conversations had been taking place with Town and Parish Councils' regarding them acquiring assets at an agreed price but no firm offers had been received yet.
- There would still be a shortfall for next year's budget even if the proposals set out in the report were agreed, therefore Members were encouraged to come forward with additional suggestions for savings.

The Group **NOTED** the following:

1. The updated MTFP for the General Fund covering the years 2025/26 to 2028/29;
2. The principles and approach to balancing the General Fund Revenue Budget outlined in paragraph 6.2;
3. The emerging budget pressures included within Appendix 3;

RECOMMENDED to Cabinet that:

The green and amber round 1 budget proposals as set out in Appendix 4a, be approved.

(Proposed by Cllr L Knight and seconded by Cllr G Cochran)

Reason for the decision

As set out in the report.

Note: (i) * Report previously circulated.
(ii) Cllr N Letch requested that her abstention from voting be recorded.

23 ECONOMIC DEVELOPMENT TEAM UPDATE REPORT (00:24:00)

The Group had before it, and **NOTED** a report from the Director of Place and Economy updating Members on projects and activities undertaken by the Growth, Economy and Delivery Team during the last quarter. It also provided an update on plans for review of the Economic Strategy for Mid Devon.

The following was highlighted in the report:

- Work continued on the delivery of the final phase of the Shared Prosperity and Rural England Prosperity Fund Delivery Plan. Following completion of the second quarter, the team would undertake the next round of monitoring reviews to measure progress against projected outputs and outcomes. This would be completed by the end of October 2024 and an update would be presented to the PDG in November.
- Planning Permission was granted for the 'Change of Use' of the Market Centre building. A second Planning Application was now live for the physical amendments to the building to facilitate the improved workspace. The team were tendering for the contractor to deliver the works with the aim (subject to Planning Permission being granted) of this commencing in early November. In addition to the Prosperity Funding, the team had secured a small 'Quick Wins' grant from Devon County of £5,000 towards this project.
- The walking festival was underway and the team had received positive feedback so far. More venues had come forward since the advertisements had gone live and an evaluation of the projects would be undertaken upon completion.
- The Swan Trail would cease at the end of September and on 7 November there would be an auction to 'sell off' the swans.
- The team had proactively participated in the Mid Devon Show providing a marquee, support and advice in relation to the 'Field to Fork' campaign. There had been much positive engagement with the public.
- The team had used the 'People and Skills' funding to work with Devon County Council and partner authorities on an 'Employment and Skills Hub'. The support included a dedicated advisor offering free 1:1 employment and skills advice, signposting and more direct support with identifying training opportunities available. The Council had two hubs in Mid Devon: one in Cullompton Library and one in Tiverton at Old Heathcoat School Community Centre.
- The Economic Strategy was due for review. A series of workshops would be organised for the PDG to help develop this. It was hoped by doing this Members and officers would gain a better understanding of what 'economic success' looked like. It would be a chance to gather together relevant data and to answer questions such as: What kinds of outcomes did we want as a Council and where were efforts best placed? Experience gained from delivering the Shared Prosperity Fund would be helpful. This work would be undertaken alongside development of the Destination Management Plan. Dates for the workshops would be circulated to the Group in due course. It was requested that one of these workshops be open to all Members to make contributions and suggestions. It was agreed that this would be a good idea.

Discussion took place regarding:

- The loss of funding from the European Union and the impact of this in the future in terms of not being able to deliver such diverse projects in the future.

The Chair wished to record the Group's thanks to the Economic Development Team for all their hard work and dedication in delivering these projects so successfully.

Note: * Report previously circulated.

24 **GREEN ENTERPRISE GRANTS UPDATE (00:46:00)**

The Group had before it, and **NOTED**, a report from the Director of Place and Economy providing an update on the Green Enterprise Grants and overview of post project evaluation.

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

- Following a successful bid to the Heart of the South West Local Enterprise Partnership (Local Growth Fund), the team had run a Green Enterprise Grant Scheme offering small capital grants (between £500 and £5,000) to carbon reduction projects that could be delivered by 31 December 2024.
- A pilot scheme had been run to explore demand.
- A cross team approach had been used working collaboratively with Planning colleagues and the Climate Sustainability Specialist.
- Businesses were expected to match 50% of the cash needed to run each carbon reduction project.
- No projects had required planning permission and the cost of each had not exceeded £25k.
- Businesses had been encouraged to come forward with projects that could be delivered quickly.
- Delivery timescales had been quite restrictive.
- Over 13,000 kg CO₂ emissions had been avoided.
- A list of successful case studies had been created as a result of this project.
- The grant scheme was viewed to be a successful pilot project and there was the potential to run a second phase subject to securing funding

The Chair thanked the team for the 'extraordinary' work they had undertaken in relation to this project.

Note: * Report previously circulated.

25 **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (00:40:00)**

The items already listed in the work programme for the next meeting were **NOTED**, however, it was stated that there would be a presentation from 'Apricot' at the next meeting and not 'COTIE' as indicated in the work programme. This would provide the Group with information regarding regenerative farming.

(The meeting ended at 6.21 pm)

CHAIRMAN

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Economy & Assets PDG Performance Dashboard – Quarter 2 2024/25

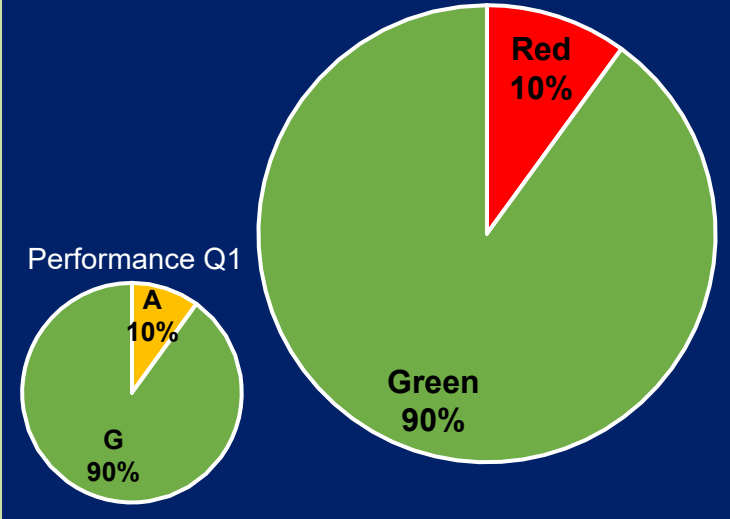


Performance Measures	Performance	Annual Target	Rating
Pannier market occupancy rate (Average YTD)	86 %	85%	G
Businesses supported – non financial support (YTD)	146	250	G
Commercial property voids (YTD)	1.7 %	5%	G
Events supported in our town centres (YTD)	60	6	G
Tourism events supported (YTD)	3	2	G
Business rateable value (Current)	£54,552,102	N/A	
Empty business properties (Current)	224	N/A	
Funding secured to support economic projects (YTD)	£1,318,995	£400,000	G

Finance Measures	Performance	Annual Target	Rating
E&A PDG – Projected Outturn	£1,516k	£1,631k	G
Car Parking Income – Projected Outturn	(£1,102k)	(£1,102k)	G
Pannier Market Income – Projected Outturn	(£108k)	(£108k)	G
E&A PDG – Capital Slippage % of projects (Current)	26%	0%	R

Corporate Risk	Risk Rating (Trajectory)
Culm Garden Village – Loss of capacity funding	12 (Decreasing)
Culm Garden Village – Project delays/ impacts due to infrastructure delays	15 (Decreasing)
Cullompton Town Centre Relief Road	15 (Decreasing)

Overall Performance Q2



In Focus

Tiverton Swan Trail: Launched during Easter 2024, this public art initiative celebrates Tiverton’s heritage and creativity. The trail finished on the 3rd November and the Swan Trail Auction was hosted on 7th November.

Jobs fair: This was held at Tiverton Pannier market on 23 October 2024.

Cullompton Town Centre Relief Road: Tesco has confirmed its willingness to sell a key piece of land required to deliver the relief road.

Agenda Item 7

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**Report for: Economy & Assets Policy
Development Group (PDG)**

Date of Meeting:	28 November 2024
Subject:	Medium Term Financial Plan – General Fund (GF)
Cabinet Member:	James Buczkowski – Cabinet Member for Governance, Finance and Risk
Responsible Officer:	Andrew Jarrett – Deputy Chief Executive (S151)
Exempt:	N/a
Wards Affected:	All
Enclosures:	Appendix 1 – MTFP Position per PDG Appendix 2 – Capital Programme (GF)

Section 1 – Summary and Recommendation(s)

To present to Member's options to update the 2025/26 Budget for consideration / approval.

Recommendation(s):

That Members of the Policy Development Group consider the contents of this report and make any proposals it feels appropriate to Cabinet for approval.

Section 2 – Report

1.0 Introduction

- 1.1 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 2024 – 2028 and future years beyond that plan.
- 1.2 The first element of this meeting will cover a refresh of the service areas relevant to each PDG updating members of the movements during the process to date in setting the 2025/26 Budget (**see Appendix 1**). This can include a

brief Q&A session to ensure members are clear of their responsibilities and potential additional budget options. This report considers the development of budget options, proposes further options to continue towards balancing the 2025/26 Budget.

- 1.3 This report also introduces an indicative Capital Programme for the General Fund for consideration (**see Appendix 2**). The indicative HRA development programme is still being evaluated and will be brought to the December Cabinet for consideration.
- 1.4 Finally, this report provides an update on the 2024 Autumn Budget including potential implications for MDDC. Note, these will only be fully known once greater information is received from Government, some of which is expected within November through the Local Government Finance Policy Statement and the full Financial Settlement closer to Christmas.
- 1.5 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.

2.0 Background

- 2.1 On 17 September, the first draft MTFP covering the period 2025/26 to 2028/29 for the General Fund was presented to Cabinet. This estimated a funding shortfall of £1.2m in 2025/26 rising to £4.0m by 2028/29. This number is derived without any remedial action and is a cumulative figure – i.e. if the £1.2m is found to balance the 2025/26 position, the overall budget gap will reduce to £2.8m. Initial options were included for consideration that could reduce that £1.2m shortfall in 2025/26 to £390k.
- 2.2 Following consideration by the various PDG's during the September round of meetings, Cabinet agreed the majority of those options on 15 October, potentially reducing the shortfall down to £431k subject to further development of some options.

