

Public Document Pack

Mid Devon District Council

Economy Policy Development Group

Thursday, 8 November 2018 at 5.30 pm
Exe Room, Phoenix House, Tiverton

Next ordinary meeting
Thursday, 10 January 2019 at 5.30 pm

Those attending are advised that this meeting will be recorded

Membership

Cllr Mrs A R Berry
Cllr A Bush
Cllr Mrs C Collis
Cllr J M Downes
Cllr S G Flaws
Cllr Mrs S Griggs
Cllr Mrs B M Hull (Chairman)
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 **Declaration of Interests under the Code of Conduct**
Councillors are reminded of the requirement to declare any interest, including the type of interest, and reason for that interest, either at this stage of the meeting or as soon as they become aware of that interest.
- 3 **Public Question Time**
To receive any questions relating to items on the Agenda from members of the public and replies thereto.
- 4 **Minutes (Pages 5 - 12)**
Members to consider whether to approve the minutes as a correct record of the meeting held on 6 September 2018.

- 5 **Chairman's Announcements**
To receive any announcements that the Chairman may wish to make.
- 6 **Performance & Risk for 2018/19** (*Pages 13 - 20*)
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 2018/19 as well as providing an update on the key business risks.
- 7 **Financial update for the six months to 30 September 2018** (*Pages 21 - 38*)
To receive a report from the Deputy Chief Executive (S151) presenting a financial update in respect of the income and expenditure so far in the year.
- 8 **Draft 2019/20 General Fund and Capital Budgets** (*Pages 39 - 60*)
To receive a report from the Deputy Chief Executive (S151) considering the initial draft 2019/20 budget and options available in order for the Council to set a balanced budget and agree a future strategy for further budget reductions for 2020/21 onwards.
- 9 **Mid Devon Economic Profile** (*Pages 61 - 74*)
To receive a report from the Head of Planning and Regeneration providing Members with an updated profile of the Economy of the District.
- 10 **Economic Development Service Update** (*Pages 75 - 78*)
To receive a report from the Head of Planning, Regeneration & Growth updating Members on progress with key Economic Development Service Priorities.
- 11 **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
 - Budget 2019/20 – update
 - Draft Economic Strategy
 - Market Rights Policy (tbc)
 - Shop Front Scheme
 - Charging fees for grant applications
 - Economic Development Projects Update

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

Stephen Walford
Chief Executive
Wednesday, 31 October 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

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MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **ECONOMY POLICY DEVELOPMENT GROUP** held on 6 September 2018 at 5.30 pm

Present

Councillors

Mrs B M Hull (Chairman)
Mrs A R Berry, A Bush, Mrs C Collis,
J M Downes, S G Flaws, Mrs S Griggs and
Mrs N Woollatt

Apologies

Councillor

F J Rosamond

Also Present

Councillors

R J Chesterton and R Evans

Also Present

Officers

Stephen Walford (Chief Executive), Adrian Welsh (Group Manager for Growth, Economy and Delivery), John Bodley-Scott (Economic Development Team Leader), Joanne Nacey (Group Manager for Finance), Catherine Yandle (Group Manager for Performance, Governance and Data Security), Chris Shears (Economic Development Officer) and Sarah Lees (Member Services Officer)

23 **APOLOGIES AND SUBSTITUTE MEMBERS**

Apologies were received from Cllr F J Rosamond.

24 **DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT**

There were no declarations of interest given.

25 **PUBLIC QUESTION TIME**

There were no questions from the one member of the public present.

26 **MINUTES**

The minutes of the meeting held on 12 July 2018 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

27 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had the following announcements to make:

- She reminded the Group that there would not be an informal workshop after the formal meeting this evening but that it would take place on Tuesday 25th September at 5.30pm.

- Due to personal circumstances she would not be able to attend the next meeting of the Car Parking Working Group on 11 October. A replacement volunteer was sought from the Group but none were forthcoming.

28 **PERFORMANCE AND RISK FOR 2018/19 (00:06:00)**

The Group had before it, and **NOTED**, a report * from the Director of Growth and Chief Executive providing Members with an update on performance against the Corporate Plan and local service targets for 2018/19 as well as providing an update on the key business risks.

The contents of the report were outlined and a brief discussion took place with regard to:

- The fact that there had been an increase of 40 new business rate accounts between May and June and overall an increase of 100 since last year.
- Recent data in relation to the number of empty shops had only been provided for Cullompton due to timing factors when creating the report and summer holidays.

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

29 **FINANCIAL MONITORING (00:08:01)**

The Group Manager for Finance provided the Group with a verbal update regarding financial information relating to the income and expenditure in the year to date.

It was explained that it was still very early on in the financial year but that the current overspend was predicted to be approximately £242k. A significant area of income falling under the Economy PDG's remit was car parking. There was predicted to be an overspend in this area due in part to the building works affecting the Multi Storey Car Park (MSCP). However this had been offset by income from street fines and the fact that the MSCP was currently open 24 hours a day and did not require locking up and security costs as before.

The information provided was **NOTED**.

30 **TIVERTON TOWN CENTRE REGENERATION MASTERPLAN SUPPLEMENTARY PLANNING DOCUMENT (SPD) (00:10:02)**

The Group had before it, and **NOTED**, a report * from the Head of Planning, Economy and Regeneration presenting the results of the Tiverton Town Centre Masterplan SPD consultation.

It was explained that the public consultation had run across the summer and had asked for feedback on the Masterplan Supplementary Planning Document (SPD) exhibition boards displayed at Phoenix House, in the Pannier Market and online on the Mid Devon website. In total, there had been 55 responses received during the consultation period. These would be used to help develop the contents of a draft Masterplan SPD which would be subject to a further round of public consultation.

Discussion followed with regard to:

- The poor level of response and whether the Council could do something differently to encourage the public to respond. It was explained that the exhibitions had been well attended but that perhaps people were waiting to respond once the proposals were further developed at the next round of consultation.
- More had been done to encourage feedback through social media channels than any other consultation the Council had undertaken.
- Despondency amongst residents in replying to a large number of public consultations.

Note: * Report previously circulated

31 **SECOND GRIMSEY REVIEW OF TOWN CENTRES (00:18:10)**

The Group had before it, and **NOTED**, a report * of the Head of Planning, Economy & Regeneration briefing it on the second Grimsey Review of town centres.

Bill Grimsey had produced a report in 2013 entitled 'The Grimsey Report. An Alternative Future for the High Street' which had contained a number of recommendations and had followed the 'Mary Portas Review' of 2011. In 2017 he had been invited to embark on a review of his previous work to see what had changed, what had worked and what had not. This second review had culminated in 25 recommendations set out under these headings: Create a more supportive environment, Government and planning and smarter use of technology. In his report he had set suggested that there were three barriers as to why progress was often not made: business rates, the complex layers of local government and financing change.

The report before the Economy PDG set out what the possible implications were for Mid Devon. All three towns were set to have Masterplans and the Economic Strategy for the District was being produced. In Tiverton a new Town Centre Partnership was currently being established with engagement from a variety of different businesses in the town. There was a great deal of community activity generally across the three towns with good practice of shared community space such as the Culm Valley Integrated Centre for Health in Cullompton.

The Group were also informed that the Government intended to set up a panel of experts to investigate issues that currently affect the health of high streets and would advise on the best practical measures to help them thrive now and in the future.

Consideration was given to:

- The timing of the report which was felt to be helpful for the Council's developing Economic Strategy and the Masterplanning process.
- The effect of internet shopping.
- The 'Millenium' generation visiting towns for other reasons than previous generations might have done such as to visit food and entertainment establishments.
- Whether expensive regeneration projects were warranted when it might be that towns just needed tidying up.
- The impact of Business Rates.

- Town centre retailers needing to recognise their changing relationship with shoppers and to work with the internet retailers.
- It was felt that there was an increasing prevalence of unsavoury behaviour in Tiverton during the night time and this needed to be addressed. It needed to become a more attractive, safe and clean place to visit. It was discussed that improvements would need to be made to the top of Phoenix Lane in the near future.
- Car park pricing needed to be relative to what was offered with the town.

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

32 **CONSIDERATION OF WHETHER TO SEEK DESIGNATION AS AN AREA OF OUTSTANDING NATURAL BEAUTY FOR THE EXE VALLEY (00:48:41)**

The Group had before it a report * from the Head of Planning, Economy and Regeneration. Members had requested that the Economic Development Team look into the feasibility of obtaining Area of Outstanding Natural Beauty (AONB) status for the Exe Valley. The recommendation had been that the Group review the different options presented for conserving the environmental quality of the Exe Valley that were considered at a recent meeting of the Environmental Policy Development Group (PDG) on 4th September 2018 and to determine what comments they wished to forward to the Cabinet.

The Environment PDG had made the following recommendation:

“RECOMMENDED to the Cabinet that the Council consider option 1 to seek full AONB Designation.”

