

# Public Document Pack

Mid Devon District Council

## Economy Policy Development Group

Thursday, 11 January 2018 at 5.30 pm  
Exe Room, Phoenix House, Tiverton

Next meeting  
Thursday, 8 March 2018 at 5.30 pm

Those attending are advised that this meeting will be recorded

## Membership

Cllr Mrs A R Berry  
Cllr Mrs C Collis  
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*)

Members to consider whether to approve the minutes as a correct record of the meeting held on 9 November 2017.

### 4 **Chairman's Announcements**

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

5 **Performance and Risk for 2017/18** (Pages 11 - 18)

To receive 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.

6 **Financial Monitoring**

To receive a verbal update from the Director of Finance, Assets and Resources in respect of the income and expenditure so far in the year.

7 **Budget 2018/19 - Update** (Pages 19 - 26)

To receive a report from the Director of Finance, Assets and Resources reviewing the revised draft budget changes which have been identified and to discuss any further changes required in order for the Council to move towards a balanced budget for 2018/19.

8 **Tiverton Market Environmental Strategy 2017-2022** (Pages 27 - 38)

To receive 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 our carbon footprint. This is an update to the report considered by the Economy PDG at its November 2017 meeting. This update reflects observations made by the PDG in November and its specific request that clearer information be provided regarding implementation and monitoring.

9 **HOTSW Productivity Strategy & UK Industrial Strategy** (Pages 39 - 52)

To receive a report from the Director for Growth and Chief Executive informing Members of Mid Devon District Council's response to the Heart of the South West Partnership's Productivity Strategy consultation and to note the Government's Industrial Strategy.

10 **Recommendations from the Scrutiny Committee**

The Scrutiny Committee, when considering the response of the Consultation Working Group, made the following recommendations to the Economy Policy Development Group:

- The Group were 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 Economy Policy Development Group explore further what might be causing this difference.

- The Group found that in all three towns car 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.

The Group is asked to give consideration to these two recommendations.

11 **Projects update**

To receive a verbal update from the Economic Development Officer regarding current projects.

12 **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:

- Performance and Risk
- Financial Monitoring
- Careers advice, interaction between schools, universities and employers
- Mid Devon Destination Management Plan and Action Plan
- Market Rights Policy (to be confirmed)
- Market Schedule of Tolls – annual review
- Chairman’s annual report for 2017/18

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

**Stephen Walford**  
Chief Executive  
Wednesday, 3 January 2018

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](mailto:slees@middevon.gov.uk)

## MID DEVON DISTRICT COUNCIL

**MINUTES** of a **MEETING** of the **ECONOMY POLICY DEVELOPMENT GROUP** held on 9 November 2017 at 5.30 pm

### **Present**

#### **Councillors**

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

### **Apologies**

#### **Councillors**

Mrs C Collis and J M Downes

### **Also Present**

#### **Councillors**

R J Chesterton, A Bush, Mrs C P Daw, Mrs S Griggs and  
Mrs J Roach

### **Present**

#### **Officers**

Stephen Walford (Chief Executive), Andrew Jarrett (Director of Finance, Assets and Resources), Jenny Clifford (Head of Planning, Economy and Regeneration), Catherine Yandle (Group Manager for Performance, Governance and Data Security), John Bodley-Scott (Economic Development Team Leader) and Sarah Lees (Member Services Officer)

#### 40 **Apologies and Substitute Members**

Apologies were received from Councillors Mrs C A Collis and J M Downes who was substituted by F W Letch.

#### 41 **Public Question Time**

There were no members of the public present.

#### 42 **Minutes**

The minutes of the meeting held on 7 September 2017 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

#### 43 **Chairman's Announcements**

The Chairman had no announcements to make.

#### 44 **Performance and Risk for 2017/18 (00:02:15)**

The Group had before it, and **NOTED**, a report \* from the Director of Growth and Chief Executive providing it 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.

Regarding the Corporate Plan aim 'Focus on business retention and growth of existing businesses' it was explained that the target for the number of Apprentice starts was the Government target calculated as 2.3% of full time equivalents posts. The Council had 9 apprentices as at 31 March 2017 and had 5 starters in September. The Council was holding an event the following week to promote apprenticeships to existing staff.

A brief discussion followed with regard to:

- The up to date figure for the number of empty shops in Tiverton had reduced slightly from 25 (as stated in the report) to 23. The number of empty shops in Crediton and Cullompton remained at 8 and 9 respectively.
- The need for more meaningful measures in relation to business retention and growth.
- The usefulness of receiving information about what other businesses were doing regarding Apprentice starts.
- The land supply being identified as a high risk. The Head of Planning, Economy and Regeneration explained that this risk would be mitigated by the Local Plan review which would provide a new supply of commercial sites.

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

#### 45 **Financial update for the six months to 30 September 2017 (00:11:03)**

The Group had before it, and **NOTED**, 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.

The forecast General Fund deficit for the current year was £181k with the main items of variance reflected within the report, although it was reported that none of the overspends were in the area of Economic Development. The Group were also informed that there were two new lease agreements in Market Walk, however, the Pannier Market income was down.

Discussion took place regarding:

- Car park revenue was under budget. The Director of Finance, Assets & Resources welcomed ideas as to how revenue could be increased in this area. It was **AGREED** that the subject of car parking and all relevant data in relation to this be discussed at a future informal workshop. This would provide an opportunity to discuss all the various options in a more detailed and considered way.
- Set up costs in relation to the Three Rivers Development Company which had been incurred as a result of needing independent grant and tax advice.
- The Tiverton Masterplan which was listed in the Forward Plan might go some way towards addressing the shortfall in income for the Pannier market.

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

46 **Motion 540 (Councillor Mrs J Roach - 12 October 2017) (00:26:10)**

The following Motion had been forwarded to the PDG for consideration:

Motion 540 (Cllr Mrs J Roach – 12 October 2017)

‘This Council agrees to give serious consideration to seeking alternative methods of managing the Tiverton Pannier Market, to include a community interest company and a co-operative. Following these considerations Council will be given detailed information about the advantages and disadvantages of the options that were discussed. Council should then be able to decide whether to change their policy and pursue a different management model.’

Cllr Mrs J Roach stated that she felt the market was underperforming and that consideration needed to be given to alternative methods of management. She made reference to the Weymouth Pavilions model which had been implemented by a community interest company and had proven to be a success attracting big name acts with the knock on effect of filling the local hotels and restaurants. She commented that it would be worth looking at this model as a good example of what could be done. She made further reference to the year on year reduction in market income and stated that action needed to be taken as soon as possible to address the issues of concern.

Discussion took place regarding:

- It seemed sensible to have a full review of all the options and to factor this into part of the wider Economic Regeneration work stream.
- The need to consult with traders, various interest groups and stakeholders to seek their views and ascertain whether there was an appetite and enthusiasm for a change of approach. This feedback would be reflected back to the Group.
- Various other market models such as the one in Ludlow.
- The need to investigate all the options thoroughly and in detail.

It was **RECOMMENDED** to Council that the Motion be supported

(Proposed by the Chairman)

47 **Tiverton Market Environmental Strategy 2017-2022 (00:38:45)**

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 our carbon footprint.

Reference was made to the ‘Environment’ being one of the priorities in the Corporate Plan. The Strategy had been out for consultation with some useful comments being made by Environmental Health colleagues in relation to food ‘best before’ dates and the ‘Community Food Fridge’. This had resulted in the deletion from the strategy of investigating the provision of a community food fridge.

Discussion took place regarding:

- Charity recycling bins were being considered with an offer from the Clothes Bank.
- An electric car parking point would be installed in the Lords Meadow Leisure Centre, however, the contract for this was limited in terms of other locations within the district.
- The approach to supporting environmentally friendly initiatives ought to be Council wide and not just limited to the market.
- The collection of textile waste from the market.
- The switch to energy efficient lighting and the need to address lighting being switched on during summer evenings.
- The Council was working with third parties, for example, traders bringing in heaters of their own volition.
- The introduction of wild flowers and areas of greenery was welcomed as well as a commitment to reduce plastics.
- How the Council was going to 'police' the wastage of power and electricity?
- How the Council was going to enforce the terms and conditions of contracts with traders.

It was **AGREED** that further clarity was needed with regard to the Council's approach to implementation and enforcement of the proposed strategy within the market and that a decision in relation to this Strategy ought to be deferred until the next meeting.

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

#### 48 **Draft 2018/19 General Fund and Capital Budgets (00:52:38)**

The Group had before it, and **NOTED**, a report from the Director of Finance, Assets & Resources considering the options available in order for the Council to set a balanced budget for 2018/19 and agree a future strategy for further budget reductions for 2019/20 onwards.

The current draft budget gap for 2018/19 showed a deficit of £617k and a reconciliation of the major budget variances was contained within the report. 2018/19 would be the third year of a four year fixed funding settlement which would see a further reduction of £318k and then the complete removal of the remaining Revenue Support Grant of £179k by 2019/20.

Reference was made to a number of budget pressures including the pay award and reductions to various grants. The Business Rate revaluation exercise had impacted on the Council quite adversely, meaning that it had to pay more. The New Homes Bonus would be reduced from next year meaning that retaining sinking funds for the replacement of assets was all the more problematic. It was further explained that the budget gap would have been a great deal higher had managers not come forward with proposals for savings. There were still a number of issues that had not yet been resolved or were still to be fully evaluated, these were listed within the report.

The Group were informed that budget briefings would be held at the beginning of December in both Tiverton and Crediton and that a Members Away Day focussing on the budget was scheduled for early January 2018. There would therefore be ample opportunity for Members to contribute to the budget setting process.