Original forecast Shortfall	£1,196k
Plus: Appendix 1 – proposed Green and Ambers Less: Appendix 2 – proposed Green and Ambers	+ £725k (£1,531k)
Revised recommended forecast Shortfall	£390k
Proposals made at the meeting:	
Plus: Appendix 1 row 7 Proposed increase to Climate Change Budget	£100k

Appendix 1 row 11 Proposed increase to Planning Enforcement Budget	£100k
Appendix 2 row 8 Let's Talk MidDevon Saving – rejected	£11k
Less:	
Appendix 2 row 23 Lease more space commercially within Phoenix House	(£50k)
Appendix 2 row 24 Property capturing benefits from CRM system	(£30k)
Appendix 2 row 26 Refresh out of date leases	(£10k)
Appendix 2 row 35 Additional Pre-App Planning Income	(£40k)
Appendix 2 row 37 Additional income generated from Planning Engagement in EUE proposals.	(£10k)
Appendix 2 row 44 Recover Waste set up costs from new housing developments	(£20k)
Appendix 2 row 54 Leisure Potential income from advertising on Apps	(£10k)
Revised forecast Shortfall	£431k

2.3 During the October Cabinet, the above budget options outside of the proposed Green and Amber options were recommended to be developed. The following is an update on these options:

Pressures – Appendix 1 (October Cabinet)

Both of the investments into Climate Change and Planning Enforcement are welcomed.

Savings – Appendix 2 (October Cabinet)

- **Row 8 “Let’s Talk MidDevon” – (£11k);**

This platform is being successfully used by Mid Devon Housing in particular who are increasing visits to the hub where it is an important part of its wider tenant engagement strategy.

The annual residents’ survey is currently live, with a requirement for those responding on line to sign up to the community engagement hub.

This saving option was rejected by Cabinet on 15 October 2024.

- **Row 23 Lease more space commercially within Phoenix House – (£50k);**

This proposal is currently on hold whilst Phoenix House is revamped and the identified space is occupied. It is recommended to defer consideration of this until 2026/27.

- **Row 24 Property capturing benefits from CRM system – (£30k);**

Work has not yet begun to integrate the new CRM system within this service, as the benefits are currently greater for other service areas. It is recommended to defer consideration of this until 2026/27.

- **Row 26 Refresh out of date leases – (£10k);**

Work is ongoing to ensure leases are kept up to date and particularly rent charges reflect the latest valuations. Recommended inclusion in the 2025/26 budget.

- **Row 35 Additional Pre-App Planning Income – (£40k);**
Demand for this service continues to grow. Recommended inclusion in the 2025/26 budget.
- **Row 37 Additional income generated from Planning Engagement in EUE proposals – (£10k);**
The project continues to progress. Recommended inclusion in the 2025/26 budget.
- **Row 44 Waste Recover set up costs from new housing developments – (£20k);**
The project continues to progress with further research and legal advice required on how the scheme would be utilised and applied by MDDC. Once obtained this will inform the level of extra income that could be gained. At time of writing, this is not being considered for inclusion in the 2025/26 Budget but will be discussed further at the next Service Delivery and Continuous Improvement PDG in December.
- **Row 54 Leisure Potential income from advertising on Apps – (£10k).**
The use of Apps continues to grow within the service. Recommended inclusion in the 2025/26 budget.

2.4 Following further review, the above recommendations have the following impact on the 2025/26 budget shortfall.

Proposed forecast Shortfall	£431k
Plus:	
Appendix 2 (October Cabinet) – remove the following options	
Row 23 Lease more space commercially within Phoenix House	£50k
Row 34 Property capturing benefits from CRM system	£30k
Row 44 Recover Waste set up costs from new housing developments	£20k
Revised forecast Shortfall	£531k

3.0 Ideas that need more consideration to identify possible financial benefit

3.1 In addition, the section of Appendix 2 titled “Ideas that need more consideration to identify possible financial benefit” were requested to be developed further and feedback to Cabinet.

Savings – Appendix 2

- **Row 55 Review planned maintenance spend**
The maintenance requirement for 2025/26 is currently being assessed with external assessors used to inform the maintenance programme. The financial implication of this will be considered later in the budget setting process.
- **Row 56 Reduce Contact Centre hours to match opening hours**

A reduction in contact centre hours could be considered which could potentially save up to £50k. This would act as a lever for those who can transact with us digitally moving to that mechanism. Savings would not be achievable until 2026/27 due to the lead-in time and off-setting costs for realigning resources.

- **Row 57 Invest in GovTech / CRM to migrate from NEC portal for self-serve solution.**

Revenues & Benefits already offers a customer portal in which they can 'self-serve'. Technically has moved on as such further investment in more automated processes is required to allow customers to 'self-serve', with potentially up to 80% of transactions to be automated. Changes such as these also help support Mid Devon's digital ambitions.

The cost of the change will be supported by 'EMR' and not replacing staff, changes in the ways customers communicate with use via phones and email will also help with channel shift.

Customers who cannot self-serve will be assisted as they are already.

This option will take time to implement and therefore the financial implications are not being considered for the 2025/26 Budget.

- **Row 58 Inclusion of new Extended Produce Responsibility grant payment**

The government confirmed that this is expected to be implemented in 2025/26. As yet, there is no indication of associated funding or service expectations. The government announcement suggested that EPR will be treated as 'new money' for 2025-26 but it may be netted off in the finance settlement in future years. Therefore, it is currently envisaged that this additional funding will not form part of the 2025/26 Budget but will replace the Shared Saving Agreement with DCC due to end in 2026/27. The financial implication of this will be considered later in the budget setting process.

- **Row 59 Maximise the use of S106 funding**

Mid Devon Housing now have new legal flexibilities to use affordable housing monies alongside other funding. As result it will be modelling the use of this funding within its updated MTFP to support its pipeline of development schemes. This may offset a limited amount of other borrowing within the Housing Revenue Account. The benefits to the General Fund are also being considered. The financial implications of this will be considered later in the budget setting process.

- **Row 60 Potentially sell services, or provide training to other organisations**

This is a longer term option that cannot be implemented in time for the 2025/26 budget. Members to consider which service areas they feel are most suitable for this proposal for potential inclusion in future year's budgets.

- **Row 61 Cease Printing committee papers and fully utilise ModGov.**
The Council uses ModGov to facilitate public meetings, however it also offers a printed set of papers. If the printed ceased, the saving would be c£4k. Currently this is not seen as a viable proposition.
- **Row 62 Improve procurement to potentially achieve savings**
With the introduction of the new (delayed) procurement regulations, and a more proactive approach to procurement could potentially achieve lower cost increases, or even deliver savings on goods and services. This is a longer term option that cannot be implemented in time for the 2025/26 budget, but will be considered in future year's budgets.
- **Row 63 Possible reduction in Pension Contributions from 2026/27.**
The change in Pension Contributions are updated every three years following an actuary's valuation of the fund. There is little/no influence the council can have on the contribution rate. However, since the last valuation, the fund has increased which potentially could lead to frozen or reduce contributions from 2026/27. This will be considered in future year's budgets.
- **Row 64 Reduce general printing**
Work is ongoing to ensure general printing is minimised and any saving is negligible, but will be considered in future year's budgets.

3.2 In summary, the above options are being considered / developed, but are not expected to have a significant impact on the 2025/26 Budget, although some could lead to savings in future years.

4.0 2025/26 Budget Options – Further Development

4.1 The remainder of the savings approved on 15 October have also been further reviewed and the following are recommended to be adjusted, or removed:

Pressures – Appendix 1 (October Cabinet)

- **Row 7 Proposed Reduction in Planning Income – £150k**
Based on the latest Quarter 2 forecast, planning income may not fall as much as originally projected. However, the announcements included within the Autumn Budget may impact the housing market, so an adjustment to this reduction of £50k is proposed.

Savings – Appendix 2

- **Row 14 Possible adjustment to estimated Fuel saving – (£50k)**
Based on the latest Quarter 2 forecast, and the latest announcement in the Autumn Budget to continue to freeze fuel duty, it is forecast that fuel savings could increase by £50k.
- **Row 15 Possible adjustment to estimated Utilities saving – (£150k)**

The latest prices from October 2024 have recently been received from Laser. The financial implications are currently being forecast and will be brought forward once complete.

- **Row 20 Possible adjustment to estimated Council Tax income (£50k)**
Based on the proposed Council Tax Taxbase to be approved at Cabinet on 12 November, and a potential referendum limit of 3% as has been the case for the previous 3 years, the forecast income will be £77k lower than previously forecast. This is due to previous over optimistic assumptions.

It should be noted that 2025/26 will include the additional income generated from the increased premiums on 2nd homes approved during the last budget. However, it was also proposed that these additional sums, of circa £50k, are earmarked to support additional housing projects.

- **Row 21 Possible adjustment to estimated Business Rates income – (£50k)**
Based on the latest Quarter 2 forecast and announcements included within the Autumn Budget, it is expected that income from Business Rates will vary from the original forecast. This will be considered later in the budget setting process.
- **Row 25 Possible adjustment to Financial Contribution or Transfer of Assets to Town / Parish Councils – (£60k)**
Although discussions continue, we are yet to reach a position of agreement on increased contributions or asset transfer, therefore this £60k savings is at risk of not being achieved.
- **Row 38 Forward Planning Review service costs/delivery – (£29k)**
 Following further review this has been identified as a duplicate saving, and therefore needs to be removed.
- **Row 43 Possible adjustment to Recycling Income – (£100k)**
Based on the latest Quarter 2 forecast, it is projected that income from recycling could be further increased by £100k. Note this is a very volatile income stream, but current projections indicate this is achievable.

Row 52 Possible adjustment to Leisure Income – (£34k)
Based on the latest Quarter 2 forecast, it is projected that income from Leisure could be further increased by £100k.

4.2 Based upon the above explanations, the following adjustments to the remaining budget shortfall are recommended:

Revised recommended forecast Shortfall (para 2.4 above)	£531k
Less: Appendix 1 (October Cabinet)	

Possible Adjustment to Row 10 Reduction in Planning Income	(£50k)
<u>Appendix 2 (October Cabinet)</u>	
Possible Adjustment to Row 14 Estimated Fuel saving	(£50k)
Possible Adjustment to Row 43 Recycling Income	(£100k)
Possible Adjustment to Row 52 Leisure Income	(£100k)
Plus:	
<u>Appendix 2 (October Cabinet)</u>	
Adjustment to Row 20 Council Tax income	£77k
Possible Adjustment to Row 25 – Contribution from Town Councils	£60k
Remove Row 38 Forward Planning Review service costs/delivery	£29k
Revised forecast Shortfall	£397k

5.0 New / Further Options being considered

5.1 Further work is still ongoing with officers to bring forward additional savings to move this forward towards a balanced budgetary position. Key areas of focus are:

- Revisiting income assumptions / demand
- Business Rates and Council Tax
- Conclusion of discussions with Town Councils
- Staff vacancy target
- Detailed follow up of announcements made in the Autumn Budget
- Government Funding Settlement (Mid-December)
- Finalisation of the Capital Programme and the financing implications

6.0 Capital Programme – General Fund

6.1 The Overall Capital Programme will include new bids for capital funding to support new programmes as well as ‘rolling’ approvals from current and prior year’s Capital Programmes.