Discussion followed with regard to the economic factors affecting the possible designation of AONB status:

- Concern was expressed regarding the inflationary effect on house prices. Some of the people who had grown up in the Blackdown Hills area could not now afford to buy property in this area.
- There were not as many attractive elements to the proposed area as there were in places like Exmoor or Dartmoor and concern was expressed that not all of the area proposed would qualify for this status even if small pockets might.
- The substantial cost implications in terms of project development work and the ongoing delivery of a possible AONB management plan.
- The difficulties involved in quantifying the return on any investment.
- The effect upon agriculture, in particular the milk industry.
- Members expressed concern about whether the proposed area of coverage was the right one in size and geography given the qualities of the natural area, the need to consider the appropriate scale of any designation, and the proximity to other existing AONBs in the area.
- Option 4 ‘Take no further action at this stage’, was the preferred option from the majority of the Group.

The Group requested that their comments be forwarded to the Cabinet so that they may consider them in conjunction with the recommendation of the Environment PDG.

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

33 FUNDING AND RESOURCE OPPORTUNITIES TO SUPPORT THE COUNCIL'S EMERGING ECONOMIC DEVELOPMENT STRATEGY (01:14:06)

The Group had before it, and **NOTED**, a report * from the Head of Planning, Economy & Regeneration which had been provided in response to a request from the Economy PDG to indicate a range of funding and resource opportunities for Crediton, Cullompton and Tiverton.

The report provided a broad cross section of funding and other resource opportunities, including award schemes, loans and competitions that could support the emerging priorities of the Council's Economic Development Strategy. It also made reference to challenges and the income generation opportunities for Economic Development through grant applications.

Discussion took place with regard to:

- A lot of the funding streams available could be applied for by the Council. It was emphasised that they were relevant to the public sector as well as the business community.
- Income generation was key to the financial stability of the authority going forwards, it was now no longer just about making cuts.
- The need for all funding opportunities, successful or otherwise to be reported to this group in a meaningful way although it was stated that there was already a performance indicator showing how much funding had been applied for and of that how much had been successful.
- The Council would be in a much better position to apply for funding once the Economic Strategy was approved as that would provide a clear understanding of what it was the Council wanted to achieve.
- The Council had been successful in obtaining £4m for businesses and organisations across the District; were it to introduce charging for this service the return could be quite significant.

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

34 ECONOMIC DEVELOPMENT SERVICE UPDATE (01:30:05)

The Group had before it, and **NOTED**, a report * from the Head of Planning, Regeneration & Growth updating Members on progress with key Economic Development Service priorities.

Consideration was given to the following areas:

Devon Hydro and Smart Grid Project ('Mills Project')

Works had been undertaken by Hydromatch Ltd in delivering a full feasibility study on Tiverton Weir and this had progressed on to pre-application discussions with the Environment Agency.

It would be necessary to register before March 2019 in order to qualify for any feed-in tariff. The Council had already begun this process with regards to the Tiverton Weir.

Enquiries and Investments

An update was provided on some of the businesses the team had worked with:

- The Goonvean development was now well under way with 64,000 square feet being occupied and a further 30,000 square foot planned. The Economic Development Officer would let the Group know how many jobs had been created as a result of this.
- There was a live planning application from Lidl which the GED Team would be commenting on.
- The Hitchcock site was almost fully developed.
- Discussions were being had with landowners around the three towns with a view to bringing sites forward.
- It was reported that it was a positive time for indigenous growth with lots of investment opportunities possible.

Cullompton Heritage Project

Historic England had advised that the timing of any bid to fund a scheme for Cullompton needed to coincide with delivery of the relief road. It was agreed that this was seen as vital for the future prosperity of Cullompton.

Tiverton Market Events

It was reported that there had been no trouble at the recent evening events in Tiverton and that there had been a good atmosphere.

Discussion took place regarding what the Electric Nights events were actually bringing to the town. The Town Centre Manager responded by stating that these events had attracted people from far away. Food fairs were popular throughout the country and these events had introduced artisan food and crafts to the town. The reputation of Electric Nights was growing in and outside of the district which helped to generate income for local traders.

It was suggested that perhaps the turning on of the Christmas lights should take place at least a week earlier than was planned for 2018 but it was explained that this would have clashed with other events.

Notes:

- (i) * Report previously circulated; copy attached to the signed minutes.
- (ii) Cllr Mrs N Woollatt declared a personal interest as she was a mill owner.

35 **REGIONAL AND SUB REGIONAL PROJECT GOVERNANCE & STRUCTURES (01:53:15)**

The Group had before it, and **NOTED**, a pictorial summary * of the governance and structure arrangements of various regional and sub-regional projects and the role of Mid Devon District Council within them.

The Chief Executive and Director of Growth talked the Group through the various structures and explained where he and the GED team fitted in.

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

36 **COACHES IN TIVERTON (02:04:30)**

It had been requested that an item be placed on the agenda to discuss coach visits to Tiverton and what was being done to encourage more coach parties to visit the town.

It was explained that the Tourist Information Centre took the coach bookings and informed the Town Centre Manager when they were taking place. He undertook to greet each coach when it arrived and to make the drivers in particular feel welcome. Tiverton as a place to visit by coach was now being advertised in a coaching magazine but it would take time to build up a reputation. A lot more promotion would be undertaken when the town partnership was fully established. The only criticism he had received was the location of the coach park as it was not in an ideal spot.

Officers welcomed suggestions from Tiverton Ward Members as to any improvements that could be made such as better signage and more careful management of the arrival times of multiple coaches. The importance of increasing the number of coaches visiting the town was recognised and officers should ensure that every effort is made to explore ways to improve the effectiveness of the coach parking arrangements to increase visitor numbers where possible.

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

No further items were identified to be on the agenda for the next meeting other than those already listed.

(The meeting ended at 7.41 pm)

CHAIRMAN

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ECONOMY PDG 8 NOVEMBER 2018:

PERFORMANCE AND RISK FOR 2018/19

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 2018/19 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 2018/19 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 An Economic Development Service Update which covers specific projects is a separate item on this agenda.
- 2.2 Regarding the Corporate Plan Aim: **Focus on business retention and growth of existing businesses:** we record **Businesses assisted** which is

above target; they have to be assisted for a minimum of an hour to be included in this figure. MDDC has also been instrumental in two successful bids for LEADER funding for Mid Devon businesses.

- 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**, the vacancy rates have improved for Crediton and Cullompton for Q2, only Tiverton is below our target.

3.0 Risk

- 3.1 The Corporate risk register has been reviewed by Group Managers' Team (GMT) 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 2018/19 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 2018-2019
 Arranged by Aims
 Filtered by Aim: Priorities Economy
 For MDDC - Services

Key to Performance Status:

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

Corporate Plan PI Report Economy

Priorities: Economy

Aims: Attract new businesses to the District

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group to Manager	Officer Notes
<u>Number of business rate accounts</u>	2,963 (6/12)		3,000	3,004	3,004	3,044	3,049	3,049	3,054								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 to Manager	Officer Notes
<u>Businesses assisted</u>	137 (6/12)		250	25	49	72	93	113	128								None	(September) Provisional (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 to Manager	Officer Notes
<u>Increase in Car Parking Vends</u>	54,734 (6/12)			49,410	51,507	51,931	53,629	53,627	51,547								Andrew Jarrett	
<u>The Number of Empty Shops (TIVERTON)</u>	25 (2/4)		18	n/a	n/a	22	n/a	n/a	21	n/a	n/a	n/a	n/a	n/a	n/a		Adrian Welsh	(Quarter 2) July 2018 slight improvement - 21 vacant units representing 9% of available units (JB)
<u>The Number of Empty Shops (CREDITON)</u>	8 (2/4)		8	n/a	n/a	10	n/a	n/a	8	n/a	n/a	n/a	n/a	n/a	n/a		Adrian Welsh	(Quarter 2) 8 units representing 6.8% of the total retail units (JB)
<u>The Number of Empty Shops (CULLOMPTON)</u>	9 (2/4)		8	n/a	n/a	6	n/a	n/a	7	n/a	n/a	n/a	n/a	n/a	n/a		Adrian Welsh	(Quarter 2) Vacancy rate on 17th July was 8.2% (7 vacant units) (JB)

Aims: Other

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group to Manager	Officer Notes
<u>Funding awarded to support</u>	£25,459 (2/4)			n/a	n/a	£0	n/a	n/a	£160,395	n/a	n/a	n/a	n/a	n/a	n/a		Adrian Welsh	(Quarter 2) £133,178 LEADER funding awarded to Newton Equine Services £27,217 LEADER funding

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>economic projects</u>																		awarded to Harefield Barn, Shobrooke (JB)

Economy PDG Risk Management Report - Appendix 2

Report for 2018-2019

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: Medium (10)	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 2 - Low
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Service Manager: Jenny Clifford

Review Note: Local Plan Review identifies employment land.

Risk: Economic Development Service Failure to promote economic activity within the District could reduce the potential for new jobs, new businesses and increased prosperity for residents

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

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: Growth, Economy and Development

Current Status: Medium (8)	Current Risk Severity: 4 - High	Current Risk Likelihood: 2 - Low
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Service Manager: Adrian Welsh

Review Note: Work on the Economic Strategy is well underway. The Economic Strategy will identify where the EDR team can intervene to support Economic Growth and will indicate improved ways to monitor progress

Economy PDG Risk Management Report - Appendix 2

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: The Council will continue to prepare a soundly evidenced and robust case for examination.