Consideration was given to the following:

- The continuation of work with the Town and Parish Councils; co-operation was vital.
- The maximum amount a district council could increase Council Tax by was limited to 1.99% (or £5). However, the Council only got to keep 11.2% of the Council Tax it collected whereas every pound raised by Town and Parish Council's as part of their precept could be retained.
- Discretionary versus non-discretionary services and the need for honest and difficult conversations to take place.

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

#### 49 **HOTSW Productivity Strategy 2018-2036 (01:12:38)**

The Group had before it, and **NOTED**, a report \* from the Director for Growth and Chief Executive informing Members of the Heart of the South West Partnership's Productivity Strategy and to provide Members with an opportunity to steer Mid Devon District Council's response to the Consultation. The deadline for receiving responses was 30<sup>th</sup> November 2017.

The Strategy set out the long term ambitions of the partnership to generate economic growth by raising productivity in the region.

The main issues and questions were listed as:

- What would be an appropriate target for growth?
- Which of the proposed initiatives were important to Mid Devon District Council?
- What are the 'golden opportunities' – important sectors for Mid Devon?

Discussion took place regarding:

- The need to get hydroelectricity into one of the key sectors.
- Developing pilot schemes for green spaces would be a way of promoting and recognising the natural assets of the district.
- By increasing productivity this would create opportunities to increase wages.
- The South West map contained within the Strategy did not highlight Mid Devon as a growth area and seemed very Exeter centric. This was viewed as very disappointing especially as it did not reflect local ambitions.
- The need to grow higher skills in this area especially amongst the young. Events that brought together high tech businesses, other employers, education providers and early secondary school age children were seen as a very useful way forward.
- It was essential to get the buy in from employers as they had a responsibility to the community they operated in.
- The implementation plan would follow in Spring 2018 after the Strategy had been agreed.

In conclusion, it was **AGREED** that officers would respond to the consultation with comments from the Group summarised as follows:

- It was important not to miss out on opportunities for spins offs from economic growth taking place in other areas of the region.
- Improving skills was crucial to achieving greater productivity.
- Digitalisation was a key factor.
- Fostering and encouraging aspiration and ambition was vitally important and seen as fundamental to the success of the region.

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

#### 50 **Economic Development Service Update (01:43:15)**

The Economic Development Team Leader provided an update in relation to Economic Development projects.

Further highlights within the report were reported as follows:

- Mills Project - the Council was expecting to hear the outcome of its bid to DCLG for funding under the ESIF Low Carbon Programme by the end October. If the bid was unsuccessful it would look at other opportunities for funding.
- Rural Broadband – still had not heard officially that the ‘Expression of Interest’ had been unsuccessful. It was hoped that an official stakeholder group would be established as this was such a vital issue.
- Exe Valley AONB – the Economic Development Team Leader would be convening the AONB Working Group in November and its recommendations would be brought to a future meeting of this Group.

The Group wished the Economic Development Team well with the Cullompton Townscape Heritage Scheme bid.

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

#### 51 **Identification of items for the next meeting (01:49:08)**

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

- Market Environmental Strategy
- 2018/19 budget update

(The meeting ended at 7.21 pm)

**CHAIRMAN**

## **ECONOMY PDG 11 JANUARY 2018:**

### **PERFORMANCE AND RISK FOR 2017/18**

**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 2017/18 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.

**Equality Impact Assessment:** No equality issues identified for this report.

#### **1.0 Introduction**

- 1.1 Appendix 1 provides Members with details of performance against the Corporate Plan and local service targets for the 2017/18 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 Regarding the Corporate Plan Aim: **Attract new businesses to the District:** The number of business rate accounts has increased since last year which indicates some positive movement into the District but will include extra accounts for existing businesses too.

- 2.2 Regarding the Corporate Plan Aim: **Focus on business retention and growth of existing businesses:** We are now recording **Businesses assisted** which is on target at 183, as at end of November, against an annual target of 250.
- 2.3 Regarding the Corporate Plan Aim: **Improve and regenerate our town centres with the aim of increasing footfall, dwell-time and spend in our town centres:** for **Empty Shops**, counting takes place at the start of the quarter so we now have the final position for 2017/18 compared to 2016/17: 7 more empty shops for Tiverton, 1 more in Crediton and 1 more in Cullompton. Crediton appears to be in better shape which was also suggested by the Consultation Working Group report which went to Scrutiny on 4 December. (See item on this agenda)
- 2.4 The Tiverton Town Centre Masterplan is due to go to Cabinet on 1 March 2018 prior to stage 1 public consultation. A £1.2M bid was submitted to the Heritage Lottery fund to help restore historic buildings in Cullompton. We will know the outcome in May 2018.
- 2.5 Regarding the Corporate Plan Aim: **Grow the tourism sector:** the Mid Devon Destination Management Plan for Tourism is due to come before this PDG in March.
- 2.6 Other: The Local Plan; having taken legal advice and reviewed the statements of participants who would take part in the hearings a deferment has been requested to allow an independent review of the major modifications stage sustainability appraisal. This has been commissioned but a delay in the order of 6 months is expected before the examination stage.
- 2.7 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 10 or more. (See Appendix 2)
- 3.2 Appendix 3 shows the risk matrix for MDDC for this quarter. If risks are not scored they are included in the matrix at their inherent score which will be higher than their current score would be.

### **4.0 Conclusion and Recommendation**

- 4.1 That the PDG reviews the performance indicators and risks for 2017/18 that are outlined in this report and feeds back any areas of concern to the Cabinet.

**Contact for more Information:** Catherine Yandle, Group Manager for Performance, Governance and Data Security ext 4975

**Circulation of the Report:** Management Team and Cabinet Member

**Corporate Plan PI Report Economy**

Monthly report for 2017-2018  
 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

\* 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	Group Manager	Officer Notes
<u>Number of business rate accounts</u>	2,889 (8/12)	2,930	Can only increase if there are actual new properties brought into the Valuation List as a result of	2,933	2,936	2,942	2,951	2,951	2,963	2,963	2,987					2,987 (8/12)	John Chumbley, Andrew Jarrett	

**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	Group Manager	Officer Notes
<u>Businesses assisted</u>	n/a	n/a	250	20	38	53	92	110	136	147	183					183 (8/12)	None	(November) Provisional figures (JB)

**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	Group Manager	Officer Notes
<u>Increase in Car Parking Vends</u>	52,876 (8/12)	55,241		48,051	53,937	54,086	54,730	54,417	54,734	53,420	51,810					51,810 (8/12)	Andrew Jarrett	
<u>The Number of Empty Shops (TIVERTON)</u>	18 (3/4)	16	18	n/a	n/a	19	n/a	n/a	25	n/a	n/a	23	n/a	n/a		23 (3/4)	Adrian Welsh	(Quarter 3) Vacancies as of 30th October 2017 = 23 representir 9.9% of tot units (JB)
<u>The Number of Empty Shops (CREDITON)</u>	8 (3/4)	7	8	n/a	n/a		n/a	n/a	8	n/a	n/a	8	n/a	n/a		8 (3/4)	Adrian Welsh	(Quarter 3) As of 30th October 2017 there are 8 vacancies, representir a vacancy rate of 6.8% (JB)
<u>The Number of Empty Shops (CULLOMPTON)</u>	10 (3/4)	8	8	n/a	n/a	11	n/a	n/a	9	n/a	n/a	9	n/a	n/a		9 (3/4)	Adrian Welsh	(Quarter 3) As of the 30th October 2017 there are 9 vacancies, representir a vacancy rate of 10.5% (JB)

**Aims: Other**

**Corporate Plan PI Report Economy****Priorities: Economy****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	Group Manager	Officer Notes
<u>Funding awarded to support economic projects</u>	£56,842 (2/4)	£61,842		n/a	n/a	£0	n/a	n/a	£25,459	n/a	n/a		n/a	n/a		£25,459 (2/4)	Adrian Welsh	(Quarter 2) Tiverton Museum £15,459 Exe Valley Leisure Centre £10,000 (JB)

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Print Date: 18 December 2017 17:

## Economy PDG Risk Management Report - Appendix 2

Report for 2017-2018

For Economy - Cllr Richard Chesterton Portfolio

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

For MDDC - Services

Filtered by Performance Status: Exclude Risk Status: Low

Not Including Risk Child Projects records or Mitigating Action records

Key to Performance Status:

Risks: No Data (0+) High (15+) Medium (6+) Low (1+)

### Economy PDG Risk Management Report - Appendix 2

**Risk: Commercial Land supply** Failure to identify commercial land supply will stunt economic growth

**Effects (Impact/Severity):**

**Causes (Likelihood):**

Service: Planning

**Current Status: High (15)**

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 3 - Medium

Service Manager: Jenny Clifford

**Review Note:**

**Risk: Decline in National Macro-economics** A decline in national macro-economics could result in level of influence by local government being limited and having little or no impact on local economic activity

**Effects (Impact/Severity):** High - Inability to meet Council objectives, customer requirements or financial commitments

**Causes (Likelihood):** High - no control over macro-economics but Council objectives and action plan currently in process to increase local economic activity

Service: Community Development

**Current Status: Medium (12)**

Current Risk Severity: 4 - High

Current Risk Likelihood: 3 - Medium

Service Manager: John Bodley-Scott

**Review Note:**

**Risk: Economic Development Service** Failure to promote economic activity within the District will suppress the potential for new jobs and increased prosperity for residents

A continuing economic recession could jeopardise our ability to achieve corporate objective of 'A Thriving Economy'

## Economy PDG Risk Management Report - Appendix 2

**Effects (Impact/Severity):** - Inability to meet Council objectives

- A lack of inward investment
- Uncertain economic recovery, impact on employment and infrastructure development

**Causes (Likelihood):** - Decline in national macro-economics

**Service: Community Development**

**Current Status: Medium (12)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 3 - Medium**

**Service Manager: Adrian Welsh**

**Review Note:** Economic Strategy currently being prepared which will focus the District Council's intervention in a more focused way and will also enable improved monitoring for this risk.