6.2 The draft Capital Programme will be reviewed/challenged by the Capital Strategy Asset Group (CSAG) prior to the proposed final programme being brought forward for approval in February.

6.3 Generally, the bids are restricted to replacement equipment, largely based upon health and safety requirements in the leisure centres, new ICT kit, income generation schemes, economic regeneration schemes or invest to save bids.

6.4 At this time, only the General Fund Capital Programme is available. The HRA Capital Programme is being considered and will be brought forward to the December Cabinet.

6.5 **Appendix 2** provides a revised spend profile for the current approvals based on Quarter 2 forecasts. It also provides a summary of the new bids received from services areas for the new 2025/26 – 2029/30 Capital Programme. In February, Member’s will be asked to approve the Year 1 programme and note the indicative future years

6.6 The table below, shows the forecast capital expenditure position during the life of the MTFP. This is based upon limited information on the sources of potential funding, particularly in late years. Therefore at this time, the overarching assumption is any unfunded element of the programme is covered through external borrowing. This will be refined and updated as we move through the MTFP timeframe.

	2025/26 £k	2026/27 £k	2027/28 £k	2028/29 £k	2029/30 £k	Total £k
Existing Programme	10,968	15,373	14,452	1,834	1,382	44,009
New Bids	926	1,249	868	1,043	708	4,744
Overall Capital Requirement	11,894	16,622	15,320	2,877	2,090	48,803

6.7 In terms of associated funding, the availability of capital receipts are based on a prudent basis, with no major asset sales factored into the model. Similarly, prudent assumptions are included for the availability of Capital Grant to help mitigate some of the proposed costs. If additional receipts are generated, or grant received, the capital prioritisation list could be revisited to bring forward new schemes into the programme or decrease any borrowing requirement.

6.8 Currently any revenue contribution to the Capital Programme is limited to funding held within Earmarked Reserves (i.e. Sinking Funds). No additional use of the New Homes Bonus grant is planned to fund elements of the Capital Programme. Ultimately, any outstanding funding requirement after utilising revenue contributions, reserves and any external funding sources will need to be funded through Prudential Borrowing.

6.9 The Council currently operates a policy of “internal borrowing” whereby it utilises its cash balances rather than undertaking new loans. It is recommended that the Council continues to maximise its use of internal borrowing rather than seeking to fund projects through new external borrowing whilst cash balances remain above £10m. However, given the scale of the proposed Capital Programme, internal borrowing will not be sufficient to fund all bids. Therefore, the Council will need to carefully consider how best to fund the capital funding requirements.

7.0 **Autumn Budget Announcements and their potential impact**

7.1 On the 30 October 2024, the first ever female Chancellor of the Exchequer gave her first Autumn Budget statement. As trailed, it was a significant budget with many proposals included that ultimately are forecast to raise taxation by £40bn.

7.2 There were some significant announcements for local government and district councils. The main headlines were:

- Departmental revenue budgets will increase by 1.5% in real terms across the spending review period. However, there are also 2% departmental productivity, efficiency and savings targets included for next year.
- 3.2% real-terms increase in Core Spending Power (CSP) for the whole sector in 2025-26. This will include £1.3bn additional grant funding, of which at least £600m will be directed to social care.
We have currently modelled a 2% increase in the grants included within the Core Spending Power. Note the CSP includes a notional increase in Council and Business Rates, which could well more than offset the remaining 1.2% uplift to match the above inflation 3.2% sector increase. It is understood that this funding will be allocated through a new approach, therefore, we cannot currently assess whether there is any benefit in this announcement.
- The Budget was silent on Council Tax referendum limits but the sector continues to lobby hard for the referendum principles to stay at 2.99% for Districts.
The implications of this are set out above.
- £233m new funding for homelessness prevention. This will be in addition to the £1.3bn grant funding.
The headline announcement is welcomed, however greater detail is required to understand if this will be added to existing grants, or will be allocated through a bidding process, or whether this funding might be one-off or come with additional requirements. It is hoped that this clarity is announced within the Local Government Finance Settlement. This could be beneficial for the 2025/26 budget. There is still a clear need for a longer-term plan to tackle the root causes of homelessness, especially by increasing the supply of genuinely affordable housing.
- £1bn to extend the Household Support Fund and Discretionary Housing Payments into 2025-26.
Again, this headline announcement is welcomed and will be of benefit to residents of the district.
- £1.1bn new funding through implementation of the Extended Producer Responsibility scheme for recycling.

The headline announcement is welcomed, however greater detail is required to understand how this funding will be allocated and whether this funding might come with additional requirements. It is expected that this clarity will be provided within November.

7.3 In addition, there were other announcements which will also benefit local government, including:

- There were positive measures to support councils with affordable housing:
 - £500m increase to the Affordable Homes Programme in 2025-26. *This could be beneficial for the HRA development programme that has previously benefitted from this funding source. It is a bid based grant, so there is no guarantee that our bid(s) would be successful.*
 - Right-To-Buy: councils will be permanently allowed to retain 100% of receipts locally and discount levels will revert to pre-2012 levels from 21st November. *The maximum discount on RTB sales would reduce from £102,400 to £30,000 (applicable in South West region). This is good news for retaining stock, but means that RTB receipts income will also be reduced. We would like the Government to go further and expect it to announce further reform to Right-To-Buy in the coming months, including on eligibility criteria and better protection for newly built council homes.*
 - Five-year rent settlement for social housing landlords: rents will rise by Consumer Price Index +1% each year during the period. Following the consultation, it is possible this timeframe could be expanded to 10 years. *The certainty is welcomed.*
 - Preferential Public Works Loan Board borrowing rates for local authorities to build social housing will be extended to March 2026. *This could potentially be beneficial for the HRA development programme, although the rates will still be more expensive than borrowing internally, so a longer term view is being considered.*
- There were key announcements which will affect councils as employers:
 - Employer national insurance (NI) contributions will increase by 1.2% to 15% from April 2025. The threshold for paying this will decrease to £5k per year. *For MDDC, the additional cost is modelled at c£400k (c£300k GF, c£100k HRA). However, an allowance has also been included within the Chancellor's estimates to protect the public sector from*

this additional cost. There are not yet any details available on how the government intends to do this, but it is therefore assumed that this will be cost neutral for the Council.

- National Living Wage will increase by 6.7% to £12.21. Minimum wage for 18- to 20-year-olds will increase by 16% to £10 per hour. *Our lowest SCP has moved to just above NMW and our apprentices are paid above the government rate. However, this will have a knock-on impact on our grading structure to ensure the lowest grades “keep up” with these increases.*
- There were also other generic announcements:
 - Delivering hundreds of local energy schemes to help decarbonise the public estate through the Public Sector Decarbonisation Scheme, with over £1 billion of funding over three years. *Note the Council did not qualify for the latest PSDS scheme as we do not have buildings within older heating systems.*
 - Taking the first step towards a Warm Homes Plan, committing an initial £3.4 billion towards heat decarbonisation and household energy efficiency over the next three years. *Similarly, there is limited benefit from the most recent wave of social housing decarbonisation funding to our housing stock as the vast majority of our homes have an EPC rating of C or above, meaning we are on track to meet the 2030 requirement.*
 - UK Shared Prosperity Fund has been extended for 2025-26 at a reduced level of £900m, a 40% decrease on the current year. It is not yet clear whether this funding will continue to be allocated directly to district councils in two-tier areas. *We will need to assess any likely grant allocation and how to maximise the benefits from it.*
- Reforms to Business Rates continue to be considered.
 - The small business multiplier in England will be frozen for a fifth consecutive year at 49.9p, while the standard multiplier will be updated by CPI in March 2025. There could be more, new, categories of multiplier in future years. *This continues to make a complex system even more complex. However, potentially it could yield additional income.*
 - A lower 40% relief for Retail, Hospitality and Leisure properties will be in place in 2025-26. Permanently lower multipliers will be implemented for these properties from 2026/27. *Although the relief is reduced and we will collect more tax directly from these companies, the offsetting compensation through S31*

Grant will reduce. Therefore, this is not expected to impact our bottom-line.

- Government is silent on a business rate reset, and when this would be implemented.

This was originally due in 2020 so is long overdue. However, the implication of a reset may not be advantageous.

- A consultation has been launched on
 - Changes to the system to support investment, including assessing efficacy of Improvement Relief and the impact of loss of Small Business Rates Relief on expanding to a second property.
 - Adopting a 'General Anti-Avoidance Rule' for business rates in England and review recent measures to discourage avoidance.
 - Digitalising Business Rates changes will be implemented by place by March 2028.

- On wider funding reform:

- The Government signalled it will reform the local government funding system after 2025/26 and will carry out a broader redistribution of funding to better reflect local need (previously known as Fair Funding) through a multi-year settlement from 2026/27.

The fair funding reforms were originally announced in 2016 and are long overdue. However, there is no clarity on what these reforms might be and their impact on MDDC. Whilst a multi-year settlement is welcomed as it provides a greater degree of certainty, the funding within them needs to be sufficient to enable good quality services to be delivered.

- The Government has signalled its intention to embark on local government reorganisation to deliver "efficiency savings". It will set out more detail in the English Devolution White Paper, likely to be published in late 2024.

We await the white paper to understand any implications.

- 7.4 The Government is expected to publish a finance policy statement in mid/late November to set out the key decisions and principles for the provisional Local Government Finance Settlement. The provisional Local Government Finance Settlement is still anticipated in mid-December. This will set out the detail of funding allocations for individual councils.

7.5 Overall, the funding package for local government is better than many expected and it contains some good news for district councils. However, it remains unclear how much of the new grant funding will come to district councils and whether the funding package will deliver a real-terms increase for districts.

8.0 Conclusion

8.1 Although progress continues to be made to balance the 2025/26 Budget, there remains a reduced shortfall to be mitigated. Therefore, all possible options to increase income or reduce costs must be considered.

