

Public Document Pack

Mid Devon District Council

Economy Policy Development Group

Thursday, 16 March 2017 at 6.00 pm
Exe Room, Phoenix House, Tiverton

Next ordinary meeting
Thursday, 18 May 2017 at 6.00 pm

Those attending are advised that this meeting will be recorded

Membership

Cllr Mrs A R Berry
Cllr Mrs J B Binks
Cllr J M Downes
Cllr R Evans
Cllr S G Flaws
Cllr T G Hughes
Cllr Mrs B M Hull
Cllr F J Rosamond
Cllr Mrs N Woollatt

A G E N D A

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

1 **Apologies and Substitute Members**

To receive any apologies for absence and notice of appointment of substitutes.

2 **Public Question Time**

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

3 **Minutes** (*Pages 5 - 10*)

To approve as a correct record the minutes of the previous meeting (copy attached).

4 **Chairman's Announcements**

To receive any announcements that the Chairman may wish to make.

5 **Response to the Heart of the South West Productivity Plan consultation** *(Pages 11 - 22)*

To receive a report from the Chief Executive & Director of Growth providing Members with an opportunity to steer Mid Devon District Council's response to the Heart of the South West Productivity Plan consultation.

6 **Tiverton Pannier Market position statement** *(Pages 23 - 52)*

To receive a briefing paper from the Market Managers outlining the findings from an audit. To also inform Members on the background governance work at the Pannier Market and progress on actions to date to improve the Market environment, trader retention and customer footfall.

7 **Tiverton Market Schedule of Tolls** *(Pages 53 - 58)*

To receive a report from the Chief Executive & Director of Growth presenting a standardisation of the Market's pricing policy in a formal agreed Schedule of Tolls.

8 **Mid Devon Walking Guides** *(Pages 59 - 64)*

To receive a report from the Chief Executive & Director of Growth as a result of Members requesting the Economic Development Team look into the feasibility of reformatting the village walking leaflets.

9 **Economic Profile** *(Pages 65 - 74)*

To receive a report from the Chief Executive & Director of Growth providing an update on the economic situation in Mid Devon.

10 **Performance and Risk for 2016-17** *(Pages 75 - 82)*

To receive a report from the Director of Corporate Affairs and Business Transformation providing Members with an update on performance against the Corporate Plan and local service targets for 2016/17 as well as providing an update on the key business risks.

Please note: If Members have questions regarding this report please submit them to the clerk in advance of the meeting so that the appropriate officer can be asked to attend or provide a written response.

11 **Financial Monitoring - 9 months to December 2016** *(Pages 83 - 98)*

To receive a report from the Director of Finance, Assets & Resources presenting a financial update in respect of the income and expenditure

so far in the year.

12 **Car parking update for the ten months to 31 January 2017** (Pages 99 - 114)

To receive a report from the Director of Finance, Assets and Resources presenting a car parking update after the first ten months of the new charging strategy. This report will also be presented to the Scrutiny Committee on 13 March 2017.

13 **Chairman's annual report for 2016/17** (Pages 115 - 116)

To receive the annual report from the Chairman of the Policy Development Group for 2016/17.

14 **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:

- Election of Chairman for 2017/18
- Election of Vice Chairman for 2017/18
- Performance and Risk
- Financial Monitoring
- EDR Business Plan 2017-18
- Tourism Strategy & Action Plan

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

Stephen Walford
Chief Executive
Wednesday, 8 March 2017

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

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

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

An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, or

If you would like a copy of the Agenda in another format (for example in large print) please contact Sarah Lees on:

Tel: 01884 234310

E-Mail: slees@middevon.gov.uk

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **ECONOMY POLICY DEVELOPMENT GROUP** held on 19 January 2017 at 6.00 pm

Present

Councillors

Mrs B M Hull (Chairman)
Mrs A R Berry, Mrs J B Binks, J M Downes,
R Evans, S G Flaws, F J Rosamond and
Mrs N Woollatt

Apology

Councillor

T G Hughes

Also Present

Councillors

Mrs J Roach, N V Davey and Mrs S Griggs

Also Present

Officers

Stephen Walford (Chief Executive), Jenny Clifford (Head of Planning and Regeneration), John Bodley-Scott (Economic Development & Regeneration Manager), Chris Shears (Economic Development Officer), Alan Ottey (Market Manager), Roderick Hewson (Principal Accountant) and Sarah Lees (Member Services Officer)

48 **APOLOGIES AND SUBSTITUTE MEMBERS**

There were no apologies for absence.

49 **PUBLIC QUESTION TIME**

There were no questions from the members of the public present.

50 **MINUTES**

The minutes of the previous meeting were confirmed as a true and accurate record and **SIGNED** by the Chairman.

51 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had the following announcements to make:

- She welcomed everybody to the first meeting of the new year.
- She informed the Group that three members of the Crediton Town Team were present to give a presentation on the projects they had undertaken within the town and their aspirations going forwards.

52 CREDITON TOWN TEAM

The Crediton Town Team had been invited to attend the meeting to provide a presentation to the Group on the projects and initiatives taking place in Crediton. The representatives who attended the meeting were Rod Brookes-Hocking, Rosemary Stephenson and Mike Summerton.

Key highlights within the presentation included the following:

- The team had come into being 4 years ago and was started by festival organisers with an arts background. Some had been previous project managers and were known as people who could pull groups together.
- There was a breadth of expertise amongst the team.
- They had undertaken a wide range of projects.
- One of the key projects in the calendar was the 'Cred Fest' which was held every two years and did much to aid social integration and cohesion within the town. Sport had been part of the festival and there were close links with the leisure centres.
- The Crediton Flag project had been simple in concept but had had a huge impact.
- The strong links with Germany and a shared reverence of St Boniface.
- The Community Hub Project was progressing well.
- A Town Square Weather Protection scheme was being prepared.

The Group were referred to the team's website which contained lots of information and images regarding the projects they had undertaken. The Group congratulated the team on what they had achieved so far and were particularly impressed with how they managed to bring sometimes conflicting groups together. The comment was made that the success of the team had come down to a few committed individuals as well as vital financial support.

53 PERFORMANCE AND RISK

The Group had before it, and **NOTED**, a report * from the Director of Growth and Chief Executive providing Members with an update on performance against the Corporate Plan and local service targets for 2016/17 as well as providing an update on the key business risks.

The Economic Development & Regeneration Manager stated that it was the intention for future reporting to alternate between the national picture and local performance indicators so that the Group got an all-round picture in relation to the economy.

With regards to empty shop figures he had revised these so that they were more challenging and in line with those set nationally. The targets were achievable however and the Council was currently performing well against them.

The Group were informed about an incident that had occurred in the Pannier Market just before Christmas where a glass door had shattered onto one of the traders. Fortunately it had been safety glass and there had been no resulting cuts or bruises. It was felt that the cause of the problem had been to do with dirt getting into the channels holding the door in place. The Market Manager was now ensuring that these were cleaned out every month.

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

54 **FINANCIAL MONITORING**

The Group had before it, and **NOTED**, a report * from the Director of Finance, Assets and Resources presenting a financial update in respect of the income and expenditure so far in the year.

The General Fund was currently forecast to be overspent by £52k. The main movements related to the Non Domestic rates 15/16 Devon pooling gain, Developmental Control staff vacancies and Discretionary Housing Payment funding being greater than budgeted.

Discussion took place regarding:

- Pay and Display car park income being down against budget.
- A tested and costed business case was needed before a Pannier Market roof could be included within the Capital Programme. The Chief Executive explained the importance of making investment decisions based on due diligence and risk-based assumptions.

Several questions were asked which the officer was unable to answer during the meeting since this was not his area but said that he would ensure the Group received an answer shortly after the meeting, these included the following:

- a) What was the actual figure for off street fines?
- b) Actual income figures in relation to the tolls at Tiverton Market.
- c) More information with regard to the vacant posts in Grounds Maintenance and where had these posts been advertised?
- d) More information with regard to renewable energy sources and business rates.

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

55 **BUDGET 2017/18 - UPDATE**

The Group had before it, and **NOTED**, a report * from the Director of Finance, Assets and Resources considering options available in order for the Council to move towards a balance budget for 2017/18.

The Principal Accountant informed the Group that in November 2016 the budget gap had been £419k and had now been reduced to £231k. The main reasons related to the business rate pool and increases in tonnages for recycling. However, income had been reduced for garden waste permits and there was more pressure regarding New Homes Bonus going forwards. An updated report would be brought to the Cabinet meeting on 2 February where it was hoped the gap would have been reduced further still with Members having to decide how any remaining gap could be bridged.

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

56 MID DEVON DESTINATION MANAGEMENT PLAN FOR TOURISM

The Group had before it a report * from the Economic Development & Regeneration Manager updating Members on the current impact tourism has on Mid Devon's economy and how the Council could develop the sector over the next 5 years.

The contents of the report were outlined with the following points being referred to:

- 5% of all employment within Mid Devon was related in some form or another to tourism.
- The majority of visitors already lived within the region and of those the majority were older adults without children.
- The Destination Management Plan by its nature needed to be a partnership strategy with a strong brand.
- The face to face surveys had asked standard questions which meant that they were comparable across districts. Only 40% of respondents had mentioned anything they were dissatisfied with. Overall there had been very good satisfaction results.

The Group made the following comments:

- The results were open to interpretation and the sample of people surveyed had been small.
- The SWOT analysis had considered an ageing visitor profile as a weakness, however, they could be considered as a strength and the 'grey pound' needed to be looked at more positively.
- Surveys, by their very nature were just a snap shot of opinion at a particular moment in time.
- The Council needed to be careful about the amount of weight subscribed to some of the conclusions within the report.
- Interviews had been conducted at a limited number of locations.
- Mid Devon had to work harder at promoting itself compared to other districts due to not having a coast to attract visitors to.
- The survey had cost £6k to undertake, it was suggested that this may not have been a big enough investment given the limitations of the data and the importance to Mid Devon of moving forward in the right direction on tourism.
- Poor signage within Tiverton was a problem and previous concerns had not been addressed. Similar signage problems existed elsewhere in the district and better liaison was needed with Devon County Council.
- The Tiverton Coach Park needed to be more widely promoted and advertised.

Discussion took place regarding the Tiverton Attractions Group which had suffered poor attendance in the recent past but was showing some signs of reinvigorated interest. It was important for this group to be on board with the Destination management Plan especially in relation to the branding issue.

Members had been keen for work to be undertaken in this area and this had proved to be a good start. There were many opportunities that could be developed such as promoting and developing heritage roots, linking the market towns together, promoting the unspoilt countryside and celebrating some of the finest food producers in the country.

RECOMMENDED to the Cabinet that the draft Destination Management Plan be approved for consultation bearing in mind the comments and concerns of the Policy Development Group with regard to the small sample of people interviewed, the number of locations where this had taken place and the need for caution when considering the conclusions in the survey.

(Proposed by the Chairman)

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

57 **STRATEGY FOR TIVERTON 2017/27**

The Group had before it a report * from the Tiverton Town Centre and Market Manager outlining the Tiverton Town Centre and Market Strategy and Action Plan for 2017 to 2027. The officer explained that the market was key to the regeneration of the town. The strategy was centred around the themes that towns nationally revolve around. Most of the actions within the Action Plan for November and December had already been achieved. The good trading atmosphere needed to continue as did evaluations after each promoted event. Performance indicators were being monitored and the Market Manager had introduced a trader's newsletter.

Discussion took place regarding:

- The removal of street clutter – it was explained that this referred to the duplication of posts and better placement of litter bins, not the removal of seats.
- Regular cleaning regimes were now in place.
- The market needed to be warmer and more welcoming.
- The Council needed to consider more arts and craft trading stands and dedicated farmers markets.
- There was a deficit in income from the market which was being carefully monitored.
- The need for the market's potential and its aspirations to be realised.

RECOMMENDED to the Cabinet that the Strategy for Tiverton 2017/27 be approved.

(Proposed by the Chairman)

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

58 **LGA BREXIT RESPONSE**

The Group had before it, and **NOTED**, a report * from the Economic Development & Regeneration Manager informing Members of the Council's response to the Local Government Association on the possible effects of Brexit.

The Economic Development Officer was congratulated for bringing together a report when there were so many unknowns.

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

59 **ECONOMIC DEVELOPMENT UPDATE REPORT**

The Group had before it, and **NOTED**, a report * from the Economic Development & Regeneration Manager updating Members on the progress of key Economic Development Projects. This included the following:

Discussion took place regarding:

- The possibility, should an extremely strong business case be produced, for an idea to be considered within the Capital Programme, however, it would always be difficult to guarantee positive outcomes. Rigorous cost / benefit analysis would always need to be undertaken.
- Regarding Broadband – the Economic Development Officer informed the Group that he had had a recent meeting with Connecting Devon and Somerset and they were currently working through signing off a contract. A update would be provided at the next meeting.

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

60 **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING**

In addition to the items already listed in the work programme, the following was requested to be on the agenda for the next meeting:

- Tourism leaflets promoting Mid Devon villages
- Broadband update

(The meeting ended at 8.10 pm)

CHAIRMAN

ECONOMY POLICY DEVELOPMENT GROUP

16TH March 2017

RESPONSE TO THE HEART OF THE SOUTH WEST PRODUCTIVITY PLAN CONSULTATION

Cabinet Member(s): Cllr Richard Chesterton, Planning and Regeneration
Responsible Officer: Stephen Walford, CEO & Director for Growth

Reason for Report: To provide members with an opportunity to steer Mid Devon District Council's response to the Heart of the South West Productivity Plan Consultation

RECOMMENDATION: That members consider the attached report, and discuss how productivity is best achieved in Mid Devon

Relationship to Corporate Plan: It supports the corporate objectives for the economy.

Financial Implications: There are no direct financial implications arising from the report, though the productivity plan will determine the focus of funding made available to the Heart of the South West from government. Influencing the plan to align it with Mid Devon's aims and objectives will put our district in a position of strength to access such funds.

Legal Implications: None

Risk Assessment: None

1.0 Introduction

The Heart of the South West Local Economic Partnership (HotSW LEP) has published a consultation green paper 'Driving productivity in the Heart of the South West' (see attached document) which will inform the development of a Productivity Plan for the LEP area. This will set out the long term strategic ambitions of the partner organisations to raise productivity in the region. The Productivity Plan will replace the current LEP Strategic Economic Plan and will form the basis for bidding to Government for funding under a single investment programme.

1.1 It is important that Mid Devon District Council influences the outcome of this consultation so that the Productivity Plan as far as possible reflects our district priorities and our ambitions for economic growth, so that we are in the best possible position to benefit from the single investment programme. The consultation paper presents a list of questions, the answers to which are fundamental if we to develop our vision for the future of the Mid Devon

Economy in a way that creates a unique identity for the district, while at the same time aligning the vision with wider ambitions across the region.

- 1.2 Reflecting the Government's Industrial Strategy, the green paper focuses on productivity as the key driver for economic growth. The emphasis on 'productivity' focuses attention on the fact that economic growth is achieved not merely by increasing the number of jobs, but by increasing the quality of jobs. It is recognised that there are a number of factors that can influence productivity within an economy. A skilled workforce raises productivity, while at the same time, reducing the number of low skilled jobs also has a net positive impact on productivity (i.e. perversely productivity can be raised by making people unemployed). Salaries affect productivity, with higher salaries being seen as more productive roles, as does the value added to a product or service, or created by a business.
- 1.4 The change in emphasis from pure business growth to productivity removes the focus on generic job creation activities and shifts it instead towards high quality job creation. This creates questions for Mid Devon District Council regarding the types of jobs we want to help to create in the district, the environment that we need to create to support the development of these jobs, and the sectors that we wish to support to grow to give our district a unique role in the Heart of the South West.
- 1.5 Members should consider how can we best attract and support the growth of businesses that can create the high skilled, high waged jobs necessary to increase productivity in the district.

Contact for more Information: John Bodley Scott, 01884 234363
jbodleyscott@middevon.gov.uk

Circulation of the Report: Cllr Richard Chesterton
Stephen Walford, CE & Director for Growth

List of Background Papers:

Driving productivity in the Heart of the South West; Consultation Paper (Green Paper)

HotSW LEP Productivity Plan Consultation

Questions for Consultation

General questions

- **What would a successful economy look like?**

A successful economy in Mid Devon would have a combination of productive businesses and vibrant places that encourage people from all walks of life to aspire to come here to live, visit and work. Our towns in particular need to extend their appeal, and target families and more affluent residents and visitors so that these people feel that everything they need can be found within the District. In this respect we would want to see much more diverse high streets in terms of the mix of uses of business premises and the atmosphere they create.

The wider Mid Devon economy would have strong links with the rest of the HotSW economy but would be uniquely identifiable within the region. It would build upon the strengths of the area, developing a stronger food and drink sector, tourism sector and environmentally focused tech industries. Our stretch of M5 corridor sites would be full of innovative tech businesses, logistics centres and manufacturing and engineering companies, and our growth within our key sectors would be focused on innovative, world leading developments within these industries.

The business community would have positive relationships with the local authority and business support networks, and would be actively engaged in regional decision making processes and the development of support activities. There would be clear pathways for businesses to grow, from sector focused incubator space, to next step space, and then appropriate large business space. Support mechanisms would be engaged with businesses at all of these stages of their development to make it easier for businesses to grow and to give business owners the confidence they need to be able to take significant steps in the growth of their companies.

Our business community would be advocates for the Mid Devon area, and would work with us to promote the District and all of the positive elements of being in Mid Devon. We would work with the wider economy of the HotSW to promote the region to attract new investment to the area, but would not lose our unique voice in the region by doing so.

- **Should we aspire to reach South East levels of productivity?**

We should not aspire to reaching the South East levels of productivity as this would not only leave us in a position where we would be chasing a pair of ever moving goal posts but would not be in the interests of the South West as we try to create a unique identity that has a very different appeal to that of the South East. In terms of trying to catch up with South East productivity levels, this would likely create the view that we were possibly falling further behind, as the South East is likely to continue increasing productivity at a faster pace than the South West due to its infrastructure and existing critical mass of business investment.

- **If we do aspire to this, does this mean we want our area to be the same as the south east and if not then what sort of area do we want to be?**

The South West has a real opportunity to create its own identity in the UK. It would be undesirable to try to replicate the South East because the South West is unique and productivity is only one of a number of factors that will strengthen the local economy. Instead we could become a place which has incredibly high quality of life that is appealing to people from all walks of life and which can therefore support a vast array of highly productive businesses.

- **What in your view would make the biggest impact to productivity in HotSW?**

If infrastructure spend in the South West was more balanced with other parts of the UK it is likely that we would be able to better support a more productive business community. Broadband services are exceptionally poor in parts of the region, and transport infrastructure outside of the M5 corridor can make significant parts of the South West difficult to physically access. Reducing the effects of peripherality is going to be fundamental in increasing productivity, and it is more likely that addressing this through communications improvements (e.g. broadband infrastructure) which will support the growth of a knowledge-based economy will be more financially viable than through transport infrastructure improvements.

- **What is the main barrier to raising productivity in your business/sector (including public sector)?**

The public sector is facing extraordinary levels of budget cuts through the annual reduction of government grants. It is highly unlikely that this will be offset when changes to business rates come into play and they shift to being retained by local authorities. Budget cuts are reducing capacity in key departments, as restructures, non-replacement of staff, and other cultural changes leave the local authority in a state of limbo, where opportunities that could lead to wider growth are being missed, or members of staff simply don't have the capacity to pursue them.

This is an issue that does not just affect our "business" but is affecting local authorities across the UK. It is also affecting the wider public sector, where an expectation of being able to do more for less is possibly having the opposite effect to which it was intended.

- **What driver is most important – skills, infrastructure etc?**

Infrastructure in the widest sense is the most important factor for developing a successful future economy. The ability to create the environment to support growth and to attract younger workers into the area is something that local authorities are able to shape far more effectively than direct business growth. Within the "infrastructure" catchall it is important to differentiate between hard and soft infrastructure.

Hard infrastructure, which includes energy, broadband and transport are elements that we can influence in partnership with other organisations. The Hydromills project being developed at present is exploring opportunities to develop localised grid infrastructure, and we are working in partnership with Western Power, South West Water, and a number of other organisations to help take this project forward in a coordinated manner.

With regards to transport, we have to try to influence decisions about where infrastructure rollout is prioritised. We have a number of transport infrastructure issues at present, the most significant being at Cullompton where capacity issues have the ability to hamper business growth at some of our key business sites.

Broadband infrastructure in Mid Devon is exceptionally poor due to the rural nature of the district and the lack of focus on our district within the Connecting Devon and Somerset program. As a district authority, every inward investment enquiry asks about broadband in the potential investment area, and we receive comments from businesses across the district about poor quality broadband infrastructure on a regular basis. This is potentially the number one issue that prevents rural business growth.

With regards to soft infrastructure it is important that we build upon business support activities such as the Growth Hub and business start-up programme in combination with more local provision of advice and services. If businesses feel that they are well supported and that they know where to turn for the advice and guidance that they need, they will have more confidence to be able to grow their businesses.

Similarly, with delivering skills for people within the district, it is important for there to be strong links between regional delivery (such as the universities) and local delivery bodies. This is particularly critical in Mid Devon where A-Level provision is extremely limited and therefore most young people have to travel to Exeter or Taunton to take courses.

We do appear to be relatively good at providing soft infrastructure, and our business communities have responded positively to the activities in place to help them. Therefore hard infrastructure should have the greater focus at LEP level to increase our ability to influence decisions and bring funding into the South West to accelerate its rollout. Accordingly, Mid Devon needs to have strong links to the LEP to help influence local infrastructure rollout.

- **How do we build on our natural capital assets?**

Mid Devon has a vast river network and a high quality environment. We perfectly represent the natural beauty of the South West and have part of our district within an AONB. We are situated between two national parks, and our towns and villages are surrounded by beautiful views of greenery and wildlife. There is a perception that the South West has a warmer, milder climate than other parts of the UK which is likely to have some truth behind it. Our environment is perfect for supporting a strong agricultural sector, though this seems to be viewed as a weakness to the South West when it could really be built upon as a strength through opportunities to innovate within the sector.

As part of a wider promotion of the South West, we should be truly playing upon our green credentials which represent a quality of life that people in other parts of the UK aspire to. This should form a part of a wider promotion of the South West which demonstrates that there are many good quality highly paid jobs available in the South West and that we can offer an extremely good balance between a quality lifestyle and a positive working life.

The natural capital in Mid Devon lends itself well to promoting a green economy, and we are already exploring the development of hydro schemes on river network and how we can develop an innovative environmentally focused sector through the development of renewable technologies, passivhaus developments, and more discreet ways of combining future technologies with our beautiful natural environment.

- **What is the role for the public sector in improving the HotSW productivity levels?**

Local government is limited in what it will be able to achieve directly, due to our own financial constraints and our inability to directly influence businesses to take growth

decisions. We can become more entrepreneurial in our own rights, and this is something that central government could better support and encourage.

An example of this if the government were to consider decentralising some of its departments as part of wider devolution activities. The South West has proven that we can make a success of opportunities of this nature, as Exeter and East Devon are hosts to the MET Office, which employs over 2,000 people in the local area and is world renowned for the quality of the work it undertakes.

In the wider public sector there are likely to be very few opportunities for the HotSW local authorities to influence productivity related decisions

Enterprise

- **What is currently inhibiting business growth?**

For existing businesses:

Uncertainty about the future is a key element that prevents business growth. This is not to be mistaken as a comment purely about Brexit, as owners of smaller businesses that are looking at growing their companies have key pinch points at which they often struggle to pass. These pinch points tend to be when the business is taking on its first direct employee, and when a business is growing to the point that it needs to change its structure in order to continue to develop. These are the times that present the greatest risk to a small business, but they can also accelerate the growth of the business if taken forward well and supported appropriately. Another factor is a lack of confidence in finding the right member of staff for a job. Businesses often find that when they are looking to take on a qualified employee, unless the person they identify already has good experience in their sector, they need to put significant effort into training them to be able to work for their business. This could be better resolved through the better brokerage of support between the businesses and educational establishments so that courses can be better tailored to meet the current and future needs of local businesses. This also has the added benefit of encouraging local skills retention.