**Risk: Local Plan** Whether the Inspector will find the Plan unsound

**Effects (Impact/Severity):**

**Causes (Likelihood):**

**Service: Planning**

**Current Status: Medium (10)**

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 2 - Low**

**Service Manager: Jenny Clifford**

**Review Note:** Steps taken to mitigate risks by commissioning additional work to strengthen evidence base.

**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: Medium (10)**

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 2 - Low**

**Service Manager: Zoë Lentell**

**Review Note:**



# Risk Matrix Economy Appendix 3

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

<b>Risk Likelihood</b>	<b>5 - Very High</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>
	<b>4 - High</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>
	<b>3 - Medium</b>	<b>No Risks</b>	<b>No Risks</b>	<b>1 Risk</b>	<b>2 Risks</b>	<b>1 Risk</b>
	<b>2 - Low</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>1 Risk</b>	<b>2 Risks</b>
	<b>1 - Very Low</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>
	<b>1 - Very Low</b>	<b>2 - Low</b>	<b>3 - Medium</b>	<b>4 - High</b>	<b>5 - Very High</b>	
	<b>Risk Severity</b>					

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## Cabinet & Policy Development Groups 4 January 2018

### Budget 2018/19 - Update

<b>Portfolio Holder</b>	Cllr Peter Hare-Scott
<b>Responsible Officer</b>	Director of Finance, Assets and Resources
<b>Reason for Report:</b>	To review the revised draft budget changes identified and discuss any further changes required in order for the Council to move towards a balanced budget for 2018/19.
<b>RECOMMENDATION:</b>	To consider and agree the updated General Fund budget proposals for 2018/19 included in Appendix 1 and the Capital Programme included in Appendix 2.
<b>Relationship to Corporate Plan:</b>	To deliver our Corporate Plan's priorities within existing financial resources.
<b>Financial Implications:</b>	Now the Council has received notification of its Formula Grant Settlement it is imperative that it matches current and ongoing expenditure plans to estimated sources of income/funding.
<b>Legal Implications:</b>	It is a statutory requirement for the Local Authority to set a balanced budget.
<b>Risk Assessment:</b>	Service managers and Finance staff have assessed volatility in income and large contractor budgets, taking account of current and estimated future demand patterns. This position has been revised based on an additional two months of financial monitoring information and the changes announced in the Formula Grant Settlement released on the 19/12/17. In addition prudent levels of reserves will also continue to be maintained.

#### 1.0 Introduction

- 1.1 On the 19 December 2017 the Council received formal confirmation of its Formula Grant Settlement. Our provisional formula grant award for 2018/19 amounts to **£2.7m**. However this figure includes the successful bid from the Devon Pool for the 1 year Business Rate Pilot and will require some more detailed analysis by finance officers over the next few weeks.
- 1.2 From the initial reading of the Settlement it appears previously proposed RSDG cuts are not being made in 18/19, however it appears likely that this is being assimilated in NNDR figures that require further review.
- 1.3 As part of the settlement the Council has also been given the freedom to raise its council tax by an additional 0.4% (from the current Budget draft approved on 26/10/17 at Cabinet) this means that rather than a maximum 2% or £5

(whichever the greater) Band D increase in Council Tax we can now increase by a maximum 3% without going to referendum. This additional 0.4% equates to an additional £22k for the authority in Council Tax Revenues.

## 2.0 2018/19 General Fund Budget - Revised Position

2.1 Since the first round Cabinet and PDG meetings the Finance team and service managers have been revisiting a range of budgets to deliver more savings or increase income levels. Please see summary table below:

**Table 1 – Reconciliation of Major 2018/19 Budget Variances**

<b>Variances</b>	<b>Amount £k</b>
<b>18/19 Budget Shortfall (Cabinet Report 26/10/17)</b>	<b>617</b>
Further Cost Pressures identified	570
Additional savings identified	(231)
<b>18/19 Revised Budget Shortfall</b>	<b>956</b>
2% Staff Pay award offer (1% previously built in)	116
Business Rate 100% Pilot bid accepted (1 year only)	(230)
Business Rate Growth (Solar & Benefit of Devon Pool)	(150)
Funding from sinking funds & reserves (ICT & Leisure)	(215)
Other additional savings identified	(174)
<b>18/19 Revised Budget Shortfall</b>	<b>303</b>
No reduction in Rural Services Delivery Grant	(86)
3% increase in C/Tax (2.6% previously built in)	(22)
<b>Draft budget gap for 2018/19</b>	<b>195</b>

## 3.0 The recent Funding Settlement

3.1 It would be fair to say that the settlement data received by the Council on the 19/12/17 is the most complicated set of figures received in recent years. The potential abolition of RSG (Revenue Support Grant), RSDG (Rural Services Delivery Grant) and significant revisions to Business Rate baseline funding levels, tariffs and levy rates which have been accompanied with detailed explanatory notes now makes finalising the funding element of the Council's budget far more challenging. Therefore the finance team is now undertaking further review of this data in conjunction with meetings with other Devon Authorities and the consultants who all worked on compiling the 100% Business Rate Pilot bid.

## **4.0 Conclusion**

- 4.1 It is encouraging that the Council has managed to significantly close the budget gap of £617k discussed at earlier meetings, even after the potential pay award adding an additional £116k and new legislation relating to Homelessness Reduction adding circa £50k to the budget.
- 4.2 Moving forward Members and officers need to reflect on the Business Rate pilot only being a 12 month process and that we will potentially see the loss of a short term financial windfall when we return to the traditional grant settlement in 2019/20. Probably the biggest concern for the future is the new New Homes Bonus arrangements that have seen circa £0.7m removed from this funding source on an annual basis, coupled with the threat that further revisions may be made from 2019/20 onwards.
- 4.3 In order to conclude the statutory budget setting process, this updated draft budget position will go through Cabinet, another round of PDG's and Scrutiny, before being agreed at Full Council on the 21/02/18. During this period officers will continue to identify and examine further savings possibilities that can reduce the current budget gap.

**Contact for more information:** Andrew Jarrett – Director of Finance, Assets and Resources

**Background Papers:** Draft 2018/19 Budget Papers  
Grant Settlement Email

**File Reference:**

**Circulation of the Report:** Leadership Team, Members & Relevant Service Managers

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## 2018/19 General Fund Budget - Proposed changes since 1st draft

Cabinet report - 26/10/17 shortfall

617,460

PDG	Cost Centre	A/c Code	Cost Centre Description	Description of Change	£
Cabinet	LD600	1702	Legal Services	Agency staff, Salaries, Travel, Staff Subs, Books and Subs	22,800
Cabinet	LD300	1101	Member Services	Grade 9 instead of grade 6 (Scrutiny Officer 0.5 FTE)	7,400
Cabinet	IE260	4496	Interest Payable	EUE loan no longer required	-25,000
Cabinet	IE410	7471	Demand on C/Fund	JC draft band D 28,297.74*197.15 =£5,578,900 = £10,180	-10,180
Cabinet	HR200	Various	Training Budgets	Increase in request for training budgets from Group Managers	6,850
Cabinet	HR400	4105	Learning & Development	Nextus Training module and licences	10,700
Cabinet	IT500	4105	IT Software Support & Maint	Reduction in the software Licence - Re above Nextus Training Module	-3,000
Cabinet	Various	Various	Support Services	Recharge staff time and office accommodation to 3 Rivers Development	-15,000
Cabinet	Various	Various	Customer Services	out of hours phone contract DCC to TD	1,300
Cabinet	FP200	4450	Internal Audit (DAP)	Payment to DAP incorrect by £1,100, needs to be £89,100	1,100
Cabinet	IE439	4501	CTS Funding Parishes	cut CTR to nil by 19/20	-23,000
Cabinet	CS200	1100	Customer Services	Communications Manager post budget reduced to 0.6 FTE	-18,000
Cabinet	IE	Various	ICT new sinking funds	New sinking funds for ICT equipment (to fund capital programme)	189,500
Cabinet	IT800	4401	ICT	Printing costs as per saving schedule from LR	-3,000
Cabinet	IT600	Various	ICT	Salary adjustment - employees in pension scheme	11,000
Environment	WS725	various	Recycling income	2nd review of recycling material income	-3,250
Environment	WS	various	Waste	Review sinking funds to ensure adequate replacement values.	17,710
Environment	WS700	7282	Garden Waste	Allow £1.00 increase on 140L. Approx 2000 permits - proposed at ENV PDG working group 1-12-17	-2,000
Environment	WS700	7203	Bulky Waste	Increase bulky waste charges by £1.00 - proposed at ENV PDG working group 1-12-17	-2,000
Environment	GM960	2402	Grounds Maintenance	Rent for Carlu Close	20,000
Environment	GM960	2501	Grounds Maintenance	Business Rates for Carlu	5,500
Environment	GM960	3502	Grounds Maintenance	Increase in Plant Planned Maintenance in 17-18 needs to be reflected in 18/19 budgets	6,000
Environment	ES450	7441	Parks & Open Spaces	Reduction in sponsorship income to reflect current levels in 17/18	2,000
Environment	WS700	Various	Waste	Salary adjustment G6 > G5	-4,000
Environment	Various	Various	Various	10k cost of tender for vehicles - only a one-off	10,000
Environment	Various	various	various	Impact on streamlining vehicle sinking funds to an even spread	12,620
Environment	Various	various	Fleet Management	Procurement exercise for transport maintenance	16,000
Economy	ES450	7601	Parks & Open Spaces	Amory Park contributions are no longer being received from Amory Park Trust	4,800
Economy	CP540	4615	Paying Car Parks	Increase budget in second round for PCN income	-5,000
Economy	CP540	7000	Paying Car Parks	Reduction in P&D income to reflect 17/18 forecast (1st round reduced by £20k)	4,000
Economy	CP520	1106	MSCP	Overtime budget needs to be set for A Johns CCTV patrolling of the MSCP	3,500
Economy	IE	Various	Paying Car Parks	Sinking fund for Car Park Machine replacement	3,000
Homes	PS810	Various	Phoenix House	extra £10k to create EH document store	10,000
Homes	HG320	4804	Homelessness	£75k additional costs across the cost centre due to new legislation - part offset by new burdens funding of £25k	50,000
Homes	IE	Various	Market Walk	increase sinking funds for Market Walk	20,000
Homes	PS992	7503	Market Walk	Assume 1 Vacant unit in the budgeted income of Market Walk	12,300
Homes	PS990	7503	Fore Street	30 fore street income - £30k	-30,000
Homes	IE	Various	Fore Street	Sinking fund for Fore Street	5,000
Homes	PS990	2120	Fore Street	Removal of budget to upgrade 36 & 38 Fore Street as this has now been factored into the Capital Programme	-16,000
Homes	Various	Various	Recharges	As at 23/11/17 internal recharges to HRA less than round 1	-4,000