8.2 There remains a number of areas where greater clarity from Government, or indeed local circumstances, that will impact on the 2025/26. Many of which are now in corporate or non-service areas. Updates and any new budget options will be brought forward for consideration over the next few months in the run in to setting the 2025/26 budget in February 2025.

8.3 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.

Financial Implications

By undertaking regular reviews of the MTFP the Council can ensure that its Corporate Plan priorities are affordable. The implications of the budget gap are set out within the paper. Many areas require greater clarity, particularly around national funding and possible changes to Government Policy. 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. These continue to be kept under review and updated where necessary.

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. 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: 8 November 2024

Statutory Officer: Maria De Leburne

Agreed on behalf of the Monitoring Officer

Date: 8 November 2024

Chief Officer: Stephen Walford

Agreed by or on behalf of the Chief Executive/Corporate Director

Date: 8 November 2024

Performance and risk: Dr Stephen Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: 8 November 2024

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

Background papers:

- 2024/25 Budget
- 2024/25 Qtr. 2 Budget Monitor

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Service Unit	Direct Costs Detail	2024/25 Annual Budget £	Net MTFP Adjustment £	Round 1 Net Pressures / (Savings) Identified £	Provisional 2025/26 Budget £	Increase / (Decrease) £	Increase / (Decrease) %
Cabinet							
SCM01	Leadership Team	590,066	499,915	-	1,089,981	499,915	84.7%
SCM02	Corporate Functions	75,920	10	-	75,930	10	0.0%
SCM03	Corporate Fees	257,940	20	77,000	334,960	77,020	29.9%
SCM06	Pension Backfunding	660,210	23,610	-	683,820	23,610	3.6%
SFP01	Accountancy Services	552,210	2,930	(20,000)	535,140	(17,070)	-3.1%
SFP02	Internal Audit	98,550	-	(15,000)	83,550	(15,000)	-15.2%
SFP03	Procurement	152,330	750	-	153,080	750	0.5%
SFP04	Purchase Ledger	59,665	180	-	59,845	180	0.3%
SFP05	Sales Ledger	59,010	10	-	59,020	10	0.0%
SHR01	Human Resources	533,660	12,350	(30,000)	516,010	(17,650)	-3.3%
SHR02	MDDC Staff Training	15,000	-	(5,000)	10,000	(5,000)	-33.3%
SHR03	Payroll	62,710	10	-	62,720	10	0.0%
SIT01	IT Gazetteer Management	89,270	240	-	89,510	240	0.3%
SIT03	IT Information Technology	1,175,880	(31,350)	198,000	1,342,530	166,650	14.2%
SLD01	Electoral Registration	200,450	970	(11,000)	190,420	(10,030)	-5.0%
SLD02	Democratic Rep And Management	562,475	11,110	-	573,585	11,110	2.0%
SLD04	Legal Services	333,434	500	-	333,934	500	0.1%
SRB01	Collection Of Council Tax	560,670	2,840	-	563,510	2,840	0.5%
SRB02	Collection Of Business Rates	(83,000)	1,750	-	(81,250)	1,750	2.1%
SRB06	Debt Recovery	114,750	20	-	114,770	20	0.0%
TOTAL CABINET PDG		6,071,200	525,865	194,000	6,791,065	719,865	11.9%
Community, People & Equalities PDG							
SCD01	Community Development	120,225	-	-	120,225	0	0.0%
SES01	Emergency Planning	52,010	-	-	52,010	0	0.0%
SES03	Community Safety - C.C.T.V.	42,730	-	-	42,730	0	0.0%
SES04	Public Health	3,750	-	-	3,750	0	0.0%
SES16	ES Staff Units/Recharges	728,280	380	-	728,660	380	0.1%
SES17	Community Safety	2,500	-	-	2,500	0	0.0%
SES18	Food Safety	(18,034)	-	-	(18,034)	0	0.0%
SES21	Licensing	48,760	1,430	-	50,190	1,430	2.9%
SES22	Pest Control	-	-	-	-	0	#DIV/0!
SES23	Pollution Reduction	1,350	-	-	1,350	0	0.0%
SPS07	Public Transport	(25,259)	-	-	(25,259)	0	0.0%
SRB03	Housing Benefit Admin & Fraud	217,030	3,250	-	220,280	3,250	1.5%
SRB04	Housing Benefit Subsidy	63,000	-	-	63,000	0	0.0%
TOTAL COMMUNITY, PEOPLE & EQUALITIES PDG		1,236,342	5,060	0	1,241,402	5,060	0.4%

Service Unit	Direct Costs Detail	2024/25 Annual Budget £	Net MTFP Adjustment £	Round 1 Net Pressures / (Savings) Identified £	Provisional 2025/26 Budget £	Increase / (Decrease) £	Increase / (Decrease) %
Economy & Assets PDG							
SCD02	Economic Development	70,413	5,100	-	75,513	5,100	7.2%
SCP01	Parking Services	(732,427)	17,940	(57,000)	(771,487)	(39,060)	-5.3%
SPS01	Asset Management	539,720	840	-	540,560	840	0.2%
SPS05	Administration Buildings	313,830	31,610	(75,630)	269,810	(44,020)	-14.0%
SPS06	MDDC Depots	511,478	13,140	49,440	574,058	62,580	12.2%
SPS09	Property Services Staff Unit	832,500	590	(30,000)	803,090	(29,410)	-3.5%
SPS11	Public Conveniences	19,920	1,670	(6,000)	15,590	(4,330)	-21.7%
SPS12	GF Properties Shops/Flats	(303,620)	3,510	(10,000)	(310,110)	(6,490)	-2.1%
SPR06	Economic Development	379,030	120	(62,000)	317,150	(61,880)	-16.3%
TOTAL ECONOMY & ASSETS PDG		1,630,844	74,520	(191,190)	1,514,174	(116,670)	-7.2%
Planning, Environment & Sustainability PDG							
SPR01	Building Regulations	(6,120)	(5,240)	-	(11,360)	(5,240)	85.6%
SPR02	Enforcement	105,611	20	100,000	205,631	100,020	94.7%
SPR03	Development Control	283,130	1,250	90,000	374,380	91,250	32.2%
SPR04	Local Land Charges	(38,880)	90	-	(38,790)	90	0.2%
SPR09	Forward Planning	300,670	130	(29,000)	271,800	(28,870)	-9.6%
SPR11	Regional Planning	180,000	(27,000)	-	153,000	(27,000)	-15.0%
SPS03	Flood Defence And Land Drain	26,032	-	-	26,032	0	0.0%
SPS04	Street Naming & Numbering	6,970	-	-	6,970	0	0.0%
SPS13	Climate Change	170,620	20	100,000	270,640	100,020	58.6%
TOTAL PLANNING, ENVIRONMENT & SUSTAINABILITY PDG		1,028,033	(30,730)	261,000	987,663	(40,370)	-3.9%
Service Delivery & Continuous Improvement PDG							
SCS20	Customer Services Admin	20,700	-	-	20,700	0	0.0%
SCS22	Customer First	794,420	840	-	795,260	840	0.1%
SES02	Cemeteries	(126,548)	890	-	(125,658)	890	0.7%
SES05	Open Spaces	260,331	1,000	(60,000)	201,331	(59,000)	-22.7%
SES24	Environmental Enforcement	149,739	180	-	149,919	180	0.1%
SGM01	Grounds Maintenance	564,189	2,350	(7,500)	559,039	(5,150)	-0.9%
SRS01	Recreation And Sport	983,303	45,100	(271,810)	756,593	(226,710)	-23.1%
SWS01	Street Cleansing	576,632	2,370	-	579,002	2,370	0.4%
SWS02	Waste Collection	310,100	15,450	(148,000)	177,550	(132,550)	-42.7%
SWS03	Recycling	1,535,780	10,730	(247,500)	1,299,010	(236,770)	-15.4%
SWS04	Waste Management	378,010	580	-	378,590	580	0.2%
TOTAL SERVICE IMPROVEMENT & CONTINUOUS IMPROVEMENT PDG		5,446,656	79,490	(734,810)	4,791,336	(655,320)	-12.0%
Homes PDG							
SES15	Private Sector Housing Grants	9,225	40	-	9,265	40	-0.4%
SHG03	Homelessness Accommodation	392,535	8,320	(79,000)	321,855	(70,680)	-18.0%
TOTAL HOMES PDG		401,760	8,360	(79,000)	331,120	(70,640)	-17.6%
Net Direct Services Costs		15,814,835	662,565	(550,000)	15,656,760	(158,075)	-1.0%

Service Unit	Direct Costs Detail	2024/25 Annual Budget £	Net MTFP Adjustment £	Round 1 Net Pressures / (Savings) Identified £	Provisional 2025/26 Budget £	Increase / (Decrease) £	Increase / (Decrease) %
	Net Recharge to HRA	(1,957,080)	(58,340)	-	(2,015,420)	(58,340)	-3.0%
	Capital Financing	812,700	59,079	-	871,779	59,079	7.3%
	Net Service Costs	14,670,455	663,304	(550,000)	14,783,759	113,304	0.8%
SIE06	Interest Receivable	(1,058,774)	430,025	(100,000)	(728,749)	330,025	31.2%
SIE03	Interest Costs	351,510	-	-	351,510	0	0.0%
SIE24	Transfers To / (From) Earmarked Reserves	(840,619)	662,329	20,000	(158,290)	682,329	81.2%
	Net Budget Requirement	13,122,572	1,755,658	(630,000)	14,248,230	1,125,658	8.6%
SIE11	Business Rates	(4,421,735)	(188,400)	(50,000)	(4,660,135)	(238,400)	-5.4%
SIE08	Council Tax	(6,968,476)	(371,094)	(50,000)	(7,389,570)	(421,094)	-6.0%
SIE10	Un-Ringfenced Grant Funding	(1,732,361)	-	(35,000)	(1,767,361)	(35,000)	-2.0%
	Total Funding	(13,122,572)	(559,494)	(135,000)	(13,817,066)	(694,494)	-5.3%
	Annual Shortfall	0	1,196,164	(765,000)	431,164	431,164	