For potential inward investors:

Marketing and inward investment activities need to be undertaken in a much more cohesive way in the South West. We should be working as a region to promote investment here, and making use of business advocates from a range of sectors. Their voices are far more likely to be heard by the business community than those of the LEP or an individual local authority. There need to be much more effective marketing activities coordinated that are relevant to the whole of the HotSW. At present, the support for wider sectoral events seems to focus on the activities of the largest businesses around the table at a LEP level.

- **How can we get more people to start a business and what could we do to help?**

There should be less focus on people starting up businesses and more support for those who have started a business and who now want to grow those businesses or move away from a lifestyle business model (research repeatedly shows that the step of employing the first employee is a major barrier for microbusiness growth) The vast majority of businesses in the HotSW area are micro businesses, and enabling them to grow, making it easier for them to take the next step of employing people, would be a huge help and

could create more sustainable opportunities across the whole economy than focusing efforts on quick hits whereby we support a business to create 10s or hundreds of jobs. An example of where the latter approach has not gone as planned is Princess Yachts, which received £4.6m to grow in 2013, only to shed almost 200 jobs in 2016.

- **How do we support rural businesses?**

At present we have projects that try to support the rollout of better infrastructure as mentioned above, such as Connecting Devon and Somerset. However, this project appears to focus on addressing the issues faced by the easiest to reach business communities, and leaves our rural business communities falling further and further behind their urban counterparts. This project has the opportunity to be truly transformational and to give our rural business locations a unique selling point. However, in Mid Devon we see little benefit from the program, and there is a real perception that it is funding what should already be economically viable private sector ventures. This creates a difficulty for Mid Devon District Council whereby we have identified a rural business issue, but cannot justify putting public funds into supporting broadband rollout when there is already a publicly funded broadband program which covers our area. On the ground it has a truly detrimental impact on our rural communities and their businesses. Perversely one successful output of this project is now based upon increasing the internet speeds of areas which have already received support, to make them even faster, while there are rural areas left unsupported which are still on the equivalent of dial up speeds.

There are other specialist programs of support that focus on supporting growth in the rural business community, and these have been relatively successful, having created jobs and growth within some of Mid Devon's most remote areas. The LEADER program has been viewed as a great success for the Mid Devon area, and has supported a number of rural businesses to grow.

The Growth Hub is another project that should be able to better support our rural business community, but due to the restrictions of EU funding on the sectors which it is able to support, this tends to benefit more urban-based businesses than those which typically make up the rural business landscape. For example, agricultural businesses and retailers are excluded from support through this particular EU fund, which leaves a significant proportion of our rural businesses unable to access advice and guidance that other sectors can take advantage of. To address this issue, the Exeter and Heart of Devon (EHOD) local authorities have been operating a joint business support program which is funded by the local authorities and is able to support businesses operating within any sector. This directly controlled support is therefore able to focus much more heavily on rural businesses.

There needs to be recognition that our more rural businesses tend to be smaller, and therefore it is less likely that a "big hit" will be achieved in terms of job creation or turnover growth. However, these businesses form a crucial part of our communities and contribute to a wide range of benefits that support a more productive society.

- **How do we identify and support more "scale ups" and how do we help businesses to grow?**

There needs to be much better promotion of the services we can provide and better targeting. If businesses feel that our support is irrelevant to their business then we will never hear from them again. If they don't have a reason to contact us, they will continue developing their business without any assistance and without us ever being aware of

what they are undertaking. It is less difficult to do this on a local authority scale, as we can generally influence our local paper and put out press releases relating to local projects. However, our LEP should have a much stronger relationship with the media, and should aim to promote projects and opportunities in a way that will be enticing to businesses and will make them want to engage. Relying on businesses visiting the HotSW LEP website is exceptionally weak and reactive, and we need to take a much more proactive attitude to engage with our business communities. This should be focused on LEP wide activities, and should not remove engagement from a local level. For example, when a funding programme goes live, it should be on the South West news channels to make businesses aware of the service, but local authorities should be the ones building the relationships with their business communities, and the LEP should simply be getting the message out there.

To help businesses to grow we need to have projects in place that meet their needs and reduce the risk that they will face when going through a period of growth. If the service is purely to advise and offer information, it is unlikely that it will be enough of a hook for a business, as they will get this kind of information from other sources that they already have a relationship with, such as an accountant or solicitor. The projects that we deliver have to be easy to access and be of significant value in relation to the time a business will need to engage with the project. This will be the only way to reach the businesses that would not have proactively contacted us in the first place.

- **How do we encourage entrepreneurs and an entrepreneurial culture?**

We need far greater access to sector specific work hub space across the South West in order to develop effective clusters and knowledge sharing. There are a number of generic work hubs and incubator spaces available, but these will only appeal to a certain type of business, and will not be adequate to meet the specific needs of certain sectors unless they also provide valuable support to those businesses. Outside of incubator space and work hubs, there needs to be a culture within the public sector of creating opportunities for the private sector. An example of this is the local Hydromills project being developed in Mid Devon where we are trying to create 3 hydro schemes. If we are successful in our project, we will open up the sites to give the environmental technology industries opportunities to make use of our sites for product development and other R&D activities that will help their sector to develop. The support structures around work taking place at the sites will give the industry the opportunity to work with Universities and other businesses, with the aim that they will build up a business cluster locally to take forward their ideas.

This gives entrepreneurs a safe test environment in which to explore their ideas without facing significant financial risk and with the right support in place to help steer their activities. If we created opportunities like this for a number of targeted sectors, it would be a proactive way of enabling high value businesses to develop and grow.

- **How do we improve access to finance for business growth?**

We need to take a more flexible approach to the way that we support businesses, and in some cases this may mean taking a bit more risk when supporting potential growth. This is a key area in which public sector and private sector mind-sets differ, whereby the public sector tends to only back a guaranteed win, whereas the private sector is more willing to take a risk for the opportunity of a greater reward. There is also a difference in the way that public funding programs and projects operate due to the requirement to be publicly accountable for any money being spent. The private sector can struggle to adapt their way of working to the requirements of funding schemes for example, and this can

result in them not being able to access grant schemes, or not seeing the time value in applying for funding in the first place.

- **What other incentives would improve entrepreneurial activity?**

There is very little else that we can influence directly.

- **What are the challenges in terms of leadership and management and what should we do to help?**

Leadership and management in larger businesses doesn't seem to be a significant issues for the businesses themselves, as a "bad" manager plays a smaller role in the overall activities of the business. However, there is an issue whereby the majority of our larger businesses play little role in helping to shape their industry across the region. This lack of engagement with bodies such as the HotSW LEP leads to key sectors in Mid Devon being under-represented and therefore ignored as regional priorities, and this is difficult to address unless a better rapport can be developed between the local authority and the business, and then the LEP and the business. At every stage the business must be made to feel that their input is valuable and that there is something positive that will come out of their engagement with wider industry discussions. If they do not feel that this is the case, it will be impossible to get them around the table.

For smaller businesses management and leadership is crucial to the success or failure of the business. Support should be and is available to business owners and managers to help them to develop their skills to be able to successfully develop and grow their businesses. Some of this relates directly to the comments in the section about barriers to business growth, whereby giving leaders and managers the right tools to have the confidence to take significant steps forward with their business is going to be critical to growing the HotSW economy.

Innovation

- **How do we improve the innovation ecosystem – the process by which ideas move into new or better products and services - to strengthen the innovative capacity in business and public sector?**

The business sector is already innovative, and the public sector needs to follow their lead and adopt a similar mind-set in the way that we do business. We tend to be viewed as monolithic and stubbornly slow to make change, and this is probably a fair observation when comparing the public and private sector. However, in order for us to be able to become more commercially minded and to take the approach that businesses naturally follow, we need to be given more flexibility to explore commercial opportunities ourselves, and to have the opportunity to take risks (within reason). If the public sector can become this way inclined, we will become natural partners to the private sector, and this will enable us to hold more influence over businesses, and to lead innovation rather than seek innovation from other sources.

- **What incentives will improve technology transfer and encourage universities and business to work more closely together?**

Local authorities need much stronger links with their universities, not just the local authority in which they are based. The current situation creates knowledge microcosms which don't permeate throughout the wider HotSW area. By improving the relationship

between the universities and other local authorities, more opportunities will be identified for universities to work with businesses and local authorities are well placed to broker these relationships.

- **How do we promote creativity in support of innovation?**

Local authorities and the LEP should be facilitators and honest brokers between businesses and other organisations, creating an environment that is conducive of business innovation, and enabling relationships between groups of entrepreneurs, support services and specialist knowledge. We cannot force businesses to take an innovative approach to the way that they do business, but we can create a range of activities, projects and support that will allow innovators to explore their ideas.

The issue is that we need to be more innovative in the way the projects that we develop and how we engage with businesses. Traditional public sector approaches are a major turn off to businesses, and so our own way of working, and the mind-sets and approaches to how we work within our own organisations need to be more reflective of the innovative business culture we are trying to develop.

- **How do we support R&D and build on existing strengths?**

As mentioned above, the local authorities and universities need to have a much stronger relationship so that we can broker discussions between businesses and educational establishments when the opportunities arise. There are likely to be R&D opportunities that would be relevant to the specialisms of our universities in a number of business sectors, and these are currently being missed or at the very least not being realised to their full potential.

- **How do we best support knowledge exchange and clustering?**

Better connectivity is the key to growing the knowledge economy. There are amazing things going on within our local business communities, but they tend to be happening in pockets of isolation where an individual business is driving innovation in its own area of specialism. In some of our rural areas, these things happen in isolation because of poor communications opportunities due to infrastructure, whereas in less rural areas it is due to poor communication and relationships with other local businesses. Many businesses see innovation as synonymous with “competitive edge” and do not want to share their knowledge as a result of this. It will be extremely difficult to break down this mentality and to create an environment where knowledge is nurtured without it being seen as the property of an individual business. However, if local authorities have the tools to be able to broker relationships between businesses, and with educational establishments then knowledge can be developed in collaboration and is therefore more likely to be shared.

Competition and Infrastructure

- **What should our priorities be for transport infrastructure?**

From the Mid Devon perspective Cullompton would be our priority for transport infrastructure improvements. With the recent awarding of garden village status the site will become a prime location for investment over the next decade, but already we are struggling to deliver development opportunities that would raise the profile of the town as a result of issues facing junction 28 of the M5 and the high street in the town which is severely congested. Exeter is heavily congested at peak traffic times and creates issues

with regards to the flow of traffic both northbound and southbound along the M5. It can be difficult to access areas to the West of Exeter, particularly during these peak traffic times, which can restrict business activities on the Western periphery of the City.

- **Do we have appropriate business premises / science parks?**

We have a significant number of business sites and premises available, but very little joined up thinking in how these sites are taken forward, how they are marketed to potential investors and how they can be better used to create hubs of shared knowledge. This is true within the district but also within the wider HotSW geography. There is a recognised business corridor running along the M5 in either direction from Exeter Science Park, but there is no joined up approach to take sites forward, and as a result of this, lower productivity businesses tend to occupy these sites to gain easy access to transport links. However, in part this is down to the ownership of the different sites and competition to between these land owners.

Exeter Science Park is in a perfect location to support businesses and to host strategic events for the business community. It is directly adjacent to an airport and has excellent road transport links, but it is entirely focused on activities taking place in its immediate surroundings. There could be a great opportunity to link with sites at Junction 28 and Junction 27, through linkages with Environmental Futures and Digital and Technology based businesses and to provide much better support to a wider geographical area, but these links do not exist and dialogue is not yet taking place about how these links could be established.

- **What are the key barriers to investment capital?**

For larger businesses there are few barriers to investment capital, and the issue becomes one of the speed at which an investment opportunity can be realised. For smaller businesses it is less about the investment capital itself, and more about the risk of the investment that causes caution. If a good business can make a strong business case for the growth that they need to undertake, then there is very little to stop them accessing the investment they require. Uncertainty with regards to macro-economic issues probably cause there to be a more cautious business attitude, and this may or may not be a barrier to growth, though some businesses are taking advantage of opportunities that they see rising from the uncertainty.

- **How important is housing provision and affordability to raising productivity?**

Affordability is absolutely relevant to raising productivity. In the South West house prices are typical 6 times the average salary, and this is the second highest ratio outside of London. This creates a chicken and egg scenario whereby without good quality affordable housing we cannot attract young skilled people to work in the area and to create a pool of these people to support the business community. In turn, the business community is therefore centred around a lower skilled economy which doesn't appeal to younger skilled people, and which doesn't enable people with ambition and drive to be able to own their own homes.

- **How do we improve access to Broadband and Superfast Broadband?**

A key action would be to pursue a different approach to CDS and implement a programme which delivers broadband to areas of genuine need rather than low hanging fruit and subsidising already viable private sector investment. Start looking at better ways

of reaching rural locations, such as line of sight transmission systems (from which optic fibre networks can be built).

- **How do we improve our export capabilities?**

A significant proportion of Mid Devon's strategic businesses are exporters to the EU, America and beyond. There is little that can be done in the current climate to improve the capabilities of businesses to export, and with Brexit negotiations about to begin there is so much uncertainty around future trade deals, tariffs and currency exchange ratios etc that it is difficult for a business to know if they would benefit from exporting. It is also impossible to know what the UK business market will look like following on from the Brexit negotiations, so it is increasingly difficult to advise businesses on becoming an exporter until the wider UK knows more about its direction of travel. Existing exporters have trade deals and market experience and are able to self-determine the conditions under which they should export goods or services.

- **What should be the priority in terms of improving connectivity?**

Connectivity focused on sharing knowledge should be the priority for the South West. The ability for people to share ideas, to find the right people to work with, to establish new businesses based on the ideas of the right individuals who can make a success of it, are all areas that should be prioritised. Something that local authorities are very good at is making connections for people, whether this connection is to support services, or to other businesses that may be able to work collaboratively, or bodies or individuals who can unlock barriers that a business is facing that prevents it from growing or from an idea reaching fruition. We should be actively looking to strengthen our partnership working with the business community. However, we will only be taken seriously by businesses if we can demonstrate an understanding of the way in which the business community works, and that we are able to operate with a commercial mind-set ourselves.

**ECONOMY PDG
16 MARCH 2017**

BRIEFING PAPER: TIVERTON PANNIER MARKET POSITION STATEMENT

Cabinet Member(s): Cllr Richard Chesterton

Responsible Officer: Zoë Lentell and Alan Ottey, Market Managers

Reason for Briefing Paper:

The current Market Management Team has audited the processes, procedures and paperwork at the Market including financial data and identified areas for improvement. The purpose of this briefing paper is to:

- 1) Outline the findings from the audit, apprise Members on the background governance work at the Pannier Market and progress on actions to date to improve the Market environment, trader retention and customer footfall.
- 2) Provide Members with an overview of Market income and our aim to transform the Market into a viable business, with the view to the Market's finances breaking even by year 5 (March 2022) and an outline of our proposed actions to achieve this.

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Tiverton Pannier Market Position Statement

January 2017

Prepared by Alan Ottey and Zoë Lentell, Market Managers

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SUMMARY

Aim: to facilitate positive change at the market to ensure it is adding value to Tiverton, with a view to revenue-based activity becoming cost neutral by April 2022.

Targets:

1) Increase Income

- Reviewing tolls and introducing a fair Pricing Policy with time-bound Discount Scheme by April 2017 (with enforcement for existing traders by April 2018)
- Reviewing leases by April 2018
- Achieving average of 85% occupied (and paid for) pitches by March 2022
- Increasing number of target pitches by 2 by April 2018
- Extend trading hours (days) with paid pitches by April 2019
- Produce an annual schedule of special events by December each year
- Explore capital value-added opportunities that would positively impact on revenue (invest-to-grow options)

2) Reduce Expenditure

- Review cleaning contract (linked to procurement exercise)
- Review planned maintenance schedule by April 2017
- Explore capital value-added opportunities that would positively impact on revenue (invest-to-save options)

3) Increase Footfall

- Finalise Communication Strategy by April 2017
- Increase appeal of physical environment by March 2019
- Increase appeal of trader offer by April 2019
- Review of opening hours and introduction of night market by April 2020

4) Improve Market Governance

- Budget Management (now and ongoing)
- Ensure Health & Safety obligations and requirements are embedded within the management of the market

All of the above actions are included in the Town Centre and Market Strategy.

The Market Managers would like to add that the issues identified in this report may not be a full list. As we work to improve the market, we are uncovering further areas requiring, improvement and support.

Market Income over the Previous 3 Years

	Forecast 2016/17	YEAR TO DATE	2015/16	2014/15	2013/14	COMMENTS
7250: Market Tolls	£56,596.10	£49,784.35	£66,246.75	£77,274.00	£84,619.30	See comment below table.
7510: Market Café Rent	£8,200.00	£6,560.00	£8,107.40	£5,162.27	£4,363.97	
7250: Monday Market	£5,280.00	£4,560.00	£5,050.00	£5,203.00	£4,835.00	2016/17: Sustained regular payments of £120 per week instead of reduced payments on lower footfall days.
7250: Shop Unit	£3,681.00	£3,067.50	£3,681.00	£3,631.00	£3,081.00	
7252: Trader Parking	£69.99	£69.99	£353.21	£291.75	£326.66	Traders on the Monday Market used to pay for parking.
7251: Events (gross)	£5,443.75	£5,443.75	£7,268.00	£0.00	£0.00	2016/17: Electric Nights (saw an increase in failed payments by traders not showing especially in September with bad weather). 2015/16: Electric Nights
7250: Events (gross)	£220.00	£220.00	£908.00	£488.00	£709.00	2016/17: Christmas Craft Market 2015/16: Electric Nights and Feast of St James 2014/15: Christmas Events
7250: Venue Hire	£300.00	£300.00	405.00	£2,425.00	£552.00	2016/17: Craft Fayre and Seed Potato event 2015/16: Craft Fayre and Feast of St James 2014/15: Craft Fayre, Soroptimists, Art Event, Feast of St James and five TASTE Streetfood events (£750 still outstanding payment but included in accounts)
7208: Display Cabinets	£0.00	£0.00	£36.63	294.77	£459.60	We no longer have display cabinets to hire out to traders
7255: Sundry Charges	£0.00	£0.00	£195.83	£577.58	£614.22	Formerly charged traders for electric.
TOTAL	£79,790.84	£68,819.59	£92,251.82	£95,347.37	£99,560.75	

Comments

In 2013/14 and 2014/15, the Market charged for occupancy on Wednesdays and Thursdays. Traders could not sustain these payments, which jeopardised the regular Market days. Although, it would appear that a business decision was made to stop charging on non-market days for regular traders.

Prior to 2016/17, under the former Schedule of Tolls, traders paid per table instead of per pitch. This is against standard practice and again was affecting traders' business viability. In accordance with our desire for 360° stalls, we are offering traders two tables per pitch. The display/merchandising of goods is a very important part of sales.

Market Floor Plan



KEY:

DELI STREET CAFE	LOCKABLE TARGET UNIT	UNUSEABLE SPACE	INDOOR TARGET PITCH (360°)	OUTDOOR EXTRA	STORE ROOM	INDOOR EXTRA	OPEN UNIT	DELI SHACK SHOP
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TRADING SPACES

We currently seek to let 49 pitches:

- 29 Indoor Pitches (S1 – S17 and N1 – N12)
- 20 East Side (lockable units) (E03 – E04, E06 – E08, E10 – E24)

Additional Space Available:

- 1 Pop-up Art Stall (E01)
- 1 Charity Stall (E02)
- 1 open unit (A4) – this is being converted into a lockable unit by April 2018
- 3 Outdoor Pitches (uncovered) (reducing to 5 by April 2018 with conversion of corner unit)
- 1 Indoor Pitch (centre of hall)
- 1.5 Indoor Pitches (three half pitches, used as access points by traders for the other pitches each side)

Fixed Units for Separate Leases

- 1 Shop Unit (E05)
- 4.5 Market Café

Schedule of Tolls

GENERAL MARKET TOLLS

	Normal Price	Notes
INDOOR		
Casual Trader (≤ two tables)	£14.00 per day	Payable daily in advance. Traders move onto standard price when have been trading regularly for 12 weeks.
Standard Pitch (≤ two tables)	£11.00 per day	Payable daily in advance.
Extra table	£6.00 per day	Payable daily in advance.
LOCKABLE UNITS		
New traders (from 01/04/2017)	£37.00 per week	Payable weekly in advance.
Existing traders	£11.00 per day	Payable daily in advance. Transferring onto new rates from 01/04/2018.
OUTSIDE		
Casual Full pitch	£20.00 per day	Payable daily in advance. Traders move onto standard price when have been trading regularly for 12 weeks.
Casual Half pitch	£14.00 per day	Payable daily in advance. Traders move onto standard price when have been trading regularly for 12 weeks.
Standard Full pitch (200ft ²)	£17.00 per day	Payable daily in advance.
Standard Half pitch (100ft ²)	£11.00 per day	Payable daily in advance.
CHARITY STALL		
Charity Stall (≤ two tables)	£0.00 per day	Twelve pitches free per year. Additional items offered at 50% discount of standard price payable daily in advance.
Pop-up Art Stall (≤ two tables)	£0.00 per day	Twelve pitches free per year. Additional items offered at 50% discount of standard price payable daily in advance.

CHARGES

	Normal Rate	Notes
Display Cabinets	£4.00	Payable daily in advance.
Parking Permits (whole day)	£1.00	One parking permit is included free with each pitch. Additional permits to be purchased daily in advance.

FIXED UNITS



Notes

Café Space	Agreed separately as part of annual lease. Payable monthly in advance.
Shop Unit	Agreed separately as part of annual agreement. Payable monthly in advance.
Store Room	£37.00 per week. Payable weekly in advance.

DISCOUNTS

	Normal Rate	Notes
Standing Order	10%	Payable monthly in advance (equivalent of £9.90 per pitch).
Business Assist	50%	Discount for three months; option to extend for further three months. Maximum time of six months.
Bulk Discount	16.7%	Traders occupying and paying for five pitches, get one additional pitch free. Discount applies daily.
Non-Market Day	£100%	There are currently no charges for regular indoor traders on existing non-general market days.
Discretionary	Varied	Previously agreed rates with traders prior to 01/04/2017. Existing agreed rates expire 31/03/2018.

VENUE HIRE

	Normal Rate	Trader Rate*	Charity Rate
North End	£90.00	£70.00	£45.00
South End	£110.00	£80.00	£55.00
Whole Pannier Market Hall	£200.00	£150.00	£100.00
Trader Parking Permits	£2.00 each for day	£2.00 each for day	£2.00 each for day
Electricity Costs	£3.50 per hour (with additional £3.50 per hour if usage exceeds 10kw per hour)		
Staffing Costs	Costs for Council officer attendance/supervision (if required) will be calculated based on each individual event's requirements. Standard costs are £15.50 per hour between 08:00 and 18:00, Monday to Saturday, and at £31.00 per hour at all other times. Please contact us on 01884 243351 for a quote.		
Repair and Cleaning Costs	Failure to adhere to the terms and conditions of hire may result in additional charges being applied (such as compensation for any repair or cleaning costs incurred resulting from damage or neglect of the hirer(s) or replacement for loss of Council-owned equipment or keys).		

*Trader rate applies to regular traders at the Pannier Market; casual traders will need to pay normal rate.

THIRD PARTY MARKETS

Notes

Monday Market	Agreed separately as part of annual contract with third party.
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Pitches to Income Analysis

See attached appendix

Business Assist Discount:

This is a way of encouraging new business and entrepreneurship as they help new small mainly single person initiatives gain experience to compete in a business environment. It provides a way for new ideas to develop and for new businesses to become established and form an active part of the local economy.

They are in the form of mentoring, providing training on specific subjects such as social media, book keeping, promotion etc. (many of these free). There are also initiatives around rent to enable a new business to get over the difficult period of becoming solvent.

Within the retail market world there are numerous business assists with most markets doing some sort of initiative as very often this is an area the local authority includes in their future planning. The private sector also does various business assists for new types of traders and innovative ideas.

Background Context

The economy of the Market is reliant on the footfall of the town centre. Tiverton is currently attracting a greater ratio of people on the lower rungs of the socioeconomic ladder whereas we need more visitors with disposable income. Furthermore, the majority of visitors are pensioners on minimum income levels. Therefore, the town is failing to attract our desired customers such as young families and working professionals. There are a number of (historic) reasons behind this issue. This has been reflected in the Town Centre Masterplan and also in the Town Centre and Market Strategy and Action Plan.