PDG	Cost Centre	A/c Code	Cost Centre Description	Description of Change	£
Community	RB100	3402	Council Tax	C/Tax visiting Officer vehicle - sinking fund £1.2k pa	-3,700
Community	RB300	7604	Housing Benefit	CTR & HB Admin grant DWP - final numbers. Will be notified in January 18	
Community	RB100	7442	Council Tax	Single Occupancy Disc penalties income reduction	3,500
Community	IE930	7709	Forward Plan	PR810 - Additional cost of Cullompton master planning & district design work.	75,000
Community	PR600	1100	Forward Planning	Additional temp PO as above - depends on VAF being agreed (bottom line impact will be on PR810 as fully rechargeable to them)	35,000
Community	PR100	1100 / 7000	Building Control	Building Control - info from NDDC suggests may be better than budget V1 - see Sally's email 24/11/17	-10,000
Community	RS	Various	Leisure	Budget for electric charging points income	-4,600
Community	CS	Various	Customer Services	Synertec price increase for postage	2,000
Various	Various	Various	Insurance	Insurance tender outcome	-43,780
Various	Various	Various	Across various services	legionella, fire, asbestos surveys by Env Health, HRA recharge & Property Services? Need to identify PS budget for this	-5,000

**Total net additional cost/ (savings) 338,070**

**Revised 18/19 budget position 955,530**

Staff Pay award (2% offered; 1% previously built in)	115,600
Grounds Maintenance recharge increase to HRA - based on a detailed costing process being undertaken	-60,000
Business Rates Pilot	-230,000
Alarms - General Fund Housing looking at & offsetting the increased cost of the new Homelessness Reduction Act	-50,000
New Homes Bonus for ICT sinking fund requirement.	-189,500
Business Rate base increase - growth, solar, pool benefit	-150,000
Parking charges debit/credit card fee £18k less use of MS?? Or increase fees??	
Disabled Facility Grant admin	-18,550
Leisure sinking fund adjustment	-25,000
Use of new capacity funding for new Planning Officer work on Greater Exeter Strategic Partnership	-35,000
Salary increase impact on recharges - HRA	-10,000
New Home Bonus transfer??	
<b>Total</b>	<b><u>-652,450</u></b>

**Revised 18/19 budget position 303,080**

3% C/Tax increase	-21,749
No cut to Rural Services Delivery Grant	-86,430
Still no figures on HB Admin/Subsidy!!!!	
<b>Total</b>	<b><u>-108,179</u></b>

**Revised 18/19 budget position 194,901**



**Provisional 2018-19 Budgeted Capital Programme**

	<b>1st Draft 18/19 Budget (Per 26/10/17 Cabinet)</b>	<b>2nd Draft 18/19 Budget (For 04/01/18 Cabinet)</b>
	<b>£k</b>	<b>£k</b>
<b><u>Lords Meadow Leisure centre</u></b>		
Lords Meadow - Replace main pool filters	80	80
Lords Meadow - Tennis Courts surface and lining	25	25
<b><u>Exe Valley Leisure Centre</u></b>		
EVLC pool tiling and balance tank repairs	25	25
EVLC - Pool Cover	25	25
<b>Total</b>	<b>155</b>	<b>155</b>
<b><u>Phoenix House</u></b>		
Phoenix House - Electric water heater replacement	25	25
Phoenix House- Toilet refurbishment flooring and units	30	30
<b><u>MDDC Depot Sites</u></b>		
Old Road Depot - Actions following condition report	50	50
Grounds Maintenance relocation (subject to feasibility)	80	0
<b><u>Play Areas</u></b>		
Play area refurbishment District wide	50	50
<b><u>Other Projects</u></b>		
Land drainage flood defence schemes - St Marys Hemyock	25	25
Land drainage flood defence schemes - Ashleigh Park Bampton	87	87
Fore Street Flats refurbishment		60
<b><u>General Fund Development Schemes</u></b>		
* District Wide Redevelopment project - Asset acquisition	4,000	4,000
<b>Total</b>	<b>4,347</b>	<b>4,327</b>
* Note - unknown timing of Capital Expenditure, therefore Capital Financing excluded in Revenue Budget but will be factored into Business Case as potential schemes come forward.		
<b><u>Economic Development Schemes</u></b>		
** Tiverton Town Centre improvements	40	40
** Mills Electricity Project	100	100
** Broadband Project	100	60
<b>Total</b>	<b>240</b>	<b>200</b>
** All Economic Development schemes are subject to acceptable Business Case		
<b><u>ICT Projects</u></b>		
Desktop states replacement/refresh	50	50
CRM replacement	75	75
Data centre hardware refresh servers/storage	120	120
Replacement Grounds Maintenance system	100	100
<b>Total</b>	<b>345</b>	<b>345</b>

### Affordable Housing Projects

Grants to housing associations to provide houses (covered by Commuted Sums) 116 116

**Total 116 116**

### Private Sector Housing Grants

Empty homes and enforcement 106 106

Disabled Facilities Grants–P/Sector 500 552

**Total 606 658**

### Replacement Vehicles

#### Grounds Maintenance

Van Tipper 52 52

**Total 52 52**

**TOTAL GF PROJECTS 5,861 5,853**

### HRA Projects

#### Existing Housing Stock

Major repairs to Housing Stock 2,101 2,101

Renewable Energy Fund 100 100

Disabled Facilities Grants - Council Houses 300 300

#### Housing Development Schemes

Palmerston Park - Additional budget required 1,056 1,074

Birchen Lane - Additional budget required 143 446

**Total 3,700 4,021**

#### HRA ICT Projects

Housing mobile working and additional modules 130

**Total 0 130**

#### HRA Replacement Vehicles

Van Tipper 7T (Voids) 40 0

**Total 40 0**

**TOTAL HRA PROJECTS 3,740 4,151**

**GRAND TOTAL GF + HRA 9,601 10,004**

### MDDC Funding Summary

	2018-19	2018-19
	£k	£k
<b>EXISTING FUNDS</b>		
Capital Grants Unapplied Reserve	636	688
Capital Receipts Reserve	1,125	1,125
Earmarked Reserves	574	1025
New Homes Bonus Funding	888	828
Miscellaneous Funding	2,338	2,338
<b>Subtotal</b>	<b>5,561</b>	<b>6,004</b>
<b>NEW FUNDS</b>		
Borrowing	4,000	4,000
Revenue Contributions	40	0
<b>Subtotal</b>	<b>4,040</b>	<b>4,000</b>
<b>TOTAL FUNDING</b>	<b>9,601</b>	<b>10,004</b>

## **ECONOMY PDG 11 JANUARY 2018**

### **Tiverton Market Environmental Strategy 2017-2022**

**Cabinet Member(s):** Cllr Richard Chesterton  
**Responsible Officer:** Stephen Walford, Director for Growth

**Reason for Report:** To seek approval to adopt the Tiverton Market Environmental Strategy so as to maximise opportunities to increase recycling, reduce the amount of waste and reduce our carbon footprint. This is an update to the report considered by the Economy PDG at its November 2017 meeting. This update reflects observations made by the PDG in November and its specific request that clearer information be provided regarding implementation and monitoring.

#### **RECOMMENDATIONS**

- 1. To recommend to Cabinet that this Strategy be recommended to Council for approval.**
- 2. To seek a nomination from the Economy PDG to attend a working party to monitor the effectiveness of the strategy.**

**Relationship to Corporate Plan:** The Tiverton Market Environmental Strategy supports the corporate objectives for the environment, community and the economy.

**Financial Implications:** Initiatives identified for implementation within the strategy would be funded through existing budgets with the potential to achieve savings on energy costs in future years.

**Legal Implications:** None

**Risk Assessment:** There are no significant risks identified with regard to pursuing this strategy; however failure to make progress with energy efficiency would incur a risk of not achieving the aims identified in the Market Strategy.

**Equality Impact Assessment:** No equality issues identified for this report.

#### **1.0 Introduction**

1.1 At its meeting of 9 November 2017 the Economy Policy Development Group considered the 'Tiverton Market Environmental Strategy' (APPENDIX 1). The report generated interest amongst members who were keen to find out more about how the strategy was to be implemented. This report provides clarification as to how this strategy will be implemented, enforced and monitored.

#### **2.0 Tiverton Market Environmental Strategy 2017-2022**

2.1 There is clear evidence to show that climate change is happening. Through the work of the Intergovernmental Panel on Climate Change (IPCC) a scientific consensus on the link between human activities and global warming has emerged. Although a global problem it has been recognised internationally that solutions should be made at a local level. We all

contribute to climate change through our use of electricity, heat and vehicle fuels, and there are actions that we can all take to cut the emissions that contribute to climate change. This responsibility also relates to business activities such as those undertaken at the Tiverton Pannier Market. In addition to this strategy making a contribution to tackling these global environmental issues it can also ensure that the market runs more economically.

