

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **ECONOMY POLICY DEVELOPMENT GROUP** held on 11 January 2018 at 5.30 pm

Present

Councillors

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

Apologies

Councillor

Mrs A R Berry

Also Present

Councillors

Mrs J Roach and R J Chesterton

Also Present

Officers

Stephen Walford (Chief Executive), Andrew Jarrett (Director of Finance, Assets and Resources), Jenny Clifford (Head of Planning, Economy and Regeneration), Adrian Welsh (Group Manager for Growth, Economy and Delivery), Catherine Yandle (Group Manager for Performance, Governance and Data Security), John Bodley-Scott (Economic Development Team Leader), Chris Shears (Economic Development Officer), Alan Ottey (Tiverton Town Centre and Market Manager) and Sarah Lees (Member Services Officer)

52 **APOLOGIES AND SUBSTITUTE MEMBERS**

Apologies were received from Councillor Mrs A R Berry who was substituted by Councillor A Bush.

53 **PUBLIC QUESTION TIME**

There were no members of the public present.

54 **MINUTES**

The minutes of the meeting held on 9 November 2017 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

55 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman reminded the Group that there would be an informal Economy PDG workshop on Monday 29 January 2018 at 5.30pm.

56 PERFORMANCE AND RISK FOR 2017/18

The Group had before it, and **NOTED**, a report * from the Director of Growth & Chief Executive providing Members with an update on performance against the Corporate Plan and local service targets for 2017/18 as well as providing an update on the key business risks.

Discussion took place regarding:

- The number of businesses assisted were now being recorded. This was currently on target at 183, as at the end of November, against an annual target of 250. This related to any assistance that took more than one hour to provide. Advice was usually given in relation to such matters as land, premises or a grant.
- The report presented quite limited information in terms of the national economic position. It was requested that more extensive statistics were needed in relation to Gross Domestic Product (GDP).
- It was suggested that the words 'macro' and 'micro' in relation to the risk 'Decline in National Macro-economics' be removed.

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

57 FINANCIAL MONITORING

The Group received a verbal update from the Director of Finance, Assets, & Resources in respect of the income and expenditure so far in the year. The forecasted overspend of £180k had not materially changed since financial monitoring was last reported to the Group, however, a number of other factors were now known which included:

- Regulations had been introduced by the Government to increase Planning fees by 20% with effect from 17th January.
- A further £230k had been secured towards the Garden Village.
- There would likely be a fall in the revenue from plastic recycling as a result of China's decision but nationally there was still a market.
- From January, councils that make an administrative charge for customers using credit or debit cards are no longer able to do so. For the council this is at a cost of 18p per transaction and initially the council will need to absorb that cost with the approximate impact being £6k per year. However, this additional cost could be factored into future reviews of car parking charges.

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

58 BUDGET 2018/19 - UPDATE

The Group had before it, and **NOTED**, a report * from the Director of Finance, Assets & Resources which had been presented to the Cabinet on 4 January 2018. This report reviewed the revised draft budget and discussed any further changes required in order for the Council to move towards a balanced budget for 2018/19.

The draft budget had been presented to the Group at their November meeting. This had indicated a budget gap of £617k and had been based on a range of

assumptions, the updated report before the Group for this meeting took into account the formula grant settlement. Other factors affecting the draft budget included the following:

- There was an indicative pay award of 2% which would add an additional £160k to the pay bill, however this was not straightforward in that there would be an increase of circa 5% for those on grades 4 or 5.
- The Council had been successful in its bid to be a 100% Business Rate Pilot and some initial modelling had predicted that this could see £230k of extra business rates being kept within Mid Devon. The caveat to this was that this was only a 12 month pilot and it therefore presented a possible revenue risk.
- The Government had increased the referendum limit to 3% (the amount the Council could increase Council Tax by) which could deliver an extra £21k.
- The Government had reaffirmed its reduction to New Homes Bonus (NHB) from a 6 year dowry to a 4 year dowry, this would reduce NHB from £1.8m to £1.1 next year. A number of sinking funds in the revenue budget would therefore be under greater strain.