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Print Date: 28 October 2018
16:51

Risk Matrix Economy Appendix 3

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

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

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Print Date: 28 October 2018
 16:52

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CABINET
25 Oct 2018

FINANCIAL UPDATE FOR THE SIX MONTHS TO 30 SEPT 2018

Cabinet Member Cllr Peter Hare-Scott
Responsible Officer Andrew Jarrett – Deputy Chief Executive (S151)

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

RECOMMENDATION(S): 1. The Cabinet note the financial monitoring information for the income and expenditure for the six months to 30 Sept 2018.

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

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

Legal Implications: None.

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

Equality Impact Assessment: It is considered that the impact of this report on equality related issues will be nil.

1.0 Introduction

1.1 The purpose of this report is to highlight to Cabinet our current financial status and the likely reserve balances at 31 March 2019. It embraces both revenue, in respect of the General Fund and the Housing Revenue Account (HRA), and capital and aims to focus attention on those areas which are unlikely to achieve budget. It is particularly important for next year's budget setting and, looking further ahead, with the medium term financial plan.

1.2 Favourable variances generating either increased income or cost savings are expressed as credits (negative numbers), whilst unfavourable overspends or incomes below budget are debits (positive numbers).

2.0 Executive Summary of 2018/19

2.1 The table below shows the opening position of key operational balances of the Council, the forecast in year movements and final predicted position at 31 March 2019:

Usable Reserves	31/03/2018	Forecast in year movement	31/03/2019
	£k	£k	£k
Revenue			
General Fund (see paragraph 3.2)	(2,690)	305	(2,385)
Housing Revenue Account (see paragraph 4.2)	(2,000)	0	(2,000)
Capital			
Capital Receipts Reserve	(3,501)	299	(3,202)
Capital Contingency Reserve	(482)	123	(359)

3.0 The General Fund Reserve

3.1 This is the major revenue reserve of the Council. It is increased or decreased by the surplus or deficit generated on the General Fund in the year. This reserve held a balance of £2.690m as at 31/03/18.

3.2 The forecast General fund deficit for the current year is £305k as shown at Appendix A. The **most significant variances** comprise:

	£k
Legal - agency staff	28
Car parks – reduction in income/offset by 24 hrs opening (Premier Inn)	33
Asset Management projects	20
Vehicle hire costs £43k partly offset by £22 EMR)	21
Leisure – Water leak (in dispute)	52
Leisure – Artificial pitch maintenance	10
Leisure – Closure of learner pool	12
Leisure – Various courses under-recovery of income	19
Planning – Under-recovery of income	340
Customer services – salary saving	(26)
Reduction in contributions for Public Conveniences	17
Property – Loss of rental income	20
Trade Waste – additional income	(16)
Waste – lower return on recycling materials	15
Waste – Refurb bottle banks	10
Waste – Additional fuel costs	19
Business Rates Retention – updated forecast offset by transfer to EMR (£543k - £259k)	(284)

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

4.0 Housing Revenue Account (HRA)

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

4.2 Appendix E shows that the reserve opening balance is £2m. It is anticipated that the forecast variance of £10k deficit will decrease the budgeted transfer to the Housing Maintenance Fund and so the HRA reserve balance should remain at £2m.

4.3 Overall, the HRA is forecast to overspend by £10k in 2018/19, made up of several deficits and surpluses, the most significant of which comprise the following:

- £40k rent shortfall is due to dwelling rents being 0.2% behind target. Universal Credit will add to the uncertainty of collection.
- £56k overspend relates mainly to a number of decommission/terminations (solar panels).
- £36k underspend, relates to major works. £2.065m is planned to be spent against the £2.101m budget. The variance is less than 1% of the budget.
- £50k of surplus in gas servicing.

4.4 The following works are expected to be funded from the Housing Maintenance Fund during 2018/19. The forecast outturn will be updated when the latest position has been established.

Description	Budget £'000	Forecast Outturn £'000	Variance £'000
Birchen Lane re-development	318	318	0
Palmerston Park	878	793	(85)
Queensway development	205	62	(143)
Burlescombe development	215	215	0
Land Acquisition for Affordable Housing	1,851	0	(1,851)
	3,467	1,388	(2,079)

In addition, £25k is planned to be spent on sewage treatment works (aim for completion by Q3 2018-19) and funded by an earmarked reserve.

5.0 Capital Programme

- 5.1 Capital projects, by their very nature, often overlap financial years. In some cases it is known from the outset that the construction of buildings may fall into 3 separate accounting years. The status of this year's capital programme is shown at Appendix G.
- 5.2 The approved Capital Programme amounts to £16.122m (which includes £5.874m of Slippage rolled forward from 17/18). As stated in 5.1, some of these projects will overlap financial years, managers have therefore given their best estimate of what is 'deliverable' for 18/19; this amounts to £8.764m. Committed and actual expenditure will therefore be monitored against this revised 'deliverable' budget for the remainder of the year.
- 5.3 Committed and Actual expenditure is currently £4.118m against a 'deliverable' Capital Programme of £8.764m leaving a variance of £4.646m uncommitted at this point in time.
- 5.4 Additional work has been undertaken to establish forecast slippage and potential underspends against the approved Capital Programme and are also detailed on Appendix G.
- 5.5 Forecast slippage amounts to £6.477m, which mainly relates to: the General Fund 'district wide redevelopment project' £3.500m and the HRA 'land acquisition for affordable housing' project £2.100m.
- 5.6 The forecast net underspend amounts to £0.824m, which in the main includes: £0.160m in relation to Economic Development Schemes (the Mills Project has been included in its entirety on 19/20 to 22/23 MTFP for consideration), ICT related projects £0.401m, and Private Sector Housing grants amounting to £0.209m.

6.0 Capital Contingency Reserve

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

	<u>£k</u>
Capital Earmarked Reserve at 1 April 2018	(482)
Funding required to support 2018/19 Capital Programme	123
Forecast Balance at 31 March 2019	<u><u>(359)</u></u>

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

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

	<u>£k</u>
Unapplied Useable Capital Receipts at 1 April 2018	(3,501)
Net Receipts to Q2 (includes 14 "Right to Buy" Council House sales which are subject to completion of the Q2 Pooling Return - therefore net receipt estimated)	(978)
Current Balance	(4,479)
Forecast further capital receipts in year	(500)
Forecast capital receipts required to support 2018/19 Capital Programme	1,777
Forecast Unapplied Capital Receipts c/fwd. 31 March 2019	<u>(3,202)</u>

- 7.2 The forecast reserve balance for the Capital Contingency Reserve and the Capital Receipts Reserve excludes slippage that is anticipated to roll forward into 2019/20; also these reserves will have the majority of their balance fully utilised in order to balance the Capital Medium Term Financial Strategy, also on the 25th October Cabinet Agenda.

8.0 Treasury Management (To be updated)

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

Interest Receivable:

	Budget £k	Forecast outturn £k	Forecast variance £k
Investment Income Received	(304)	(304)	0
Interest from HRA funding	(51)	(51)	0
Total Interest Receivable	(355)	(355)	0

9.0 Conclusion

- 9.1 Members are asked to note the revenue and capital forecasts for the financial year. Managers are working hard to offset overspends, many unavoidable or unforeseen, with budget savings to deliver an outturn close to the budget.

9.2 The work undertaken to produce this monitoring information to 30 Sept 2018 has been used to inform the 2019/20 Budget setting process and Medium Term Financial Plan.

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Circulation of the Report:

Cllr Peter Hare-Scott, Management Team

GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 30 SEPTEMBER 2018

			2018/2019 Annual Budget	Full Year Forecast	Variance
Com	General Fund Summary	Note	£	£ (0 = On budget)	%
	Cllr C J Eginton				
CM	Corporate Management	A	1,650,320	0	0.0%
LD	Legal & Democratic Services: Member/Election Services	B	612,500	10,700	1.7%
PR	Land charges	N	(30,200)	0	0.0%
GM	Grounds Maintenance	E	576,870	0	0.0%
ES	Cemeteries & Bereavement Services	D	(74,060)	(10,000)	13.5%
WS	Waste Services	H	1,721,690	71,390	4.1%
	Cllr C R Slade				
CD	Community Development	I	87,530	0	0.0%
ES	Environmental Services incl. Licensing	D	686,110	14,500	2.1%
ES	Open Spaces	F	103,920	20,000	19.2%
IT	IT Services	Q	867,253	42,200	4.9%
RS	Recreation And Sport	J	320,820	55,500	17.3%
	Cllr P H D Hare-Scott				
FP	Finance And Performance	K	615,420	0	0.0%
RB	Revenues And Benefits	L	362,900	(14,500)	-4.0%
CP	Car Parks	C	(561,200)	24,200	4.3%
	Cllr R L Stanley				
ES	ES: Private Sector Housing Grants	D	(22,610)	0	0.0%
HG	General Fund Housing	M	195,400	5,000	2.6%
PS	Property Services	G	329,410	185,000	56.2%
	Cllr R J Chesterton				
CD	Community Development: Markets	I	53,760	0	0.0%
PR	Planning And Regeneration	N	1,157,300	299,100	25.8%
	Cllr M Squires				
CS	Customer Services	O	778,387	(19,500)	-2.5%
ES	Environment Services - Public Health	D	(15,210)	0	0.0%
HR	Human Resources	P	439,630	0	0.0%
LD	Legal & Democratic Services: Legal Services	B	270,780	35,000	12.9%
	All General Fund Services		10,126,720	718,590	7.1%
	Net recharge to HRA		(1,447,160)	0	
IE260	Interest Payable		188,370	0	
IE290	Interest Receivable on Investments		(304,000)	0	
IE290	Interest from Funding provided for HRA		(50,540)	0	
IE435	New Homes Bonus Grant		(1,121,250)	0	
	Sundry Grants			0	
IE800	Statutory Adjustments (Capital charges)		395,570	0	
TREMR	Net Transfer to/(from) Earmarked Reserves	APP B	1,080,070	129,745	
	TOTAL BUDGETED EXPENDITURE		8,867,780	848,335	9.6%
40/IE431	Formula Grant (RSG & RSDG & NNDR)		(3,233,770)	(239,942)	
IE431	Rural Services Delivery Grant		0	0	
	Business Rates Benefit from Devon Pool		0	(303,073)	
IE432	Transitional Grant		0	0	
IE410	Council Tax		(5,600,410)	0	
IE439	CTS Funding Parishes		16,920	0	
IE420	Collection Fund Surplus		(50,520)	0	
	TOTAL BUDGETED FUNDING		(8,867,780)	(543,015)	6%
	Forecast in year (Surplus) / Deficit		0	305,320	
EQ700	General Fund Reserve 01/04/18			(2,689,757)	
	Forecast General Fund Balance 31/03/19			(2,384,437)	

GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 30 SEPTEMBER 2018

Note	Description of Major Movements	Full year variance (net of transfer to EMR)	PDG
A	Corporate Management	0	
		0	
B	Legal & Democratic Services		
	Agency and other unanticipated salary costs (Legal Services)	28,000	Cabinet
	Modern.Gov software upgrade costs (Member Services)	1,500	Cabinet
	External consultancy fees (Legal Services)	7,000	Cabinet
	Election grant income over-budgeted (Election Services)	17,000	Cabinet
	Salary savings due to SCP differential (estimate) (Election Services)	(7,800)	Cabinet
		45,700	
C	Car Parks		
	P&D income forecast below budget, £20k of this forecast is due to the building works around the MSCP for Premier Inn	39,000	Economy
	Income from off-street fines is forecasted to be above budget	(5,000)	Economy
	External Contractors saving as no longer require security lock-up and mobile patrols as MSCP is open for 24 hours	(6,000)	Economy
	Maintenance overspend across Parking Services forecast	2,200	Economy
	Equipment Maint underspend due to new P&D machines	(6,000)	Economy
		24,200	
D	Environmental Services combined		
	One-off staffing pressure within Environmental Health	14,500	Environment
	Cemetery Income above profile due to increase in fees	(10,000)	Environment
		4,500	
E	Grounds Maintenance		Environment
		0	
F	Open Spaces		
	Overspend on Tree works (to be funded by EMR)	10,000	Environment
	Overspend on Play Area's & Paddling Pool Maint (to be funded by EMR)	10,000	Environment
		20,000	
G	Property Services		
	Asset Management Projects overspend	20,000	Homes
	Reduction in Public Convenience contributions due to Town and Parish withdrawals and pending asset transfers.	17,000	Homes
	Contract Services for Legionella now in-house with Public Health. Cost associated with providing up to date property schematics in order to deliver assurance to the risk assessment process.	8,000	Homes
	Income down on Wells Close as tenants have been relocated, plus rent arrears could not be pursued on legal advice	9,000	Homes
	Loss in rental income due to the relocation of Fore Street Shop tenant	10,000	Homes
	Flat rental income below budget due to refurbishment of flats above shop not done in 18-19	10,000	Homes
	Flood Defence & Land Drainage works overspend (to be off-set by EMR)	25,000	Homes
	Old Road overspend on asset security (to be off-set by EMR £30,630)	36,000	Homes
	Budget savings target across Property Services will not be achieved (partially off-set by EMR £27,050)	50,000	Homes
		185,000	
H	Waste Services		
	Trade Waste - additional income generated from new customers.	(16,000)	Environment
	Income from garden waste permits is up against last year and is on target to meet this years budget which included 500 extra customers. (See Appendix C)		Environment
	saving is being used to offset the recruitment of the Weedsprayer Team, Transport Manager and other restructure costs. (See Appendix D)		Environment
	Recycling materials - overall tonnages are up, however the price for some materials are down, particularly cardboard.	15,000	Environment
	Refurbishment of bottle banks. (covered by EMR)	10,000	Environment
	Vehicle hire costs. The Service does not have any spare vehicles and due to the unreliability of the recycling trucks the Service is having to spot hire. (This overspend is part offset by an EMR £22.3k)	43,390	Environment
	Fuel costs more than budgeted.	19,000	Environment
		71,390	
I	Community Development		Economy
			Economy
J	Recreation And Sport		
	Expansion of the service using external contractors for Mystery Shopper programme	4,655	Community
	Business Rates Saving on Exe Valley Extension & Lords Meadow	(16,250)	Community
	Staffing Underspend	(22,000)	Community
	Water leak - Initial dispute outcome is a no, a complaint has been made	52,000	Community

GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 30 SEPTEMBER 2018

Note	Description of Major Movements	Full year variance (net of transfer to EMR)	PDG
	Artificial Turf pitches maintenance	10,000	Community
	External Contractors for cleaning - Exe Valley	4,095	Community
	Income over budget for swimming lessons	(10,000)	Community
	Closure of learner pool - Refunding swimming during capital works period	12,000	Community
	Casual Swim – Underperforming impacted by: good weather & the growing popularity surrounding open water swimming	8,000	Community
	Series Of Lets Artificial Pitch Use – Underperforming against the income target	4,000	Community
	Leisure Centre Courses - Underperforming against the income target	7,000	Community
	Vending machines - Supplier delays attending to mechanical issues to repair machines. Sales – Supplier delays in resourcing stocked items resulting in reduced lines available	2,000	Community
		55,500	
K	Finance And Performance		
			Cabinet
L	Revenues And Benefits		
	Housing Benefit Subsidy & Overpayment recovery	(10,000)	Community
	Single Occupancy Discount Penalties will not be implemented in year	3,500	Community
	Reduction in Court Costs for taking Liability Orders (reduction in costs from £3 to 50p)	(3,000)	Community
	Universal Delivery Partnership - additional funding for 18/19 only	(5,000)	Community
		(14,500)	
M	General Fund Housing		
	Overspend on salary budget (estimate) due to Job Evaluation	5,000	Homes
		5,000	
N	Planning And Regeneration		
	Salary saving on Enforcement through vacant post while recruiting	(4,000)	Community
	Planning Fees under budget.They fluctuate according to the number and scale of applications received. Whilst it is expected that the planning fees will fluctuate throughout the year the shortfall in fee income has now been regularly below the budgeted fee income. Whilst there could be an increase in our fees at any time, as this is not within the control of the Planning Service it is felt prudent to report this potential shortfall in the budgeted income	340,000	Community
	Economic Development - salary savings. Unable to backfill a member of staff whilst on maternity leave, reduction in hours and a vacant Apprentice post for part of year.	(14,900)	Community
	Agreement by Cabinet 9/8/18 - The appointment of the Right To Build Task Force to provide consultancy support, including the secondment of a Self-Build Officer on a short term basis and annual membership of the National Custom and Self Build Association - Funded by EMR	21,000	Community
	Slippage of costs for local plan costs to 2019-20 - Saving to be transferred to EMR for 2019-20 spend	(43,000)	Community
		299,100	
O	Customer Services		
	Salaries - apprentice now in permanent position, Un-required overtime budget, vacant posts, GM salary split.	(25,500)	Cabinet
	External contractor for photo refresh	1,000	Cabinet
	Reply Paid Postage	5,000	Cabinet
		(19,500)	
P	Human Resources		
		0	
Q	I.T. Services		
	Salaries - JE's following restructure	8,500	Cabinet
	The replacement contact centre system was due to be installed in April 2018, unfortunately due to the supplier having technical issues this project has now slipped. Completion date is now estimated end of Dec 18, until then lease fees and maintenance costs will apply	13,000	Cabinet
	GDPR compliance tool for use with IDOX, DMS and Uniform. This tool allows scheduling for deletion of records therefore saving manual intervention across all Services who use these systems	9,000	Cabinet
	The current contract for data lines procured through DCC is expiring. DCC will no longer pay for the infrastructure. This infrastructure provides connectivity between all the Councils geographically dispersed sites	14,000	Cabinet
	Website maintenance budget for adhoc support isn't required. Aerial Photography budget not required as now receiving the data for free.	(6,500)	Cabinet
	Phoenix House printing costs are down	(4,000)	Cabinet
	Staff training (covered by EMR)	6,200	Cabinet
	Group Manager salary split here and customer services	2,000	Cabinet
		42,200	
	FORECAST (SURPLUS)/DEFICIT AS AT 31/03/19	718,590	

Cabinet	68,400
Community	340,100
Homes	190,000
Environment	95,890
Economy	24,200
	718,590

**GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 30
SEPTEMBER 2018**

Committee	Net Transfers to / from Earmarked Reserves	Net Budgeted Trfr to EMR	Forecast Actual Net Trfr to EMR	Forecast Variance to Budget
		0		
CM	Corporate Management	0		0
		0		
LD	Legal & Democratic Services: Member/Election Services	0		
	LD201 Election costs - District	20,000	20,000	0
	LD300 Democratic Rep & Management	5,000	5,000	0
	LD600 Legal Services	0	0	0
		0		
CP	Car Parks	3,000	3,000	0
		0		
ES	Environmental Services combined	0		0
	ES100 Cemeteries	25,000	25,000	0
	ES450 Parks and Open Spaces	25,000	25,000	0
	ES450 Parks and Open Spaces	0	0	0
	ES580 Pool Car Running costs	3,600	3,600	0
	ES660 Control of Pollution	0	0	0
	ES730 Environmental Enforcement	3,600	3,600	0
	ES361 Public Health	(35,900)	(35,900)	0
	Private Sector Housing	(20,000)	(20,000)	0
		0		
GM	Grounds Maintenance	0		
	GM960 Grounds Maintenance	67,320	67,320	0
	GM960 Grounds Maintenance	0	0	0
		0		
OS	Open Spaces	0		
	EQ643 W70 Developers Contribution	(6,650)	(6,650)	0
	EQ640 W52 Popham Close Comm Fund	(1,950)	(1,950)	0
	EQ641 W67 Moorhayes Com Dev Fund	(1,630)	(1,630)	0
	EQ642 W69 Fayrecoft Willand Ex West	(4,620)	(4,620)	0
	EQ638 Dev Cont Linear park	(4,170)	(4,170)	0
	EQ644 Dev Cont Winswood Crediton	(3,080)	(3,080)	0
	ES450 (EQ660) Parks & Open Spaces Tree EMR		(10,000)	(10,000)
	ES460 (EQ660) Play Area Maint EMR		(10,000)	(10,000)
		0		
PS	Property Services	0		
	PS350 Public Conveniences	1,200	1,200	0
	PS980 Property Services Staff Unit	8,100	8,100	0
	PS880 Bus Station	5,000	5,000	0
	PS990 Fore Street	5,000	5,000	0
	Market Walk/Fore Street Surplus	0		0
	Market Walk Sinking Fund	20,000	20,000	0
	Flood Defence and Land Drainage		(25,000)	(25,000)
	PS850 (EQ660) Old Road Depot		(30,630)	(30,630)
	ES460 Play Area Works (EQ660) to off-set £50k PS target savings		(27,050)	(27,050)
		0		
WS	Waste Services	0		
	EQ737 Street Cleaning - Vehicle Sinking Fund	63,110	40,720	(22,390)
	EQ738 Refuse Collection - Vehicle Sinking Fund	223,680	223,680	0
	EQ739 Trade Waste - Vehicle Sinking Fund	23,070	23,070	0
	EQ740 Kerbside Recycling - Vehicle Sinking Fund	173,290	173,290	0
	EQ761 Kerbside Recycling - Plant Sinking Fund	20,000	20,000	0
	EQ763 Unit 3 Carlu Close - Maint Sinking Fund	2,700	2,700	0
	EQ660 Bottle Bank Refurbishment	0	(10,000)	(10,000)
	EQ660 Recycling Vehicle Refurbishment	0		
		0		
		0		
		0		
CD	Community Development	0		
	CD200 Grant spend from Seed Fund - EMR released	0		0
		0		
RS	Recreation And Sport	75,000	75,000	0

**GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 30
SEPTEMBER 2018**

Committee	Net Transfers to / from Earmarked Reserves	Net Budgeted Trfr to EMR	Forecast Actual Net Trfr to EMR	Forecast Variance to Budget
		0		
FP	Finance And Performance	0		0
		0		
RB	Revenues And Benefits	0		
	RB100 Council Tax	1,200	1,200	0
		0		
HG	General Fund Housing	0		0
		0		
PR	Planning and Regeneration	0		
	PR200 Development Control	0		0
	PR210 Local Land Charges	0		0
	PR220 Tiverton EUE	(52,030)	(52,030)	0
	PR225 Garden Village Project	(51,830)	(51,830)	0
	PR400 Business Development	(45,000)	(45,000)	0
	PR400 Business Development	(100,000)	(100,000)	0
	PR600 Forward Planning - GESP Post	(35,000)	(35,000)	0
	PR810 Statutory Development Plan	(334,740)	(334,740)	43,000
	PR810 Statutory Development Plan - Custom/Self Build			(21,000)
	PR810 Statutory Development Plan (sinking fund for next 5yr plan)	100,000	100,000	0
		0		
		0		
CS	Customer Services	0		
	CS930 Customer First Management	0		0
	CS 500 Messenger Services	1,200	1,200	0
		0		0
		0		0
		0		0
		0		0
HR	Human Resources	0		0
		0		
IT	IT Services	0		0
	EQ754 Phoenix House Printer Sinking Fund	2,200	2,200	0
	ICT Equipment Sinking Fund	0	0	0
	ICT Staf training	0	(6,200)	(6,200)
		0		
IE	New Homes Bonus monies earmarked for capital and economic regeneration projects	899,400	899,400	0
IE	Business Rates Smoothing Reserve - to mitigate volatility	0	249,015	249,015
		0		
	Net Transfer to / (from) Earmarked Reserves	1,080,070	1,187,815	129,745

GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 30 SEPTEMBER 2018

	2018/19 Annual Budget	2018/19 Profiled Budget	2018/19 Actual	2018/19 Variance
	£	£	£	£
Total Employee Costs				
General Fund				
Community Development	70,280	35,140	33,742	(1,398)
Corporate Management	1,506,570	753,285	703,279	(50,006)
Customer Services	679,100	339,550	331,814	(7,736)
Environmental Services	778,100	389,050	436,473	47,423
Finance And Performance	490,190	245,095	236,332	(8,763)
General Fund Housing	240,980	120,490	120,642	152
Grounds Maintenance	509,940	254,970	236,997	(17,973)
Human Resources	389,060	194,530	158,107	(36,423)
I.T. Services	515,343	257,672	261,890	4,218
Legal & Democratic Services	507,600	253,800	222,119	(31,681)
Planning And Regeneration	1,843,350	921,675	827,777	(93,898)
Property Services	559,670	279,835	252,845	(26,990)
Recreation And Sport	1,937,440	968,720	934,677	(34,043)
Revenues And Benefits	725,700	362,850	316,076	(46,774)
Waste Services	2,177,464	1,088,732	956,647	(132,085)
	12,930,787	6,465,394	6,029,418	(435,976)
Housing Revenue Account				
BHO09 Repairs And Maintenance	1,283,910	641,955	402,213	(239,742)
BHO10 Supervision & Management	1,414,780	707,390	648,174	(59,216)
BHO11 Special Services	0	0	14,533	14,533
	2,698,690	1,349,345	1,064,921	(284,424)
Total	15,629,477	7,814,739	7,094,339	(720,400)

	2018/19 Annual Budget	2018/19 Profiled Budget	2018/19 Actual	2018/19 Variance
	£	£	£	£
Agency Staff (within Employee costs)				
General Fund				
Car Parks	0	0	0	0
Community Development	0	0	0	0
Corporate Management	0	0	0	0
Customer Services	0	0	0	0
Environmental Services	0	0	648	648
Finance And Performance	0	0	13	13
General Fund Housing	0	0	0	0
Grounds Maintenance	5,000	2,500	47,919	45,419
Human Resources	0	0	6,038	6,038
I.T. Services	0	0	0	0
Legal & Democratic Services	12,000	6,000	27,861	21,861
Planning And Regeneration	0	0	13,604	13,604
Property Services	0	0	22,721	22,721
Recreation And Sport	0	0	0	0
Revenues And Benefits	0	0	31,867	31,867
Waste Services	192,116	96,058	149,690	53,632
	209,116	104,558	300,361	195,803
Housing Revenue Account				
BHO09 Repairs And Maintenance	0	0	(874)	(874)
BHO10 Supervision & Management	0	0	15,362	15,362
BHO11 Special Services	0	0	0	0
	0	0	14,488	14,488
Total	209,116	104,558	314,849	210,291

HOUSING REVENUE ACCOUNT FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO
30 SEPTEMBER 2018

Planned Works extract				
Planned Works - Capital		2,101,000	(36,000)	-1.7%
Planned Works - Revenue		1,359,580	(50,000)	-3.7%

Housing Revenue Account (HRA)	Notes	2018/2019 Annual Budget £	Forecast £	Variance %
Income				
SHO01 Dwelling Rents Income	A	(12,118,490)	40,000	-0.3%
SHO04 Non Dwelling Rents Income	B	(584,130)	0	0.0%
SHO07 Leaseholders' Service Charges	D	(21,640)	0	0.0%
SHO08 Contributions Towards Expenditure	E	(41,470)	0	0.0%
SHO10 H.R.A. Investment Income	G	(59,000)	0	0.0%
SHO11 Miscellaneous Income	H	(19,350)	0	0.0%
Services				
SHO13A Repairs & Maintenance	I	3,120,450	(50,000)	0.0%
SHO17A Housing & Tenancy Services	J	1,412,450	0	0.0%
SHO22 Alarms & L.D. Wardens expenditure	K	3,090	0	0.0%
Accounting entries 'below the line'				
SHO29 Bad Debt Provision Movement	L	25,000	0	0.0%
SHO30 Share Of Corporate And Democratic	M	194,590	0	0.0%
SHO32 H.R.A. Interest Payable	N	1,165,610	0	0.0%
SHO34 H.R.A. Transfers between earmarked reserves	O	2,448,470	0	0.0%
SHO36 H.R.A. Revenue Contribution to Capital	P	130,000	0	0.0%
SHO37 Capital Receipts Reserve Adjustment	Q	(26,000)	0	0.0%
SHO38 Major Repairs Allowance	R	2,101,000	(36,000)	-1.7%
SHO45 Renewable Energy Transactions	S	(169,000)	56,000	-33.1%
		(2,438,420)	10,000	0.4%