2.3 'Environment' is one of the priorities in the Corporate Plan. The Corporate Plan aims to increase recycling, reduce the amount of waste, reduce our carbon footprint and protect the natural environment. The 'Strategy for Tiverton' was adopted by Council on 22 February 2017 and similarly makes a commitment to increase the opportunities for reducing waste and increasing recycling at the Market. The Market Environmental Strategy can make a valuable contribution towards achieving these corporate aims and play a part in delivering the 'Strategy for Tiverton'.

2.4 The five year Market Environmental Strategy is structured around each of the Corporate Plan's Environmental aims. It describes current activities and also those measures which are planned to be undertaken within the life of the strategy along with a number of longer term initiatives which are also worth investigating. The strategy will need to evolve and as it does greater clarity will emerge as to the precise nature of refined measurable targets.

### **3.0 Implementation and Enforcement**

3.1 The implementation of this strategy will be reliant on a combination of activities from the District Council, traders and the wider public. There are very few aspects that will be capable of strict enforcement regimes through contractual arrangements with traders. However appropriate opportunities will be sought when new agreements are negotiated with traders. Crucially much of the strategy's implementation will be dependent on goodwill. This is not unusual with respect to environmental strategies. It is also worth noting that it is understood that we are set to be only the second market in the Country to formally adopt such a strategy. Any strategy that sets out our commitment will form a useful basis for reducing the markets carbon footprint. To ensure that effective progress is made with regard to actions within the strategy it is proposed that a working group is set up to monitor the delivery and effectiveness of the strategy as set out in the section below. A first version of an implementation plan (Appendix 2) is intended to be a live document which will be updated and reviewed by the monitoring working group. Members are to note that specific projects will evolve and change over time as opportunities occur.

### **4.0 Monitoring**

4.1 This Strategy will be monitored by a working group formed of Tiverton Market Traders and a representative from the Market Management Team. The working group will actively monitor progress towards the aims and actions within the Strategy. This working group will also actively promote the strategy and identify further opportunities to reduce our impact on the environment with the added benefit of operating more efficiently. It is envisaged that this group

meets quarterly to review progress. Given the interest in specific aspects of the strategy expressed by members it is also recommended that a representative of the Economy PDG attend these meetings.

**Contact for more Information:** **Adrian Welsh, 01884 234344**  
**awelsh@middevon.gov.uk**

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

**List of Background Papers:** **A Strategy for Tiverton 2017-2027 (February 2017)**  
**Report to Economy PDG (9 November 2017):**  
**(Tiverton Market Environmental Strategy 2017-2022)**

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# TIVERTON MARKET

## ENVIRONMENTAL STRATEGY

### 2017-2022



#### Introduction

Markets, by their nature, support environmentally-friendly initiatives through facilitating local producers and businesses, lowering food miles for local produce in particular meat, fish, dairy, fruit and veg. Furthermore, markets promote sustainability and waste minimisation through offering second-hand/preloved goods and upcycled items as well as supporting ethical and fair trade.

In line with the Council's objectives for 'Environment', Tiverton Market is committed to:

- Increasing recycling and reducing waste (in particular plastic and other non-biodegradable waste)
- Reducing our carbon footprint
- Protecting the natural environment

Outlined below are actions we aim to focus on to achieve these objectives.

#### Aim 1: Increase Recycling and Reduce the Amount of Waste

##### What we're already doing:

- ★ **Offer trade recycling** – the Market previously offered no trade waste recycling service to traders. Now we offer two trade recycling bins, regularly filled and have reduced our bi-weekly general waste (landfill) collection to weekly.
- ★ **Support 'love food, hate waste' campaigns** – the Market is working with Community Action Group (CAG) Devon on reducing food waste. This includes providing end-of-life produce to the 'Grubs Up' catering scheme and promoting their campaigns to the public and traders at our Streetfood events.
- ★ **Work with local groups on reducing waste** – the Market supports the work of Tiverton Repair Café (held at the Market Youth Centre) and promotes their local events through the Market's social media channels.
- ★ Work with Devon Recycling to **promote local recycling and composting schemes** to the general public.
- ★ **Reduce plastic waste** by removing disposable plastic cups from the water cooler in the office. Instead Market Staff (and traders) can use refillable containers (such as cups or eco-friendly bottles). In addition, in liaison with 'Refill Devon' we are officially a 'water refill station' and on the water refill map for Devon.
- ★ **Zero carrier bag policy** – the Market has banned carrier bags from being used, instead traders offer alternative carrier/packaging options (such as paper bags).

##### What else we will introduce:

- Increase recycling** – currently glass, food waste, garden waste or textiles are not able to be recycled under the current Trade Waste scheme. We will work with the Council's Trade Waste service to introduce a food trade waste / composting scheme and look into options for the other recyclable materials. Furthermore, we aim to increase public recycling through the provision of public recycling and charity bins on site.
- Educate traders and public on **reduce, reuse, recycle initiatives** by taking part in National Recycling Week, promotion on social media (with links where relevant to Market products), related activities with local school children and hosting 'shopping' events.
- Use recycled materials and art** in any building or renovation work (where possible) at the Market.
- Provide branded reusable bags** and associated strategy to encourage reuse.

##### Other options that we can investigate:

- **Awareness Raising Events** – in liaison with relevant parties we will look to host awareness raising events at the market.

Target: Reduce need for general waste collection from the market to once every three weeks by 2020.

## Priority 2: Reduce our Carbon Footprint

### What we're already doing:

- ★ **Promote alternative modes of transportation** – the Market has bike racks for the public to use plus we have links with local public transport provider Tiverton and District Community Transport Association (TDCTA) for a drop-off point next to the Market.
- ★ **Minimising food miles** – by supporting local producers, the Market offers products with reduced food miles from farm-to-fork. We also encourage traders to source local suppliers.

### What else we will introduce:

- Switch to energy efficient lighting** – we aim to replace existing bulbs with energy-efficient LED bulbs.
- During any renovation or construction work to the Market, **eco-paint and low-emitting and recycled building materials** will be used where possible (subject to receipt of appropriate listed building consent)
- Improve bicycle storage** for traders and their staff to encourage alternative modes of transportation.
- Further **promote the bike racks** and bus drop off point at the Market with the public and through liaison with bus and coach companies.
- Liaise with hot food traders over the potential of offering **green menus** and promote the quality of meat offered at the Market, educating customers on how to cook it carefully and use every bit of the animal along with promotion of vegetarian products.
- A **strategy to reduce electricity** use by better understanding current usage and look for opportunities to operate more efficiently.

### Other options that we can investigate:

- Installing solar (PV) panels (or other options for **generating energy**) at the Market.
- Providing an **electric-car charging point** in the Market Car Park.
- When required, replacing the trader toilet with a **low-flowing toilet**.
- Provide **trader and staff changing room facilities**.

Target: Reduce electricity usage by 10% by 2020 proportionate to trade.

## Priority 3: Protect the Natural Environment

### What we're already doing:

- ★ Offer **organic food** / produce made using eco-friendly farming methods.
- ★ **Support bee-friendly** products – plant sellers at the Market are encouraged to offer bee-friendly products and to highlight this in their labels. In addition, the Market displays seasonal hanging baskets containing bee-friendly plants.
- ★ **Limited use of plastic packaging** – most produce at the Market is free from packaging, with limited plastic used where necessary for health/hygiene purposes. Meat producers are encouraged to use butcher paper instead of Styrofoam to wrap produce and our egg sellers use paper cartons instead of polystyrene. At our food events, the Market requests all participating traders to use food containers, packaging, plates and cutlery made from biodegradable materials where possible.

### What else we will introduce:

- Add greenery to the Market with a **wild flower garden** featuring bee-friendly plants (such as Lavender).
- Ensure **eco-friendly cleaning products** are used.
- Promote environmentally friendly options** on social media (with links to Market products).

### Other options that we can investigate:

- While the Market is not a suitable location to site a **bee hive**, we would support any suitable business wishing to look after one in the town centre by offering their honey at the Market.
- When needing to repave the Market outside space, we will look into green options such as **grass paving** or other suitable permeable alternatives.

Target: Achieve all three proposed initiatives by 2020.






### Further Actions

- i. The market's Communication Strategy will reinforce and promote the environmental aims of this strategy. The Market also aims to showcase more ethical and fair-trade products and welcomes traders offering such goods (in line with the Markets Balance of Goods Policy).
- ii. Traders will be encouraged to know and promote the eco-credentials of the products they stock. For example whether they are local? Do they use minimal or recycled packaging? Are fish @Marine Stewardship Council' (MSC)-certified etc.?
- iii. This Strategy will be monitored by a working group formed of Tiverton Market Traders and a representative from the Market Management Team. The working group will:
  - Actively monitor progress towards the aims and actions within this Strategy along with the wider aims within the Market Strategy;
  - Actively promote the aims and actions within this Strategy;
  - Identify further opportunities to improve our impact on the environment; and
  - Review and amend the strategy following relevant changes in best practice or legislation.
- iv. The Strategy will be formally reviewed every five years (next review due 2022) in consultation with relevant Mid Devon District Council services and with Tiverton Market Traders.