There is a national decline in footfall in both town centres and markets. The majority of town centres are evolving slower than the change in public shopping behaviour with the main threat being online shopping and uncertainty in the national economy as a result of political changes (such as Brexit) and interest rates. There is a fear of further recession; the economic climate can change very quickly. Therefore it is essential that we have a robust but flexible strategy with strong leadership.

Town Centres need to adapt to the changes in the population's social behaviour with a balance of retail, leisure and business offer to draw visitors. This includes changes from large shops to small convenience stores. Larger retail businesses are withdrawing from small, market towns and focussing on larger town and city centres (especially those with student populations).

Tiverton is a dormitory town with our desired customers not being present in the town during the working week to visit the Market. We are losing customers to nearby larger towns and cities (such as Exeter and Taunton). Tiverton doesn't benefit from the resources or economy that Exeter has, for example, but there are alternative options for the town to follow. Tiverton town and market is suffering from failure to react quickly enough to change. It needs to adapt, providing an alternative draw to bring people back into the town and ensure its economic vibrancy and sustainability. Modern customers are looking for a social experience when they visit town centres and this is the key opportunity for the market's survival and longevity.

Challenges

1) Retaining traders

Since April 2016, the market has lost 6 long-term traders (covering 9 pitches), mostly due to either ill health or traders not making enough money for their business to be viable as well as two short-term traders (covering 2 pitches), one of these being seasonal to the summer only as selling plants. Some traders leave to grow their business into a shop unit in the town centre, although we have not had any do this since April.

Issue	Solution / Opportunities	Cost / Benefit Implications
<p>Footfall: see section below</p> <p>Our biggest reasons for losing traders are lack of footfall /spend. Without footfall, we will not have successful traders and without successful traders we will not maintain or increase income.</p>	See below	See below
<p>Lack of trader engagement: Some traders are apathetic to change and are reticent to adapt their business models to modern retail needs. There are traders who never attend consultative meetings with Market Management.</p>	<p>Provision of business support and training for traders.</p> <p>Experienced trader mentors for new businesses as well as facilitated business support sessions from Market Management.</p>	<p>At nil cost to MDDC as covered by the business support contract with BusinessBoost.</p> <p>The direct costs are for staff time involved in supporting traders.</p>
<p>Historic trader disputes / relationships: there are a number of traders that vacated prior to April 2016 due to breakdowns in relationships with either other traders or Market Management. There was a loss of confidence in the market in general.</p>	<p>Introduce exit meetings with vacating traders.</p> <p>Revise trader terms and conditions to cover acceptable behaviour policy.</p> <p>Management being able to mediate traders.</p>	<p>Improved retention and positive atmosphere.</p> <p>The direct costs are for staff time involved in supporting traders.</p>
<p>Balance of Goods: there isn't a Balance of Goods Policy (Tenant Mix) which means the market could be oversaturated with similar goods resulting in traders losing money. Without this policy, we are supposed to offer a vacant pitch to whoever is top of the list or risk breaching EU legislation. Customers want a variety of choice at the market.</p>	Introduce a balance of goods policy.	<p>Improved reputation of the Market.</p> <p>Short-term it may mean not filling vacant pitches; however, long-term it will ensure retention of good traders.</p>
<p>No waiting list: Traders that wish to occupy new lockable units would be vacating pitches in the Pannier Hall without new traders ready to fill the space created.</p>	Create a waiting list of traders.	Reduced vacancy periods.

2) Attracting new traders

The Market targets to fill 49 pitches each general market day (29 indoors in the Pannier Market Hall and 20 lockable units). Since April 2016, we have seen an increase in the number of pitch occupancy, with the average occupancy between April 2016 and December 2016 being 77%*. However, several of the pitches occupied are offered at discount rate (see income section below for more information).

The Market Café and Shop Unit are leased on a separate basis and therefore are not included in this figure. There are additional outside spaces available for use that are also not included in this figure as they are not target pitches.

*this figure is an estimated calculation based on income collected and known occupied pitches (including discounted pitches). Figures are being recorded for KPI monitoring however, these had previously been recorded against unplotted bays. We have now plotted all the bays for the Market and improved recording procedures so reliable accurate figures are being collected going forward.

Issue	Solution / Opportunities	Cost / Benefit Implications
<p>Reputation: The best way of attracting new traders is through word-of-mouth / promotion by other traders. It is very easy to lose your good reputation, but takes a long time to build it. The market has suffered previously from a poor reputation.</p>	<p>The market has undertaken a rebranding exercise. We are re-establishing the reputation and have received positive feedback from both traders and members of the public.</p> <p>We need to reconnect with lost traders (if still in business) to encourage them to return to Tiverton.</p> <p>Seek to achieve award-winning status for the general market.</p>	<p>Increase in new traders leading to increase in occupancy and tolls income.</p>
<p>Digital Presence: Traders check websites and social media for activity. The market has successfully grown its Facebook page and has nearly 1,000 likes. Twitter is also increasing its reach. However, there is currently not a dedicated website for the market, instead there is an out-of-date version run by an</p>	<p>Communication Strategy including digital communications and social media has been drafted (to be finalised).</p> <p>A website is being created ready to go live in May 2017.</p>	<p>Reputation benefits from having control over our own website.</p> <p>The cost of creating the website is coming from the Digital Transformation budget.</p>

unaffiliated volunteer.		
Trading environment: The current condition of the market is unwelcoming. The Market is badly in need of redecoration, modernising with addition of colour and warmth.	Repaint the market with colour. Working with local artist Jo Mortimer and PETROC College to create an art trail through the market.	Business case being prepared for capital investment with quotes by April 2017.
Information: There is no set paperwork to provide traders with identifying terms and conditions, safety arrangements, payment etc.	Create a trader welcome pack for all new traders.	Packs will be available digitally. Printed copies available on request, already allowed for in budget.
Resources: Traders desiring a stall but unable to attend the market due to lack of staff or time resources or other commitments.	Evaluating the potential of establishing a cooperative unit.	Variety of offer. Income from unit, leading to business development with traders taking their own stalls.
Merchandising Opportunities: The current customer does not want to see goods sold out of boxes or on the floor. There is no opportunity for traders to merchandise their goods. Instead they are merely provided with a trestle table, no different to they would receive at a car boot sale. In addition, there is a lack of awnings for the lock-ups, which does not give the visitor a good impression to leave with.	Introduction of lock-ups and improved facilities.	Business case being prepared for capital investment with quotes by April 2017.
Digital Infrastructure / Wi-Fi: The Market benefits from Wi-Fi access via The Cloud within the market building. However, access is unstable and insecure with black spots in some of the units.	ICT are investigating better secure network options to enable secure transactions for traders to digitise their payments and ensure access to internet from all units	Awaiting cost information from ICT. Deadline for quotes by December 2017.

3) Footfall

We are establishing a baseline for footfall, recording the number of people on General Market days. From this, it will identify the trend of footfall at the Market. Footfall is monitored three times a day for 10 minutes on Tuesdays, Fridays and Saturdays, at the same time each day (10am, 12noon and 2pm). An average of the three totals is then used to estimate the daily total. Footfall fluctuates throughout the seasons due to holidays, Christmas, weather and special events. We are evaluating the impact of events on footfall and spend at the Market. This has shown already that special events increase footfall.

Issue	Solution / Opportunities	Cost / Benefit Implications
<p>Communication: The Market has successfully used social media and other communication channels to attract new visitors.</p> <p>After some initial consultation with local teenagers, they indicated that they would not engage with our current methods of communication to hear about the market. Instead, they suggested bringing the market to them with pop-up events (such as by the skate park).</p>	<p>Communication Strategy including digital communications and social media has been drafted (to be finalised).</p> <p>A website is being created ready to go live in May 2017.</p> <p>Recommend we work with a dedicated market photographer, using a local business.</p> <p>Work with traders to introduce loyalty discount schemes (with local employers).</p> <p>Support town centre website project to link the market to the town.</p> <p>We are working with The Gazette and Out There on monthly promotion packages.</p>	<p>Reputation benefits from having control over our own website.</p> <p>The cost of creating the website is coming from the Digital Transformation budget.</p> <p>We are obtaining quotes for a dedicated photographer (already factored into 2017/18 budget).</p> <p>There is money in the budget for 17/18 that would cover 2 gazebos required for pop-up events. A business case being prepared for further capital investment with quotes by April 2017.</p> <p>Further digital communication projects (such as a market or town centre app and digital advertising boards) should seek external funding via a new constituted friends of group – see below).</p> <p>Promotion packages are already included in the 2017/18 budget.</p>

<p>Leisure / social offer: Today's customers are looking for a social experience in the retail world. The Market has a distinct lack of leisure or social offer (except for special events). There needs to be an alternative draw for people to visit that the retail traders can 'piggyback' on.</p>	<ul style="list-style-type: none"> • Pop-up play area • Jogging trail • Social activities (gaming area, chess tables, ping pong) • Street entertainment and animation 	<p>Business case being prepared for capital investment with quotes by April 2017.</p> <p>Street entertainment included in 2017/18 events budget.</p>
<p>Physical Visibility: The Market is hidden, obstructed from view of the town centre by other buildings and lacks directional signage to get there. A survey in 2012 indicated that only long-term local residents knew Tiverton had a market and even not all of them knew which days the market operated on.</p> <p>The Pannier Market sign in Fore Street has faded and is in dire need of brightening to make it visible. However, this is listed and needs permission from Conservation.</p>	<p>Partly covered by the communication strategy.</p> <p>Partly covered by the Tiverton Town Centre Masterplan.</p> <p>Short-term action requires improvement to the signage to the Market (subject to permission from Conservation).</p>	<p>Business case being prepared for capital investment with quotes by April 2017.</p>
<p>Trader offer: The Market has grown its offer on Fridays and Saturdays and now covers all of the major food groups that customers desire. There is a need to improve offer on Tuesdays and introduce fashionable offers such as 'vintage'.</p>	<p>Target vintage traders, starting with special events and growing into regular traders.</p> <p>Target more hot food traders.</p>	<p>Improved offer = improved footfall = improved reputation = more traders = more income.</p>
<p>Market opening times: The Market needs to monitor shopping trends and customer needs in regards to opening times. Any development of a night market will need to be part of improved promotion of the wider town's evening economic activities.</p>	<p>We will undertake a customer consultation in year 1 to determine customer needs regarding opening times.</p> <p>Dependent on outcome of consultation, we will look to introducing a regular night market in year 2.</p>	<p>Any changes to the opening hours could affect staffing needs and we will need to ensure that staff hours are amended to reflect the new system without increasing this expense.</p>
<p>Digital maturity: The Lloyds Banking Group 2016 UK Digital Business Index identifies a large percentage of SMEs are</p>	<p>Work with traders to assess their level of digital maturity, looking at their skills, potential and</p>	<p>The main cost here will be staff time. However, investment in our traders is investment in the market. As traders improve</p>

<p>digitally immature and are therefore disadvantaged.</p> <p>Research shows that people who use smart phones to research goods before coming into town centres will spend more there.</p> <p>Very few of our traders have any digital presence; the majority rely on passing footfall as a means to tell people about their products. With this level of digital immaturity, they are losing visibility to potential customers over other businesses that are successfully using digital channels to promote themselves.</p>	<p>form a strategy.</p> <p>Identify digital champions at the market and in the town centre to mentor and encourage other businesses.</p> <p>Encourage traders to market themselves digitally and extend their website features to include click and collect.</p>	<p>their digital skills and presence, they will build a growing clientele and increase footfall benefitting the other traders.</p>
<p>Appeal: The Market is untidy, unkempt, appears to be outdated, uncared for and falling apart. It is a stark large building that can feel cold and empty even with traders there. There is no appeal for a shopper to want to stay when visiting. The Market should be an attraction for the town centre given its heritage and listed status but instead has the opposite effect. There is a perception of ‘historic market still living in bygone days with nothing for modern shoppers’.</p>	<p>See above</p>	<p>See above.</p>
<p>Dilution: The Market is open on Wednesdays and Thursdays in addition to the three advertised general market days. There is a risk that this is diluting footfall from the general market days. Although the long-term goal is to establish successful six-day week trading, this needs to be grown and may be better to contract back to the three days in the short-term.</p>	<p>There is currently no data for us to analyse regarding this. We have to establish some baseline information and come up with a recommendation by December 2017.</p>	<p>Information being gathered with business case to be prepared by December 2017.</p>
<p>Tiverton and a shifting town centre: Customers are parking for free at Tesco and shopping in the Gold Street / Lowman Green area.</p>	<p>Review parking charges in the town centre.</p> <p>Need to improve the walkways through Market Walk to attract people to walk through to the Market. This is being looked at as part of the</p>	<p>Any changes to parking charges will impact on income and footfall.</p>

	Town Centre Master Plan.	
Weather: The Market is very dependent on clement weather for good footfall. Our figures show that when there is rain, our footfall plummets.	We need to provide shelter for people at the Market such as sheltered outdoor seating. Connecting Market Walk to the Market with a form of roof structure (either full, partial or canopied) would provide better links between the market and the town centre and offer the necessary shelter.	Business case being prepared for capital investment with quotes by April 2017.

Sources of Income

The Market's income sources are the following:

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- General Market
- Monday Market
- Lease of the Market Café
- Lease of the Shop Unit
- Special Events
- Venue Hire

General Market

The General Market takes place on Tuesdays, Fridays and Saturdays.

Issue	Solution / Opportunities	Cost / Benefit Implications
Tolls: The tolls have not been reviewed since 2012, with little change since 2009. There is disparity amongst tolls charged for	Benchmarking exercise of tolls compared to near	As detailed below.

<p>longstanding traders against the existing schedule of tolls.</p> <p>Increasing tolls could lead to a decline in number of traders.</p> <p>Potential VAT implications re café, shop unit and lock-ups.</p>	<p>neighbours.</p> <p>Introduce Fair Pricing Policy for all traders starting with new traders and giving existing traders 12 months to align with this policy.</p>	
<p>Tables: Previously, traders were charged £11 per table, whereas now they are being charged £11 per pitch. This means traders are able to have two tables L-shaped in one pitch and paying half of what they used to pay. This change was introduced to retain traders struggling to pay for two pitches but needing the extra space to display their goods.</p>	<p>We are reviewing the pricing policy (by April 2017). Recommend charging fixed pitch price including two table; extra tables at £6 each.</p>	<p>We need to assess how many traders require additional tables and calculate income.</p>
<p>Standing Order: Traders paying by Standing Order currently receive a 10% discount, which means they are only paying for 45 instead of 50 weeks per year (therefore making pitches the equivalent of £9.90 each instead of £11.00). As of December 2016, there are four general market traders receiving this discount for a combined total of 31 pitches per week. Over 50 weeks, that is a loss of £1,705 potential income.</p>	<p>Recommend reducing this to 5% in the new pricing policy for all new traders from April 2018. We will honour the existing arrangement for current traders for 12 months before bringing them in line with the new policy</p>	<p>Market pricing policy will be in line with common practice across markets nationally.</p> <p>Equivalent tolls charged per pitch for payment by Standing Order will increase from £9.90 to £10.45 (compared to £11.00 for cash payments).</p> <p>This will save us £852.50 on existing standing order agreements per annum.</p>
<p>Long-standing Discounts: The Market has three traders that have been in receipt of discounts for a number of years (agreed with the former management) without any evidence of a written agreement. Based on the minimum amount per pitch of £9.90, for 50 trading weeks, this is a loss of £1,235.00 per annum.</p> <p>Updated for January 2017 (under new Schedule of Tolls)</p>	<p>It is common practice for Markets to reward traders occupying a minimum 5 pitches (at any one time) with an additional pitch free of charge.</p> <p>Recommend reinforcing this arrangement with a proper written policy and agreement.</p> <p>This has been updated in the new Schedule of Tolls.</p>	<p>Current long-standing discounts will expire on 31/03/2018.</p>
<p>Business Assist Discounts: Three traders are in receipt of 'Business Assist Discount' to help them while they are growing their</p>	<p>Introducing pricing policing outlining standard prices per pitches. The policy will cover 'business</p>	<p>The market will not retain businesses that can't</p>

<p>business. There are no written criteria for this discount and those in receipt of it have nothing confirmed in writing with agreed review periods. The discount is not defined to a set timescale so could continue indefinitely. Market Officers are currently at risk of accusations of favouritism by agreeing to offer this discount without the appropriate procedures in place.</p> <p>Updated for January 2017:</p> <p>Based on minimum amount of £9.90 per pitch, current agreed discounts total £57.60 per week, leading to a potential loss reduced income of £2,880 per annum.</p>	<p>assist' discounts and qualification criteria with a set time frame.</p> <p>Hold regular business support meetings with traders to help them achieve their business goals with a date for paying full tolls.</p>	<p>pay for pitches.</p> <p>The existing business discount units will be reviewed with the traders and 12 months given to start charging full tolls.</p>
<p>Cash Collection: There have been weaknesses in the cash collection and recording procedures. There has been no formal recording system to verify how much a trader owes in they fail to maintain their payments.</p>	<p>Review the cash collection process and make robust. COMPLETED</p> <p>Look to introduce weekly payment system up front instead of tolls</p>	<p>Improved, robust procedures will minimise the risk of traders leaving without paying their tolls. COMPLETED</p> <p>Direct Debits require a trader database connected to our financial systems first.</p>
<p>Trader Records: Inadequate trader records and record keeping mean that files aren't up-to-date with insurance certificates and there has been no previous monitoring of failed attendance or payments.</p>	<p>Trader database (the Market Officer is updating all records).</p>	<p>The cost of creating the database is coming from the Digital Transformation budget.</p> <p>Improved record keeping will strengthen our governance arrangements and ensure effective monitoring of trader payments.</p>
<p>Target Pitches: We currently target to fill 49 pitches (29 indoor and 20 outdoor) plus the market café and the shop unit.</p> <p>There are planned works at the Market by April 2018 to create two more lockable units from E1 and E2 (totalling 51 target pitches).</p>	<p>Converting new lock-ups for 2018.</p>	<p>Income from filling the extra two units (three days per week minimum) at S/O rate could bring us an extra £2,970 per annum.</p> <p>The cost of this work has already been factored into the 2016/17 budget.</p>
<p>Additional Pitches: There are a number of outdoor and open</p>	<p>Opportunity to use additional space at the Market</p>	<p>Income from filling five extra pitches per week</p>

<p>sheltered pitches that we can expand into when we have more traders. On average, we had 5 additional pitches occupied per week this year.</p>	<p>when have enough traders to fill this.</p>	<p>at £11 per pitch could bring us an extra £2,750 per annum.</p>
<p>Terms and Conditions: There is a lack of procedural and policy support for reclaiming unpaid tolls, meaning we are at risk of not being unable to reclaim this money.</p>	<p>We are currently working with legal on this as part of reviewing trader terms and conditions.</p>	<p>Procedures to be in place by April 2017.</p>
<p>Lock-ups: The current arrangement is for three-day trading but there are no terms and conditions to enforce this so we could lose units on general market day without receiving tolls. Traders store goods in the units so we are unable to offer them to alternative traders on unused days.</p>	<p>We are revising our terms and conditions with the proposal for all new let units must open on general market days.</p> <p>We are investigating the pros and cons of lease vs licence options with legal for these units.</p>	<p>Procedures to be in place by April 2017 (effective for all new traders). Traders in units will pay weekly tolls instead of daily tolls so we have a secure income across the week (recommend this to be £37 per week).</p>
<p>Free Trading on Wednesdays and Thursdays: The market is currently open on Wednesdays and Thursdays but as they are not general market days with established footfall, regular traders are allowed to trade for free. Currently, only one indoor trader makes the most of this opportunity and apx half of the unit traders.</p>	<p>Maintain the existing arrangement for indoor traders for the next 12 months while we monitor footfall and the benefits of trading on these days.</p> <p>In addition, we will look at hiring the South Hall out to third parties in 2018 and advertise opportunities to organisers for specialist markets (such as antiques, vintage, dolls houses).</p>	<p>There is potential to generate venue hire income on Wednesdays and Thursdays subject to research and interest. However, it is important to continue to grow the footfall on these days to have a better offer to increase venue hire appeal and enable us to look at charging tolls on these days in the future.</p>
<p>Payments: A large number of traders are paying cash daily on the day of trading. Traders are currently able to cancel their pitch at the last minute (or fail to attend) without any penalty charges resulting in a vacant pitch and lost tolls.</p>	<p>We will look to revise the payment process in line with new procedures to receive weekly payments upfront.</p> <p>Promote electronic payment such as Standing Order.</p>	<p>This will minimise loss of income from cancelled pitches.</p>

Monday Market

The Market is let out on Mondays to a third party to run an 'Antiques and Flea Market'. They pay £120 per day and, due to bank holidays and a fortnight's break in January, run this Market for 44 weeks per year. This amounts to a total annual income of £5,280.00.

Issue	Solution / Opportunities	Cost / Benefit Implications
<p>Fees: The whole market hall is let for £120 compared to our tolls sheet of £200. This was an agreed discount for setting up the Monday Market with the intention to increase tolls after the first year. However, this increase has never been introduced.</p>	<p>Recommend introducing monitoring arrangements with hirer and discussing increasing fee to £150 from 2019.</p>	<p>An increase in the hire fees to £150 would result in an annual increase of £1,320.</p>
<p>Branding: The Market is advertised as an 'Antiques and Flea Market' yet is basically an indoor table-top sale for second-hand goods. The Market used to hold a popular weekly antique fair but this stopped about 10 years ago.</p>	<p>Discuss rebranding the Monday market with the organiser as part of new monitoring meetings.</p>	<p>Reputational benefit to the Market.</p>
<p>Parking Tolls: Traders attending the Monday market used to pay £2.00 for a parking permit for the day. This has not been charged since July 2016 (with no written change to policy). We had been regularly receiving £10 per week for this. Over the 44 weeks of trading this is a loss of £440 per annum.</p>	<p>Review policy regarding parking charges.</p> <p>Recommend not reintroducing parking fees for this day as proposing to increase weekly hire fees to organiser.</p>	<p>Improved governance arrangements.</p> <p>No change to income/expenditure.</p> <p>Reputational benefit of offering free parking to traders across the week.</p>

Market Café

The Market Café is let out at £120 per week for the fixed space of:

- the Café counter (used to serve and to prepare toasted products)
- the two bays inside the South Hall immediately next to the café counter
- the kitchen (which is basically a larder and sink)
- one of the store rooms

- two pitches outside of the South Hall adjacent to the café space

The café occupies an additional bay for cooking and is charged an extra £44 per week for this.

Issue	Solution / Opportunities	Cost / Benefit Implications
Lease: The café is let out on an annual lease (February to January); however, the lease doesn't outline the specific area that the café is occupying and paying for, nor does it specify the complete list of responsibilities for landlord or tenant.	The lease is due for renewal and we have sent a copy to legal for their consideration and input.	There is no direct expense for improving the lease as this is covered by internal recharges.
Payment Method: The current payment arrangements for the café differ from that of other traders.	This will be changed when the lease is renewed with clear pricing for the space used.	The café should receive the same discount as the rest of the traders.
Environmental Health: An issue has been raised about lack of fresh water supply to the actually cooking area used by the café. They currently use buckets of water for handwashing and replace this as and when required using the kitchen sink.	Environmental Health have requested a more permanent, fixed, arrangement. This will require reorganising the layout of the café at expense to us.	There will be a cost for the improvement works to the café. We are waiting for a quote and design from Property Services. £TBC – deadline by April 2017
Provision of Equipment: MDDC as landlord has previously supplied (and maintained) the majority of equipment for the café. There is also an expectation that MDDC will provide all of the equipment needed for a successful café and pleasant eating environment (such as patio heaters and wind breakers).	Investigating IR35 law and impact on café. COMPLETED – NOT APPLICABLE The new lease will outline who is responsible for what.	We will temporarily extend the current lease so we have the necessary time to create a robust annual licence agreement. New agreement to be in place by December 2017.

Shop Unit

Unit E5 and part of the store room behind has been converted into a shop unit. The unit is leased under a separate agreement on an annual basis.