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Area	Sub Area	Project Title	Existing Budgeted	2024/25 Outturn	Forecast 2024/25	Adjustment to	New Budget	REVISED Capital	Spend Profile for Remaining Indicative Capital Programme						
			Capital Programme	Forecast as at Qtr 2	Slippage into future	Previous Capital	Required	Programme 2025/26 -	2025/26	2026/27	2027/28	2028/29	2029/30	Total	
			2024/25 - 2028/29		years	Programme		2029/30	£000's	£000's	£000's	£000's	£000's	£000's	
			£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
General Fund															
Leisure	Lords Meadow Leisure Centre	Reception infrastructure	160	160	-	-	-	-	-	-	-	-	-	-	-
Leisure	Culm Valley Sports Centre	CVSC - Remodelling of Ground Floor	204	-	-	-	-	204	30	174	-	-	-	-	204
Leisure	Culm Valley Sports Centre	Leisure - Improved Disabled Toilet facilities - CPT	75	43	-	32	-	-	-	-	-	-	-	-	-
Leisure	Exe Valley Leisure Centre	Leisure - Improved Disabled Toilet facilities - CPT	16	16	-	-	-	-	-	-	-	-	-	-	-
Leisure	Leisure - Other	All leisure sites replacement management/site access system (Hardware Element)	200	200	-	-	-	-	-	-	-	-	-	-	-
Other MDDC Buildings	Phoenix House	Building Mgmt System for Heating Control	103	60	43	-	-	43	43	-	-	-	-	-	43
Other MDDC Buildings	MDDC Depots	Land acquisition for operational needs	2,000	-	-	2,000	-	-	-	-	-	-	-	-	-
Other MDDC Buildings	MDDC Depots	Depot Design & Build - Waste & Recycling	3,750	250	-	-	-	3,500	3,500	-	-	-	-	-	3,500
Other MDDC Buildings	MDDC Shops/Industrial Units	36 & 38 Fore Street including Flat above structure & cosmetic works	197	-	-	197	-	-	-	-	-	-	-	-	-
HIF	HIF Schemes	CA719 Cullompton Town Centre Relief Road (HIF)	29,757	3,100	10,116	-	2,643	29,300	4,000	12,600	12,700	-	-	-	29,300
Other	General Car Parks	West Exe South - Remodelling - additional parking spaces	90	-	-	-	-	90	90	-	-	-	-	-	90
Other	Parks & Play Areas	Open Space Infrastructure (incl Play Areas)	35	-	-	-	-	35	35	-	-	-	-	-	35
Other	ICT Projects	Server hardware/software Citrix Replacement	270	-	-	50	-	220	-	-	-	220	-	-	220
Other	ICT Projects	VM/Storage Area Network	260	-	-	120	-	140	-	-	-	140	-	-	140
Other	ICT Projects	Server farm expansion/upgrades	67	248	-	181	-	-	-	-	-	-	-	-	-
Other	ICT Projects	UPS Replacements	85	-	-	55	-	30	-	30	-	-	-	-	30
Other	Other Projects	Land drainage flood defence schemes - St Marys	50	-	-	-	-	50	50	-	-	-	-	-	50
Other	Other Projects	Cemetery Lodge - Structural solution for damp	62	-	-	62	-	-	-	-	-	-	-	-	-
Other	Other Projects	Land drainage flood defence schemes - Ashleigh Park Bampton	87	-	-	-	-	87	87	-	-	-	-	-	87
Leisure	Exe Valley Leisure Centre	ATP replacement (50% share with DCC)	220	-	-	-	-	220	220	-	-	-	-	-	220
Leisure	Exe Valley Leisure Centre	CHP - Replacement future energy saving project	180	350	-	170	-	-	-	-	-	-	-	-	-
Leisure	Exe Valley Leisure Centre	Wetside resin floor replacement	90	-	90	-	-	90	90	-	-	-	-	-	90
Leisure	Exe Valley Leisure Centre	Learner pool floor replacement	100	-	-	100	-	-	-	-	-	-	-	-	-
Leisure	Exe Valley Leisure Centre	Chemical/Salt Storage at back of building - Associated plant to go with this	60	45	-	15	-	-	-	-	-	-	-	-	-
Leisure	Lords Meadow Leisure Centre	Wetside resin floor replacement	90	-	90	-	-	90	90	-	-	-	-	-	90
Leisure	Lords Meadow Leisure Centre	Chemical/Salt Storage at back of building - Associated plant to go with this	60	41	-	19	-	-	-	-	-	-	-	-	-
Leisure	Culm Valley Sports Centre	ATP replacement (50% share with DCC)	210	-	-	-	-	210	210	-	-	-	-	-	210
Leisure	Culm Valley Sports Centre	Fitness Studio renewal of equipment	150	145	-	5	-	-	-	-	-	-	-	-	-
Leisure	Culm Valley Sports Centre	Replacement skate park (poss relocation)	350	-	-	-	-	350	200	150	-	-	-	-	350
Other MDDC Buildings	Other - Climate Change/Net Zero	All Fleet - Vehicle live monitoring for CO2 emissions	115	115	-	-	-	-	-	-	-	-	-	-	-
Other MDDC Buildings	Other - Climate Change/Net Zero	MSCP - Solar carport and additional security	600	-	-	-	-	600	600	-	-	-	-	-	600
Other MDDC Buildings	Other - Climate Change/Net Zero	Additional electric car charging points	80	80	-	-	-	-	-	-	-	-	-	-	-
Other MDDC Buildings	Other - Climate Change/Net Zero	Market Walk - Solar Panels	200	-	-	-	-	200	200	-	-	-	-	-	200
Other MDDC Buildings	Phoenix House	Cooling options Air Handling Unit	150	-	-	-	-	150	150	-	-	-	-	-	150
Other MDDC Buildings	MDDC Depots	Diesel Tank	65	65	-	-	-	-	-	-	-	-	-	-	-
Other	Other Projects	EUE Community Centre	-	-	-	-	-	-	-	-	-	-	-	-	-
Other MDDC Buildings	MDDC Depots	Property Leasing - Carlu Close	1,330	1,330	-	-	-	-	-	-	-	-	-	-	-
Other MDDC Buildings	Public Conveniences	Westex Rec Toilets - Replacement	160	-	-	160	-	-	-	-	-	-	-	-	-
Private Sector Housing	Private Sector Housing	DFG and other private sector grants	3,000	871	-	321	550	3,000	600	600	600	600	600	600	3,000
Other	General Car Parks	LED upgrade	65	-	-	-	-	65	65	-	-	-	-	-	65
Other	General Car Parks	LED lighting replacement	20	-	-	-	-	20	20	-	-	-	-	-	20
Other	General Car Parks	Becks Square resurfacing & lining	30	-	-	-	-	30	30	-	-	-	-	-	30
Other	Parks & Play Areas	Widen Riverside Path	20	-	-	-	-	20	20	-	-	-	-	-	20
Other	Parks & Play Areas	Fencing end of life	125	-	-	-	-	125	125	-	-	-	-	-	125
Other	Parks & Play Areas	Rubber floor tile replacements	100	-	-	-	-	100	100	-	-	-	-	-	100
Other	ICT Projects	Laptop/Desktop Refresh	500	80	-	-	200	620	100	140	120	120	140	620	
Other	Other Projects	Baler	500	500	-	-	-	-	-	-	-	-	-	-	-
Other	Other Projects	PDA's for cabs - Recycling, Trade and Ground	150	150	-	-	60	60	60	-	-	-	-	-	60
Other	Other Projects	Fire Safety Measures	200	200	-	-	-	-	-	-	-	-	-	-	-
Other	Other Projects	Shared Prosperity Fund - Year 3	232	232	-	-	-	-	-	-	-	-	-	-	-
Other	Other Projects	Rural England Prosperity Fund - Year 2	672	672	-	-	-	-	-	-	-	-	-	-	-
Other	GF Vehicles	Vehicle leasing - Caretaking Services	30	29	-	1	-	33	33	-	-	-	-	-	33
Other	GF Vehicles	Vehicle leasing - Street Cleansing	410	163	-	-	401	648	135	192	-	105	216	648	
Other	GF Vehicles	Vehicle leasing - Refuse	1,655	935	-	-	188	908	-	729	125	54	-	908	
Other	GF Vehicles	Vehicle leasing - Trade Waste	330	209	-	-	122	243	-	243	-	-	-	243	
Other	GF Vehicles	Vehicle leasing - Recycling	390	163	-	-	48	275	56	85	37	35	62	275	
Leisure	Leisure - Climate Change/Net Zero	EVLC - Building Fabric - Insulation improvements	260	-	-	-	-	260	-	260	-	-	-	-	260
Other	Other Projects	Tiverton Market Paving - Permanent Solution	200	-	-	-	-	200	-	200	-	-	-	-	200
Leisure	Lords Meadow Leisure Centre	ATP replacement (no dual use)	200	-	-	-	-	200	-	-	200	-	-	-	200
Leisure	Leisure - Climate Change/Net Zero	MLMC - Building Fabric - Insulation improvements	200	-	-	-	-	200	-	-	200	-	-	-	200
Leisure	Leisure - Climate Change/Net Zero	CVSC - Building Fabric - Insulation improvements	200	-	-	-	-	200	-	-	200	-	-	-	200
Other MDDC Buildings	Other - Climate Change/Net Zero	MDDC commercial property building fabric improvements	240	-	-	-	-	240	-	-	240	-	-	-	240
Leisure	Exe Valley Leisure Centre	Exe Valley Capital Works	200	-	-	-	-	200	-	-	-	100	100	200	
Leisure	Lords Meadow Leisure Centre	Lords Meadow Capital Works	200	-	-	-	-	200	-	-	-	100	100	200	
Leisure	Culm Valley Sports Centre	Culm Valley Capital Works	200	-	-	-	-	200	-	-	-	100	100	200	
Other	ICT Projects	Hybrid Screen replacements	70	-	-	-	70	-	-	-	-	-	-	-	-
Other	ICT Projects	Audio/Video replacement for Phoenix House	140	10	-	10	30	170	-	-	-	170	-	-	170
Other MDDC Buildings	Phoenix House	Etarmis - Security Swipe - (linked to security project)	40	11	29	-	-	29	29	-	-	-	-	-	29
Other	Other Projects	Fire Dampeners - Corporate sites	37	37	-	-	-	-	-	-	-	-	-	-	-
Private Sector Housing	Private Sector Housing	HMO Scheme 1	26	-	-	-	-	-	-	-	-	-	-	-	-
Private Sector Housing	Private Sector Housing	HFU Scheme 3 - 15 Temple Crescent	14	41	-	27	-	-	-	-	-	-	-	-	-