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## Implementation Plan

Action Point	Implementation Mechanism	Expected Timeframe
<b>Offer trade recycling</b> – the Market previously offered no trade waste recycling service to traders. Now we offer two trade recycling bins, regularly filled and have reduced our bi-weekly general waste (landfill) collection to weekly.	Continuation of Existing Arrangements.	Currently being implemented. 
<b>Support 'love food, hate waste' campaigns</b> – the Market is working with Community Action Group (CAG) Devon on reducing food waste. This includes providing end-of-life produce to the 'Grubs Up' catering scheme and promoting their campaigns to the public and traders at our Streetfood events.	Continuation of Existing Arrangements.	Currently being implemented. 
<b>Work with local groups on reducing waste</b> – the Market supports the work of Tiverton Repair Café (held at the Market Youth Centre) and promotes their local events through the Market's social media channels.	Continuation of Existing Arrangements. Working group to explore other opportunities.	Currently being implemented. 
Work with Devon Recycling to <b>promote local recycling and composting schemes</b> to the general public.	Continuation of Existing Arrangements such as making space to accommodate Devon recycling when required. Working group to explore other opportunities.	Currently being implemented. 
<b>Reduce plastic waste</b> by removing disposable plastic cups from the water cooler in the office. Instead Market Staff (and traders) can use refillable containers (such as cups or eco-friendly bottles). In addition, in liaison with 'Refill Devon' we are officially a 'water refill station' and on the water refill map for Devon.	Continuation of Existing Arrangements. No more plastic disposable cups to be supplied after use of existing stock.	Currently being implemented. 
<b>Zero carrier bag policy</b> – the Market has banned carrier bags from being used, instead traders offer alternative carrier/packaging options (such as paper bags).	Continuation of Existing Arrangements. To be monitored and reviewed by working group. Connection with branded reusable bag initiative below.	Currently being implemented. 
<b>Increase recycling</b> – currently glass, food waste, garden waste or textiles are not able to be recycled under the current Trade Waste scheme. We will work with the Council's Trade Waste service to introduce a food trade waste / composting scheme and look into	Work currently underway with MDDC trade waste to be included in Food Waste Pilot. Currently MDDC in discussions with Salvation Army to	Ongoing. Additional schemes expected to be implemented by April 2018.

options for the other recyclable materials. Furthermore, we aim to increase public recycling through the provision of public recycling and charity bins on site.	consider provision of a Clothes Bank. In addition to reductions in pressure on landfill, this would also enable a modest income stream to MDDC. Other opportunities for making the most from waste & recycling will be considered by the working party.	
Educate traders and public on <b>reduce, reuse, recycle initiatives</b> by taking part in National Recycling Week, promotion on social media (with links where relevant to Market products), related activities with local school children and hosting 'shopping' events.	Event at market to encourage Recycling Art and Products. Details to be agreed by working party.	September 2018
<b>Use recycled materials and art</b> in any building or renovation work (where possible) at the Market.	Opportunities to be discussed with property services and conservation team.	As and when building projects and renovation works occur and subject to budget.
<b>Provide branded reusable bags</b> and associated strategy to encourage reuse.	Initial enquiries have been made as to the range of available products. Discussions currently underway with traders.	May 2018 to support 'Love Your Local Market' Campaign.
<b>Awareness Raising Events</b> – in liaison with relevant parties we will look to host awareness raising events at the market.	Investigate opportunities with partners.	September 2018
<b>Promote alternative modes of transportation</b> – the Market has bike racks for the public to use plus we have links with local public transport provider Tiverton and District Community Transport Association (TDCTA) for a drop-off point next to the Market.	Continuation of Existing Arrangements. Inclusion of details on Market Website. Working Group to investigate other opportunities as they occur.	Currently being implemented. Working Group to keep under review. 
<b>Minimising food miles</b> – by supporting local producers, the Market offers products with reduced food miles from farm-to-fork. We also encourage traders to source local suppliers.	Continuation of existing practices and investigate opportunities for new initiatives.	Currently being implemented. Working Group to keep under review. 
<b>Switch to energy efficient lighting</b> – we aim to replace existing bulbs with energy-efficient LED bulbs.	Currently liaising with Property Services to review electrical systems in general including	2018

	lighting.	
During any renovation or construction work to the Market, <b>eco-paint and low-emitting and recycled building materials</b> will be used where possible (subject to receipt of appropriate listed building consent).	Continued Liaison with Property Services.	As and when building projects and renovation works occur.
<b>Improve bicycle storage</b> for traders and their staff to encourage alternative modes of transportation.	Review by working Group.	2018  Subject to budget and review and monitoring of current public provision.
Further promote <b>the bike racks and bus drop off point</b> at the Market with the public and through liaison with bus and coach companies.	Details added to website. Contacts with coach companies currently underway.	Currently underway and ongoing.
Liaise with hot food traders over the potential of offering <b>green menus</b> and promote the quality of meat offered at the Market, educating customers on how to cook it carefully and use every bit of the animal along with promotion of vegetarian products.	Liaise with traders to promote through social media.	2018
A <b>strategy to reduce electricity use</b> by better understanding current usage and look for opportunities to operate more efficiently.	Working with Property Services to implement use of dedicated electric meters.	2018
Installing solar (PV) panels (or other options for <b>generating energy</b> ) at the Market.	Opportunities to be sought through working group.	2018
Providing an <b>electric-car charging point</b> in the Market Car Park.	Investigate opportunities through liaison with partners and any emerging wider strategy.	2018/19  Subject to budget
When required, replacing the trader toilet with a <b>low-flowing toilet</b> .	Investigate opportunities with property services.	2018 Subject to budget.
Provide <b>trader and staff changing room facilities</b> .	Dependent on reconfiguration of market space.	2019/20 Subject to budget
Offer <b>organic food</b> / produce made using eco-friendly farming methods.	Organic food already provided at market, opportunities to increase	Ongoing.

	offer, through discussions between Market Manager and Traders.	
<b>Support bee-friendly</b> products – plant sellers at the Market are encouraged to offer bee-friendly products and to highlight this in their labels. In addition, the Market displays seasonal hanging baskets containing bee-friendly plants.	Market Manager to promote with traders. To be reviewed by working group.	Ongoing. Hanging Baskets 2018.
<b>Limited use of plastic packaging</b> – most produce at the Market is free from packaging, with limited plastic used where necessary for health/hygiene purposes. Meat producers are encouraged to use butcher paper instead of Styrofoam to wrap produce and our egg sellers use paper cartons instead of polystyrene. At our food events, the Market requests all participating traders to use food containers, packaging, plates and cutlery made from biodegradable materials where possible.	Continuation of Existing Arrangements. Monitored by working group.	Currently underway and ongoing.  ✓
Add greenery to the Market with a <b>wild flower garden</b> featuring bee-friendly plants (such as Lavender).	Dependent on Town Centre Masterplan. In the meantime use of movable containers.	2020 Movable containers 2018.
Ensure <b>eco-friendly cleaning products</b> are used.	To be included in new contracts.	2018
<b>Promote environmentally friendly options</b> on social media (with links to Market products).	Continued use of social media to promote environmental initiatives.	Currently underway. Ongoing.  ✓
While the Market is not a suitable location to site a <b>bee hive</b> , we would support any suitable business wishing to look after one in the town centre by offering their honey at the Market.	Market Manager to facilitate and explore.	Opportunities to be sought throughout strategy period.
When needing to repave the Market outside space, we will look into green options such as <b>grass paving</b> or other suitable permeable alternatives.	Dependent on Tiverton Masterplan Work and liaison with property services.	2020

**ECONOMY PDG**  
**11<sup>TH</sup> JANUARY 2018**

## **HOTSW Productivity Strategy & UK Industrial Strategy**

**Cabinet Member(s):** Cllr Richard Chesterton  
**Responsible Officer:** Stephen Walford, Director for Growth

**Reason for Report:** To inform members of Mid Devon District Council's response to the Heart of the South West Partnership's Productivity Strategy Consultation, and to note the Government's Industrial Strategy.

**RECOMMENDATION:** That members note the Council's response.

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

**Financial Implications:** There are no direct financial implications arising from the report, however, the productivity strategy will determine the focus of funding made available to the Heart of the South West from government. Influencing the strategy 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

**Equality Impact Assessment:** There are no equality issues arising directly from this report. The productivity strategy itself identifies 'inclusive growth' as a key principle behind productivity growth in which everyone has the opportunity to benefit from, and contribute to, our productivity growth, regardless of status or location.

### **1.0 Introduction**

The Heart of the South West Local Economic Partnership (HotSW LEP)<sup>1</sup> published a draft Productivity Strategy for consultation in October 2017. The Strategy was discussed at the last Economy PDG on the 9<sup>th</sup> November, and a response was collated, reflecting the discussions held at committee and responses from individual Councillors.

### **2.0 Mid Devon District Council Response**

#### **2.1 General Comments**

- The Council welcomes the focus on productivity and the emphasis on higher skilled, higher paid employment.
- The strategy overall does not reflect the Council's ambitions for growth around Exeter and the M5 corridor reflected in the work of the Greater Exeter Growth Board and the Greater Exeter Strategic Plan.

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<sup>1</sup> The partnership includes all the councils in Devon and Somerset, along with the Local Enterprise Partnership, the two National Park Authorities and the three Clinical Commissioning Groups,

- Although we agree with a targeted approach, there is a delicate balance between targeting specific sectors and geographical areas for growth with the danger of underinvesting (time and resources) in other sectors and areas.
- Therefore, there needs to be a counterbalancing effort to ensure there is the right environment for economic growth in rural areas, to create a vibrant rural economy and keep our villages alive.
- Equally, there needs to be a greater emphasis on how the whole LEP area can benefit from the development of the golden opportunities, i.e. through stimulating the growth of supply chain, spinoff and complementary businesses.

## **2.2 Does the Strategy set an appropriate balance between an ambitious yet realistic goal – to double the size of our economy by 2036?**

The Council believes the partnership target to double the size of the local economy by 2036 is suitably ambitious – ‘stretching but also attainable’. The Council in its own Economic Strategy would like to set an ambitious and aspirational agenda for growth with plans for developments to the East of Tiverton, Culm Garden Village and at J27 in the Local Plan Review.