Issue	Solution / Opportunities	Cost / Benefit Implications
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Lease: The Shop Unit is on a separate agreement to the rest of the traders. It is assumed that they are trading on a daily licence.	Investigate options with legal whether to establish an annual licence for this unit.	Security of lease and occupancy.
Invoices: There is currently a lack of clarity of what the lease includes	Invoices are being renewed in the new financial year. Adequate information to be provided to accounts to ensure this is reflected on the invoices.	Any equipment used will be included in the new invoices.

Special Events (not on General Market days)

The Market has run a series of streetfood events (Electric Nights Streetfood), which have won two awards and boosted the reputation of the Market and the local area, highlighting Tiverton as a food destination.

Issue	Solution / Opportunities	Cost / Benefit Implications
<p>Organisation: In 2014 MDDC rented out the market to a third party to run a streetfood market, charging £300 per month. However relationships with the event organiser broke down, and organisation of the streetfood market was brought in house.</p> <p>Electric Nights Streetfood has brought us £6,638.75 in income to the Market for running these events. However, the cost of running them each month has totalled £5,736.54*. This results in a provisional profit of £902.21.</p> <p><i>(*At the time there was no separate accounting of expenses for the Electric Nights Streetfood so it is difficult to have an exact figure for costs, apart from which a number of items were of shared use with the General Market)</i></p>	<p>The reputation of organising the events is good for the Market and MDDC.</p> <p>Recommend retaining organisation for 2017 and put a business case together for 2018.</p>	<p>Aim to increase profit in 2017.</p>
<p>Sustainability: Streetfood is currently fashionable but these style of events have an expiry date. We need to evolve these events going forward to ensure their sustainability. One option for this is</p>	<p>Look to introduce pop-up restaurants / themed food and entertainment evenings in 2018.</p>	<p>Business case with costings being prepared by September 2017.</p>

to offer a roving food truck rally style event around Mid Devon. However, this will mean the income doesn't come to the Market (although still to MDDC). Other options for the Market include Pop-up Restaurants (ticketed food and entertainment events).	Any activities will be subject to market, local government and licensing laws.	
VAT: The income for these events has been affected by the need to now charge VAT on the pitch fees.		
Electric Nights Streetfood has proved to be a huge success as a community event, attracting people into the town centre. Impact on the local night-time economy is minimised by lack of activity in the town centre at this time.	Encourage local businesses to join in with a 'food trail' in 2017.	Benefit to local economy in Tiverton's town centre.
Other events: There is potential to run different ticketed events at Tiverton Market to generate additional income. Other events we are looking at include: Special Markets, Farmers Market, Start-up Opportunities, Pop-up movie nights, Teenage market, CSR events and general special family events.	Look to pilot new event 'Canvas Nights' (Paint and Prosecco) at the Market in 2017 with more events in 2018. The best way to increase income at this event is to run the bar ourselves. However, we need to ensure that we are not breaching legislation by doing so. Investigate introducing a Farmers Market (either on a Friday night or Sunday).	Research with legal and accounts viability of running our own bar at Canvas Nights event. Ticketed event, targeting social groups (such as birthday parties and hen nights) will bring direct income. Projected costs are being calculated – business case to be prepared by April 2017. Business case being prepared regarding introducing a Farmers Market.

Venue Hire

In 2016, we have hired out the market building three times (twice for a potato event at £50 each and once for a craft market at £250).

Issue	Solution / Opportunities	Cost / Benefit Implications
Third party events: Potato event (£50)	Increasing to two (one December and one in summer)	

Craft Market (£250)		
<p>Competition: Market law means other markets cannot set up within 6 and 2/3 miles of Tiverton Market without our permission. However, there are many other local market type events (events with stalls) that do not approach us.</p>	<p>Introduce street trading policy to monitor or limit competition. Can legitimately ask for a nominal application fee (such as £15 per application) and promote the Market as a venue.</p>	<p>Potential income from applications. Reduced competition from nearby venues.</p>

Appendix A: Pitches to Income Analysis January 2017

JANUARY 2017: MARKET OCCUPANCY AND TOLLS KPI REPORT

OCCUPANCY

WEEK BEGINNING	TUESDAY								
	NO. TRADERS	PITCHES OCCUPIED	% Occupied (out of 49)	Target % Occupied	NO. AT MIN RATE	NO. AT BUS. ASSIST	NO. AT BULK	NO. AT LONG	EXTRA PITCHES
02/01/2017	10	22	45%	75%	21	0	1	0	0
09/01/2017	17	35	71%	75%	31	3	1	0	1
16/01/2017	18	38	78%	75%	33	4	1	0	1
23/01/2017	19	39	80%	75%	34	4	1	0	1
30/01/2017	17	37	76%	75%	34	4	1	0	3
Average	16	34	70%	75%	31	3	1	0	1

WEEK BEGINNING	FRIDAY								
	NO. TRADERS	PITCHES OCCUPIED	% Occupied (out of 49)	Target % Occupied	NO. AT MIN RATE	NO. AT BUS. ASSIST	NO. AT BULK	NO. AT LONG	EXTRA PITCHES
02/01/2017	19	39	80%	75%	33	3	2	1	1
09/01/2017	17	37	76%	75%	32	2	2	1	1
16/01/2017	21	43	88%	75%	36	3	2	1	2
23/01/2017	21	43	88%	75%	36	3	2	1	2
Average	20	41	83%	75%	34	3	2	1	2

WEEK BEGINNING	SATURDAY								
	NO. TRADERS	PITCHES OCCUPIED	% Occupied (out of 49)	Target % Occupied	NO. AT MIN RATE	NO. AT BUS. ASSIST	NO. AT BULK	NO. AT LONG	EXTRA PITCHES
02/01/2017	19	39	80%	75%	32	3	2	2	0
09/01/2017	21	42	86%	75%	34	3	2	2	0
16/01/2017	20	42	86%	75%	34	3	2	2	0
23/01/2017	19	41	84%	75%	33	3	2	2	0
30/01/2017									
Average	20	41	84%	75%	33	3	2	2	0

TOLLS CHARGED

WEEK BEGINNING	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	OTHER
02/01/2017	£ -	£ 280.25	£ -	£ -	£ 465.75	£ 412.87	
09/01/2017	£ 120.00	£ 415.25	£ 32.80	£ 32.80	£ 460.75	£ 436.87	
16/01/2017	£ 120.00	£ 442.25	£ 32.80	£ 32.80	£ 520.75	£ 436.87	£ 50.00
23/01/2017	£ 120.00	£ 449.95	£ 32.80	£ 32.80	£ 517.45	£ 422.57	
30/01/2017	£ 120.00	£ 463.95					

Subtotal £ 480.00 £ 2,051.65 £ 98.40 £ 98.40 £ 1,964.70 £ 1,709.18 £ 50.00

January Total

Amount Charged £ 6,452.33
Amount Banked on eAnalyser £ 6,861.10

Comments

There has been good retention from the Christmas period into January with 4 new traders continuing to trade regularly at the Market. We are expecting another Christmas trader to return in February. We have had some changes in occupancy to the lockable units during January. One trader retired due to ill health, vacating two units. An existing trader expanded into one of those units and we have filled the second. Another trader has retracted from three units into two and that third unit has also been filled. All lockable units are occupied with a waiting list. We have had two traders change payment method to Standing Order this month and others are expressing an interest in this payment method. One trader is experiencing payment difficulties and we are working with them to manage the arrears and a repayment plan has been agreed. Some December tolls were cashed in January. There was one venue hire in January for a Seed Potato event.

Appendix B: Market Footfall April 2016 – December 2016

<u>W/C</u>	<u>Tuesday F/fall</u>	<u>Friday F/fall</u>	<u>Saturday F/fall</u>	<u>Total per week</u>	
18.4.16	1864	1768	2768	6400	
25.4.16	1752	1944	2200	5896	
2.5.16	1848	1896	2832	6576	
9.5.16	2424	1880	2672	6976	
16.5.16	1656	1656	1248	4560	
23.5.16	1768	2432	2616	6816	Spring event
30.5.16	2360	1672	1856	5888	
6.6.16	1848	1848	2528	6224	
13.6.16	1160	1608	1720	4488	
20.6.16	2000	2120	2568	6688	
27.6.16	1752	1640	2048	5440	
4.7.16	2088	2272	2184	6544	
11.7.16	2032	2040	3600	7672	Feast of St James
18.7.16	1672	2512	1864	6048	
25.7.16	2176	1560	1896	5632	
1.8.16	1488	1568	2016	5072	
8.8.16	1464	1392	3336	6192	
15.8.16	1712	1920	2584	6216	
22.8.16	2168	2600	2880	7648	Summer event
29.8.16	1536	1832	2792	6160	
5.9.16	2472	2376	2600	7448	
12.9.16	1496	1584	2336	5416	
19.9.16	2216	2328	1896	6440	
26.9.16	1776	2672	2296	6744	
3.10.16	1720	1752	2352	5824	
10.10.16	2552	1904	2336	6792	
17.10.16	1936	2104	2144	6184	
24.10.16	3080	2216	2448	7744	Magic event
31.10.16	1824	1968	2224	6016	
7.11.16	1968	2136	2600	6704	
14.11.16	1976	1576	2008	5560	
21.11.16	1608	2536	3016	7160	
28.11.16	2032	1936	2336	6304	
5.12.16	1856	2208	2592	6656	

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**ECONOMY PDG
16 MARCH 2017**

TIVERTON MARKET SCHEDULE OF TOLLS

Cabinet Member(s): Cllr Richard Chesterton
Responsible Officer: Stephen Walford, Chief Executive & Director of Growth

Reason for Report: To standardise the Market's pricing policy in a formal agreed Schedule of Tolls.

RECOMMENDATION: That the Schedule of Tolls be approved with adoption from 01/04/2017.

That the Schedule of Tolls be reviewed annually with the next review presented to the Economy PDG in March 2018.

Relationship to Corporate Plan: This report supports the Council's priority of 'Economy'.

Financial Implications: The Schedule is standardising tolls already being charged. Tolls are not being increased for standard pitches. There is a minor increase of £4 per week for the lockable units.

Legal Implications: There are no legal implications.

Risk Assessment: Failure to have a clear, published pricing policy may cause discrepancies in tolls charged and leave Market officers at risk of being accused of unfairly allocating discounts.

1.0 Introduction

1.1 The Market Management Team has produced a new Schedule of Tolls, to be introduced from 1 April 2017 (see Appendix A). The purpose of this is to reflect current pricing policy and standardise the tolls and charges at the Market with a clear structure showing discount schemes. In effect this is not changing any existing tolls but regularising those already in place.

2.0 Changes from Previous Schedule:

2.1 Tolls used to be £11 per table; whereas we now charge £11 per pitch, with each pitch allowed up to 2 tables. This is important as we are encouraging traders in the Market Hall to double-front their stalls inside the hall and outside under the canopy (with the glass doors open). This will improve visibility of stalls and permeability around the Market for customers walking through. If traders would like additional tables, they are now available at £6 each.

2.2 Currently the lockable units are offered on a daily licence. We are proposing to offer them on a weekly licence. Traders occupying these units are required to open on market days (Tuesdays, Fridays and Saturdays) with the option to open at no extra charge on non-market days. However, as they only pay for market days, should the Market run another event on a Wednesday, for example, we could offer the unit, or the space in front of the unit, to another

trader. A weekly licence will ensure the occupier has the unit and space in front throughout the week (during daytime trading hours). The weekly licence will increase weekly pitch fees by £4. However, we are proposing to introduce the new licence for new traders only from 01/04/2017 and for existing traders from 01/04/2018 (unless they wish to transfer sooner).

- 2.3 The Schedule now includes our Pop-up Art Stall (for artists to show their creative talents at the Market) and Charity Stall, which we offer for free to local charities.
- 2.4 Prior to 2015/16, traders had to pay for parking permits. We are proposing to continue offering free parking for traders, limited to one permit per pitch (if a trader has 3 pitches, they are eligible for 3 permits but only to be used by people working on their stall). Additional pitches are available at £1 each.

3.0 Research and Consultation

- 3.1 Other markets across the South West charge varying tolls from £5 to £15 per pitch. Typically the markets in smaller towns charge less per square foot than those in larger towns and cities. Tiverton Market's tolls are set fairly for the location, footfall and with the benefit of two tables, access to free Wi-Fi, free use of electricity and a free parking permit per pitch.
- 3.2 Nationally, the standard discount for payment by Standing Order appears to be 5%. Tiverton Market traders benefit from 10% discount by paying via this method. Otherwise, our discount schemes are on par with other Markets across the country.
- 3.3 We consulted traders and shared our proposed Schedule with them at the Trader Meeting on 7 February. Traders were given until the end of February to feedback their thoughts or ask questions. None of the traders gave formal feedback. However, the Market Management Team spoke to traders during the consultation period to gauge their response and all were positive. Three lock-up traders specifically commented in favour of the new weekly licence. We have received no negative responses to the proposed Schedule.
- 3.4 Since commencing consultation, we have had three traders request to pay their tolls via Standing Order (in addition to those already paying by this method). This benefits the Market as although the tolls are discounted by 10%, we receive a guaranteed income covering a pitch even when a trader is absent.

4.0 Outcomes

- 4.1 Increasing tolls at this stage may result in several traders' businesses becoming unviable. This would have a negative impact on Market income and counter our aims of supporting business growth.
- 4.2 We recommend maintaining the prices at the current rates with a view to reviewing tolls again (and the level of Standing Order discount) in 12 months.

4.3 Once approved, the new Schedule of Tolls will be displayed on the Council's website (and the Market's when it goes live in May 2017) and on the Trader Noticeboard in the Market Storeroom.

Contact for more Information: Alan Ottey or Zoë Lentell, Market Managers, 01884 243351, tivertonmarket@middevon.gov.uk

Circulation of the Report: Tiverton Ward Members and Cabinet

List of Background Papers: Appendix A: Schedule of Tolls April 2017

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Market Tolls and Charges

Prices correct as of 01/04/2017



GENERAL MARKET TOLLS

	Normal Price	Notes
INDOOR		
Casual Trader (≤ two tables)	£14.00 per day	Payable daily in advance. Traders move onto standard price when have been trading regularly for 12 weeks.
Standard Pitch (≤ two tables)	£11.00 per day	Payable daily in advance.
Extra table	£6.00 per day	Payable daily in advance.
LOCKABLE UNITS		
New traders (from 01/04/2017)	£37.00 per week	Payable weekly in advance.
Existing traders	£11.00 per day	Payable daily in advance. Transferring onto new rates from 01/04/2018.
OUTSIDE		
Casual Full pitch	£20.00 per day	Payable daily in advance. Traders move onto standard price when have been trading regularly for 12 weeks.
Casual Half pitch	£14.00 per day	Payable daily in advance. Traders move onto standard price when have been trading regularly for 12 weeks.
Standard Full pitch (200ft ²)	£17.00 per day	Payable daily in advance.
Standard Half pitch (100ft ²)	£11.00 per day	Payable daily in advance.
CHARITY STALL		
Charity Stall (≤ two tables)	£0.00 per day	Twelve pitches free per year. Additional items offered at 50% discount of standard price payable daily in advance.
Pop-up Art Stall (≤ two tables)	£0.00 per day	Twelve pitches free per year. Additional items offered at 50% discount of standard price payable daily in advance.

CHARGES

	Normal Rate	Notes
Display Cabinets	£4.00	Payable daily in advance.
Parking Permits (whole day)	£1.00	One parking permit is included free with each pitch. Additional permits to be purchased daily in advance.

FIXED UNITS

Notes

Café Space	Agreed separately as part of annual lease. Payable monthly in advance.
Shop Unit	Agreed separately as part of annual agreement. Payable monthly in advance.
Store Room	£37.00 per week. Payable weekly in advance.

DISCOUNTS

Normal Rate

Notes

Standing Order	10%	Payable monthly in advance (equivalent of £9.90 per pitch).
Business Assist	50%	Discount for three months; option to extend for further three months. Maximum time of six months.
Bulk Discount	16.7%	Traders occupying and paying for five pitches, get one additional pitch free. Discount applies daily.
Non-Market Day	£100%	There are currently no charges for regular indoor traders on existing non-general market days.
Discretionary	Varied	Previously agreed rates with traders prior to 01/04/2017. Existing agreed rates expire 31/03/2018.

VENUE HIRE

Normal Rate

Trader Rate*

Charity Rate

North End	£90.00	£70.00	£45.00
South End	£110.00	£80.00	£55.00
Whole Pannier Market Hall	£200.00	£150.00	£100.00
Trader Parking Permits	£2.00 each for day	£2.00 each for day	£2.00 each for day
Electricity Costs	£3.50 per hour (with additional £3.50 per hour if usage exceeds 10kw per hour)		
Staffing Costs	Costs for Council officer attendance/supervision (if required) will be calculated based on each individual event's requirements. Standard costs are £15.50 per hour between 08:00 and 18:00, Monday to Saturday, and at £31.00 per hour at all other times. Please contact us on 01884 243351 for a quote.		
Repair and Cleaning Costs	Failure to adhere to the terms and conditions of hire may result in additional charges being applied (such as compensation for any repair or cleaning costs incurred resulting from damage or neglect of the hirer(s) or replacement for loss of Council-owned equipment or keys).		

*Trader rate applies to regular traders at the Pannier Market; casual traders will need to pay normal rate.

THIRD PARTY MARKETS

Notes

Monday Market	Agreed separately as part of annual contract with third party.
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DRAFT ECONOMY PDG

DATE: 16 March 2017

MID DEVON WALKING GUIDES

Cabinet Member Cllr Richard Chesterton, Cabinet Member for
Planning and Regeneration

Responsible Officer Stephen Walford, Chief Executive & Director for Growth

Reason for Report: Members requested the Economic Development Team looked into the feasibility of reformatting / republishing the village walking leaflets.

RECOMMENDATION(S): That members consider the different options presented for promoting the local area and agree a recommended way forward.

Relationship to Corporate Plan: Renewing the walking guides will support the aims of the following Economy and Community objectives within the Corporate Plan:

Economy - Aim 4 - Grow the tourism sector

- Increase the number of people visiting, staying and spending money in the District
- Improve the marketing of Mid Devon as a visitor destination

Community - Aim 3 – Promote physical activity, health and wellbeing

- Actively promote the facilities that are available in our District for health and wellbeing such as walking (footpaths, open spaces and parks) and cycle paths

Financial Implications: There will be a cost implication both in printing paper formats (leaflets and booklets) as well as creating a web-based platform for the information. This could be offset by applying for external funding. However, the exercise will create substantial work for the team, and therefore there is an opportunity cost of not being able to proceed with other projects.

Legal Implications: None

Risk Assessment: None

1.0 Introduction

At the last Economy Policy Development Group members asked the Economic Development Team to look into the feasibility of reviving the popular walking leaflets originally produced by the Council in the 1990s as part of a range of materials promoting the Mid Devon countryside.

From 1990 to 1996 the Council offered to work with Parish Councils to produce 'Country Walks and Villages' leaflets, which had a format of two routes (one easy and one more challenging), a map and a description of the walk with local artist designs and illustrations. These were produced on environmentally friendly paper, securing funding to contribute towards the printing costs. Two leaflets were produced each year with a total of 13 parishes being covered across Mid Devon over a six year period (See Appendix A). A further series of Town Trails and

Church Trails were also produced together with materials on cycling routes in Mid Devon. More recently, two booklets of twelve walks each in the Culm Valley were initiated by the then 'Devon Gateway Development Trust' and supported by MDDC and Cullompton Town Council.

Recently a number of parishes have asked if we could update their walking leaflets. However, this is not an activity that the council currently has in its work programme (or budget).

2.0 Background

One of Mid Devon's main assets is our countryside, and walking is an important leisure activity both for our residents and visitors. Mid Devon could be a significant walking destination, and there is evidence that health & leisure related tourism is an increasingly important sector. Access to the countryside is also an important consideration when people are choosing where to live, and can be a significant criterion in where businesses decide to set-up / relocate. Mid Devon has an array of footpaths, bridleways, cycle paths and long-distance walking routes which are not sufficiently promoted as a local attraction/activity.

Apart from the extensive network of footpaths and bridleways there are a number of long-distance walking routes that pass through the District, including the Great Western Canal, Exe Valley Way, Little Dart Ridge & Valley Walk, Devonshire Heartland Way and Tarka Trail, as well as being on the route of the ever popular Land's End to John O'Groats long-distance challenge. Mid Devon also has two Sustrans networks for cycling – routes 3 & 344.

Promoting the district as an attractive place to visit and live with plenty of options for outdoor activity, whether this is a full-on walking holiday or a gentle stroll on a Sunday afternoon, will be important in raising Mid Devon's profile. However, in terms of Economic Development the real gain would be to link these activities to other rural business such as accommodation providers, food and drink business, attractions and heritage in order to maximise the benefit of visitors' presence to the local economy.

3.0 Information Sources

Research shows that visitors use a range of sources to gather information about their visit and to decide what to do when they are there. Whereas the internet is important for pre-planning, particularly in deciding where to stay, there is still a core constituent of visitors who prefer brochures / guides and leaflets to decide what to do while they are in the area. This is partly due to the type of people that Mid Devon currently attracts including a higher proportion of couples over 45 and those visiting friends and family, but also because of the vagaries of broadband availability in rural areas. Others prefer to ask friends and family for recommendations or seek information from elsewhere, for example from their accommodation provider.

There is no remaining stock of the original walking leaflets and their availability is dependent on local informal copying. Unfortunately, they were first produced at a time when digital formats were not widely used and so reproducing them in their

current format is not a straightforward process. There is currently no central place or websites to go to for information about local opportunities or activities or for local organisations to advertise these activities online.

There a number of walking guides covering the Mid Devon area produced commercially by Culm Valley Publishing (www.culmvalleypublishing.co.uk), as well as websites providing local routes and downloadable files e.g. Favourite Devon Walks <http://pinns.co.uk/devon/index.html>, however, these tend to promote a much larger geographical area, and therefore dilute the particular offer of Mid Devon.

2.0 Options

If the council was minded to consider the promotion of Mid Devon's walks for tourism/leisure purposes, four options have been set out below for member's consideration.

Option A

The simplest option would be to update and reformat the original leaflets. This would likely be the cheapest option, but even this would require that all the information be checked for accuracy, and there may well be some remedial work needed to the footpaths themselves to ensure they are safe to use and ready to promote. This option would produce a series of updated walking leaflets, but would potentially mean that the greater benefit to the local economy of linking these walks to local businesses (shops, pubs, cafes, attractions etc.) was not achieved. The cost of checking the routes and then reproducing the leaflets would need to be shared with the parishes that choose to take part.

Option B

To update the information in the original leaflets, as per Option A, but to enhance it with information about local businesses such as local eateries, accommodation providers, and other opportunities in the local area – local heritage along the walks cycle routes, horse riding etc. Once the information was collected and collated this could be reproduced in a number of different formats. The format could either be digital and hosted on our or another website, with parishes and accommodation providers able to download and reprint as required, or in partnership, we could publish a limited print run. To do this exercise well could take a considerable amount of time and work so it would be necessary to limit the number of areas focused on per year. The cost of paper formats could potentially be borne by contributions from parishes or business listing sponsorship.

Option C

This option is similar to Option B, but the information would be collected into three booklets / webpages promoting the Culm Valley, Crediton and the Exe Valley as broader descriptive areas. A PDF version could be available to download. The booklets would include not only walks but links into local heritage, picnic spots, viewing points, local amenities, wildlife spots and the wider offer more generally, while allowing space for local businesses to advertise e.g. accommodation, cafes, pubs, food producers. It would have the benefit over individual leaflets of being able

to cover a number of parishes at one go. This option would be less costly than Option B but it would provide a much fuller product to promote the local area. Repackaging this information as three area based leaflets would enable us to distribute and promote the area more widely.

Option D

Option D would include updating and enhancing local information as above, but focus on producing a central website that would be used to promote the area to visitors and local residents looking for things to do. This would have the benefit of being easily updatable, and be able to provide the information in a range of digital formats e.g. downloadable as apps, or as GPS waypoints that can be used on mobile devices, while being able to accommodate the leaflet format, but in a downloadable form with the cost of printing borne by the printer. There could also be additional functions such as being able to personalise information – e.g. being able to create individual itineraries, searching for dog-friendly routes / accommodation, being able to filter for walks including local eateries (pub walks) or create personalised walking / cycling routes.