Area	Sub Area	Project Title	Existing Budgeted Capital Programme 2024/25 - 2028/29	2024/25 Outturn Forecast as at Qtr 2	Forecast 2024/25 Slippage into future years	Adjustment to Previous Capital Programme	New Budget Required	REVISED Capital Programme 2025/26 - 2029/30	Spend Profile for Remaining Indicative Capital Programme						
			£000's	£000's	£000's	£000's	£000's	£000's	£000's	2025/26	2026/27	2027/28	2028/29	2029/30	Total
			£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Private Sector Housing	Private Sector Housing	HFU 4 Coldridge Rd	33	41	-	8	-	-	-	-	-	-	-	-	-
Private Sector Housing	Private Sector Housing	HFU 30 Temple Crescent	34	24	-	10	-	-	-	-	-	-	-	-	-
Private Sector Housing	Private Sector Housing	HFU - 9 Hammett Road	4	13	-	9	-	-	-	-	-	-	-	-	-
Private Sector Housing	Private Sector Housing	HFU - 68 Belmont Road	4	10	-	6	-	-	-	-	-	-	-	-	-
Private Sector Housing	Private Sector Housing	HFU - 67 Knightswood	9	57	-	48	-	-	-	-	-	-	-	-	-
Private Sector Housing	Private Sector Housing	HFU - 8 Hillcrest	3	16	-	13	-	-	-	-	-	-	-	-	-
Other	GF Vehicles	Vehicle leasing - Grounds Maintenance	100	-	-	-	54	154	-	-	-	90	64	154	-
General Fund Subtotals			52,522	10,738	10,368	-	2,103	4,329	44,009	10,968	15,373	14,452	1,834	1,382	44,009

NEW Bids 2025/26 - 2029/30 Capital Programme

Area	Sub Area	Project Title	Comments	Total Project Budget Approval						Spend Profile for NEW Indicative Capital Programme						
				2025/26	2026/27	2027/28	2028/29	2029/30	Total	2025/26	2026/27	2027/28	2028/29	2029/30	Beyond 2029/30	Total
				£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
General Fund Leisure	Exe Valley Leisure Centre	Soft Play at Exe Valley Leisure Centre	knock through of reception / offices and staff area to pen up the space and introduce 2/3 story soft play centre. Work to include relocation of staff room and office to existing office adjacent to studio. 'training room' relocated to rugby club hire arrangement across the road.	-	500	-	-	-	500	-	30	170	300	-	-	500
Leisure	Exe Valley Leisure Centre	Roofing Structure and mansafe	Replace Mansafe equipment on roof	50	-	-	-	-	50	50	-	-	-	-	-	50
Leisure	Exe Valley Leisure Centre	Tennis Court Resurfacing	Resurface existing tennis courts	20	-	-	-	-	20	20	-	-	-	-	-	20
Leisure	Exe Valley Leisure Centre	Replace Main Pool Filters	Replace main pool filters	-	-	-	100	-	100	-	-	-	100	-	-	100
Leisure	Lords Meadow Leisure Centre	Replace Main Pool Filters	Replace main pool filters	-	-	-	100	-	100	-	-	-	100	-	-	100
Leisure	Lords Meadow Leisure Centre	Extension to building on land of skate park at Lords Meadow	To utilise the land the skate park vacates to extend the footprint of Lords Meadow Leisure Centre and increase the gym size. With potential for a self access entry point and technology to accommodate.	600	-	-	-	-	600	30	470	100	-	-	-	600
Leisure	Leisure - Other	Pool Pods - Submersible platforms for disabled	LM and EV Pool pods - The Pool pod is a submersible platform lift which enables disabled people or people with restricted mobility to safely access public swimming pools in a dignified manner. Funding opportunities are sometimes available	70	-	-	-	-	70	70	-	-	-	-	-	70
Leisure	Exe Valley Leisure Centre	Fitness Studio renewal of equipment	Exe Valley Gym equipment replacement & Modernisation. Re-allocate some equipment to LMLC if extended	-	300	-	-	-	300	-	300	-	-	-	-	300
Leisure	Lords Meadow Leisure Centre	Fitness Studio renewal of equipment	Lords meadow gym equipment replacement, possibly reduced dependant upon reallocation of EV equipment	-	-	200	-	-	200	-	-	200	-	-	-	200
Leisure	Culm Valley Leisure Centre	Fitness Studio renewal of equipment	Lords meadow gym equipment replacement, possibly reduced dependant upon reallocation of EV equipment	-	-	-	200	-	200	-	-	-	200	-	-	200
Other MDDC Buildings	Phoenix House	Phoenix House - CCTV Replacement	End of Lifecycle / Chinese Tech.	65	-	-	-	-	65	65	-	-	-	-	-	65
Other MDDC Buildings	MDDC Depots	Baler conveyor replacement	Baler conveyor replacement	150	-	-	-	-	150	150	-	-	-	-	-	150
Other MDDC Buildings	MDDC Depots	Baler Floor (to be replaced every 5 yrs)	Baler Floor (to be replaced every 5 yrs)	-	-	-	-	30	30	-	-	-	-	30	-	30
Other	General Car Parks	Replace Car Park paying machines in the District	Car Park paying machines in the District	-	-	-	-	85	85	-	-	-	-	85	-	85
Other	Parks & Play Areas	Open Space Infrastructure (incl Play Areas)	To refurbish end of life play areas/ equipment to retain and enhance facility where appropriate - working with Town and Parish where possible to rationalise supply and promote disposal. Closures will reduce revenue costs and may realise capital receipt	100	100	100	-	-	300	100	100	100	-	-	-	300
Other	Parks & Play Areas	Upgrade Park Lighting	To replace/ enhance existing and provide new 'street' lighting in the Councils parks to reduce fear of crime of users and surveilance of and deter anti-social behaviour	100	-	-	-	-	100	100	-	-	-	-	-	100
Other	ICT Projects	Network Switch/ Firewall/ Wifi Refresh (ALL Sites)	Hardware Refresh	-	-	-	125	125	250	-	-	-	125	125	-	250
Other	ICT Projects	Server & Storage Hardware Refresh	Replacement For Servers and Storage Area Network in Phoenix house (Disk storage)	-	-	-	-	250	250	-	-	-	-	250	-	250
Private Sector Housing	Private Sector Housing	Capitalised staff resource to deliver Private Sector Housing Grants	Direct staff costs for the delivery of the programme	148	148	148	148	148	740	148	148	148	148	148	-	740
Private Sector Housing	Private Sector Housing	Survey costs to deliver the Private Sector Housing Grants	Cost per survey paid to MDH for specialist surveyor, include survey, plans and SOW	20	20	20	20	20	100	20	20	20	20	20	-	100
Other	Other Projects	Lendology Loans	To provide a wider range of loans than available at present. To include bringing empty homes back into use, replacement septic tanks, and energy efficiency works	100	-	100	-	100	300	50	50	50	50	50	50	300
Other MDDC Buildings	Public Conveniences	Newcombes Meadow Toilet Block	Redevelopment of toilet block	-	100	-	-	-	100	50	50	-	-	-	-	100
Other	Other Projects	Tiverton Public Realm Enhancement Project	Phase 1: Visitor Signage Phase 2: Tiverton Masterplan Enhancements	74	-	-	-	-	74	43	31	-	-	-	-	74
Other	Other Projects	Tiverton Pannier Market - new stalls and storage	Creation of new stalls and storage on east and west side pig-pens and improvement works	-	-	80	-	-	80	-	-	80	-	-	-	80
Other	Other Projects	Crediton Public Realm Enhancement	Phase 1: Waymarking: Pedestrian/Visitor Signage Phase 2: Public Realm Works	80	-	-	-	-	80	30	50	-	-	-	-	80
General Fund Subtotals				1,577	1,168	648	693	758	4,844	926	1,249	868	1,043	708	50	4,794

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Report for: Economy and Assets PDG

Date of Meeting:	28 November 2024
Subject:	Shared Prosperity Fund: Year 4 Outline Delivery Plan (2025/26)
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 provide Members with an Outline Delivery Plan for a potential extension to the Shared Prosperity Fund programme (2025/26).

Recommendation(s):

That Members note the outline work undertaken to date and approve the further refinement via conversations with potential external delivery partners and promotion of potential schemes with the view to the final Delivery Plan being presented to a future PDG for approval.

Section 2 – Report

1.0 Introduction

1.1 As part of its Autumn Statement, the Government announced intentions to extend the Shared Prosperity Funding (SPF) by one year. We have not received any direct communication from the Ministry of Housing, Communities and Local Government (MHCLG) about this yet. However, the Team has prepared a

proposed Outline Delivery Plan for Year 4 in readiness for this potential extension.

- 1.2 The purpose of this Outline Delivery Plan is to provide us with a focused framework for delivery (to remain in line with Corporate Aims and Strategic Objectives). However, as an Outline proposal, it gives the Team the ability to identify delivery solutions (including partners) and the flexibility to offer an agile plan, able to respond to evolving needs as the Economic Strategy develops and further information is released from MHCLG.
- 1.3 Members are asked to approve this Outline proposal only; future reports will identify specific budget and target setting against the Plan.

2.0 Assumptions

2.1 While we await further information from MHCLG, we have made a number of assumptions to structure the Outline proposal:

- **Lead Authority:** There is no confirmation that Devon District Councils will continue to be lead authorities for their respective regions and receive the extended Shared Prosperity Funding. There is the potential that the funding will instead be awarded to the Devolved Devon authority to administer. We are working on the assumption that the delivery model and responsibilities will be the same as the current model.
- **Budget:** The Government has indicated that the additional year of SPF will be offered on a reduced budget nationally at £900M. Therefore, based on previous allocations, we can assume we will have circa £300k of funding. This is significantly less than the 2024/25 allocation but will still support meaningful delivery. We will not know the capital/revenue split until the funding allocation is confirmed. However, for the purpose of this proposal, we are assuming a circa 40/60 split based on previous allocations.