## **2.3 Strategic Objectives: Leadership and Knowledge; Connectivity and Infrastructure; and Working and Learning.**

While all three objectives are important, the key element for the Council is Connectivity and Infrastructure. Having a good transport infrastructure is vital in unlocking the employment sites necessary for economic growth. However, if we are to attract the new tech and advanced manufacturing businesses we will need to boost local productivity, we also need superlative broadband and mobile connectivity. The rural economy has the most to gain from a step-change in achievable broadband speeds (not just nominal coverage).

## **2.4 Leadership and Knowledge**

This objective received least comment from members. It was felt that leadership and knowledge is an area the businesses should be proactively pursuing of their own accord.

## **2.5 Connectivity and Infrastructure**

The key issues the Council would like to see progressed are:

- Ensuing 100% superfast broadband and 4G coverage – as mentioned above, this seems to be a fundamental issue for the growth of the LEP area, given the sort of businesses we are trying to attract or grow, the area’s rurality and its peripheral position in relation to markets and customers.
- Future proofing new development, with the aim of making ‘all new housing more sustainable and with the latest energy and digital infrastructure built in from the outset.’ – we are particularly keen that new developments proposed East of Cullompton meet the highest standards of sustainability and connectivity.



- Creating new partnerships to deliver smart grid and energy storage – The Council is already working with the Hydro Mills Group, a partnership of local businesses and interested parties, to develop an innovative project to bring back local weirs into productive use with the latest technology in hydro-electrical generation, using smart grids and energy storage systems to capture and use this energy for business and community use.
- The Council is particularly keen to develop clean energy infrastructure and linking energy generation with advances in battery technology and electric vehicles.
- The Council is also keen to create ‘the right transport infrastructure to furnish business growth and new employment sites’.
- (We are unclear what the term ‘pilot schemes for green spaces’ entails)

## **2.6 Working and Learning**

- We welcome the focus on higher skills – but this needs to go hand in hand with raising aspirations of young residents, so that we are training local residents, rather than pulling in expertise from surrounding areas / nationally.

## **2.7 Golden Opportunities**

- While it is appreciated that the majority of activities in the key sectors identified will take place in specific parts of the LEP area, we would like to know how such growth can be shared throughout the region – by equal efforts being put into developing effective supply chain businesses, and the growth of spin off and complementary businesses. Given the focus on inclusive growth we don’t want the LEP area to create dynamic economic hubs that pull in resources and people to the detriment of their rural hinterlands. This just recreates in miniature more economic disparities between different localities of the LEP area.
- It is not clear what the strategy means by the term ‘rural productivity’ and this needs to be clarified. We assume that it means not just farming but focusing on the productivity of micro-businesses in rural areas. Once again a focus on improving connectivity in rural areas is key if we are not to stifle opportunity and investment.
- We would like to see Green Energy included as a potential growth area – particularly in relation to the importance of natural capital.

## **2.8 Natural Capital**

The strategy is still weak on its statements about natural capital. There is a tendency to equate it with leisure activities and life choices, without taking seriously the economic value of the environment in its own right.

- Creating a quality environment for living and enjoying life is a major consideration in attracting the sort of people, entrepreneurs and businesses we need to create growth. It is one of the major selling points of the region to the rest of the UK.
- Not only is the SW’s natural capital a focus for leisure activities and the tourism industry it has an economic value in its own right – through agriculture and the food and drink industry, through micro energy generation linking to energy storage technologies, and electric vehicles, through environmental services and

consultancy, through green construction etc. Many of these opportunities are not yet being fully harnessed.

### **3.0 Exeter and Heart of Devon Response**

The Council's response was submitted by the original consultation deadline of the 30<sup>th</sup> November. 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. This can be seen at Appendix A.

Following the consultation the final Productivity Strategy will be amended and agreed by the HOTSW partnership, and a detailed delivery plan produced in the spring of 2018.

### **4.0 UK Industrial Strategy**

On the 14<sup>th</sup> December 2017, the Government published its Industrial Strategy – Building a Britain Fit for the Future, which can be accessed at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf)

Officers at Devon County Council have produced a helpful summary of the main elements of the strategy which can be found at Appendix B. The Committee will have opportunities to discuss the implications of the UK Industrial Strategy for Mid Devon in the discussions around the development of a Mid Devon Economic Strategy,

The HOTSW LEP will develop a LEP-wide Industrial Strategy in response to the government's strategy, which will reflect the priorities for the local LEP area as set out in the Productivity Strategy. The first wave of local Industrial Strategies is due in March 2019.

**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:** Appendix A – EHOD Response  
Appendix B – DCC summary of UK Industrial Strategy

# Heart of the South West Productivity Strategy Consultation

## Exeter & the Heart of Devon Economic Partnership



Following a series of presentations to members of the 4 Exeter & Heart of Devon (EHOD) authorities, there was a shared commitment to providing a joint response to reflect our economic geography.

In addition to the individual authority responses to this Draft Productivity Strategy consultation, our respective economic development teams and Exeter Science Park have discussed the overarching vision and objectives of the Strategy and the degree to which the work reflects the needs and priorities of our districts and wider functioning economic area.

The following key messages are offered by way of a joint response:

### **Consensus and Concern**

Collectively, the target to double the size of our economy by 2036 is felt to be ambitious yet achievable and we applaud the HotSW LEP's continued focus on productivity. Our EHOD authorities cite examples of growth plans, significant investment and recent achievements which will all contribute to improved productivity beyond our political boundaries. Examples include the first occupiers of our speculative office building at Skypark, further collaborative development at Exeter Science Park, the new Met Office super computer and plans for developments to the East of Tiverton, Culm Garden Village and at Junction 27 of the M5.

Exeter City, East Devon, Mid Devon and Teignbridge District Councils agree that the three Strategic Objectives: Leadership and Knowledge; Connectivity and Infrastructure; and Working and Learning are the right areas of focus to raise productivity.

Whilst the high level focus of this work is acknowledged, there is concern within respective teams that the document's development could have benefitted from a greater degree of business engagement. A degree of disconnect has been articulated by some businesses (and of varying sizes), notably some attending the LEP Conference on 10 Nov. It will now be key to ensure as many businesses as possible are engaged and encouraged to review the strategy prior to adoption.

### **Connectivity and Infrastructure**

Unsurprisingly, teams see Investment in broadband, access to WiFi and more reliable mobile data as essential to supporting economic growth. Superfast broadband and mobile connectivity is required if we are to attract the new tech and advanced manufacturing businesses we will need to boost local productivity. Likewise, it is an enabler of enterprise and self-employment to those in more deeply rural settlements with less access to public transport.

For broadband the focus needs to move away from coverage to take up, and to have greater scrutiny on how well 'commercially covered' areas are actually covered. Business digital take up needs to increase to enable an increase in productivity and it was felt the Strategy needs to be more aspirational in terms of Greater Exeter being a test bed for 5G.

## **Working and Learning**

The focus on higher skills is welcome, but the importance of support to Primary and Secondary education providers was highlighted. Across EHOD, the aspirations of young residents need to be raised so that we are training local residents, rather than pulling in expertise from surrounding areas/nationally. Specific comments offered include:

- Schools should be allowed more opportunity to work with businesses to get students ready for work (and life), including communication skills, household budgeting, punctuality and enthusiasm for the job.
- The Strategy could include a mechanism to lobby Government on greater support for all levels of education.
- The Strategy for skills does not focus enough on vocation. Not every person can or wants to go through the traditional university approach. The emphasis on the knowledge economy only serves to reinforce a message that some skills are valued more than others.
- There is also a need to communicate well with local business at all levels, working with them to establish a relationship which will bring benefit to all involved, and most importantly, the lifelong benefits to the student.

Lastly, it was felt there should be greater ‘future proofing’ in the skills agenda. The growth in automation and mechanisation will see increases in productivity for businesses but less demand on the workforce. We would encourage a more proactive approach that seeks to work with industries and businesses to reskill workers displaced by advances in technology.

## **Golden opportunities and inclusive growth**

Our collaborative approach to strategic development has underpinned our emerging Greater Exeter Strategic Plan, identifying and seeking to deliver strategic employment, housing and infrastructure across our area to 2040. Given both timeframes and focus, we will need to ensure this work, and activity to promote our own 4 key sectors (smart logistics; knowledge based industries; data analytics and environmental futures) is in synergy with the Productivity Strategy.

It is appreciated that many activities in the key sectors identified within the Productivity Strategy will take place in other parts of the LEP area. However, it is essential that all areas and all sectors have opportunities to bid into any funding opportunity and that these opportunities are not limited geographically or by size of business.

Inclusive growth would mean productivity within traditional sectors also needs to be included more clearly in the Strategy. Tourism, hospitality, health, social care, agriculture and public sector bodies. These sectors are key to so many of our local economies in the HotSW area.

Lastly, a common view was offered that more office and workspace is needed across our districts to support small businesses and for innovative / high tech businesses to become established and grow. New development at Exeter Science Park is without doubt an essential step forward given its centrality to our travel to work area. We are, however, minded that with the increased cost of transportation coupled with an increased rollout of digital connectivity, more rural areas of our geography should not be overlooked.

## **Natural capital**

Across our shared economic geography, our approach to growth and improved productivity has maintained an awareness of our environment as an economic driver. This is not just in terms of our more traditional rural economy sectors, but as an attractor for inward investment to those seeking the benefits of strong road, rail, air and digital connectivity, good access to markets, a highly skilled labour force as well as the wider wellbeing and leisure benefits that our beautiful country and coastal landscape offers.

It was felt that the Draft Strategy is weak on its statements about natural capital which is not simply about leisure activities and life choices. The quality of the environment across EHOD sets us apart as an exemplar location. It needs to be made clear that our natural capital a focus for leisure activities and the tourism industry it has an economic value in its own right – through agriculture and the food and drink industry, through micro energy generation linking to energy storage technologies, and electric vehicles, through environmental sciences and consultancy, through green construction and others. Many of these opportunities are not yet being fully harnessed. Moreover, the EHOD authorities recognise that there is a need to improve sustainable transport models from rural and coastal communities into Exeter - such as Devon Metro, bus routes, and dedicated cycling routes.