Net recharge to HRA		1,447,160
Capital Charges		991,260
Net Housing Revenue Account Budget		0

Housing Revenue Account	£k
Total HRA reserve as at 01/04/18	(2,000)
Forecast movement in the year	0
Forecast HRA reserve as at 31/03/19	(2,000)

Housing Maintenance Fund	£k
Opening balance	13,134
Reserve utilised for capital works (see appendix G)	TBC
Budgeted transfer to reserves	1,605
Forecast variance for the year (see above)	(10)
Forecast closing balance	14,729

Renewable Energy Fund	£k
Opening balance	525
Expenditure forecast for this year (see appendix G)	(100)
Net income forecast for this year	113
Forecast closing balance	538

HOUSING REVENUE ACCOUNT FINANCIAL MONITORING INFORMATION FOR THE PERIOD FROM 01 APRIL TO 30 SEPTEMBER 2018

Note	Description of Major Movements	Corrective Action	Forecast
			Variance £
A	Dwelling rent is 0.2% behind target. In addition the roll out of Universal Credit in Mid Devon which is effective from 04/07/18 where payment of Rent will be made direct to tenants 4 weeks in arrears will add to the uncertainty, this area will continue to be monitored closely throughout the year	N/A	40,000
I	Planned Works Revenue to underspend by £50k-related to Gas Servicing	Surveyors to work with contractors to monitor delivery against plan	(50,000)
R	MRA is forecast to spend £2,081k	N/A	(36,000)
S	Contributed mainly by a number of decommission/ terminations		56,000
		TOTAL	10,000

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Code	Scheme	Budgeted Capital Programme 2018/19	Deliverable Capital Programme 2018/19	Actual Expenditure 2018/19	Committed Expenditure 2018/19	Total Actual & Committed Expenditure 2018/19	Variance to Deliverable Capital Programme	Forecast (Underspend)/ Overspend	Forecast Slippage to 19/20	Notes
		£	£	£	£	£	£	£	£	
General Fund Projects										
Lords Meadow Leisure centre										
CA633	Lords Meadow - Replace main pool filters	80,000	0	0	0	0	0		80,000	To be d/w at same time as other wet side works programmed for 19/20
CA634	Lords Meadow - Tennis Courts surface and lining	25,000	25,000	0	0	0	(25,000)			
Exe Valley Leisure Centre										
CA635	EVLC pool tiling and balance tank repairs	25,000	25,000	25,700	600	26,300	1,300	1,300		
CA636	EVLC - Pool Cover	25,000	25,000	21,640	0	21,640	(3,360)	(3,360)		
CA627	EVLC - Pressure set replacement Hot/Cold	20,000	20,000	0	0	0	(20,000)			Aim for Project completion - Q3 18/19
Phoenix House										
CA469	Phoenix House - Electric water heater replacement	25,000	25,000	0	0	0	(25,000)			Aim for Project completion - Q4 18/19
CA470	Phoenix House- Toilet refurbishment flooring and units	30,000	30,000	0	0	0	(30,000)			Aim for Project completion - Q3 18/19
MDDC Depot Sites										
CA471	Old Road Depot - Actions following condition report	50,000	0	0	0	0	0		50,000	
Play Areas										
CA472	Open Space Infrastructure (incl Play Areas)	50,000	50,000	0	0	0	(50,000)			Aim for Project completion - Q4 18/19
CA632	Play area refurbishment District wide - Amory Park Tiverton	50,000	0	0	0	0	0		50,000	Aim for Project completion - Q1 19/20
CA628	Play area refurbishment - West Exe Recreation Ground Tiverton	50,000	50,000	0	0	0	(50,000)			Aim for Project completion - Q4 18/19
Other Projects										
CA473	Land drainage flood defence schemes - St Marys Hemyock	25,000	0	0	0	0	0		25,000	Aim for Project completion - Q1 19/20
CA420	Land drainage flood defence schemes - Ashleigh Park Bampton	87,000	0	0	0	0	0		87,000	Aim for Project completion - Q1 19/20
CA574	Fore Street Flats refurbishment	60,000	60,000	0	0	0	(60,000)			Aim for Project completion - Q4 18/19
CA709	MSCP improvements (refer to Matrix condition report)	139,000	139,000	0	0	0	(139,000)			Aim for Project completion - Q4 18/19
CA510	Energy Assessment works - new legislation - Indust Units/Shops/Mkt Walk	35,000	35,000	0	0	0	(35,000)			Project no longer required
CA460	Crediton Office - Structural improvement work	20,000	0	0	0	0	0	(20,000)		No longer required
CA455	St Lawrence Green Project	30,000	0	0	0	0	0	(30,000)		No longer required
General Fund Development Schemes										
CA575	* District Wide Redevelopment project - Asset acquisition * 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.	4,000,000	500,000	0	0	0	(500,000)		3,500,000	The majority of this project is likely to Slip until 2019/20
Economic Development Schemes										
CA576	** Tiverton Town Centre improvements	40,000	40,000	0	0	0	(40,000)			Aim for Project completion - Q4 18/19
CA577	** Mills Electricity Project	100,000	0	0	0	0	0	(100,000)		Note project flagged at £900k MTFP which will go to 25/10/18 Cabinet
CA578	** Broadband Project ** All Economic Development schemes are subject to acceptable Business Case	60,000	0	0	0	0	0	(60,000)		Emphasis now focussed on Gigabit scheme
ICT Projects										
CA421	Desktop states replacement/refresh	50,000	50,000	0	0	0	(50,000)			Aim for Project completion - Q3 18/19
CA456	CRM replacement	175,000	50,000	0	0	0	(50,000)		125,000	Aim for Project completion - Q3 19/20
CA474	Data centre hardware refresh servers/storage	120,000	0	0	0	0	0		120,000	Aim for Project completion - Q3 19/20 Core Business Servers
CA475	Replacement Grounds Maintenance system	100,000	0	0	0	0	0	(100,000)		Project no longer required
CA433	Unified Communications/telephony	107,000	30,000	0	523	523	(29,478)		77,000	Aim for Project completion - Q2 19/20. Hard/Soft Phones for unified comms
CA456	Digital Transformation - replacement of CRM	0	0	0	0	0	0			Duplicate line CA456 above
CA463	Secure Wi-Fi replacement	50,000	0	0	0	0	0	(50,000)		Project funded from Revenue 2017/18 circa £10k
CA464	Parking System Replacement (enforcement)	40,000	9,000	0	0	0	(9,000)	(31,000)		Invoice in 17/18 paid from revenue circa £27k
CA465	Replacement Queue System	30,000	15,000	0	0	0	(15,000)		15,000	Aim for Project completion - Q3 19/20
CA466	Core System Refreshes - Revs / Bens	20,000	20,000	20,719	0	20,719	719			Project complete
CA467	Replacement Estates / Property systems	50,000	0	0	0	0	0	(50,000)		Project no longer required
CA423	Continued replacement of WAN/LAN	60,000	60,000	0	0	0	(60,000)			Aim for Project completion - Q4 18/19. Core Networking switches could cost £70k to £75k
CA425	Server farm expansion/upgrades	84,000	84,000	0	0	0	(84,000)			Aim for Project completion - Q4 18/19 - Central storage
CA437	Digital Transformation	61,000	41,000	16,585	1,200	17,785	(23,215)		20,000	
CA444	SQL/Oraclcs refreshes	17,000	8,000	4,214	4,096	8,310	310			Refresh various systems - to be moved to revenue
Replacement Vehicles										
CA717	Van Tipper (Grounds Maintenance)	52,000	52,000	0	0	0	(52,000)	0		Please see comment on CA822
CA714	Medium Sweeper (Street Cleansing)	70,000	70,000	0	0	0	(70,000)	0		Please see comment on CA822
CA715	Van Tipper (Grounds Maintenance)	26,000	26,000	0	0	0	(26,000)	0		Please see comment on CA822
CA716	Ransomes mower (Grounds Maintenance)	35,000	35,000	61,200	0	61,200	26,200	26,200		Please see comment on CA822
CA712	Iveco Tipper (or equivalent)	24,000	24,000	0	0	0	(24,000)	2,000		Please see comment on CA822
CA822	7.5T Tipper	100,000	43,000	0	0	0	(43,000)	(57,000)		Underspend on 7.5T Tipper will be used to fund overspends on other vehicles - resulting in an overall underspend of £2k
CA825	3.5T Tipper	25,000	25,000	0	0	0	(25,000)	1,000		Please see comment on CA821
CA827	3.5T Tipper	25,000	25,000	0	0	0	(25,000)	1,000		Please see comment on CA822
CA828	Leibherr Telehandler	0	25,000	25,000	0	25,000	0	25,000		Please see comment on CA822
		6,347,000	1,716,000	175,059	6,418	181,477	(1,534,523)	(444,860)	4,149,000	