This option has the potential for the greatest benefit to the local area as it could be used to promote the wider offer of Mid Devon, and is looking to future media usage by a new generation of visitors, while accommodating current demands. It would also enable links to accommodation providers and food and drink providers with their own websites (the SW coastal path does this well <http://www.southwestcoastpath.org.uk/>). To be useful and stay current it would need to be kept up to date and managed, but the TIC has shown interest in taking on this responsibility in the future.

Although developing a good quality website could be costly, the cost could be offset through external funding. A recommendation with this option would be to apply for LEADER funding to support the development of a single promotional website.

3.0 The Way Forward?

Of the four options, Option A is the least expensive, but will have the least benefit to the local economy. Options that involve enhancing this information with a wider look at the local offer, and linking it with local businesses have the greatest opportunity for promoting economic growth. Although many people still prefer paper formats, they are costly to produce and go out of date fairly quickly. With an eye on the younger generation and to the future of information consumption we need to make whatever content is produced as part of this project as easily accessible as possible, and therefore in digital format. Option D is the most expensive option, but has the potential of the greatest benefit for providing a comprehensive platform for promoting the district, and is more likely to attract external funding.

All the options are do-able, but they will all have implications on the workload of the economy team and therefore on what other major projects the team can take on. As such, if the PDG is minded to recommend that the economy team prioritise this project, it would be useful to understand members' views on other work projects that could be de-scoped or postponed.

3.0 Conclusion

Green infrastructure has been recognised within the HOTSW Productivity Plan consultation as an important asset and a potential driver for the local economy, but is also something that attracts new businesses into the area. Mid Devon has the potential for being a destination of choice for visitors looking for the unique mix that Mid Devon can offer, as well as being a wonderful place to live. Putting effort and time into promoting the area, by providing information about local walks, leisure activities and other opportunities with links to local businesses will surely benefit the wider economy. However, there is a decision to be made about how much time and effort to expend on doing this.

Contact for more Information: John Bodley Scott, Economic Development and Regeneration Manager, 01884 234363

Background Papers: Appendix A – List of Country Walks
Sample Country Walk no.

File Reference:

Circulation of the Report: Cllr Richard Chesterton
Stephen Walford, Director of Growth

Appendix A – List of Walking / Cycling Leaflets that were historically produced by MDDC

Country Walks and Villages Leaflets

No 1	Morchard Bishop
No 2	Silverton
No 3	Sandord
No 4	Grand Western Canal
No 5	Bampton
No 6	Crediton
No 7	Uffculme
No 8	Bradinch
No 9	Chawleigh
No 10	Lapford
No 11	Newton St Cyres
No 12	Cheriton Bishop
	Oakford Village Walks

In addition the following walking leaflets were produced:

Tiverton Town Trail
Cullompton Town Trail
Bampton Town Trail

Church Trails: Crediton
Church Trails: Exe Valley

'Twelve Walks in the Culm Valley'
'Another Twelve Walks in the Culm Valley'

Cycling Leaflets

Cycling in Mid Devon

**ECONOMY PDG
16 MARCH 2017**

BRIEFING PAPER: Economic Profile

Cabinet Member(s): Cllr Richard Chesterton

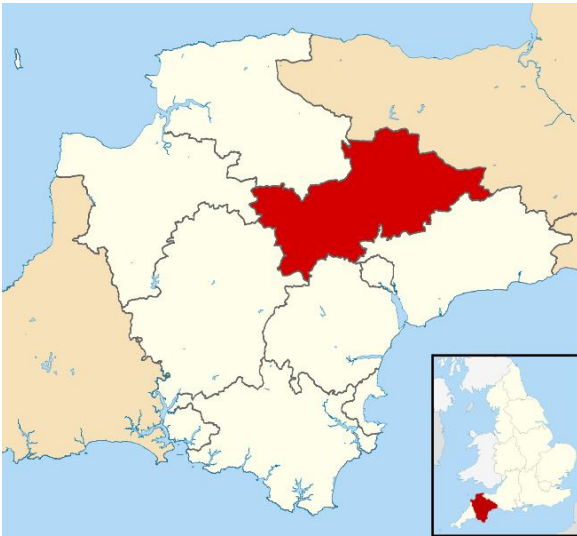
Responsible Officer: Stephen Walford, Chief Executive & Director of Growth

Reason for Briefing Paper:

- To give members of the Economy Policy Development Group a regular update on the economic situation in Mid Devon
- The attached briefing paper was produced as part of the Council's submission to the Peer Review and gives a summary of the present state of the Mid Devon Economy based on the latest economic statistics for the district.

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An Economic Profile of Mid Devon

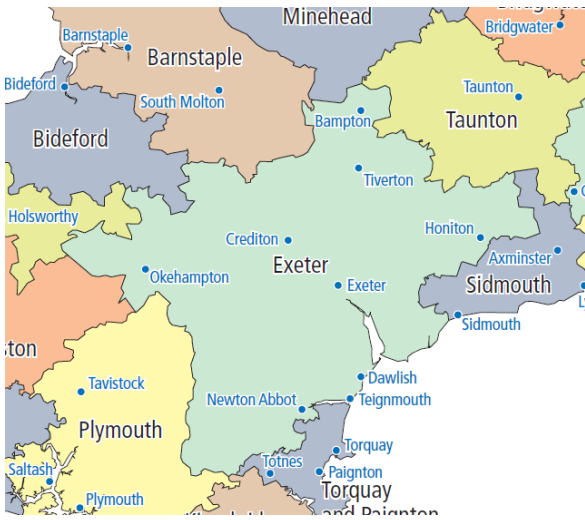


Mid Devon is a rural district located on Devon's eastern border with Somerset, and straddling the main transport links into the county. Covering an area of 913 km², it lies between Exmoor NP to the north and Dartmoor NP to the south and stretches into the Blackdown Hills AONB to the east. It currently has a population of around 79,500 (2015) with a concentration to the east of the district in the two main market towns of Tiverton (pop. 22,000) and Cullompton (pop. 8,700). The north and the west of the district are predominantly rural, with the district's third market town, CREDITON (pop. 6,900) to the north west of Exeter. Over half the population live rurally in the villages and small settlements characteristic of the area.



Economically, the district is heavily influenced by the urban economies of Exeter to the south, and to a lesser degree by Taunton to the north-east. Mid Devon has good transport links, with the M5, North Devon link road and main-line railway running through the District, connecting Devon and the South West with the rest of the UK. It is also close to the regional airports of Exeter and Bristol.

Greater Exeter functional economic geography



The majority of Mid Devon district lies within the Exeter 'Travel to Work Area'. According to the 2011 census, 37% of the workforce commutes out of the district for work, with nearly half of these travelling to Exeter (17%). Although there is also a flow of workers from other districts into Mid Devon, there is a net outflow of 8,202. The difference between residence- and workplace-based average earnings indicates that workers tend to be commuting to more highly paid jobs. In total, 75% of workers in Mid Devon also live in Mid Devon while only 57% of working residents of Mid Devon work in Mid Devon.

Population

<i>Data source: ONS population estimates 2015</i>	Mid Devon Number	Mid Devon %	South West %	Great Britain %
Total Resident Population	79,500			
Resident Population of Working Age (16-64)	46,900	59.0%	61.1%	63.3%

Mid Devon has seen an 11% increase in population in the last ten years and is set to increase by a further 18% to 93,500 by the year 2033. Large housing developments are planned for Cullompton and Tiverton. Mid Devon has a lower proportion of its population of working age than the national average, mainly due to an increasingly aging population. However, a significant proportion of young people move out of the area for education or work. The Black and Minority Ethnic population makes up about 2-5% of the population with a large number of migrant workers, mostly from Eastern Europe.

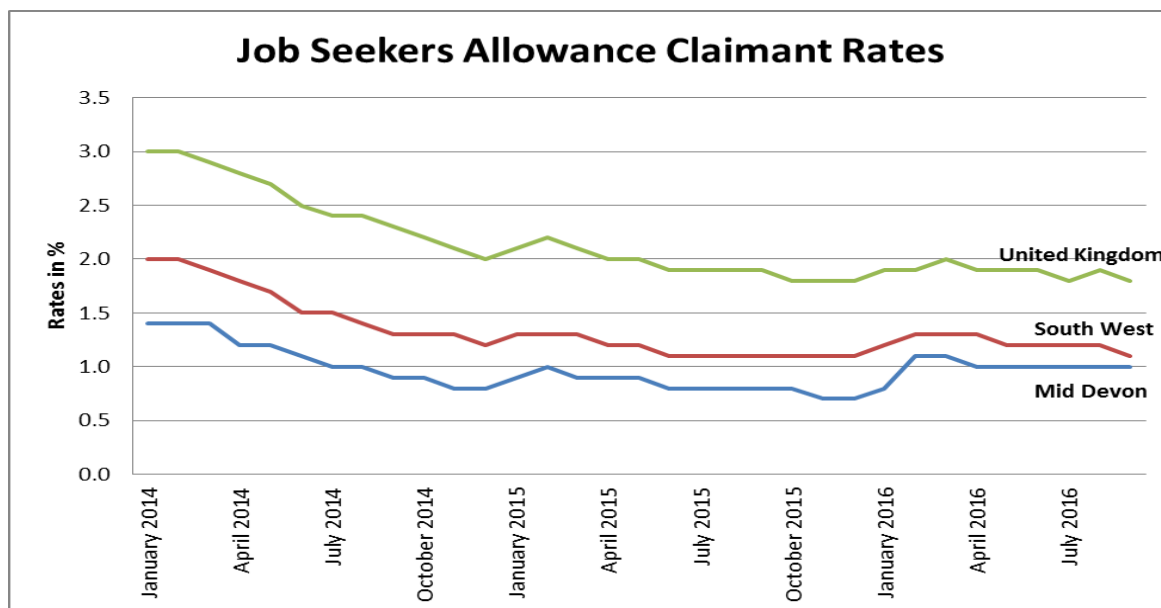
Employment

Mid Devon has a high employment rate and low unemployment. Of the 46,900¹ residents aged between 16-64, 85% are economically active. This is significantly higher than the South West and the UK rates, and is at a level at which the district has effectively full employment. However, this figure includes a high proportion of part-time and self-employed workers, and there may be a level of underemployment.

<i>Data Source; ONS annual population survey Oct 2015 – Sept 2016</i>	Mid Devon Numbers	Mid Devon %	South West %	Great Britain %
Economically Active	42,000	85.1	80.8	77.8
In employment	40,700	82.4	77.3	73.9
Employees	28,500	60.7	65.0	63.1
Self-Employment	12,200	21.7	11.9	10.4
Unemployed (Model-based)	1,300	3.0	4.1	4.9

¹ ONS population estimates 2015

The unemployment rate is very low at 3.0%. The December JSA claimant rate was only 0.9%², which is just half of the UK rate of 1.8%.



Self Employment

Mid Devon has extremely high levels of self-employment. At 21.7% it is double the national average and higher than most of our nearest neighbours. This may be a result of the low level of employee jobs in the district, but also reflects the relative strength of farming, as the majority of agricultural workers are self-employed. Construction is also a strong sector in Mid Devon, which also has high levels of self-employed workers.

Job Density

There are an estimated 36,000 employment jobs in the District in 2015³. This represents a job density of 0.77 (i.e. 77 jobs for 100 resident population aged 16-64). This level is typical of an area adjacent to an economic hub, such as Exeter, which has a density of 1.2 (meaning there are more jobs than working age people). Within the functioning economic geography of Exeter and the Heart of Devon, East Devon and Teignbridge all have similar job densities to Mid Devon, with 0.88 and 0.74 respectively.

Employment

Employment within the District is predominately in low waged, low skilled jobs, with sectors such as wholesale and retail (21%), health and social work (10.5%) and education (9.5%) predominating. However, the district has a relatively large manufacturing sector, making up 16.8% of employment, focusing on textile, food and paper manufacture. Mid Devon has a number of larger manufacturers such as Heathcoat Fabrics, Hepco, Devon Valley Papermill, Graphic PLC, Ernst Jackson making high-spec. globally-recognised products. There is also a concentration of distribution and logistics along the M5 corridor, and a growing professional, scientific and technical services sector, including a number of green engineering businesses.

² ONS December 2016

³ Source: Nomis: Job density 2015

Employee jobs by Industrial Sector	Count	Industry percentage
G. Wholesale and retail trade; repair of motor vehicles and motorcycles	5,000	21.0%
C. Manufacturing	4,000	16.8%
Q. Human health and social work activities	2,500	10.5%
P. Education	2,250	9.5%
F. Construction	1,500	6.3%
M. Professional, scientific and technical activities	1,500	6.3%
H. Transportation and storage	1,250	5.3%
I. Accommodation and food service activities	1,250	5.3%
N. Administrative and support service activities	1,250	5.3%
R. Arts, entertainment and recreation	800	3.4%
O. Public administration and defence; compulsory social security	600	2.5%
S. Other service activities	350	1.5%
J. Information and communication	300	1.3%
L. Real estate activities	250	1.1%
A. Agriculture, forestry and fishing	200	0.8%
E. Water supply; sewerage, waste management and remediation activities	175	0.7%
K. Financial and insurance activities	150	0.6%
B. Mining and quarrying	40	0.2%
D. Electricity, gas, steam and air conditioning supply	25	0.1%
	24,000	

Agriculture remains a significant influence on the economy, particularly in rural areas. Approximately 8% of the workforce is directly involved in agriculture, and 18.5% of Mid Devon businesses are dependant on agriculture, either as primary producers, processors, manufacturers or retailers. Food processing is a major element of the manufacturing sector.

Agricultural Labour Force on commercial holdings in Mid Devon 2013		%
Farmers, partners, directors and spouses, Full Time	1,270	38.2%
Farmers, partners, directors and spouses, Part Time	1,113	33.5%
Regular Workers, full time	370	11.1%
Regular Workers, part time	314	9.4%
Casual Workers	203	6.1%
Total Labour Force	3,327	
<i>Source: DeFRA June Farm Survey 2013</i>		
https://www.gov.uk/government/statistical-data-sets/structure-of-the-agricultural-industry-in-england-and-the-uk-at-june		

Wages

Median Annual Gross Pay (for full time workers)	Mid Devon	South West	UK
--	-----------	------------	----

By workplace	£22,984	£26,260	£28,090
By place of residence	£25,969	£26,686	£28,132

Source: ONS annual survey of hours and earnings 2016

As mentioned above, many of the jobs in Mid Devon are low waged and low skilled. Average earnings in Mid Devon are 18% lower than the national average. However, earnings by place of residence are considerably higher than the average by workplace. This seems to suggest that those who commute out of the District are working in better paid, probably more highly skilled jobs.

Training & Skills

<i>Data Source; ONS annual population survey Jan 2015 – Dec 2015</i>	Mid Devon Numbers	Mid Devon %	South West %	Great Britain %
NVQ level 4 and above	18,600	38.9 %	37.3%	37.1%
NVQ level 3 and above	34,500	72.1%	58.5%	55.8%
NVQ level 2 and above	41,500	86.7%	77.6%	73.6%
NVQ level 1 and above	45,400	94.9%	89.7%	84.9%

While the percentage of Mid Devon workforce holding a degree or higher qualification (NVQ 4+) (38.9%) is above the national average (37.1%), it is well below our near neighbours.

<i>Data Source; ONS annual population survey Jan 2016 – Dec 2016</i>	Mid Devon	East Devon	Teign-bridge	Exeter	West Devon	Taunton Deane
NVQ level 4 and above	39%	48%	36%	42%	52%	44%

Mid Devon schools perform well against national figures. The proportion of students gaining five or more GCSEs at A* to C grades, including English and Maths, is higher than the national average. However, by the age of eighteen, those achieving Level 3 qualifications falls slightly below the England average. This translates into surprisingly low levels of students progressing to higher education. In 2013/14, only 44% of students from state-funded schools and colleges in Devon went to a UK higher education institution compared to the England average of 58%.

Businesses

There are currently 4,410 businesses in Mid Devon⁴, of which 92.2% are micro businesses with less than 10 employees. One of the contributing factors is the high rate of self-employment at 21.7% compared to 10.4% nationally.

<i>Source: Nomis: UK Business Counts (Enterprises) 2016</i>		Mid Devon %	South West %
Total	4,410		
Micro (0 to 9)	4,070	92.2%	89.0%

⁴ UK Business Counts (Enterprises) 2016

Small (10 to 49)	295	6.7%	9.2%
Medium-sized (50 to 249)	40	1.0%	1.5%
Large (250+)	5	0.1%	0.3%

This is borne out by the small number of businesses with a turnover greater than £500k.

Businesses by size of turnover (£000s)

Source: UK Business: Activity, Size & Location 2014	Mid Devon Number	Mid Devon %	EHOD %	South West %	England %
£0-49 k	1,120	26.6%	22.4%	20.5%	17.9%
£50-99 k	925	22.0%	21.7%	23.5%	24.0%
£100-249 k	1,185	28.1%	20.9%	29.0%	29.6%
£250-499 k	475	11.3%	11.9%	12.1%	11.8%
£500-999 k	265	6.3%	7.3%	7.0%	7.3%
£1000-4999 k	205	4.9%	6.2%	6.2%	7.1%
£5000+ k	35	0.8%	1.5%	1.6%	2.3%
Total	4,210				

Business start-ups

Source: ONS Business Demography 2015	Total Count of Businesses	Business birth count 2015	Business birth rate	Business death count 2015	3 yr survival rate
Mid Devon	3,260	320	9.8%	250	64.2%
South West	222,015	26,155	11.8%	19,415	61.8%
UK	2,672,025	383,075	14.3%	252,040	59.4%

Although Mid Devon has a high 3-year business survival rate, the business birth rate is relatively low compared to national and regional averages. This may be in part due to the low levels of unemployment; In areas of high unemployment, there is more incentive to start your own business, but business start-ups created out of a necessity rather than natural entrepreneurship have a higher attrition rate.

Productivity (GVA)

Even acknowledging the now well-known 'productivity gap' between the UK and its nearest rivals amongst the G7 countries, productivity in the South West, as measured by GVA, is considerably lower than the UK average. GVA (Gross Value Added) measures the value of economic output and more specifically it measures the contribution to the economy of each individual producer, industry or sector. Aggregated, it can be used as an indication of prosperity, living standards and the prospects for economic growth. (NB the smallest geographical area for which GVA figures are reliably available is at Devon County Council level.)

	Devon CC	HotSW	South West	UK
GVA per head	£17,942	£17,623	£21,163	£23,755
Labour productivity (per hour)	£24.4	£25.2	£27.6	£30.1

As with much of the region, low productivity is a problem for the district. The current sectoral mix in Mid Devon has a large proportion of traditionally low productivity sectors,

such as retail, agriculture, accommodation and food, logistics, health and social care, but even within sectors, south west businesses are less productive than their national counterparts. There are a number of factors that may contribute to this:

- Lack of competition locally, or with other businesses nationally, because of the effects of peripherality
- Skills shortages in higher skilled areas of employment.
- Lower than average proportion of pupils progressing to higher education
- Lower levels of investment in innovation, research and development
- Low business start-up rates
- Low levels of exporting
- Peripherality – it costs more to move products to market
- Infrastructure problems, such as poor broadband particularly in rural areas.

The Heart of the South West LEP is producing a productivity plan which will set out how we can work together to address this challenge.

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ECONOMY PDG 16 MARCH 2017:

PERFORMANCE AND RISK FOR 2016-17

Cabinet Member Cllr Richard Chesterton
Responsible Officer Director of Growth & CEO, Stephen Walford

Reason for Report: To provide Members with an update on performance against the corporate plan and local service targets for 2016/17 as well as providing an update on the key business risks.

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

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

Financial Implications: None identified

Legal Implications: None

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

1.0 Introduction

- 1.1 Appendix 1 provides Members with details of performance against the Corporate Plan and local service targets for the 2016-17 financial year.
- 1.2 Appendix 2 shows the section of the Corporate Risk Register which relates to the Economy Portfolio. See 3.0 below.
- 1.3 Appendix 3 shows the profile of all risks for the Economy Portfolio for this quarter.
- 1.4 All appendices are produced from the corporate Service Performance And Risk management system (SPAR).

2.0 Performance

- 2.1 In this first year for the Economy PDG we are continuing to consider what measures best reflect the Corporate Plan targets but existing metrics are included in Appendix 1.
- 2.2 For **empty shops**, counted at the start of quarter Q4, for all three towns the number has gone down to the same as at the same quarter last year, all three

PIs also meet or are better than target. The UK average in April 16 was 10.1% all three towns now have a vacancy rate lower than this which is positive.

- 2.3 There will be statistics to reflect the general state of MDDC's economy available from time to time.

3.0 Risk

- 3.1 The Corporate risk register has been reviewed by Management Team (MT) and updated. Risk reports to committees include risks with a total score of 15 or more and all those with an impact score of 5. (See Appendix 2)

4.0 Conclusion and Recommendation

- 4.1 That the PDG reviews the performance indicators and risks for 2016-17 that are outlined in this report and feeds back any areas of concern to the Cabinet.

Contact for more Information: Catherine Yandle, Audit Team Leader ext 4975

Circulation of the Report: Management Team and Cabinet Member

Corporate Plan PI Report Economy

Monthly report for 2016-2017
 Arranged by Aims
 Filtered by Aim: Priorities Economy
 For MDDC - Services

Key to Performance Status:

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

Corporate Plan PI Report Economy

Priorities: Economy

Aims: Attract new businesses to the District

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Head of Service / Manager	Officer Notes
Number of business rate accounts		2,872		2,860	2,863	2,868	2,864	2,870	2,880	2,880	2,889	2,899	2,906			2,906 (10/12)	John Chumbley	

Aims: Focus on business retention and growth of existing businesses

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Head of Service / Manager	Officer Notes
Number of Apprentice starts at MDDC		13		9	0	0	14	0	0	13	16	11	10			10 (9/12)	Jill May	(June) Government target proposed is 2.3% of FTEs (SK)

Aims: Improve and regenerate our town centres

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Head of Service / Manager	Officer Notes
Increase in Car Parking Vends	n/a	n/a		0	0	129,488	0	0	159,929	53,786	52,876	55,112	48,951			48,951 (10/12)	Andrew Jarrett	
Tiverton Town Centre Masterplan	n/a	n/a		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		n/a	Jenny Clifford	
The Number of Empty Shops (TIVERTON)	16	16	18	n/a	n/a	18	n/a	n/a	17	n/a	n/a	18	n/a	n/a	16	16	John Bodley-Scott	(Quarter 4) 16 out of 231 making a vacancy rate of 6.5% (JB)
The Number of Empty Shops (CREDITON)	7	7	8	n/a	n/a	9	n/a	n/a	7	n/a	n/a	8	n/a	n/a	7	7	John Bodley-Scott	(Quarter 4) 7 out of 117 units making a vacancy rate of 6.0% (Jan 2017) (JB)
The Number of Empty Shops (CULLOMPTON)	8	8	8	n/a	n/a	10	n/a	n/a	10	n/a	n/a	10	n/a	n/a	8	8	John Bodley-Scott	(Quarter 4) 8 out of 84 units making a vacancy rate of 9.5%

Corporate Plan PI Report Economy**Priorities: Economy****Aims: Improve and regenerate our town centres****Performance Indicators**

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Head of Service / Manager	Officer Notes
																		(Jan 2017) (JB)

Aims: Other**Performance Indicators**

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Head of Service / Manager	Officer Notes
Local Plan Review	n/a	n/a		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Jenny Clifford	
Funding awarded to support economic projects	n/a	n/a	No target - for information only	n/a	n/a	£53,092	n/a	n/a	£56,842	n/a	n/a	£56,842	n/a	n/a		£56,842 (3/4)	John Bodley-Scott	

Economy PDG Risk Management Report - Appendix 2

Report for 2016-2017

For Economy - Cllr Richard Chesterton Portfolio

Filtered by Flag:Include: * CRR 5+ / 15+

For MDDC - Services

Not Including Risk Child Projects records or Mitigating Action records

Key to Performance Status:

Risks: No Data (0+) High (15+) Medium (5+) Low (1+)

Economy PDG Risk Management Report - Appendix 2

Risk: Pannier market general risk assessment General risk assessment for the market's day to day operation

Effects (Impact/Severity): Score of 5 as their appears to be a movement in the structure causing the glass doors to bow

Causes (Likelihood): Survey done, not weight bearing. Market manager is inspecting regularly.