Discussion took place regarding:

- The Broadband project budget had reduced to £60k from £100k in the first draft budget presented to the Group in November 2017. It was explained that an opportunity to explore superfast Broadband was moving forwards and this was the level of funding that would be required in the initial stages.
- The pay settlement could create a significant pressure on the bottom line.
- The efficiency agenda could only take the Council so far, there would need to be an honest reality check in the coming months and an understanding that the way some services were delivered would need to be re-thought.

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

59 **TIVERTON MARKET ENVIRONMENTAL STRATEGY 2017-2022**

The Group had before it a report * from the Director for Growth and Chief Executive seeking approval to adopt the Tiverton Market Environmental Strategy so as to maximise opportunities to increase recycling, reduce the amount of waste and reduce the Council's carbon footprint. This report was an update to the report considered by the Economy PDG at its November 2017 meeting. The Group had requested that they receive clearer information regarding implementation and monitoring. Initially the premise for a Market Environmental Strategy had been born out of comments received from market traders and the Market Manager regarding the need to introduce facilities such as recycling and to seek opportunities more generally to run the market more efficiently.

Consideration was given to:

- Glass recycling and the possibility of it being taken away by domestic refuse collectors on a temporary basis until a more permanent trade collection could be organised. It was explained this this did currently present some problems in that trade waste and domestic waste were treated separately.
- This was only the second market in the country to develop such an Environmental Strategy.

- Electric car charging points.
- Electric bicycle charging points and whether Tiverton could realistically promote a cycle scheme given its topography? It was requested that information be sent to the Group regarding a project with Devon County Council to install charging points. This was a live project with funding available.

RECOMMENDED that:

- a) The Cabinet recommend to full Council that the Tiverton Market Environmental Strategy 2017-2022 be approved.
- b) Councillor S G Flaws be the nominated Group representative on the working party monitoring the effectiveness of the Strategy.

(Proposed by the Chairman)

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

60 **HOTSW PRODUCTIVITY STRATEGY & UK INDUSTRIAL STRATEGY**

The Group had before it, and **NOTED**, a report * from the Director of Growth and Chief Executive informing it of the Council's response to the Heart of the South West Partnership's Productivity Strategy Consultation and to note the Government's Industrial Strategy.

The Heart of the South West Local Economic Partnership published a draft Productivity Strategy for consultation in October 2017. The Strategy was discussed at the last Economy PDG on the 9th November and a response was collated, reflecting the discussions held at committee and responses from individual Councillors which was submitted by the consultation deadline. In addition to the individual responses from the four Exeter and Heart of Devon authorities, a joint response was collated to represent the collective view.

On 14th December 2017, the Government published its Industrial Strategy and Devon County Council had produced a helpful summary of the main elements including the "5 foundations" of productivity:

- Ideas
- People
- Infrastructure
- Business Environment
- Places

The strategy was meant to be long term providing aspirational intentions for at least the next ten years. Funding opportunities needed to be robustly explored with sectoral strengths and initiatives being progressed wherever there was opportunity to do so. However, there was no mention of rural factors within the strategy and little mention of the impact of Brexit.

Discussion took place regarding:

- Broadband was mentioned quite strongly within the industrial strategy and was seen as a key factor.
- The ability of the council to use planning conditions more effectively to secure high speed broadband connectivity in new developments.
- The leadership and knowledge of employers and educational establishments needed to be encouraged.

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

61 **RECOMMENDATIONS FROM THE SCRUTINY COMMITTEE**

The Scrutiny Committee had made two recommendations to the Economy Policy Development Group which were as follows:

- The Scrutiny Consultation Working Group had been very impressed by the general upbeat atmosphere in Crediton when compared to the other two main towns and **RECOMMENDED** that the Economic Development Team and the Economy Policy Development Group explore further what might be causing this difference.
- The Working Group had found that in all three towns parking costs were high on the agenda. Noticeably in Crediton, where there was considered to be more on offer, people did not object to the charges. It was **RECOMMENDED** that the Economy Policy Development Group consider making parking charges relevant to the offering in the area.