Code	Scheme	Budgeted Capital Programme 2018/19	Deliverable Capital Programme 2018/19	Actual Expenditure 2018/19	Committed Expenditure 2018/19	Total Actual & Committed Expenditure 2018/19	Variance to Deliverable Capital Programme	Forecast (Underspend)/ Overspend	Forecast Slippage to 19/20	Notes
Private Sector Housing Grants										
CG217	Empty homes and enforcement	106,000	1,200	0	0	0	(1,200)	(104,800)		Any underspend will remain in EMR
CG201	Disabled Facilities Grants-P/Sector	552,000	448,000	85,990	0	85,990	(362,010)	(104,000)		Any underspend will remain in EMR
		658,000	449,200	85,990	0	85,990	(363,210)	(208,800)	0	
Affordable Housing Projects										
CA200	Grants to Housing Associations to provide units (funded by commuted sums)	116,000	116,000	8,323	0	8,323	(107,677)	20,000		Affordable Housing Payment due Q4 18/19. Additional funding will come from S106
		116,000	116,000	8,323	-	8,323	(107,677)	20,000	0	
Total General Fund Projects		7,121,000	2,281,200	269,372	6,418	275,790	(2,005,410)	(633,660)	4,149,000	
HRA Projects - Existing Housing Stock										
CA100	Major repairs to Housing Stock	2,101,000	2,081,000	1,112,674	397,098	1,509,772	(571,228)	(20,000)		Underspend re Fire Safety work
CA111	Renewable Energy Fund	100,000	100,000	27,841	0	27,841	(72,159)			
CG200	Disabled Facilities Grants - Council Houses	300,000	300,000	168,817	0	168,817	(131,183)			
Housing Development Schemes										
CA119	Palmerston Park - Additional budget required	2,434,000	2,349,000	1,028,065	648,653	1,676,718	(672,282)		85,000	Aim for Project completion - Q1 19/20
CA112	Birchen Lane - Additional budget required	516,000	516,000	94,039	1,300	95,339	(420,661)			
CA135	Land acquisition for affordable housing	2,100,000	0	0	0	0	0		2,100,000	This project is likely to Slip until 2019/20
CA124	Queensway (Beech Road) Tiverton (3 units)	293,000	150,000	2,570	2,300	4,870	(145,130)		143,000	Aim for Project completion - Q1 19/20
CA120	Burlescombe (6 units) ****	714,000	714,000	114,038	790	114,828	(599,172)			Aim for Project completion - Q1 19/20
CA126	Sewerage Treatment Works - Washfield	25,000	25,000	0	0	0	(25,000)			Aim for Project completion - Q3 18/19
CA137	House Purchase 1 Great Meadow Hunters Hill Culmstock	127,000	127,000	126,540	0	126,540	(460)	(460)		Project Complete
CA138	House Purchase 2 Great Meadow Hunters Hill Culmstock	117,000	117,000	117,340	0	117,340	340	340		Project Complete
HRA ICT Projects										
CA136	Housing mobile working and additional modules	130,000	0	0	0	0	0	(130,000)		
CA132	Repairs mobile replacement	4,000	4,000	0	0	0	(4,000)			Aim for Project completion - Q3 18/19
CA133	Tenancy Mobile	40,000	0	0	0	0	0	(40,000)		
Total HRA Projects		9,001,000	6,483,000	2,791,925	1,050,141	3,842,066	(2,640,934)	(190,120)	2,328,000	
CAPITAL PROGRAMME GRAND TOTAL		16,122,000	8,764,200	3,061,296	1,056,559	4,117,856	(4,646,344)	(823,780)	6,477,000	

**ECONOMY PDG
8 NOVEMBER 2018**

DRAFT 2019/20 GENERAL FUND AND CAPITAL BUDGETS

Cabinet Member Cllr Richard Chesterton
Responsible Officer Andrew Jarrett, Deputy Chief Executive (S151)

Reason for the report: To consider the initial draft 2019/20 Budget and options available in order for the Council to set a balanced budget and agree a future strategy for further budget reductions for 2020/21 onwards.

RECOMMENDATION: To consider the draft budget proposals for 2019/20 and start to plan for additional savings as identified in the Medium Term Financial Plan.

Relationship to the Corporate Plan: To deliver our Corporate Plan's priorities within existing financial resources.

Financial Implications: The current budget for the General Fund shows a deficit of £661k. In addition we have predicted a funding deficit of £1.368m on our General Fund by 2022/23. This highlights the need to take steps to plan for further reductions to our ongoing expenditure levels.

It is a statutory requirement for the Local Authority to set a balanced budget each year.

Risk Assessment: Group Managers and Finance staff have assessed volatility in income and large contractor budgets, taking account of current and estimated future demand patterns. In addition prudent levels of reserves will also continue to be maintained.

Equality Impact Assessment: There are no Equalities Impact implications relating to the content of this report.

1.0 Introduction

1.1 2019/20 will be the fourth and final year of a four year fixed funding settlement which will see a further reduction of £179k bringing Revenue Support Grant to nil for 2019/20. The end of this four-year settlement period will bring a number of uncertainties and risks.

1.2 It is worth reflecting that our budgets are affected in a number of ways:

- a) The funding received from Central Government.
- b) Devon County Council (DCC) and other public bodies' budgets are being reduced centrally and hence this pressure is passed on to us in areas we work collaboratively.
- c) The increasing pressure on social care budgets has a "knock-on" effect to the level of funding that is available to lower-tier authorities.

- d) Government departments such as Ministry of Housing, Communities and Local Government, Department of Work and Pensions also have lower budgets and reduced grants.
 - e) Changes in customer demand/expectations in the context of the local/national economy.
- 1.3 Although the priority is to balance next year’s budget, strategic decisions will need to be made to accommodate reduced funding going forward. So far senior managers will have produced a draft budget based upon “business as usual.”
- 1.4 Based on eight years of public sector austerity many services can no longer continue to reduce cost and still expect “business as usual”. It is important to remember that some services are statutory and in some cases must breakeven. i.e. we cannot generate a profit. This restricts where savings/cuts can be imposed and section 8 below provides more details.
- 1.5 The proposed savings embodied in the draft budget will need to be agreed by Members, as every proposed saving that is rejected will need to be matched by a suggestion of where a similar saving could be made. Members will be aware that the budget is an evolving process. We have already made a range of assumptions relating to: pay awards, inflation, fees/charges, demand for services, property increases, etc. More information may well change/alter our assumptions in the months leading up to February, when the budget has to be finalised. So the current budget gap of £661k will be revised over the next few months, but it is based on the most current information, in conjunction with professional guidance, that is available.
- 1.6 The Council continues to look at opportunities to reduce operational costs without immediately reducing service levels. However it remains a real possibility moving forward that some difficult decisions will have to be made relating to what the Council can and can’t afford to deliver/support in the future.

2.0 The Draft 2019/20 Budget

- 2.1 The initial aggregation of all service budgets (which also includes assumptions surrounding predictions of interest receipts, contributions to our capital programme, transfers from/to reserves and Council Tax levels) currently indicates a General Fund budget gap of £661k (Appendix 1).
- 2.2 At this point it is worth summarising how we have arrived at this deficit. The table shown below shows the main budget variances affecting the 2019/20 draft budget.

Table 1 – Reconciliation of Major 2019/20 Budget Variances

Variances	Amount £k
<i>External items outside of our control</i>	
Reduced formula grant settlement offset by additional NHB	179
Inflationary increases (excl HRA shown below)	36
Decrease in Housing Benefit Grant and CTRS Admin Grant	21
Pay award and pension increases	492

Subtotal	728
Other changes	
Increase in Leisure charges (inflationary)	(83)
Salaries – Restructures and other changes	247
Increase in Business Rates income	(698)
Interest payments increase	16
Additional interest income	(50)
Reduction in draw from Earmarked Reserves	811
Statutory Plan – Removal of one-off 18/19 budget	(300)
Creation of Asset Mgt budget	30
Increase maintenance budgets	50
Final reduction of parish CTRS Grant	(17)
Reduction in Building control income	18
Additional Weed spraying	53
Waste team restructure (Street scene)	35
Waste – Reduction in material prices (cardboard)	30
Waste – Increase fees	(30)
Waste – Devon CC shared savings	(100)
External legal advice/Monitoring Officer	10
Increase in Council Tax income (£5 rise + new properties)	(229)
Net recharge to HRA (after inflationary increases etc)	(44)
Reduction in preceptors contribution to Revenue recovery	20
Grounds maintenance – additional agency	57
Leisure – Additional maintenance costs	360
Leisure – Temp closure of Lords Meadow Pool	31
Leisure – Growth in Membership	(45)
Property – Additional R & M	125
Reduction of income/increase exp Market Walk	76
Reduction in Fore Street income	20
Increase Cemetery fees	(12)
Earmarked Reserve funding of Leisure and Prop – R&M	(485)
Removal of Crediton Office budgets	(17)
Carlu Close – Increased premises cost	44
Boundary Commission project cost	30
Funding Advice - Misc Fees	(20)
Draft budget gap for 2019/20	661

2.3 In compiling the 2019/20 draft budget we have also examined budget performance during 2018/19 and then made any relevant budget corrections for staffing changes, levels of income, changes in legislation, increases in inflation, etc.