Service: Pannier Market

Current Status: High (16) Current Risk Severity: 4 - High Current Risk Likelihood: 4 - High

Head of Service: Zoë Lentell

Review Note: A door gave in on Fri 23 December 2016 but no injuries were sustained.

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Print Date: 02 March 2017 16:31

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Risk Matrix Economy Appendix 3

Report
For Economy - Cllr Richard Chesterton Portfolio
For MDDC - Services
Current settings

Risk Likelihood	5 - Very High	No Risks	No Risks	No Risks	No Risks	No Risks
	4 - High	No Risks	No Risks	No Risks	1 Risk	No Risks
	3 - Medium	No Risks	No Risks	No Risks	No Risks	No Risks
	2 - Low	No Risks	No Risks	No Risks	No Risks	No Risks
	1 - Very Low	No Risks	No Risks	No Risks	No Risks	No Risks
		1 - Very Low	2 - Low	3 - Medium	4 - High	5 - Very High
		Risk Severity				

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CABINET
2 February 2017

AGENDA ITEM

FINANCIAL UPDATE FOR THE NINE MONTHS TO 31 DECEMBER 2016

Cabinet Member Cllr Peter Hare-Scott
Responsible Officer Andrew Jarrett – Director of Finance, Assets & Resources

Reason for Report: To present a financial update in respect of the income and expenditure so far in the year.

RECOMMENDATION(S): 1. The Cabinet note the financial monitoring information for the income and expenditure so far for the 2016/17 financial year.

Relationship to the Corporate Plan: The financial resources of the Council impact directly on its ability to deliver the corporate plan; prioritising the use of available resources brought forward and any future spending will be closely linked to key Council pledges from the updated Corporate Plan.

Financial Implications: Good financial management and administration underpins the entire document.

Legal Implications: None.

Risk Assessment: Regular financial monitoring information mitigates the risk of over or underspends at year end and allows the Council to direct its resources to key corporate priorities.

1.0 Introduction

- 1.1 The purpose of this report is to highlight to Cabinet our current financial status and the likely reserve balances at 31 March 2017. It embraces both revenue, in respect of the General Fund and Housing Revenue Account, and capital and aims to focus attention on those areas which are unlikely to achieve budget. It is particularly important for next year's budget setting and, looking further ahead, with the medium term financial plan.
- 1.2 Favourable variances generating either increased income or cost savings are expressed as credits (negative numbers), whilst unfavourable overspends or incomes below budget are debits (positive numbers). This report only includes budget variances in excess of £10k as the purpose of the report is to concentrate on material issues that may require further investigation/action. Budget variances are expressed net of budgeted transfers to or from earmarked reserves, which were previously approved by Cabinet. A more detailed analysis will be provided with the final outturn report for the year.

2.0 Executive Summary of 2016/17

2.1 The table below shows the opening position of key operational balances of the Council, the forecast in year movements and final predicted position at 31 March 2017:

Usable Reserves	31/03/2016	Forecast in year movement	31/03/2017
	£k	£k	£k
Revenue			
General Fund (see paragraph 3.2)	(2,211)	64	(2,147)
Housing Revenue Account (see paragraph 4.2)	(2,000)	0	(2,000)
Capital			
Major Repairs Reserve	0	0	0
Capital Receipts Reserve	(1,442)	(1,089)	(2,531)
Capital Contingency Reserve	(567)	239	(328)

3.0 The General Fund Reserve

3.1 This is the major revenue reserve of the Council. It is increased or decreased by the surplus or deficit generated on the General Fund in the year. This reserve held a balance of £2,211k as at 31/03/16.

3.2 The forecast General fund *deficit* for the current year is £64k (a movement of £12k since an annual variance of £52k was reported for November) as shown at Appendix A. The most significant *service* movements this month comprise:

Reactive maintenance at EVLC & CVSC	£35k
Development Control fees & charges	(£27)k

3.3 The major variances are highlighted at Appendix B. The current incomes from our major funding streams are shown at Appendix C, whilst current employee costs are shown at Appendix D.

4.0 Housing Revenue Account (HRA)

4.1 This is a ring-fenced account in respect of the Council's social housing function. Major variances and proposed corrective action are highlighted at Appendix F.

4.2 Appendix E shows that the reserve opening balance is £2m. It is anticipated that the forecast variance of £255k will affect the budgeted transfer to the Housing Maintenance Fund and so the HRA reserve balance should remain at £2m.

4.3 Overall, the HRA is forecast to underspend of £255k in 2016/17, the most significant items of which comprise the following:

- £117k of savings across Housing Services, including significant staffing savings across several teams, largely due to vacancies going unfilled for the early part of the year as well as several smaller variances in operational areas
- £32k surplus is forecast on dwelling rent since this area is slightly ahead of target at this stage
- £61k saving forecast where the Learning Disability service ceased to operate and fewer than expected new alarms need to be purchased since stock levels are healthy

4.4 There are budgeted revenue contributions to capital projects as follows for 2016/17. This sum will be placed in an earmarked reserve at year end to meet the anticipated spend in quarter 1 2017/18.

Description	Budget £'000	Forecast Outturn £'000	Variance £'000
1 x Tipper Vehicle	24	0	24

4.5 The following works are expected to be funded from the Housing Maintenance Fund during 2016/17. Due to slippage on the projects detailed below it is anticipated that most of this funding will be required during 17/18.

Description	Budget £'000	Forecast Outturn £'000	Variance £'000
Birchen Lane re-development	40	52	12
Palmerston Park	2,339	0	(2,339)
Queensway development	299	0	(299)
Burlescombe development	424	0	(424)
Stoodleigh development	223	0	(223)
	3,325	52	(3,273)

In addition, £25k is planned to be spent on sewage treatment works and funded by an earmarked reserve. It is now anticipated this spend will slip into quarter 2 17/18.

5.0 Major Repairs Reserve

5.1 The Major Repairs Reserve had a nil balance at 31 March 2016. After this year's capital expenditure and funding of the Major Repairs Reserve the closing balance is forecast to be £0k. Whilst there is a forecast underspend of £160k on the Capital Programme relating to 'Major Repairs to Housing Stock' this will remain in the Housing Maintenance Fund for future reprioritisation.

6.0 Capital Programme

6.1 Capital projects by their very nature often overlap financial years. In some cases it is known from the outset that the construction of buildings may fall into 3 separate accounting years. The status of this year's capital programme is shown at Appendix G.

6.2 Committed and Actual expenditure is currently £7,803k against a budgeted Capital Programme of £15,710k. (Note this includes £7,669k of slippage rolled forward from 15/16). As projects often overlap financial years officers have given their best estimate of what is 'deliverable' in 16/17; this amounts to £10,583k. Committed and Actual expenditure will therefore be monitored against this & currently shows an uncommitted amount of £2,780k (£10,583k - £7,803k).

6.3 At this stage in the year the forecast underspend amounts to £624k, £160k of this relates to major repairs to our housing stock and £130k for renewable energy projects, also associated with our housing stock; both these amounts will remain in their respective reserves for reprioritisation in future years. The remaining forecast underspend mainly relates to: £105k associated with the replacement of waste vehicles; due to changes in the waste scheme 3 of the 5 large vehicles budgeted to be replaced can be replaced with smaller vehicles, £84k in relation to various ICT projects, £50k in relation to a land drainage scheme to be delivered by DCC & £163k in relation to the project to bring the Department of Work and Pensions into Phoenix House, which will be more appropriately be coded to revenue and funded in full from a contribution from Department of Work and Pensions.

6.4 Currently the forecast slippage to be carried forward to 17/18 amounts to £4,240k, this mainly relates to delays with the contractor for delivery of council house building projects at Palmerston Park and Birchen Lane amounting to £2,250k and replacement vehicles which will now be purchased during Q1 of 17/18 amounting to £1,153k, for further information on this detail please refer to Appendix G.

7.0 Capital Contingency Reserve

7.1 The Capital Earmarked Reserve has been set aside from Revenue to fund Capital Projects; the movement on this reserve is projected below:

	£k
Capital Earmarked Reserve at 1 April 2016	(567)
Funding required to support 2016/17 Capital Programme	239
Forecast Balance at 31 March 2017	(328)

8.0 Capital Receipts Reserve (Used to fund future capital programmes)

8.1 Unapplied useable capital receipts are used to part fund the capital programme, the movement on this account for the year to date is given below:

	£k
Unapplied Useable Capital Receipts at 1 April 2016	(1,442)
Net Receipts to date (includes 20 "Right to Buy" Council House sales)	(1,538)
Current Balance	(2,980)
Forecast further capital receipts in year	(350)
Forecast capital receipts to be applied in year	799
Forecast Unapplied Capital Receipts c/fwd. 31 March 2017	(2,531)

8.2 Please note the majority of these balances on the Capital Contingency Reserve and the Capital Receipts Reserve are required to balance the Medium Term Financial Strategy.

9.0 Treasury Management

9.1 The interest position so far this financial year can be summarised as follows:

Interest Receivable:

	Budget £k	Forecast outturn £k	Forecast variance £k
Investment Income Received	(171)	(201)	(30)
Interest from HRA funding	(54)	(54)	0
Total Interest Receivable	(225)	(255)	(30)

10.0 Conclusion

- 10.1 Members are asked to note the revenue and capital forecasts for the financial year. Managers have been working hard to offset overspends, many unavoidable or unforeseen, with budget savings to deliver an outturn close to the budget.
- 10.2 The financial monitoring process has been important and the pressures and experience of the year to date fed into next year's budget forecasts to ensure that the budget set is both robust and realistic. Indeed, after budgetary cuts for a number of years, it is clear that a number of service areas are stretched in providing services to our community within existing budgetary provision.

Contact for more information:

Andrew Jarrett, 01884 23(4242)
ajarrett@middevon.gov.uk

Circulation of the Report:

Cllr Peter Hare-Scott, Management Team

GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD 01 APRIL TO 31 DECEMBER 2016

			2016/17 Annual Budget	Full Year Forecast (0 = On budget)	Variance
Com	General Fund Summary	Note	£	£	%
Cllr C J Eginton					
CM	Corporate Management	A	1,139,580	(10,000)	-0.9%
LD	Legal & Democratic Services: Member/Election Services	B	579,870	(34,000)	-5.9%
Cllr K Busch					
CP	Car Parks	C	(616,390)	10,400	1.7%
ES	Cemeteries & Public Health	D	(47,610)	42,772	-89.8%
ES	Open Spaces	F	54,800	46,276	84.4%
GM	Grounds Maintenance	E	562,130	(34,030)	-6.1%
WS	Waste Services	H	1,775,510	80,200	4.5%
Cllr C R Slade					
CD	Community Development	I	414,980	10,000	2.4%
ES	Environmental Services incl. Licensing	D	552,870	28,920	5.2%
IT	IT Services	Q	879,310	(37,120)	-4.2%
PR	Planning - Land charges	N	(24,600)	(22,000)	89.4%
RS	Recreation And Sport	J	(82,410)	355,000	-430.8%
Cllr P H D Hare-Scott					
FP	Finance And Performance	K	680,960	0	0.0%
RB	Revenues And Benefits	L	266,600	(47,000)	-17.6%
Cllr R L Stanley					
ES	ES: Private Sector Housing Grants	D	165,720	(12,100)	-7.3%
HG	General Fund Housing	M	232,470	4,500	1.9%
PS	Property Services	G	272,580	39,220	14.4%
Cllr R J Chesterton					
CD	Community Development: Markets	I	(3,410)	45,000	1319.6%
PR	Planning And Regeneration	N	741,670	161,958	21.8%
Cllr M Squires					
CS	Customer Services	O	860,060	(76,000)	-8.8%
ES	Environment Services - Public Health	D	74,990	7,840	10.5%
HR	Human Resources	P	479,310	31,190	6.5%
LD	Legal & Democratic Services: Legal Services	B	215,730	(12,000)	-5.6%
All General Fund Services			9,174,720	579,026	6.3%
	Net recharge to HRA		(1,265,490)	0	
IE260	Interest Payable		146,030	0	
IE290	Interest Receivable on Investments		(171,000)	(30,000)	
	Interest from Funding provided for HRA		(54,000)	0	
	New Homes Bonus Grant		(1,831,460)	0	
	Sundry Grants		0	0	
ABFGF	Statutory Adjustments (Capital charges)		400,720	0	
TREMR	Net Transfer to/(from) Earmarked Reserves	APP B	2,169,990	(434,463)	
TOTAL BUDGETED EXPENDITURE			8,569,510	114,563	1.3%
	Non Domestic Rates - 15/16 Devon Pooling Gain			(50,145)	
	Formula Grant		(2,973,150)	0	
	Rural Services Delivery Grant		(463,810)	0	
	Transitional Grant		(31,630)	0	
	Council Tax		(5,147,940)	0	
	CTS Funding Parishes		55,250	0	
	Collection Fund Surplus		(8,230)	0	
TOTAL BUDGETED FUNDING			(8,569,510)	0	0%
Forecast in year (Surplus) / Deficit			0	64,418	
	General Fund Reserve 01/04/16			(2,211,035)	
Forecast General Fund Balance 31/03/17				(2,146,617)	

GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD 01 APRIL TO 31 DECEMBER 2016

Note	Description of Major Movements	Full Year Forecast Variation (Net of Trf to EMR)	PDG
C	Car Parks		
	Pay and Display income down against budget	37,000	Economy
	Increase in off-street fines	(14,000)	Economy
	Maintenance underspend	(6,400)	Economy
	Permit income higher due to Market Walk permits increased	(10,200)	Economy
	Overspend on Supplies and Services	4,000	Economy
		10,400	
I	Community Development		
	Market - income and maintenance. Market Manager actively seeking new traders	45,000	Economy
		45,000	
	FORECAST (SURPLUS)/DEFICIT AS AT 31/03/17	55,400	

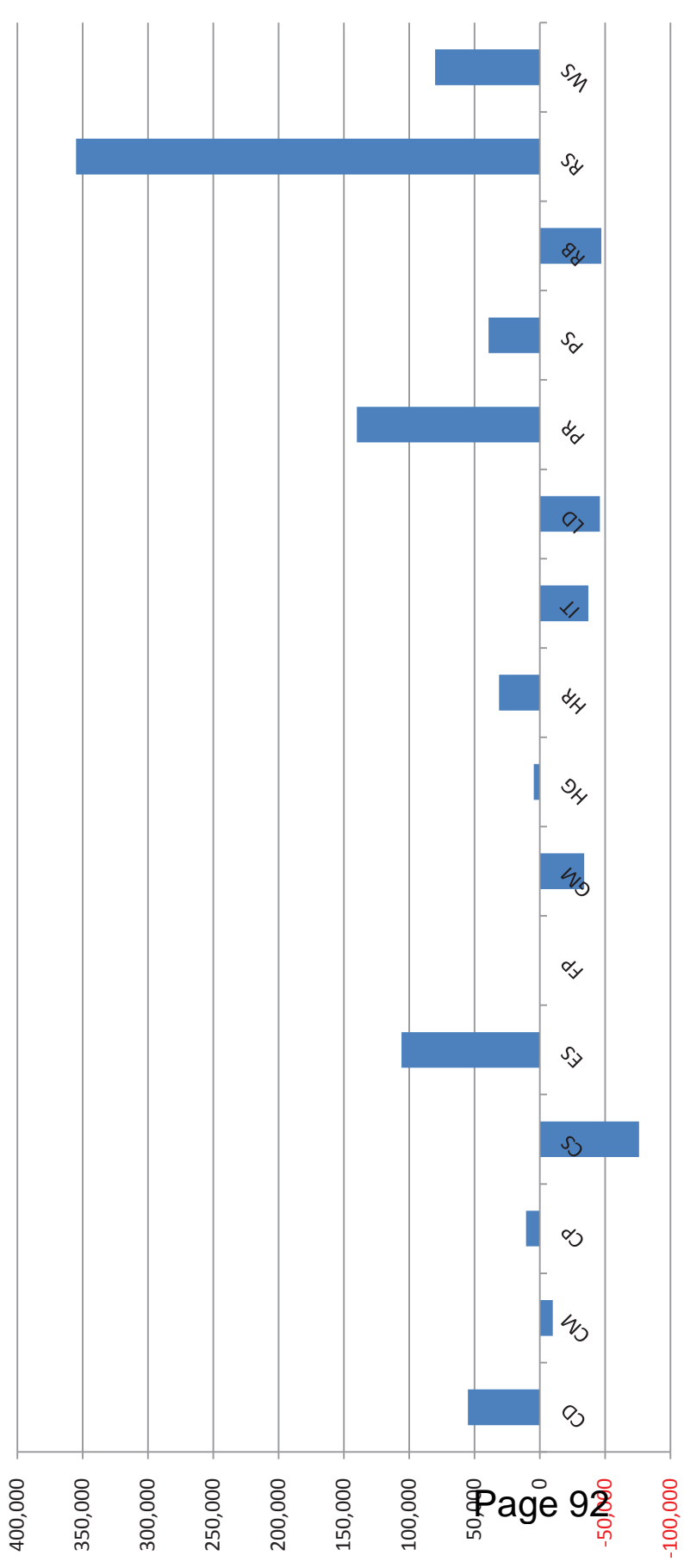
Cabinet	(137,930)
Community	494,718
Homes	31,620
Environment	135,218
Economy	55,400
	579,026

0

GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD 01 APRIL TO 31 DECEMBER 2016

Committee	Net Transfers to / from Earmarked Reserves	(Net Trf to EMR)
CD	Community Development	
	Grant spend from Seed Fund earmarked reserve released	(16,000)
	New Homes Bonus monies earmarked for additional Grants and Funding Officer post	(14,710)
	Grand Western Canal grant funded by New Homes Bonus	(45,000)
CM	Corporate Management	
CP	Car Parks	
CS	Customer Services	
	Contribution towards digital strategy salaries	(37,030)
	Release of historic EMRs - no longer required	(3,000)
ES	Cemeteries & Public Health	
	EMR release for Public Health Officer	(18,950)
	Parks & Open Spaces Developers Contributions	(7,860)
	Play Area's Developers Contributions	(10,870)
	Newcombes Play Area enhancement funded from S106 Monies	(9,326)
	Public Health Initiative - Walking Football	(940)
	Public Health - Eco Stars Scheme	(18,000)
FP	Finance And Performance	
GM	Grounds Maintenance	
HG	General Fund Housing	
HR	Human Resources	
	Management Training 16/17	(30,000)
IT	IT Services	
	Aerial photography ear marked reserve released	(3,980)
LD	Legal & Democratic Services: Member/Election Services	
	Contribution towards additional staffing requirement	(14,180)
	Release of unused EMR by Elections	(7,000)
	Release of unused EMR by Democratic Republic & Management	(5,300)
OS	Newcombes Meadow play area works to be funded from S106	(9,326)
	Urgent repair to wall in Crediton (play area)?	(15,950)
PR		
	Grant spend from High Street Innovation Fund ear marked reserve released	(43,308)
	New Homes Bonus monies earmarked for the Town Centre Manager post	(26,640)
	Contribution towards Economic Development activities	(100,000)
	Development Control earmarked reserve released	(51,943)
	New Homes Bonus used to cover £70k Exeter Strategic Partnership	(70,000)
	New Homes Bonus used to cover Exeter Strategic Partnership Fixed term post	(10,330)
	Local Plan examination in 2017/18 - transfer to EMR	78,000
	Eastern Urban Extension - funds released from Capability Funding EMR	(36,000)
	Local plan development release funds from statutory development fund earmarked reserve	(46,300)
PS	Property Services	
	Town Hall Toilet refurbishment	(11,300)
	Market Walk Profit	202,410
	Release of Market Walk profit	(150,000)
	Flood Works	(19,000)
RB	Revenues And Benefits	
RS	Recreation And Sport	
WS	Waste Services	
	New Homes Bonus monies earmarked for the new waste depot, move and fit out costs	(256,000)
Various	Sinking fund contributions for vehicles & plant	711,900
IE		
	New Homes Bonus monies earmarked for capital and economic regeneration projects	1,831,460
	Net Transfer to / (from) Earmarked Reserves	1,735,527
	Budgeted Net Transfer to Reserves	2,169,990
	Forecast Variance	(434,463)

2016/17 General Fund Projected Outturn Variance £



Key + = Overspend / Income under target - = Savings / Income above budget

- | | |
|-----------------------------------|-------------------------------------|
| CD Community Development | IT I.T. Services |
| CM Corporate Management | LD Legal and Democratic |
| CP Car Parks | PR Planning and Regeneration |
| CS Customer Services | PS Property Services |
| ES Environmental Services | RB Revenues and Benefits |
| FP Finance and Performance | RS Recreation and Sports |
| GM Grounds Maintenance | WS Waste Services |
| HG General Fund Housing | |
| HR Human Resources | |

	2016/17	2016/17	2016/17	2016/17
	Annual Budget	Profiled Budget	Actual	Variance
	£	£	£	£
Total Employee Costs				
General Fund				
Community Development	295,180	221,385	236,396	15,011
Corporate Management	901,960	676,470	656,994	(19,476)
Customer Services	764,610	573,458	504,096	(69,362)
Environmental Services	923,320	692,490	726,695	34,205
Finance And Performance	632,710	474,533	467,098	(7,435)
General Fund Housing	197,330	147,998	141,333	(6,665)
Grounds Maintenance	448,900	336,675	292,572	(44,104)
Human Resources	361,460	271,095	285,874	14,779
I.T. Services	522,100	391,575	355,216	(36,359)
Legal & Democratic Services	417,660	313,245	285,529	(27,716)
Planning And Regeneration	1,525,620	1,144,215	1,012,454	(131,761)
Property Services	385,320	288,990	259,555	(29,435)
Recreation And Sport	1,630,750	1,223,063	1,292,871	69,808
Revenues And Benefits	668,450	501,338	512,453	11,115
Waste Services	1,863,780	1,397,835	1,325,981	(71,854)
	11,539,150	8,654,365	8,355,118	(299,247)
Housing Revenue Account				
SHO13A Repairs & Maintenance	593,480	445,110	438,738	(6,372)
SHO17A Housing & Tenancy Services	1,432,670	1,074,503	983,430	(91,073)
SHO22 Alarms expenditure	66,720	50,040	25,176	(24,864)
	2,092,870	1,569,653	1,447,344	(122,309)
Total	13,632,020	10,224,018	9,802,463	(421,555)

	2016/17	2016/17	2016/17	2016/17
	Annual Budget	Profiled Budget	Actual	Variance
	£	£	£	£
Agency Staff				
General Fund				
Car Parks	0	0	0	0
Community Development	0	0	0	0
Corporate Management	0	0	0	0
Customer Services	0	0	2,432	2,432
Environmental Services	0	0	11,592	11,592
Finance And Performance	0	0	0	0
General Fund Housing	0	0	0	0
Grounds Maintenance	5,000	3,750	21,551	17,801
Human Resources	0	0	0	0
I.T. Services	0	0	0	0
Legal & Democratic Services	0	0	5,864	5,864
Planning And Regeneration	0	0	0	0
Property Services	0	0	7,112	7,112
Recreation And Sport	0	0	0	0
Revenues And Benefits	0	0	0	0
Waste Services	128,500	96,375	148,600	52,225
	133,500	100,125	197,151	97,026
Housing Revenue Account				
SHO13A Repairs & Maintenance	0	0	0	0
SHO17A Housing & Tenancy Services	0	0	28,923	28,923
SHO22 Alarms expenditure	0	0	0	0
	0	0	28,923	28,923
Total	133,500	100,125	226,073	125,948