Year	Total UKSPF	District Allocation	% of Total Allocation
2022/23	£400,000,000.00	£129,146.00	0.032%
2023/24	£700,000,000.00	£204,168.00	0.029%
2024/25	£1,500,000,000.00	£676,722.00	0.045%
		Average	0.036%
2025/26	£900,000,000.00	£319,704.00	Estimated Projection

2025/26	Capital	£122,298.00
2025/26	Revenue	£197,406.00

- **Restrictions:** We can assume that the SPF will operate under the same restrictions as the existing schemes in terms of eligible spend. As it currently stands, the latest advice from MHCLG (prior to the Autumn budget announcement) is that there is still a requirement to deliver all existing spend and projects by 31 March 2025. Therefore, we are working on the assumption that any 2025/26 funding will need to support new or second-phase extensions of existing projects. Similarly, we can assume that spend and project delivery for Year 4 must be completed by 31 March 2026.
- **Underspend:** There is no guarantee that underspend from 2024/25 will be allowed to carry over. Previously, underspend impeded access to further funding. Therefore there is a risk that (until we hear otherwise from MHCLG) any underspend from 2024/25 may limit our entitlement to funding in 2025/26. The Team is currently working to schedule and where projects are showing the potential to underspend, we have “plan b” projects lined up to ensure delivery by the end of the financial year.
- **Outputs and Outcomes:** Until we know whether Year 4 is a continuation of existing funding or to be treated as a new fund, we will not know whether we can “double count” outputs (e.g. whether a business recorded as an ‘Enterprises Receiving Non-Financial Support’ output in 2024/25 can be recorded again for a new project in 2025/26). For the purposes of projection, we are assuming that these will be a continuation and we can only record outputs where it is unique for Year 4. This will mean some conservative estimates for target projection until we have clarity.

3.0 Outline Delivery Plan

- 3.1 The Outline Delivery Plan includes headline emerging themes identified through the initial Economic Strategy workshop and the Corporate Plan. Existing SPF projects have been evaluated for success and included where there is the potential for continuation with a new phase.
- 3.2 In addition to costed projects, the SPF has previously allowed for a 4% admin allocation. This will be factored in to the total spend. Where project costs are currently unknown, the potential SPF budget demand is marked as TBC (to be confirmed).
- 3.3 To reduce impact on the team, given the delivery window is only 12 months, we have identified a mix of external delivery projects with a handful of direct delivery (mostly grant scheme) elements. Subject to funding confirmation from MHCLG and outline approval from Members, we will seek to engage with the business community ahead of the new financial year to ensure swift delivery and optimum time for output achievement.

Theme: Skills and Business Support

Project Name	Project Description	Potential SPF Budget	Potential Outputs	Corporate Link
Field to Fork	<ul style="list-style-type: none"> • Small grants to support local producer events 	£10,000	<ul style="list-style-type: none"> • Number of enterprises receiving grants • Number of enterprises receiving non-financial support • Number of enterprises reaching new markets 	Corporate Plan: Economy 4.4
Business Skills	<ul style="list-style-type: none"> • Support for businesses to access new markets through business skills provision such as exhibition skills, procurement/tender skills, bid-writing, environmental health and other skills 	£10,000	<ul style="list-style-type: none"> • Number of enterprises receiving grants • Number of enterprises receiving non-financial support • Number of enterprises reaching new markets 	Corporate Plan: Economy 4.3
Sustainable Visitor Economy	<ul style="list-style-type: none"> • Membership support project with Visit Devon 	£6,000	<ul style="list-style-type: none"> • Number of enterprises receiving non-financial support • Number of event programmes (networking events) • Number of people reached (engagement) 	Corporate Plan: Economy 4.3
Business Support	<ul style="list-style-type: none"> • General support programme to assist businesses with their pre-start, start-up and growth aspirations and agriculture sectoral support 	TBC	<ul style="list-style-type: none"> • Number of enterprises receiving non-financial support • Number of enterprises reaching new markets • Number of potential entrepreneurs supported to be enterprise ready 	Corporate Plan: Economy 4.3

Project Name	Project Description	Potential SPF Budget	Potential Outputs	Corporate Link
			<ul style="list-style-type: none"> Number of new enterprises created Number of event programmes (networking events) 	
	<ul style="list-style-type: none"> Small start-up grants to support potential entrepreneurs to become enterprises. To be delivered in conjunction with the business support advise programme. 	£25,000	<ul style="list-style-type: none"> Number of enterprises receiving grants Number of enterprises receiving non-financial support Number of enterprises reaching new markets Number of potential entrepreneurs supported to be enterprise ready Number of new enterprises created 	<p>Corporate Plan: Economy 4.3</p> <p>Corporate Plan: Economy 4.2</p>
Employment and Skills Hub	<ul style="list-style-type: none"> Support for economically inactive and active individuals seeking new skills and signposting to access employment – delivered by external delivery partner 	TBC	<ul style="list-style-type: none"> Number of individuals retraining Number of individuals receiving new skills/qualifications Number of people securing employment 	Corporate Plan: Community 2.3
Rural Skills	<ul style="list-style-type: none"> Support for people to access other skills provision (including green and other rural skills) – delivered by external delivery partner(s) 	TBC	<ul style="list-style-type: none"> Number of individuals retraining Number of individuals receiving new skills/qualifications Number of people securing employment 	<p>Corporate Plan: Community 2.3</p> <p>Corporate Plan: Economy 4.3</p>

Theme: Infrastructure, Land and Property

Project Name	Project Description	Potential SPF Budget	Potential Outputs	Corporate Link
Flexible Workspace	<ul style="list-style-type: none"> Small grant scheme to support the facilitation of rural hubs (eg at Village Halls) 	£20,000	<ul style="list-style-type: none"> Number of enterprises / organisations receiving grants Number / M² of commercial properties created / improved Increased number of users (of facilities) 	Corporate Plan: Economy 4.3
	<ul style="list-style-type: none"> Enhancement of the Pannier Market to include creation of additional lockable units to facilitate more traders 	TBC	<ul style="list-style-type: none"> Number / M² of commercial properties created / improved Increased number of users (of facilities) 	Corporate Plan: Economy 4.3 Corporate Plan: Economy 4.2
Asset Investment	<ul style="list-style-type: none"> Explore opportunities to enhance or develop our commercial assets 	TBC	<ul style="list-style-type: none"> Number of feasibility studies supported Number and M² of commercial property created or improved Amount of carbon reduced 	Corporate Plan: Economy 4.3 Corporate Plan: Economy 4.2

Theme: Place, Tourism and Town Centres

Project Name	Project Description	Potential SPF Budget	Potential Outputs	Corporate Link
Love Your Town Centre	<ul style="list-style-type: none"> Small umbrella grants scheme intended to support businesses in our town centres. Grants include shopfront enhancement support. 	N/A Match-funded through S106 and existing earmarked reserves	<ul style="list-style-type: none"> Number of enterprises receiving grants Number of vacant units occupied Number of commercial properties improved 	Corporate Plan: Economy 4.1 Corporate Plan: Economy 4.3

Project Name	Project Description	Potential SPF Budget	Potential Outputs	Corporate Link
	<ul style="list-style-type: none"> Undertake feasibility studies to identify cost and timescale requirements for potential projects arising from masterplanning exercises 	£25,000	<ul style="list-style-type: none"> Number of feasibility studies supported 	Corporate Plan: Economy 4.1
	<ul style="list-style-type: none"> Public Realm improvement works 	£5,000	<ul style="list-style-type: none"> M² of public realm enhanced 	Corporate Plan: Economy 4.1
Creative Communities	<ul style="list-style-type: none"> Small grants scheme to support arts and cultural projects in our town centres. 	N/A Match-funded through Economic Development (ED) grants budget (the Swan Trail pot)	<ul style="list-style-type: none"> Number of organisations receiving grants Number of creative activities/events planned Number of cultural programmes led 	Corporate Plan: Economy 4.1 Corporate Plan: Community 2.2
	<ul style="list-style-type: none"> Improvements to our (town centre) green and open spaces to install electrical infrastructure and enable more events to make use of the spaces 	TBC	<ul style="list-style-type: none"> Number of M² of green space improved Number of creative events/activities planned 	Corporate Plan: Economy 4.1
Sustainable Visitor Economy	<ul style="list-style-type: none"> Investment project to support walking infrastructure (including signage, digital routes and engagement) 	£30,000	<ul style="list-style-type: none"> Number of people reached (engagement) Increased number of web searches for a place 	Corporate Plan: Economy 4.4
	<ul style="list-style-type: none"> Promotional campaigns through Visit Mid Devon to encourage visitors to Mid 	£5,000	<ul style="list-style-type: none"> Number of people reached (engagement) Increased number of web searches for a place 	Corporate Plan: Economy 4.4

Project Name	Project Description	Potential SPF Budget	Potential Outputs	Corporate Link
	Devon, with a focus on group travel campaigns		<ul style="list-style-type: none"> Increased number of visitors (coach visits) Increased footfall 	
	<ul style="list-style-type: none"> Medium mixed grant scheme supporting growth of town centre tourism businesses and attract visitors 	£30,000	<ul style="list-style-type: none"> Number of enterprises / organisations receiving grants Increased number of visitors 	<p>Corporate Plan: Economy 4.3</p> <p>Corporate Plan: Economy 4.1</p>

Theme: Business Engagement

Project Name	Project Description	Potential SPF Budget	Potential Outputs	Corporate Link
Sustainable Visitor Economy	<ul style="list-style-type: none"> Engagement and partnership building project with tourism businesses and cultural organisations 	N/A This will be match supported through ED Local Projects and Initiatives budget	<ul style="list-style-type: none"> Number of enterprises receiving non-financial support Number of organisations receiving non-financial support 	Corporate Plan: Economy 4.3
Business Engagement	<ul style="list-style-type: none"> Cross-cutting projects to deliver improved engagement with our businesses and facilitate improved communication, awareness and support. This could include enhanced systems and strategies. 	£20,000	<ul style="list-style-type: none"> Number of enterprises receiving non-financial support Number of event programmes (networking events) 	Corporate Plan: Economy 4.3

Theme: Business Growth, Innovation and Efficiency

Project Name	Project Description	Potential SPF Budget	Potential Outputs	Corporate Link
Business Innovation and Growth	Medium grant scheme to support business growth (innovation, improved efficiency or new markets).	£100,000	<ul style="list-style-type: none"> • Number of enterprises receiving non-financial support • Number of enterprises receiving grants • Number of enterprises experiencing growth (eg through increased turnover) • Number of enterprises adopting new technologies or processes • Number of enterprises introducing new products or services • Number of enterprises reaching new markets 	Corporate Plan: Economy 4.3

4.0 Next Steps

- 4.1 This is the proposed Outline Delivery Plan. Where known, we have included potential SPF budget commitments but this is subject to further refining (and the potential for some match support from the ED service budget). With Members' approval, we can commence conversations with potential external delivery partners to identify expected budgets to come back to Members with a final proposal early 2025.

Financial Implications

The report identifies areas of spend subject to receipt of external funding. 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. Climate will be an underlying theme through many of the proposed projects.