## **Delivery**

We welcome the recognition given in the Industrial Strategy white paper to the emerging environmental sciences research cluster in Exeter with the combined research strengths of the university and the Met Office. Similarly, the government's commitment to expand the specialist maths school model pioneered by Exeter University is an acknowledgement of best practice following from focussed collaboration.

We have achieved substantial growth, and with our focussed development strategies, have established important in roads into increasing productivity more widely. Across our Growth Point, and now within our Enterprise Zone, we have demonstrated the benefit of investment in infrastructure provision to promote both growth and productivity in high GVA sectors and we welcome the opportunity to deliver more through further investment in this exemplar EHOD location.

As a principle driver of productivity, investments in physical capital, such as the passing loop on the Exeter/Waterloo line, improvements to the A30/303 and the provision of workspace offer clear opportunities to spread wealth. The joint approach we have taken to Strategic Planning with our neighbouring authorities presents a timely opportunity to engage with you in these and other potential Delivery Plan initiatives.

We look forward to supporting the development of the Delivery Plan in due course.

Robert Murray, Economic Development Manager, East Devon District Council  
Victoria Hatfield, Economy & Enterprise Manager, Exeter City Council  
John Bodley-Scott, Economic Development Team Leader, Mid Devon District Council  
Neil Blaney, Economy Manager, Teignbridge District Council  
Dr Sally Basker, CEO, Exeter Science Park

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## Industrial Strategy White Paper

As expected, the 10 “pillars” from the Green Paper have become “**5 foundations**” of productivity:

**Ideas:** the world’s most innovative economy

**People:** good jobs and greater earning power for all

**Infrastructure:** a major upgrade to the UK’s infrastructure

**Business Environment:** the best place to start and grow a business

**Places:** prosperous communities across the UK.

### Key policies include:

#### Ideas

- ▶ Raise total research and development (R&D) investment to 2.4 per cent of GDP by 2027
- ▶ Increase the rate of R&D tax credit to 12 per cent
- ▶ Invest £725m in new Industrial Strategy Challenge Fund programmes to capture the value of innovation

#### People

- ▶ Establish a technical education system that rivals the best in the world to stand alongside our world-class higher education system
- ▶ Invest an additional £406m in maths, digital and technical education, helping to address the shortage of science, technology, engineering and maths (STEM) skills
- ▶ Create a new National Retraining Scheme that supports people to re-skill, beginning with a £64m investment for digital and construction training

#### Infrastructure

- ▶ Increase the National Productivity Investment Fund to £31bn, supporting investments in transport, housing and digital infrastructure
- ▶ Support electric vehicles through £400m charging infrastructure investment and an extra £100m to extend the plug-in car grant
- ▶ Boost our digital infrastructure with over £1bn of public investment, including £176m for 5G and £200m for local areas to encourage roll out of full-fibre networks

#### Business Environment

- ▶ Launch and roll-out Sector Deals - partnerships between government and industry aiming to increase sector productivity. The first Sector Deals are in life sciences, construction, artificial intelligence and the automotive sector
- ▶ Drive over £20bn of investment in innovative and high potential businesses, including through establishing a new £2.5bn Investment Fund, incubated in the British Business Bank
- ▶ Launch a review of the actions that could be most effective in improving the productivity and growth of small and medium-sized businesses, including how to address what has been called the ‘long tail’ of lower productivity firms

#### Places

- ▶ Agree Local Industrial Strategies that build on local strengths and deliver on economic opportunities
- ▶ Create a new Transforming Cities fund that will provide £1.7bn for intra-city transport. This will fund projects that drive productivity by improving connections within city regions
- ▶ Provide £42m to pilot a Teacher Development Premium. This will test the impact of a £1000 budget for high-quality professional development for teachers working in areas that have fallen behind

**We will ensure our Industrial Strategy will endure by creating an independent Industrial Strategy Council that will assess our progress and make recommendations to the government.**

Cutting across these foundations, the government has identified four **Grand Challenges** for the economy of the future that the Industrial Strategy will prioritise:

1. **AI & Data economy**
2. **Clean Growth**
3. **Future of mobility**
4. **Ageing society**

Each Grand Challenge identifies 4 priority areas for early action. A “Challenge Team” of external advisors, led by a business champion, will be appointed in 2018. Those teams will develop more detailed plans for meeting these challenges, including setting specific missions where appropriate.

### Key new announcements

#### **Ideas**

- Target for *total* R&D spending of 2.4% of GDP by 2027, and 3% in the longer term.
- As a first step, govt will increase *public* spending on R&D by £2.3bn in 2021-22
- A new competitive £115m Strength in Places R&D Fund, to support the development of local research strengths (i.e. a Place Fund)
- £725m from the NPIF for the second wave of the Industrial Strategy Challenge Fund:
  - Transforming Construction, up to £170m
  - Prospering from the Energy Revolution, amount unknown
  - Transforming Food Production
  - Audience of the Future (VR, etc), up to £33m
  - Data for early diagnosis, up to £210m
  - Healthy Ageing, amount unknown
- £300m more for research talent, including £45m for PhDs in AI
- A new competitive “Strategic Priorities Fund” for cross-cutting research, amount unknown
- Higher Education Innovation Fund, which incentivises business and University collaboration, to be increased to £250m p.a. by 2020-21
- £50m innovation loans pilot
- Reforms to the Research Excellence Framework (weighting for impact increased from 20% to 25%), and a new Knowledge Exchange Framework to be introduced. Will affect Uni funding.
- A new Government Office for AI will be established, with an initial focus on 6 sectors including Agri-Tech
- Met Office and other govt labs to be tasked with supporting local economic growth
- Some Catapult centres to be placed on an improvement programme following govt review
- Environmental Science in Exeter is name-checked as a strength



## People

- Reiteration of Budget announcements on Maths, Computing & Construction skills
- Public consultation on T-Levels before the end of the year
- Review of Level 4&5 education to be launched
- Adult skills budget to be devolved to mayoral authorities in 2019
- A comprehensive careers strategy to be published shortly
- Emphasising the role of Skills Advisory Panels
- £40m pilot for a Teacher Development Premium, to provide £1000 for high quality premium teacher training in areas of the country that have been left behind
- Will publish plans shortly to see 1 million more disabled people in work by 2027

## Infrastructure

- Reiteration of Budget announcements on:
  - £176m 5G trials and testbeds
  - £200m Local Full Fibres Network Fund
  - £400m Charging Infrastructure Fund (o/w £200m public money)
  - £100m plug in car grant
  - £220m Clean Air Fund
  - £1.7bn Transforming Cities Fund
  - £1bn of discounted PWLB lending
  - Housing package
- A “Rebalancing Toolkit” to be used for transport spending. Business case methodologies will be adjusted to give weight to regional economic rebalancing, as currently high productivity areas win most of the money.
- £50m to support the development of commercial space flights from UK space ports
- Govt Review of the telecoms market and investment in digital infrastructure, including competition issues, to be published Summer 2018
- Govt will publish a “Statement of Strategic Priorities” for fixed & mobile connectivity in 2018
- £80m to make more Ordnance Survey data freely available
- A new industrial energy efficiency fund to be launched, consultation in 2018

## Business Environment

- Reiteration of Budget announcement of a new £2.5bn fund within the British Business Bank, improving access to finance for SMEs
- A number of sector deals have been announced. These aren't terribly exciting and appear to have little money attached to them:
  1. **Life Sciences**, including new regional Digital Innovation Hubs
  2. **Automotive**
  3. **Artificial Intelligence**

4. **Construction**, including Budget announcement on skills
- There are some sector deals in advanced discussions but are yet to be agreed:
    - **Creative Industries**, including a competition for 8 regional research clusters
    - **Nuclear**
    - **Digitalisation of Industry**
  - Criteria have been set for any further sector deals. Govt says it expects to proceed with further discussions with some sectors in the New Year, but the messaging appears to be managing expectations about the number of further deals “Sector Deals are not required for every sector”
  - Explicit recognition of Future Sectors, and how govt can support these as well as incumbents
  - Govt review of how to improve productivity in SMEs, to report in Autumn 2018
  - A new Supply Chain Competitiveness Programme, no amount announced
  - A new Business Basics Programme, involving local areas, to encourage SMEs to adopt new technologies and business practices. No amount announced.
  - 9 new UK trade commissioners, who will be asked to develop a regional trade plan covering exports and inward investment
  - Export support to be intensified for scale up candidates, working with Growth Hubs
  - A new Food & Drink Sector Council to be established
  - Govt intends to act on the recommendations of the Taylor Review of modern working practice
  - Social care sector mentioned – need to adopt new technology and business practices
  - ‘Transforming food production: from farm to fork’ programme will put the UK at the forefront of advanced sustainable agriculture.
  - Funding for Growth Hubs will be continued.

## Place

- Local Industrial Strategies to be agreed between govt and local areas. First wave to be agreed by March 2019
- Review of LEPs roles and responsibilities to conclude in early 2018
- Additional resources (core funding?) will be made available to those LEPs that embrace reform
- Shared Prosperity Fund to go to consultation next year, no extra details
- Encouraging regional collaboration in some contexts: specific mention of the SW Rural Productivity Commission and HotSW’s work with Cumbria on the Nuclear sector deal.
- Recognition of the need for flexibility below the LEP level as well e.g. town deals

## What’s not in the Industrial Strategy?

- Very little said about **Brexit**. The elephant in the room?

- Similarly, few indications about further **devolution deals**
- **Rural** barely features as a theme, with only a few references to agri tech opportunities.

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