**HOUSING REVENUE ACCOUNT FINANCIAL MONITORING INFORMATION FOR
THE PERIOD 01 APRIL TO 31 DECEMBER 2016**

		2016/17 Annual Budget	Forecast	Variance
Housing Revenue Account (HRA)	Notes	£	£	%
Income				
SHO01 Dwelling Rents Income	A	(12,593,760)	(32,000)	0.3%
SHO04 Non Dwelling Rents Income	B	(554,070)	(16,000)	2.9%
SHO06 Tenant Charges For Services	C	(42,360)	32,000	-75.5%
SHO07 Leaseholders' Service Charges	D	(23,540)	2,000	-8.5%
SHO08 Contributions Towards Expenditure	E	(33,720)	0	0.0%
SHO09 Alarm Income - Non Tenants	F	(194,660)	(15,000)	7.7%
SHO10 H.R.A. Investment Income	G	(40,000)	0	0.0%
SHO11 Miscellaneous Income	H	(19,000)	15,000	-78.9%
Services				
SHO13A Repairs & Maintenance	I	3,214,780	(71,000)	0.0%
SHO17A Housing & Tenancy Services	J	1,354,750	(117,000)	-8.6%
SHO22 Alarms expenditure	K	152,200	(61,000)	-40.1%
Accounting entries 'below the line'				
SHO29 Bad Debt Provision Movement	L	25,000	0	0.0%
SHO30 Share Of Corporate And Democratic	M	177,400	1,000	0.6%
SHO32 H.R.A. Interest Payable	N	1,268,030	0	0.0%
SHO34 H.R.A. Transfers between earmarked reserves	O	2,393,010	0	0.0%
SHO36 H.R.A. R.C.C.O.	P	24,000	(24,000)	-100.0%
SHO37 Capital Receipts Reserve Adjustment	Q	(20,800)	0	0.0%
SHO38 Major Repairs Allowance	R	2,800,000	31,000	1.1%
SHO45 Renewable Energy Transactions	S	(130,000)	0	0.0%
		(2,242,740)	(255,000)	-11.4%
Net recharge to HRA		1,265,490		
Capital Charges		977,250		
Net Housing Revenue Account Budget		0		

Housing Revenue Account	£k
Total HRA reserve as at 01/04/16	(2,000)
Forecast movement in the year	0
Forecast HRA reserve as at 31/03/17	(2,000)

Housing Maintenance Fund	£k
Opening balance	(8,886)
Reserve utilised for capital works (see appendix G)	52
Budgeted transfer to reserves	(1,704)
Forecast variance for the year (see above)	(255)
Forecast closing balance	(10,793)

Renewable Energy Fund	£k
Opening balance	(342)
Expenditure forecast for this year (see appendix G)	70
Net income forecast for this year	(164)
Forecast closing balance	(436)

**HOUSING REVENUE ACCOUNT FINANCIAL MONITORING INFORMATION FOR THE PERIOD 01
APRIL TO 31 DECEMBER 2016**

Note	Description of Major Movements	Corrective Action	Forecast Variance £
A	Dwelling rent is 0.3% ahead of target	N/A	(32,000)
B	Garage income is ahead of target	N/A	(16,000)
C	The Learning Disability Support contract has ceased to operate	N/A	32,000
D	Minor variance	N/A	2,000
F	Community Alarm sales continue to be high	N/A	(15,000)
H	Miscellaneous income items have been fewer than typical during 2016/17	None	15,000
I	Several smaller savings across the Repairs team combine to give this forecast variance	N/A	(71,000)
J	Savings due to restructuring of staffing across several teams as well as several smaller savings across operational budgets	N/A	(117,000)
K	The Learning Disability Support contract has ceased to operate and there is less need than anticipated for new equipment purchase.	N/A	(61,000)
M	Minor variance	N/A	1,000
P	Tipper vehicle will now be purchased during 2017/18	N/A	(24,000)
R	£2,831,000 is expected to be spent on major works this year (see appendix G)	None	31,000
		TOTAL	(255,000)

MID DEVON DISTRICT COUNCIL
MONITORING OF 2016/17 CAPITAL PROGRAMME

Appendix G

Code	Scheme	Deliverable Capital Programme 2016/17	Actual Expenditure 2016/17	Committed Expenditure 2016/17	Total	Variance to Adj Capital Programme	Forecast (Underspend)/ Overspend	Forecast Slippage to 17/18	Notes
		£	£	£	£	£	£	£	
General Fund Projects									
<u>Lords Meadow leisure centre</u>									
CA624	Main car park resurfacing	50,000	0	0	0	(50,000)		50,000	Forecast completion Q1 17/18.
<u>Exe Valley leisure centre</u>									
CA627	EVLC - Pressure set replacement Hot/Cold	35,000	0	0	0	(35,000)			Forecast completion Q4 16/17
CA626	EVLC - Fitness extension - subject to business case * * Note £500k in 15/16 will be slipped to 16/17	22,000	26,169	25,284	51,454	29,454	30,000		Planning approved. Planned commencement April 2017 with anticipated completion Nov '17
<u>Phoenix House</u>									
CA451	Phoenix House - Ground Floor changes - subject to business case	163,000	0	0	0	(163,000)	(163,000)		Costs in relation to this project have more appropriately been charged to revenue, however these will be fully reimbursed in payment from DWP
<u>Pannier Market</u>									
CA505	Pannier Market -Pedestrian roof cover - subject to business case ** ** Note £110k in 15/16 will be slipped to 16/17	0	0	0	0	0			Project no longer required - to be reviewed at Mgmt Team
CA507	Tiverton Pannier Market Pippens	73,000	3,143	0	3,143	(69,857)		50,000	Forecast completion Q1 17/18
CA508	Pannier Market Clock Tower	34,000	1,479	32,000	33,479	(521)	4,500		Forecast completion by 31/03/17. Additional costs for Scaffolding & Crane needed to be re erected as original supplier went into administration circa £4.5k. Additional cost will be funded from an EMR.
<u>MSCP Improvements</u>									
CA709	MSCP improvements (refer to Matrix condition report)	50,000	(7,098)	7,098	0	(50,000)		50,000	Capital works on hold pending Premier Inn project. Anticipated spend Q3 17/18
<u>Play Areas</u>									
CA608	Play area refurbishment - Wilcombe Tiverton	50,000	0	59,995	59,995	9,995	8,900		Project complete Q3 16/17
CA628	Play area refurbishment - West Exe Recreation Ground Tiverton	50,000	0	2,300	2,300	(47,700)		48,000	Forecast completion Q2 17/18
<u>Other Projects</u>									
CA403	Town Hall Redevelopment Project	20,000	10,175	6,267	16,442	(3,558)	16,000		CSAG selected preferred option £5,114k in 17/18 Capital Programme. Further Architects design works to be commissioned
CA420	Land drainage flood defence schemes - Ashleigh Park Bampton	67,000	0	0	0	(67,000)		67,000	EA will manage project - delivery due in 18/19. MDDC will contribute £67k to project
CA448	Angel Hill improvements	15,000	4,749	0	4,749	(10,251)			
CA449	Town centre/Market area fibre optic hub and camera system	30,000	38,612	0	38,612	8,612	8,600		
CA452	Station Yard re construct shower block welfare	35,000	0	0	0	(35,000)			Heads of terms being negotiated between interested party. Unsure at this stage whether any additional costs to facilitate leasing the land.
CA453	Land drainage flood defence scheme - Newton St Cyres	50,000	0	0	0	(50,000)	(50,000)		Project to be managed & delivered by DCC
CA454	Phoenix Lane - Conversion to homeless shelter	60,000	1,626	0	1,626	(58,374)		40,000	Forecast completion Q2 17/18. Currently examining future options for these premises
CA455	St Lawrence Green Project	30,000	0	0	0	(30,000)			Forecast completion Q4 16/17
CA826	Waste move - Porta Cabins at Carlu Close	114,000	113,910	0	113,910	(90)			Project complete
<u>ICT Projects</u>									
CA421	Replacement of PC estate 330s	40,000	0	0	0	(40,000)		40,000	Forecast completion Q1 17/18
CA423	Continued replacement of WAN/LAN	60,000	0	0	0	(60,000)			Forecast completion Q4 16/17
CA425	Server farm expansion/upgrades	108,000	12,028	0	12,028	(95,972)		32,000	£76k forecast spend by Q4 16/17. £32k to slip into 17/18
CA433	Unified Communications/telephony	25,000	0	0	0	(25,000)	(25,000)		Budget not required. Sufficient funding in EMR reserve (£107k) to fund project in 17/18
CA437	Digital Transformation	104,000	40,400	2,375	42,775	(61,225)		53,000	£53k forecast slippage , Projects to be identified during Jan'17
CA439	Mobile Working NDL MX	39,000	32,000	7,000	39,000	0			
CA442	Arc Server Spatial (open Source Mapping)	18,000	0	0	0	(18,000)	(18,000)		Budget not required. This work was completed in 15/16
CA446	E-Financials Technical refresh	30,000	18,985	11,000	29,985	(15)			Forecast completion Q4 16/17
CA456	Digital Transformation - replacement of CRM	50,000	0	0	0	(50,000)		50,000	CRM planned replacement in 17/18 with additional £50k requested in MTFP to give a total project budget of £100k
CA457	Digital Transformation including Cosmic for Mid Devon	20,000	0	0	0	(20,000)	(20,000)		Budget no longer required
CA444	SQL/Oraclres refreshes	50,000	13,289	13,888	27,177	(22,823)	(21,000)		Forecast completion Q4 16/17. Forecast spend circa £28k. Circa £20k of this underspend will be for expenditure that is under Capital diminimis and therefore coded to revenue - ICT £12.8k and £6.9k to Accountancy.
<u>Replacement Vehicles - Grounds Maintenance</u>									
CA712	Iveco Tipper (or equivalent)	24,000	0	0	0	(24,000)		24,000	Forecast purchase Q1 17/18
<u>Replacement Vehicles - Refuse Collection</u>									
CA814	Dennis Eagle Terberg RCV 22-26t (or equivalent)	160,000	0	0	0	(160,000)		160,000	Forecast purchase Q1 17/18
CA821	5 Refuse Vehicles with Food waste capability *** *** Note £740k in 15/16 will be slipped to 16/17	900,000	0	0	0	(900,000)	(105,000)	795,000	Forecast purchase Q1 17/18. Savings due to changes in waste scheme meaning not all vehicles are required to have the same carrying capacity. 3 * £180k Dennis Eagle & 3 * £85k small refuse vehicles
CA822	7.5T Tipper	100,000	0	0	0	(100,000)	(25,000)	75,000	Anticipated cost £75k. On hold pending Clinical Waste review
<u>Replacement Vehicles - Street Cleansing</u>									
CA825	3.5T Tipper	25,000	0	0	0	(25,000)	25,000	50,000	Forecast purchase Q1 17/18. Includes 3.5t delivery van
CA827	3.5T Tipper	25,000	0	0	0	(25,000)		25,000	Forecast purchase Q1 17/18
		2,726,000	309,468	167,206	476,674	(2,249,326)	(334,000)	1,609,000	

Code	Scheme	Deliverable Capital Programme 2016/17	Actual Expenditure 2016/17	Committed Expenditure 2016/17	Total	Variance to Adj Capital Programme	Forecast (Underspend)/ Overspend	Forecast Slippage to 17/18	Notes
Private Sector Housing Grants									
CG215	Works in Default Grants		9,513	8,130	17,643	17,643			
CG216	Private Sector Housing initiatives to be prioritised	104,000	0	0	0	(104,000)		86,000	
CG201	Disabled Facilities Grants-Private Sector	468,000	234,701	77,332	312,033	(155,967)		118,000	Forecast spend by 31/03/17 £350k. The pass ported DFG grant of £505k from DCC will fund this spend
Please note where possible commitments are raised on the Finance Ledger. Currently the total commitment for Private Sector Housing Grants held outside the ledger is £85k. This underspend includes underspent budget on Private Tenant DFG's amounting to *£156k; these are effectively ring fenced, therefore leaving £86k uncommitted. (£242k - £156k) Commitments include all approved grants. The timing of when these are drawn down is dependent on the client (up to 1 year), therefore at year end although sums may be committed, some may be carried forward to 2017/18 as slippage.									
		572,000	244,214	85,462	329,676	(242,324)	0	204,000	
Affordable Housing Projects									
CA200	Grants to Housing Associations to provide units (funded by commuted sum)	100,000	16,246	0	16,246	(83,754)		80,000	Commitment likely to crystallise in 17/18
		100,000	16,246	-	16,246	(83,754)	0	80,000	
Total General Fund Projects		3,398,000	569,928	252,668	822,596	(2,575,404)	(334,000)	1,893,000	

Code	Scheme	Deliverable Capital Programme 2016/17	Actual Expenditure 2016/17	Committed Expenditure 2016/17	Total	Variance to Adj Capital Programme	Forecast (Underspend)/ Overspend	Forecast Slippage to 17/18	Notes
		£	£	£	£	£	£	£	
HRA Projects									
CA100	Major repairs to Housing Stock	2,991,000	1,743,643	890,424	2,634,067	(356,933)	(160,000)		£160k forecast underspend is in relation to the following: £65k Boiler works, £45k contract works & £50k structural works; this will remain in the HMF for future reprioritisation.
CA111	Renewable Energy Fund Spend	200,000	70,000	0	70,000	(130,000)	(130,000)		£130k will be reprioritised for spending in 17/18
CA112	Birchen Lane - re development of unit for housing conversion (4 units)	367,550	192,184	175,370	367,554	4		150,000	Forecast completion Q2 17/18. Contract to be renegotiated
CA119	Palmerston Park Tiverton - affordable dwellings (26 units)	3,160,700	994,165	2,667,049	3,661,214	500,514		2,100,000	Full contract commitment on system, circa £2.1m works will roll forward to 17/18 from 'Deliverable Budget'. Forecast completion Q3 17/18
CA122	Iveco Tipper 3.5t (or equivalent)	24,000	0	0	0	(24,000)		24,000	Forecast purchase Q1 17/18
CA124	Queensway (Beech Road) Tiverton (3 units)	10,000	0	0	0	(10,000)		5,000	Some feasibility work will be undertaken in 16/17. Forecast completion Q4 17/18
CG200	Disabled Facilities Grants - Council Houses	297,000	238,017	0	238,017	(58,983)			Some feasibility work will be undertaken in 16/17. Forecast completion Q4 17/18
CA120	Burlescombe (6 units) **** **** Note £700k in 15/16 will be slipped to 16/17	80,000	90	4,860	4,950	(75,050)		23,000	
CA125	Waddeton Park - (70 units)	10,000	4,640	0	4,640	(5,360)		5,000	Costs associated around land purchase are likely to occur in 17/18. Spoken with responsible officer & 'Deliverable Programme' adjusted accordingly. Site subject to Judicial review
CA126	Sewerage Treatment Works - Washfield	25,000	0	0	0	(25,000)		25,000	Forecast completion Q2 17/18
CA127	* Stoodleigh - Pending feasibility (4 units)	20,000	0	0	0	(20,000)		15,000	Some feasibility work will be undertaken in 16/17. Forecast completion Q4 17/18
Total HRA Projects		7,185,250	3,242,739	3,737,703	6,980,442	(204,808)	(290,000)	2,347,000	

CAPITAL PROGRAMME GRAND TOTAL SPEND		10,583,250	3,812,667	3,990,371	7,803,038	(2,780,212)	(624,000)	4,240,000	
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SCRUTINY 13 MARCH 2017

CAR PARKING UPDATE FOR THE TEN MONTHS TO 31 JANUARY 2017

Cabinet Member Cllrs Karl Busch & Richard Chesterton
Responsible Officer Andrew Jarrett – Director of Finance, Assets & Resources

Reason for Report: To present a car parking update after the first 10 months of the new charging strategy.

RECOMMENDATION(S): The Committee note the current position on car parking vends and income for the first 10 months of 2016/17 and consider the attached footfall data and associated commentary.

Relationship to the Corporate Plan: The Council must ensure that it maximises the opportunity available from all of its property assets, however, it must also be mindful of the associated economic consequences that can be directly or indirectly related to major changes in any charging policy.

Financial Implications: The new car parking strategy targeted better utilisation of the Councils car parks, introduced a more streamlined tariff system and looked to increase overall income from its 10 Pay & Display car parks by £141k.

Legal Implications: None.

Risk Assessment: Regular financial monitoring information will indicate to Members whether this strategy is achieving its objectives.

1.0 Introduction

1.1 During 2015/16 the Managing the Environment Policy Development Group set up an officer and member working group to review our current car park charging policy and then make recommendations on a new one to be implemented on the 1/4/16. This review looked at: usage levels, benchmarked charges against neighbouring Councils, considered more free periods, reviewed concessions, considered economic consequence, etc.

2.0 The new charging strategy for 2016/17

2.1 After an extensive consultation process, reported at all of our 34 car parks and advertised in the local press and at the Council offices, the main changes made to our new charging policy were:

- The removal of the £1 tariff for 5hrs parking in the 3 long stays
- But freezing the £2 tariff for all day parking
- Introducing a 30min free period during the evening and freezing the overnight charge at a £1
- Extending the free period at Westexe and PHouse to 30 mins

- Introducing a 30 mins free period at William St and Wellbrook St
 - Reducing Sunday and BH charges to £1
- 2.2 It was then estimated that if current (15/16) vends remained at the same level for 2016/17 this new charging policy would generate circa £141k more income from the Council's 10 P&D car parks.
- 2.3 When evaluating the impact of a new charging policy for any product, it is often made harder, as other variables may well have direct/indirect effects/consequences. This is particularly relevant to car parking. Variables such as weather, the economy, fuel prices, provision of alternative parking, availability and range of shops, level of ad hoc concessions granted, road closures, etc. will also affect usage levels and hence income generated.
- 2.4 The Scrutiny Committee was provided information with regard to the first 6 months of 2016/17 relating to both income received and vends purchased. Subsequent to this meeting we have been asked to provide a further update on income and vends and in addition information/data held on footfall and any relevant observations from officers in the Economic Development team. This information is attached as appendices 3 and 4

3.0 Car parking vends and income for 1/4/16 – 30/9/16

- 3.1 Members of the Scrutiny Committee received an initial update on car parking income and vends after the first 3 months of 2016/17. This was then further updated to include the overall position upto the 30/9/16 (i.e. the first 6 months). We are now in a position to report the overall income and vends for the first 10 months of 2016/17. This information is shown in the table below.

Month	Income 16/17	Income 15/16	Variance
April	£58,948	£47,349	£11,599
May	£52,273	£48,910	£3,363
June	£56,200	£49,833	£6,367
July	£59,452	£54,616	£4,836
August	£58,514	£51,190	£7,324
September	£56,939	£52,610	£4,329
October	£58,724	£54,509	£4,215
November	£57,595	£50,436	£7,159
December	£60,105	£52,895	£7,210
January	£51,195	£48,508	£2,687
Total	£569,945	£510,856	£59,089

NB1 - The above table shows an overall income position vs the actual figures achieved in April to January against the same months in 2015/16 for all of the Council's P&D car parks.

- 3.2 In addition to the above table, Appendix 1 shows the total vends and income per car park for the first 10 months of 2016/17 and Appendix 2 shows the performance against budget of each car park.
- 3.3 If we assume that the first 10 months are representative of the rest of 2016/17 the Council would potentially generate circa £684k against a budget of £712k – which was set £141k higher than in 2015/16.
- 3.4 When evaluating our new charging strategy, we must also look at the vend analysis to establish how it has affected; parking numbers, length of stays, success of increased free parking concessions, etc. This information is also contained in Appendix 1.
- 3.5 At a previous meeting Members were informed that due to contractor software problems not all vend analysis had been recorded during May and June.

4.0 Conclusion

- 4.1 The first 10 months of income data shows that if fee/charges are maintained at broadly the same level during the remainder of 2016/17 that the Council should achieve some where close to the increased budget of £712k (note the P&D car park income budget was £571.5k in 2015/16).
- 4.2 Officers will continue to provide regular updates on car parking income and vend analysis to members.
- 4.3 Officers and members will review correspondence/feedback on the new charging strategy and consider whether any changes are required to our current strategy.
- 4.4 With regard to any correlation between parking tariffs and footfall it is virtually impossible to prove any direct cause and effect due to all of the other interrelated variables that can affect footfall numbers and the relatively inaccurate way we currently collect this data.
- 4.5 As seen in appendix 3 officers have investigated the potential cost of procuring more accurate headcount measures/systems, but at a cost of circa £10k, it is felt that this would not demonstrate value for money.

Contact for more information:

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Circulation of the Report:

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Management Team

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Car Park Income Analysis

APPENDIX 1 (INCOME)

	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo
	Feb-16		Mar-16		Apr-16		May-16		Jun-16		Jul-16		Aug-16		Sep-16		Oct-16		Nov-16		Dec-16		Jan-17	
INCOME																								
Becks Square Tiverton	5,925.38	77.75	5,757.04	95.92	7,389.17	122.08	6,454.13	94.58	7,615.25	99.58	8,202.67	117.50	7,809.75	105.83	7,395.08	125.42	7,426.21	123.33	7,004.00	129.58	7,326.50	134.17	5,746.25	114.58
High Street Crediton*	2,687.79	145.34	5,231.12	133.83	5,812.71	228.25	5,539.87	242.17	4,921.54	200.00	6,056.38	224.83	6,017.17	270.67	6,401.96	352.33	5,454.58	333.17	6,338.88	383.83	5,882.00	330.17	5,524.67	421.83
Market Place Tiverton	15,627.67	256.58	14,500.71	256.58	18,627.21	407.08	15,732.79	321.67	16,993.08	357.92	19,273.54	355.42	18,401.22	274.58	17,385.75	336.25	19,421.08	339.58	19,167.83	402.08	20,475.75	510.00	15,725.50	418.75
Market Street Crediton	2,658.21	121.01	2,809.58	156.75	3,163.37	109.18	3,206.96	80.42	3,133.37	104.17	3,473.50	85.00	3,456.00	83.33	2,658.62	83.75	3,173.71	111.67	3,522.92	169.17	3,741.38	111.67	2,768.25	85.00
Multi-Storey Tiverton	8,735.54	392.83	8,041.33	384.83	10,297.38	530.00	8,858.83	493.33	11,105.33	545.00	9,668.17	614.17	9,795.42	605.00	10,357.04	707.50	9,809.00	665.83	9,274.00	683.33	10,140.83	670.00	9,563.17	732.50
Phoenix House Tiverton	264.62	2.33	247.17	2.83	281.37	9.50	313.63	2.00	363.33	3.83	345.50	6.67	391.25	1.50	330.50	10.17	321.42	6.83	417.83	9.17	418.71	5.83	344.88	7.00
Station Road Cullompton*	1,926.29	131.33	2,230.67	107.50	3,861.62	108.00	3,728.46	140.00	3,213.08	124.17	3,189.79	109.17	3,038.37	151.67	3,446.96	108.33	3,009.08	172.50	3,009.83	75.00	2,676.46	117.50	2,785.33	165.83
Wellbrook Street Tiverton	1,265.96	30.75	1,396.71	31.50	1,197.92	43.33	1,099.08	47.50	1,377.08	46.67	1,147.83	45.00	1,341.13	30.00	1,123.54	50.00	1,406.50	48.33	1,279.83	27.50	1,112.17	46.67	1,403.75	39.17
Westexe South Tiverton	3,596.38	88.83	3,812.71	71.75	4,360.29	90.83	3,729.21	77.17	3,670.75	54.17	4,194.67	80.00	4,360.71	94.17	3,550.83	69.17	4,051.17	69.17	3,503.50	86.67	3,741.58	95.00	3,190.79	94.17
William Street Tiverton	3,047.17	185.67	2,800.75	135.75	2,184.46	124.17	2,014.62	106.67	2,170.42	100.83	2,180.67	81.67	2,197.21	89.17	2,292.79	153.33	2,624.17	156.67	1,913.67	196.67	2,412.21	155.83	1,891.67	171.67
Totals	45,735.01	1,432.42	46,827.79	1,377.24	57,175.50	1,772.42	50,677.58	1,605.51	54,563.23	1,636.34	57,732.72	1,719.43	56,808.23	1,705.92	54,943.07	1,996.25	56,696.92	2,027.08	55,432.29	2,163.00	57,928	2,177	48,944	2,251