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
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Section 3 – Statutory Officer sign-off/mandatory checks

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Agreed by or on behalf of the Section 151

Date: 20 November 2024

Statutory Officer: Maria DeLeiburne

Agreed on behalf of the Monitoring Officer

Date: 20 November 2024

Chief Officer: Richard Marsh

Agreed by Corporate Director

Date: 20 November 2024

Performance and risk: Steve Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: 19 November 2024

Cabinet member notified: (yes/

Section 4 - Contact Details and Background Papers

Contact: Zoë Lentell, Economic Development Team Leader

Email: zlentell@middevon.gov.uk

Telephone: 01884 234298

Background papers:

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Report for: Economy and Assets PDG

Date of Meeting:	28 November 2024
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 projects and activities undertaken by the Growth, Economy and Delivery Team during the last couple of months.

To also update Members on the review of the Economic Strategy for Mid Devon.

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 Growth, Economy and Delivery Team since the last Policy Development Group meeting.

2.0 Shared Prosperity Fund and Rural England Prosperity Fund

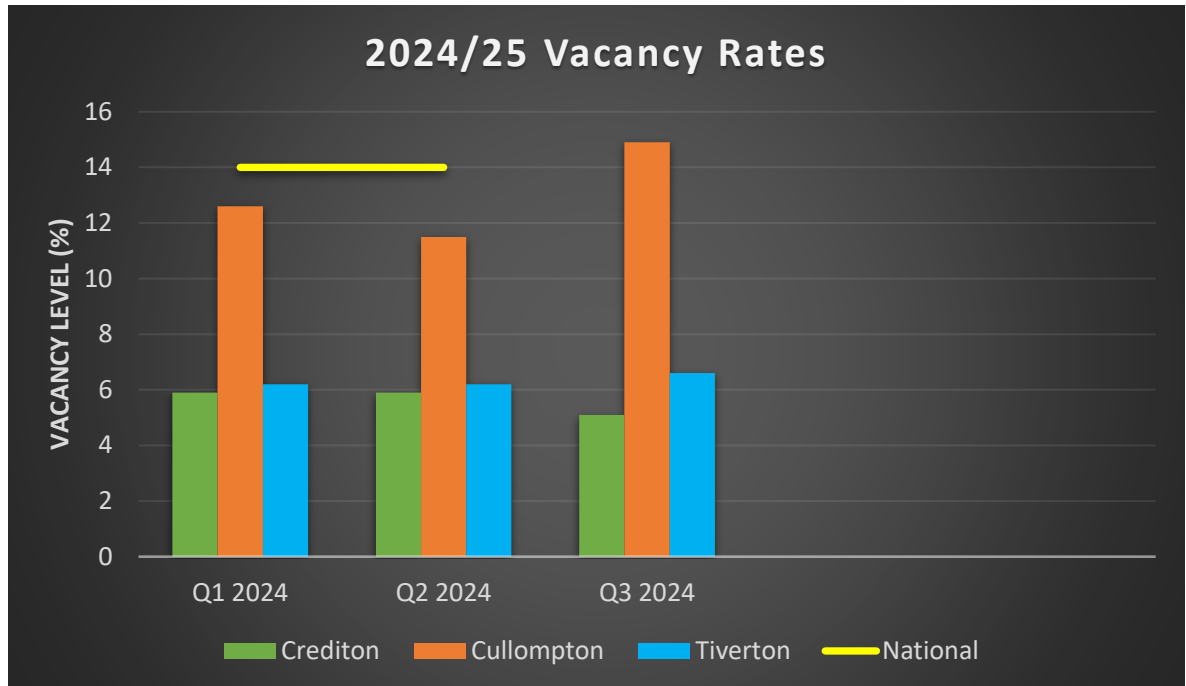
2.1 Work continues on the delivery of the final phase of the Shared Prosperity and Rural England Prosperity Fund Delivery Plan. A separate presentation outlines the highlights for the second quarter. Some key items to note include:

- **Flexible Workspace:** Planning Permission (24/01252/FULL) was granted for the physical amendments to the former Market Centre building to facilitate the improved workspace. Following a tender exercise, a contractor has been appointed to deliver the works with a mobilisation date of 02 December. The contractor has prioritised internal works over external works for the early phase and is timing deliveries to minimise disruption to car park users so as to not impact on Christmas shopping in the town.
- **Field to Fork:** Imagery for the second phase of the Meet the Producer project is scheduled to post on the @VisitMidDevon Facebook and Instagram accounts from 25 November 2024 through to the end of March 2025. This project aims to meet outputs for “non-financial support to businesses” and “raising awareness of Mid Devon” with the ultimate goal of encouraging people to support local producers and eateries.
- **Visitor Economy:** The Tiverton Swan Trail closed on 3 November and culminated with a successful auction event on 7 November. The swans raised £6,710 at auction plus an additional £494 for the raffled swan. Continuing the legacy of the trail, the swan decorated in traditional ‘roses and castles’ narrowboat-style artwork will remain at the Canal Basin for visitors and locals to continue to treasure. The Visitor Signage project (under the Rural England Prosperity Fund Delivery Plan) is underway with new “Welcome to Mid Devon” visitor boards to be installed at our three Mid Devon Leisure sites. The Team is also exploring other gateway locations (in liaison with the landowners) for these signs such as J27 and the Tiverton Parkway and Crediton Railway Stations.
- **People and Skills:** The Employment and Skills Hub is seeing good numbers of engagement with (as of the end of October), a caseload of 25 and further referrals. The Tiverton hub has relocated to the Tiverton Library (still taking place on Fridays).
- **Business Support:** We are seeing a lower than expected take-up for the Prosper business support offer. The Prosper programme offers free support to potential entrepreneurs, new and existing businesses seeking to grow as well as specialist support for green innovation or those seeking to become employers. The Team are liaising with the Prosper Team on communication strategies to encourage further take-up and monitoring progress.

2.2 As part of the Autumn Statement, the Government announced intentions to extend the Shared Prosperity Funding by one year. We have not received any direct communication from the Ministry of Housing, Communities and Local Government about this yet. However, the Team is preparing a draft outline for a potential Year 4 Delivery Plan (reported separately).

3.0 Town Centre Health

3.1 Quarter 3 shopfront surveys took place in October 2024 and we have footfall data up to Quarter 2 (September 2024).

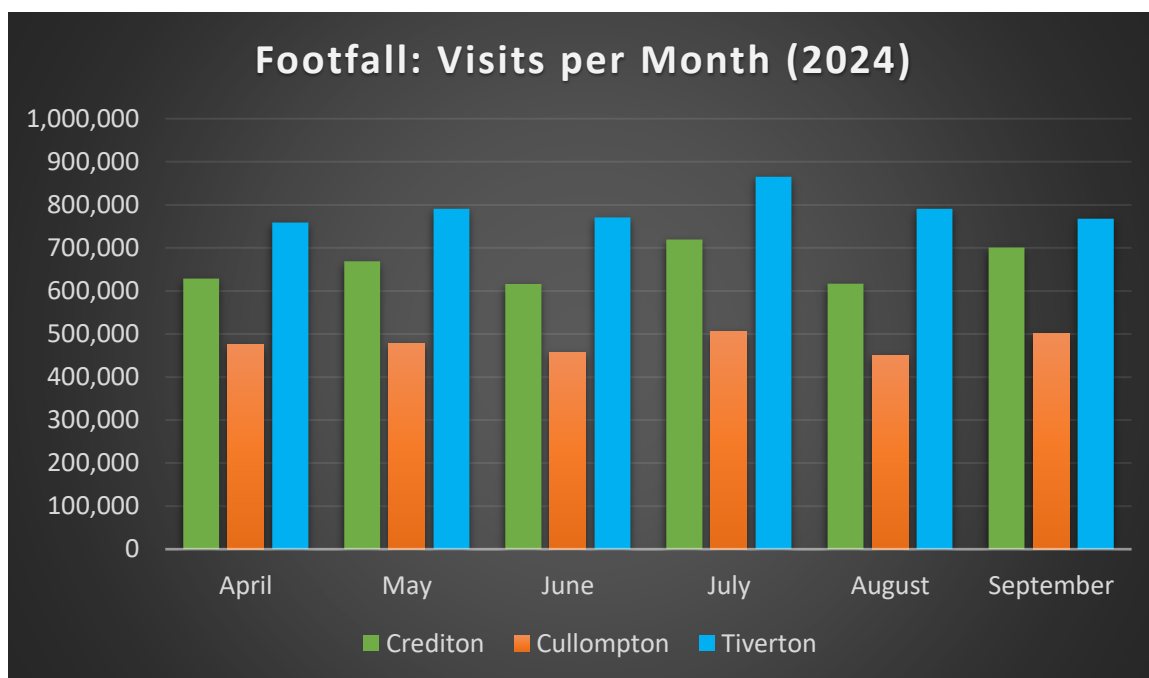


3.2 Cullompton and Tiverton have both seen an increase in the number of vacant units since the Quarter 2 report, whereas Crediton has seen a decrease. Both Crediton and Tiverton are performing better than the national average (reported at 14% for the end of September).

3.3 With regards to footfall, all three towns have reported a year-on-year increase.

- Cullompton, April to September has recorded a total footfall in 2024 of 2,866,000 compared to 2,732,000 for the same months last year. This is a 4.9% increase.
- Tiverton, April to September has recorded a total footfall in 2024 of 4,802,000 compared to 4,263,000 for the same months last year. This is a 12.6% increase.
- Crediton, April to September has recorded a total footfall in 2024 of 3,951,000 compared to 3,420,000 for the same months last year. This is a 15.5% increase.

3.4 The Shared Prosperity Programme has supported initiatives to encourage increased footfall including the Tiverton Swan Trail, Treasure Trails, the Walking Festival and supporting town centre events (such as the Boniface Bash, Shakespeare in the Square, Arty Party and Cullompton Autumn Fest and Tiverton Book Festival, amongst others).



4.0 Economic Strategy Review

4.1 The first Informal PDG session took place on 24 October 2024, looking at Mid Devon's economic profile and outline vision-setting. Members noted the skills and wage gaps and discussed opportunities to address these. The initial emerging themes for focus include (please note: these could change as the Strategy is further developed):

- Skills and Business Support
- Infrastructure, Land and Property
- Place, Tourism and Town Centres
- Business Engagement
- Business Growth, Innovation and Efficiency

4.2 The second Informal PDG will take place on 21 November focusing on two themes (Place and Business Engagement) with a view to undertaking a more focused SWOT analysis and forming an initial draft action plan. A further two Informal PDGs will look at the remaining themes before a final action plan is presented to Members as part of a draft Strategy.

Financial Implications

The report is an information report and does not of itself have any financial implications and require any decisions. 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

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