Discussion took place with regard to each recommendation in turn:

Sentiments in the three larger towns

The Scrutiny Committee's Working Group had undertaken an exercise to visit each of the three main towns to ask open questions of the residents. It was explained that the Working Group had had no preconceived ideas. The Working Group had concluded that the information they had received represented good intelligence on people's honest thoughts about where they lived or visited. There had been an 'upbeat' feel in Crediton which had not been reflected in the other towns. The question was asked as to why this was and why did Crediton have so many successful independent shops when compared to the other towns. It was suggested that this could have something to do with Tesco's being slightly out of town, that Crediton had a market square, there were 3 dominant community groups all driven by enthusiastic and energetic volunteers. The venues where events happened were all within close proximity to each other and therefore geography might also be seen as an influencing factor. Having a main road running through the centre of Cullompton was not seen as helpful in this regard.

However, it was accepted that there were some indefinable factors that affected the success of one town over another which it was sometimes difficult to quantify. The same answers could not be applied everywhere. Towns had unique personalities and their own negative or positive factors affecting their own success.

It was explained that a Residents Survey had been carried out before Christmas and that the results of this as well as the findings of the Scrutiny Committee Working

Group ought to be analysed to find out if there were common themes. The recent Residents Survey was based on the Local Government Association's 'placed-based' survey model, which would allow benchmarking with other areas nationwide.

RESOLVED to wait until the Scrutiny Committee had received the results of the Residents Survey and had had an opportunity to analyse these results alongside their own Working Group findings before understanding further what was required of them as the Economy Policy Development Group.

(Proposed by Cllr R Evans and seconded by Cllr F J Rosamond)

Parking charges in each of the towns

The Director of Finance, Assets & Resources explained that charges had remained at the same levels since 1 April 2016 and that at the time Members had wanted a generic charging strategy rather than varying them across the District. He invited Members to join a working group in the next 6 – 8 months to work on new car parking charges for 2019/20.

It was requested that Members receive information relating to research in other areas of the country where different charging schemes were in operation.

RESOLVED that an item be placed on the agenda for 12 July 2018 meeting of this Group seeking the establishment of a Car Parking Working Group.

(Proposed by Cllr R Evans and seconded by Cllr Mrs N Woollatt)

62 **PROJECTS UPDATE**

The Economic Development Officer provided the following verbal update regarding current projects:

Hydro Mills

A bid for £2.5m worth of funding before Christmas had been unsuccessful. The funding body had said that the feedback which had been provided was unclear. Other opportunities were being explored, an additional bid had been submitted the outcome of which would be known in April 2018. Work was also being undertaken to access multiple smaller pots of money and the team were hopeful that there would be a positive outcome.

The Cabinet Member for Planning and Economic Regeneration explained that he would shortly be meeting with Neil Parish MP to discuss this which was seen as positive since the MP was the Chairman of EFRA (Environment, Food and Rural Affairs Committee).

Note: Cllr Mrs N Woollatt declared a personal interest as she owned a water mill.

Broadband

This was a key factor to the economic success of the district. The Economic Development Officer had attended a Full Fibre Network workshop in Cardiff shortly

before Christmas where discussions took place regarding a bid for a significant pot of money for superfast Broadband. It was explained that the roll out of this funding would take place in three waves. The first would be an expression of interest, the second would close at the end of January and the third would be released in the summer. It was likely if the network, including EHOD colleagues, did put in a bid together they would go for wave 3. Wave 3 totalled £70m out of the overall pot of £200m.

It was a difficult environment to work in as it was very complex and constantly changing however putting the effort behind this was seen as vital.

It was further explained that Connecting Devon and Somerset (CDS) were working to deliver some of the infrastructure which had been described to the Group at a previous meeting but that there would still be gaps in the Crediton and Tiverton area.

63 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 a future meeting:

- National census – Mid Devon had had the greatest increase in population, why was this?

(The meeting ended at 7.05 pm)

CHAIRMAN