	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo		
	Apr-15		May-15		Jun-15		Jul-15		Aug-15		Sep-15		Oct-15		Nov-15		Dec-15		Jan-16							
INCOME																										
Becks Square Tiverton	7,155.87	76.17	7,260.25	61.75	6,641.46	59.75	7,294.83	68.58	7,080.08	72.58	6,770.25	54.00	6,919.96	86.08	6,269.04	74.83	7,029.62	77.58	5,515.58	93.00						
High Street Crediton*	3,979.79	232.17	4,501.92	183.67	4,672.54	99.67	4,418.71	145.83	4,236.54	127.83	4,649.37	118.83	4,655.17	129.42	4,413.46	191.42	4,615.83	155.25	3,990.92	152.75						
Market Place Tiverton	14,620.35	216.17	15,938.08	250.08	15,226.33	238.33	17,405.38	241.67	16,943.96	241.33	16,303.08	262.83	18,059.54	233.67	16,470.83	219.08	18,130.36	297.17	16,525.00	248.00						
Market Street Crediton	2,553.29	81.67	3,045.75	73.58	2,909.67	102.42	3,226.33	107.50	2,852.25	86.42	3,219.17	90.33	3,148.29	95.92	2,893.50	152.09	3,221.54	154.92	2,814.83	94.17						
Multi-Storey Tiverton	8,648.96	262.83	7,965.87	204.67	9,087.67	288.33	9,470.04	402.50	8,413.42	273.50	8,935.42	321.67	9,106.25	359.17	9,619.58	374.83	7,627.08	311.33	8,890.83	318.67						
Phoenix House Tiverton	292.92	0.5	240.96	0.50	253.67	-	244.75	5.25	239.96	2.42	257.17	4.92	248.96	-	275.38	2.50	315.25	1.00	274.13	-						
Station Road Cullompton*	1,767.17	79.83	2,507.75	43.33	2,812.79	67.67	2,777.33	78.17	2,397.04	38.00	2,863.75	79.50	2,999.63	113.83	2,611.37	140.08	2,055.46	93.50	1,913.33	157.83						
Wellbrook Street Tiverton	1,658.92	27.42	1,008.75	13.25	1,097.79	35.00	1,380.58	18.92	1,046.96	23.83	1,495.96	40.83	1,267.54	34.50	1,166.21	21.50	1,391.54	28.33	1,166.92	19.67						
Westexe South Tiverton	4,105.46	67.67	3,994.25	58.75	3,519.33	63.08	4,143.50	75.25	4,125.00	43.50	3,977.04	100.58	3,920.29	57.25	3,069.50	66.17	3,604.96	85.08	3,317.55	70.83						
William Street Tiverton	1,428.46	93.67	1,416.17	140.75	2,528.54	128.50	2,944.37	166.58	2,798.71	147.08	2,949.71	116.25	2,944.50	128.75	2,307.25	97.00	3,568.04	131.08	2,857.46	86.25						
Totals	46,211.19	1,138.10	47,879.75	1,030.33	48,749.79	1,082.75	53,305.82	1,310.25	50,133.92	1,056.49	51,420.92	1,189.74	53,270.13	1,238.59	49,096.12	1,339.50	51,560	1,335	47,267	1,241						

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Car Park Vend Analysis

APPENDIX 1 (VEND)

	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo
	Feb-16		Mar-16		Apr-16		May-16		Jun-16		Jul-16		Aug-16		Sep-16		Oct-16		Nov-16		Dec-16		Jan-17	
VEND																								
Becks Square Tiverton	5,680	70	6,044	84	6,249	85	6,131	76	6,480	72	6,881	86	6,598	84	6,536	96	6,199	91	6,139	104	6,371	97	5,325	87
High Street Crediton*	4,516	106	4,497	103	3,728	165	3,294	149	3,405	118	3,661	129	3,612	159	3,920	200	3,651	192	3,816	223	3,511	193	3,297	245
Market Place Tiverton	15,117	231	14,374	238	15,465	278	14,628	237	9,440	291	15,521	279	15,376	223	15,976	267	16,216	276	16,232	313	17,431	396	14,643	319
Market Street Crediton	2,172	84	2,249	108	2,291	71	2,211	52	2,485	70	2,463	55	2,587	56	1,924	57	2,174	80	2,378	51	2,703	80	1,892	56
Multi-Storey Tiverton	7,750	230	7,699	247	5,675	274	2,605	266	3,249	310	6,234	348	5,896	331	5,732	380	5,615	376	5,724	392	6,103	374	5,421	405
Phoenix House Tiverton	2,313	3	2,253	4	2,563	9	2,540	4	2,841	3	2,629	8	2,788	3	2,809	8	2,740	6	2,745	9	2,769	7	2,754	7
Station Road Cullompton*	2,965	75	3,418	62	2,449	65	2,295	87	2,269	75	1,962	68	2,048	94	2,305	65	2,133	108	2,235	109	1,836	75	1,846	108
Wellbrook Street Tiverton	949	18	930	21	943	28	875	28	709	25	976	23	1,036	25	1,034	34	1,124	36	1,051	13	937	21	1,038	18
Westexe South Tiverton	4,508	85	4,889	66	5,911	59	5,796	53	5,434	38	6,241	50	6,296	63	5,911	49	5,958	44	5,348	55	5,609	61	5,165	60
William Street Tiverton	2,856	141	2,838	114	2,436	86	Not working	69	1,881	67	5,318	51	5,434	69	6,753	110	6,660	107	5,811	128	6,439	99	6,157	108
Totals	48,826	1,043	49,191	1,047	47,710	1,120	40,375	1,021	38,193	1,069	51,886	1,097	51,671	1,107	52,900	1,266	52,470	1,316	51,479	1,397	53,709	1,403	47,538	1,413

	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo	P&D	Ringo
	Apr-15		May-15		Jun-15		Jul-15		Aug-15		Sep-15		Oct-15		Nov-15		Dec-15		Jan-16					
VEND																								
Becks Square Tiverton	6,994	70	7,021	59	6,650	21	7,060	57	6,674	64	6,573	49	6,796	77	6,406	67	7,034	71	5,466	82				
High Street Crediton*	4,315	184	4,243	161	4,648	33	4,614	108	4,236	95	4,591	106	4,822	107	4,628	143	4,466	118	4,309	109				
Market Place Tiverton	14,316	194	14,974	225	16,157	76	17,074	207	15,556	208	16,472	231	17,206	203	16,712	189	18,434	265	15,643	205				
Market Street Crediton	2,240	56	2,306	52	2,322	29	2,545	73	2,249	58	2,436	63	2,529	67	2,335	105	2,512	115	2,192	66				
Multi-Storey Tiverton	5,994	165	6,251	142	8,454	77	9,240	255	8,524	174	8,587	213	9,115	208	8,764	234	8,763	198	8,111	209				
Phoenix House Tiverton	2,028	1	1,862	1	2,151	3	2,203	8	2,039	4	2,264	5	2,476	-	2,459	3	2,238	2	2,217	-				
Station Road Cullompton*	1,964	52	2,257	33	2,495	15	2,557	56	2,290	27	2,721	51	2,675	64	2,448	82	2,641	53	2,641	88				
Wellbrook Street Tiverton	953	18	828	9	898	5	942	13	861	14	1,002	26	1,052	19	949	13	878	16	960	14				
Westexe South Tiverton	4,932	63	4,789	59	4,770	21	5,113	65	4,898	43	4,698	85	4,784	52	4,122	59	4,320	82	4,161	69				
William Street Tiverton	1,424	79	1,430	106	2,548	38	2,846	127	2,685	105	2,931	85	2,849	95	2,331	90	3,527	102	2,853	68				
Totals	45,160	882	45,961	847	51,093	318	54,194	969	50,012	792	52,275	914	54,304	892	51,154	985	54,813	1,022	48,553	910				

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CAR PARK FINANCIAL MONITORING INFORMATION FOR THE PERIOD 01 APRIL TO 31 JANUARY 2017

	2016/17	2016/17	2016/17	2016/17	Full Year		
	Annual Budget	Profiled Budget	Actual	Variance	Forecast		Bud Income
	£	£	£	£	£	Spaces	pa per space
Pay and Display							
Beck Square, Tiverton	(83,780)	(70,719)	(72,796)	(2,077)		40	(2,095)
William Street, Tiverton	(30,780)	(25,065)	(23,255)	1,810		45	(684)
Westexe South, Tiverton	(45,800)	(38,462)	(39,489)	(1,027)		51	(898)
Wellbrook Street, Tiverton	(13,540)	(11,327)	(13,147)	(1,820)		27	(501)
Market Street, Crediton	(36,420)	(30,563)	(32,993)	(2,430)		39	(934)
High Street, Crediton	(79,330)	(67,662)	(63,190)	4,472		190	(418)
Station Road, Cullompton	(34,900)	(30,013)	(34,246)	(4,233)		112	(312)
Multistorey, Tiverton	(167,980)	(139,298)	(103,977)	35,321		631	(266)
Market Car Park, Tiverton	(216,120)	(181,036)	(183,075)	(2,039)		122	(1,771)
Phoenix House, Tiverton	(3,680)	(3,063)	(3,636)	(573)		15	(245)
P&D Shorts & Overs	0	0	196	196		0	0
	(712,330)	(597,208)	(569,608)	27,600	37,000	1,272	(8,124)
Day Permits	(31,000)	(31,000)	(18,864)	12,136			
Allocated Space Permits	(26,040)	(26,040)	(33,317)	(7,277)			
Overnight Permits	(1,000)	(1,000)	(195)	805			
Day & Night Permits	0	0	(10,475)	(10,475)			
Market Walk Permits	(9,380)	(9,380)	(11,974)	(2,594)			
Other Income	(34,450)	(19,045)	(19,172)	(127)			
	(814,200)	(683,673)	(663,605)	20,068	(10,200)		
Standard Charge Notices (Off Street)	(28,000)	(23,333)	(36,945)	(13,612)	(14,000)		

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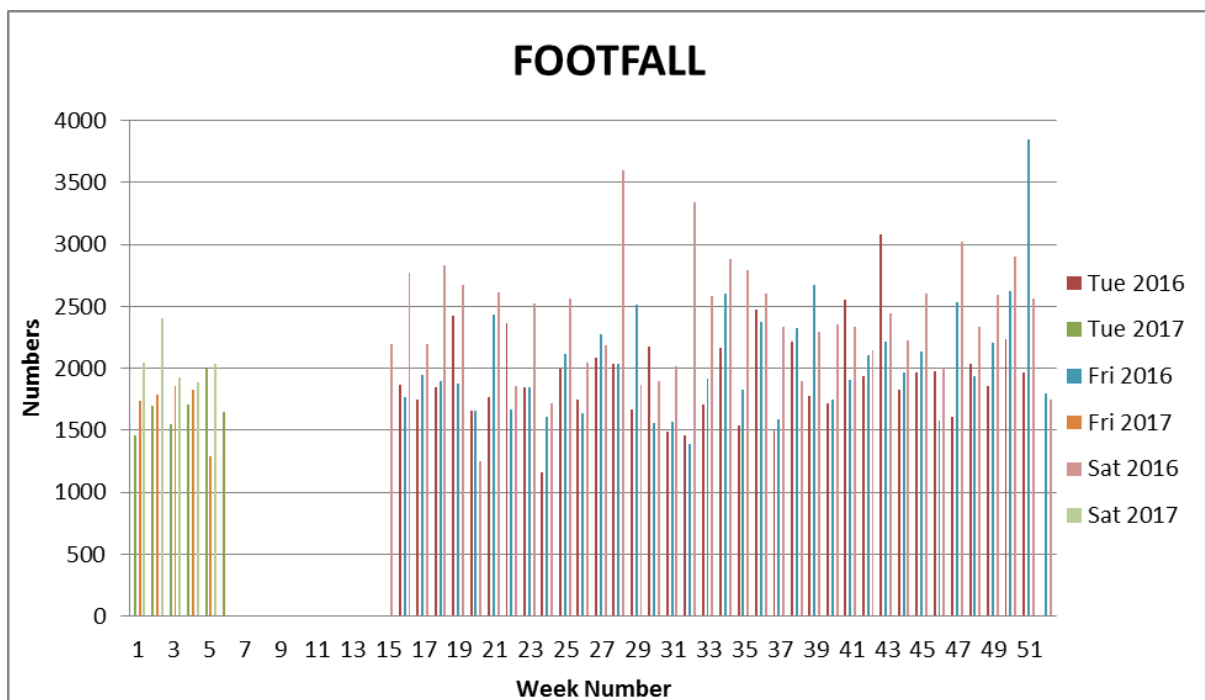
Briefing Note for Scrutiny Committee

Tiverton Market Footfall

Footfall is monitored at the market on each of the three market days (Tuesday, Friday and Saturday). This is done for purely operational reasons to provide a base line to evaluate the market's performance. With this information we are able to compare the market's performance by hour, by day and how the weather and events have an impact.

The method used is to carry out 10 minute manual counts at 10am, 12md and 2pm which covers the busiest times in the market. This is done from the south side of the market. A base line is established by adding the 3 figures together, multiplying by 6 to give per hour, then dividing by 3 to give an average footfall per hour. This figure is then multiplied by 4; this being about the number of hours that maximum trade and footfall is achieved, to give the final figure for each of the 3 market days. This is a rough and ready but well-tested method, which adequately meets the market's requirements. From these figures we are able to ascertain which are the best days, whether the footfall is increasing or decreasing over time and what other factors affect footfall i.e. weather.

Below are the figures since monitoring was started in April 2016 so a year on year comparison cannot be made until April 2017.



Footfall

Week Commencing	Tuesday	Friday	Saturday
11.4.16			2192
18.4.16	1864	1768	2768
25.4.16	1752	1944	2200
2.5.16	1848	1896	2832
9.5.16	2424	1880	2672
16.5.16	1656	1656	1248
23.5.16	1768	2432	2616
30.5.16	2360	1672	1856
6.6.16	1848	1848	2528
13.6.16	1160	1608	1720
20.6.16	2000	2120	2568
27.6.16	1752	1640	2048
4.7.16	2088	2272	2184
11.7.16	2032	2040	3600
18.7.16	1672	2512	1864
25.7.16	2176	1560	1896
1.8.16	1488	1568	2016
8.8.16	1464	1392	3336
15.8.16	1712	1920	2584
22.8.16	2168	2600	2880
29.8.16	1536	1832	2792
5.9.16	2472	2376	2600
12.9.16	1496	1584	2336
19.9.16	2216	2328	1896
26.9.16	1776	2672	2296
3.10.16	1720	1752	2352
10.10.16	2552	1904	2336
17.10.16	1936	2104	2144
24.10.16	3080	2216	2448
31.10.16	1824	1968	2224
7.11.16	1968	2136	2600
14.11.16	1976	1576	2008
21.11.16	1608	2536	3016
28.11.16	2032	1936	2336
5.12.16	1856	2208	2592
12.12.16	2232	2624	2904
19.12.16	1968	3848	2568
26.12.16	0	1800	1744
2.1.17	1456	1736	2048

9.1.17	1696	1784	2400
16.1.17	1552	1856	1928
23.1.17	1704	1832	1888
30.1.17	2000	1288	2032

Annual Footfall Count

An annual footfall count is done in the town centre by Forward Planning as part of the Authority's Annual Monitoring Report on the first Thursday and Friday after the August Bank Holiday. However, very little statistical inference can be made from these figures as the counts are too infrequent and there may be too many variables affecting the results on any given day to make them comparable i.e. weather, whether the schools are on holiday etc. The counts for the last 10 years are given below.

Tiverton

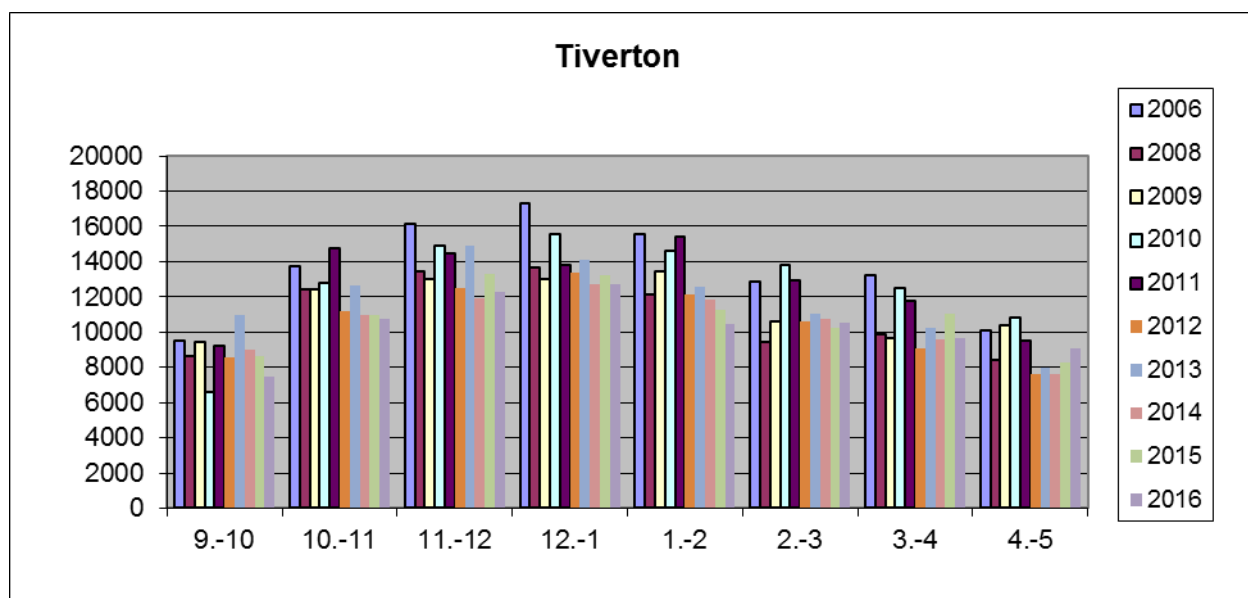
	2006	2008	2009	2010	2011	2012	2013	2014	2015	2016
9.-10	9540	8640	9444	6600	9240	8592	10980	9012	8640	7476
10.-11	13764	12420	12420	12768	14736	11172	12624	10980	10980	10716
11.-12	16128	13476	12984	14916	14460	12504	14928	11904	13296	12264
12.-1	17280	13644	13020	15552	13812	13368	14136	12708	13224	12720
1.-2	15540	12144	13452	14628	15396	12144	12576	11832	11268	10440
2.-3	12828	9420	10620	13812	12948	10632	11016	10752	10250	10548
3.-4	13212	9864	9672	12492	11748	9060	10212	9576	11028	9648
4.-5	10080	8388	10404	10800	9480	7596	8004	7620	8304	9060

NB In 2011 figures the children were still on school holidays.

NB in 2013 Figures 5 Primary Schools were closed (non pupil days) and 1 Primary School was open. The Secondary School was closed both days.

NB in 2014 Figures 2 Primary Schools were open, 4 Primary Schools were closed (non pupil days), the Secondary School was closed both days.

NB in 2015 Figures 3 Primary Schools were open, 3 Primary Schools were closed (non pupil days), the Secondary School was closed both days.



Automated footfall counting

Manual footfall counts are very labour intensive and prone to a number of errors. We therefore investigated the installation of a fully automated system as a precursor to submitting a bid to the High Street Innovation Fund. However, quotes from suppliers gave costs of upwards of £10,000 annually for the right equipment with a minimum 3-year contract. This was felt to be too expensive an investment for a town the size of Tiverton and not pursued.

Briefing for Scrutiny on Town Centre Car Parks, Tiverton

Within Tiverton Town Centre there are a number of car parks. These are both owned by the District Council and others are privately owned. The car parks are fairly evenly spread around the centre.

The Council owns car parks in Phoenix Lane (multi storey), Becks Square, at the Market, William Street and West Exe South. These are 'Pay and Display' car parks with different levels of charges. There are also two well used privately owned car parks in the town centre, the Marks and Spencer car park (which has a charge which is refundable within the store following a purchase) and a free car park at Tesco with a limitation of 3 hours. There is also limited on-street parking in Bampton Street, Gold Street and St Peter Street.

There is a feeling amongst businesses within the town as to the effect of charges on trade within the town centre. This is a very common complaint, not only in Tiverton but in most towns and cities across the country. In my experience, most business groups in meetings across the country, at one time or another, approach the issue of car park charges or on street charges.

A recent report for the Welsh Assembly states:¹ Charging for car parking is a complex issue. There is very little evidence base on the relationships between car parking charges and town centre footfall. It is only one aspect of a complex interplay of factors influencing willingness to travel by car, time and money spent and the business activity of the town centre. It is very difficult to separate the influence of car parking charges from other factors.

Car parking is often perceived, particularly amongst businesses, as being a key determinant for changes in footfall levels in town and city centres. Over three-quarters of business owners and employees would state that car parking options (i.e. charging/free) have an impact on the number of people coming to the town centre and therefore their custom. However, there is very little published evidence which links changes in car park charges to changes in footfall. Research undertaken in 2007 for Yorkshire Forward on car parking in market towns found:

“When changes to parking restrictions, charges or enforcement are made, the evidence suggests that the primary responses to that change tend to be:

- an acceptance of the new arrangements (in which case people's behaviour broadly remains unchanged);

¹ Assessing the Impact of car parking charges on town centre footfall, March 15, MRUK Research for the Welsh Government.

<http://www.senedd.assembly.wales/documents/b8912/Impact%20of%20Car%20Park%20Charges%20Research%20Report%20commissioned%20by%20the%20Minister%20for%20Economy%20Science%20and%20Tr.pdf?T=9>

- a change in parking location (people park further away from their destination in an attempt to avoid paying a charge); or
- a reduction in the length of stay in order to reduce parking costs.

Despite fears to the contrary, there is little evidence to suggest that the primary response to parking management is more extreme than this; there is no evidence that visitors use alternative destinations more.”²

In visitor interviews it is suggested that car park charges impact on how long they stay in the town and consequently, how much they spend. However the general availability and size of spaces is felt by the visitor to be more important than the cost in the overall decision about visiting. Traffic flow and signage to car parks also have a considerable effect on their decision to visit a town centre and on how long they stay.

There are many other issues around what affects the detrimental impact on footfall in a town and these include issues such as ‘out of town’ shopping areas. The fact these centres tend to offer free parking may be interpreted as giving a shopper a reason to visit them rather than a town centre.

Blanket free parking does not benefit the visitor or business as the spaces tend to be used by town centre workers thus having a detrimental negative impact on footfall.

There is need to reach a compromise between generating sufficient parking revenue and keeping charges at a rate that will not alienate shoppers/visitors and drive them out of the town. The Council should consider the impacts of car parking charges in the broadest possible sense and should not be viewed in isolation from other factors which affect visiting the town centre.

Alan Ottey

Town and Market Manager

21.2.17

² Car Parking Research: Renaissance Market Town Research, Yorkshire Forward 2007

Report of the Chairman of the Economy Policy Development Group

2016/17

We have now completed the first year as an Economy PDG. We have been working with the Economic Development and Regeneration Manager, the Economic Development Officer and other MDDC officers.

Areas which have been discussed are as follows:

Townscape Heritage Initiative for Cullompton

This would have provided over £1m of investment into Cullompton's historic built environment and help boost the local economy. Regrettably the initial bid was not successful but a further bid will be submitted in due course.

Tiverton Town Centre Action Plan / Market Strategy

A new experienced market Manager was recruited early in 2016. He is raising the profile of the market and providing monthly reports on events and footfall etc. A Strategy and Action Plan for both Tiverton Town Centre and the market was presented at the January meeting. The Economy PDG will continue to monitor the progress of this action plan.

Town Teams for Cullompton and Crediton

Both teams gave enlightening presentations regarding the amount of activity in both towns.

Visits to employers

The Chief Executive, cabinet Member for Planning and regeneration and the Economic Development Officer have visited a number of larger and growing employers to discuss ways in which MDDC can be of help.

Rural issues / small business

We received a presentation from the National Farmers Union regarding the importance of agriculture in Mid Devon. Mid Devon have also secured £1.2m under the LEADER programme. A number of small businesses have already applied for support.

Mills and Hydro-Power Project

A project to bring Mid Devon mills back into use as hydro generating systems. The project is likely to be a pan-Europe project for ourselves (representing the UK) working with Germany and France to share knowledge and best practice.

Tourism

Tourism links with town and rural issues. A tourism survey has been commissioned and reported on. We recommended to the Cabinet that the Plan should be approved for consultation but expressed concern regarding the small sample of people interviewed.

EHOD Exeter Heart of Devon Development Strategy

Mid Devon has been working with East Devon, Exeter and Teignbridge to develop a joint economic strategy. More details will emerge in the coming months.

Broadband

Fast Broadband is vitally important to the Mid Devon district, both for the existing businesses as well as encouraging new business into the area. It has been discussed at a number of meetings throughout the year and will be high on the agenda for next year.

Over the coming years we will be revisiting many of the areas mentioned above along with other new and exciting initiatives.

I thank all members of the PDG for their time and input and also the committee clerk for her help and advice.