2.4 Due to the need to get budget information to all of the PDG and Cabinet meetings during October and November there are still a few key issues that have not been resolved or are still to be fully evaluated. These issues may either improve or worsen the summary budget position currently reported and can be summarised as follows.

- Application by the Devon Pool to become 75% Business Rates Pilot
- Impact of new Homelessness legislation from 01/04/18
- Impact of full rollout of Universal Credit from 01/04/18
- Autumn Statement announcement in November 2017

- Provisional Finance Settlement in December
- Ongoing service reviews (including changes to fees/charges)

3.0 The Past

3.1 Just to remind members of the financial journey the Council has been on since the austerity programme in 2010/11, here is a list of some of the challenges that have been presented to MDDC in balancing budgets during recent years.

- Net loss of £4.2m in Formula Grant
- Loss of funding for Housing Benefit admin and Regional Housing Pot removed circa £0.6m
- Council Tax freezes accepted for a number of years
- Increased costs associated with Local Land Provision
- Tax and pension related pressures including:
 - Pay award
 - Increased pension back-funding costs
 - Government mandated auto-enrolment to the Pension Scheme
 - National Insurance change
- Apprentice Levy of £50k introduced

3.1 The following lists just some of the actions taken by MDDC to mitigate these funding reductions.

- Significant efficiency agenda has led to service reductions amounting to over £2m
- Increased income has been generated by a number of services
 - Waste shared savings agreement with DCC
 - Garden Waste Scheme
 - Improved recycling scheme
- Increased commercialisation
 - £200k profit from Market Walk and Fore Street properties
- Business Rates Devon Pool participation
- Profit from the Special Purpose Vehicle will return to the General Fund, along with a margin on interest received
- Increasing CCLA holding to £5m
- Colocation with Department for Work & Pensions (DWP)
- Revised Car Parking Strategy in 2016/17
- Rationalising our property estate, including depots, parks, toilets and car parks
- Joint working with North Devon DC as part of the Building Control Partnership
- DCC Transfer Station located at Carlu Close

4.0 The Future

4.1 A lot of work has already been undertaken in order to deliver a draft budget gap of £661k. We now are set with two tasks: firstly, to deliver a balanced General Fund budget by February 2019 in order to formally set the Council Tax and secondly, and of equal importance, begin to plan how our future

spending plans can be financed. The work with town and parish councils will continue.

5.0 Capital Programme

5.1 In addition to this revenue funding pressure, is our ongoing commitment to future capital programmes, not helped by the current low levels of capital receipts. Even greater pressure may be placed on future programmes if additional borrowing was made to fund new Council Houses, Depots, Sport Centre enhancements, Town Centre enhancement works, vehicle replacements, etc.

5.2 The draft Capital Programme for 2019/20 is attached at Appendix 3. Excluding the new commitments to fund town centre regeneration or further commercial/land acquisitions, the size of our current and future capital programmes remains very small, due to the reductions in funding and level of sale receipts and now only includes material projects that are essential maintenance, or asset replacement or income generating/cost reducing.

6.0 The Autumn PDGs and Cabinet meetings

6.1 The first round of draft budget meetings will allow discussions with Members, Senior Management, Group Managers and Finance Officers in order to review the proposed draft 2019/20 budget. This will include scrutinising and challenging the initial position (and confirming acceptance of all proposed savings put forward) and discussing any other budget areas that Members would like to see additional savings from.

6.2 Before the next round of PDGs and Cabinet in January the Council will receive formal confirmation regarding its; Formula Grant other emerging legislative changes, more information regarding the 2018/19 budget performance etc. At this point if any of the initial assumptions/estimates significantly worsen, then we will need to bring further savings options forward for consideration.

7.0 Public Consultation

7.1 Earlier years' consultations have consistently highlighted the three most valued services:

- REFUSE COLLECTION & RECYCLING - First
- PARKS, OPEN SPACES & PLAY AREAS - Second
- ENVIRONMENTAL HEALTH - Third

The three services valued the lowest comprised:

- COMMUNITY GRANTS - First
- PUBLIC CONVENIENCES - Equal second
- COMMUNITY SAFETY - Equal second

7.2 With the Council having to make more challenging decisions with regard to service prioritisation these views and our Corporate Plan should be foremost in determining changes to the base budget.

8.0 **Statutory, Discretionary Services and the Level of Service Provision**

8.1 Whilst the Council has a legal obligation to perform some activities, others are at the discretion of the elected members, subject to funding. Although some undertakings are clearly statutory and others clearly discretionary, there are some service areas that have elements of both.

8.2 The main *discretionary* services of the Council comprise:

- Business development (although a corporate priority)
- Community development (includes community group grants)
- Leisure facilities
- Parks and open spaces (identified as important to the public at 6.1)
- Shops and industrial units

What can we do to balance the budget?

8.3 An activity's net cost could be changed by one or more of these factors:

- a) Changing the frequency of service provision
- b) Changing the quality, instead of a "Platinum service" we may be forced to offer a "Silver service"
- c) Increasing fees or start charging for a service
- d) Reducing the overheads
- e) Stopping the activity entirely
- f) Different models of service delivery (including partnership)

8.4 Over the last five or six years the Authority has concentrated its efforts in maintaining frontline service levels across all sectors by reducing overheads. It is now clear that following those budgetary cuts some service areas are struggling to deliver their service plans, within their existing budgets. Indeed in a few cases external reviews have necessitated increasing the resources in a particular service area to meet our legal obligations.

What options are available if something is *statutory*?

8.5 Although we cannot stop the function, we may be able to approach it differently in terms of frequency or quality.

8.6 Some of our income streams are influenced by external market forces and in setting prices we have to be mindful of the going market rate. Aside from Council tax, the main income streams are:

- Building control fees
- Burial fees
- Car park charges
- Industrial unit rent
- Leisure centre fees
- Licence fees
- Market tolls

- Shop rents
- Planning fees
- Trade waste fees
- Garden waste

8.7 Any multi million pound business employing staff and utilising assets needs teams to support them and our frontline services are no different.

8.8 The key components, some statutory, others essential, include:

- Audit
- Accountancy
- Customer First
- Procurement (Buying goods and services)
- Human resources (Includes health and safety)
- IT
- Legal services
- Property services

8.9 For example our waste service has to have vehicles and depots to operate from, both of which need to be maintained. The staff need to be managed, to be paid, and legislation provides for health and safety considerations. Depots and buildings such as Phoenix House are fixed costs, although even here we have created savings by renting out some space. The “back office” activities are therefore intrinsically linked to the “frontline” and savings from both areas have continued to be made.

9.0 Conclusion

9.1 The feedback from all of the PDGs and Scrutiny will be reported to the January Cabinet for consideration in order to set a balanced 2019/20 budget and agree a forward plan. Group Managers will be working with Leadership Team and elected members in order to determine ways in which savings of c£1.4m can be achieved over the next four years, based on the priorities identified in the Corporate Plan. Having identified possible savings, there will need to be careful consideration of their potential impact, probable lead times for delivery of that saving and any associated disengagement costs or possible ‘spend to save’ implications that would arise.

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Circulation of the Report: Leadership Team
Elected Members
Group Managers

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GENERAL FUND REVENUE ACCOUNT DRAFT BUDGET SUMMARY 2019/20

	2018/2019 Annual Budget	Movement	2019/2020 Proposed Budget
	£	£	£
Cabinet	4,455,903	410,097	4,866,000
Community	2,927,657	451,651	3,379,308
Economy	(637,410)	165,380	(472,030)
Environment	2,400,680	362,820	2,763,500
Homes	979,890	189,850	1,169,740
TOTAL NET DIRECT COST OF SERVICES	10,126,720	1,579,798	11,706,518
Net recharge to HRA	(1,447,160)	(60,820)	(1,507,980)
Provision for the financing of capital spending	395,570	34,569	430,139
NET COST OF SERVICES	9,075,130	1,553,547	10,628,677
PWLB Bank Loan Interest Payable			
Finance Lease Interest Payable	41,370	3,050	44,420
Interest Payments for New Loans			
Interest from Funding provided for HRA	(49,000)	-	(49,000)
Interest Receivable / Payable on Other Activities	147,000	7,000	154,000
Interest Received on Investments	(305,540)	(50,000)	(355,540)
New Homes Bonus	(1,121,250)	(120,720)	(1,241,970)
Transfers into Earmarked Reserves	2,188,020	227,810	2,415,830
Transfers from Earmarked Reserves	(1,107,950)	(192,280)	(1,300,230)
TOTAL BUDGETED EXPENDITURE	8,867,780	1,428,407	10,296,187
Funded by: -			
Revenue Support Grant	(179,260)	179,260	-
Rural Services Delivery Grant	(374,510)	-	(374,510)
Transition Grant	-	-	-
NNDR Revenue	(2,680,000)	(699,915)	(3,379,915)
CTS Funding Parishes	16,920	(16,920)	-
Collection Fund Surplus	(50,520)	(20,810)	(71,330)
Council Tax (28,628 x £202.91)	(5,600,410)	(208,442)	(5,808,852)
TOTAL FUNDING	(8,867,780)	(766,827)	(9,634,607)
REQUIREMENT TO BALANCE THE BUDGET	-	661,580	661,580

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PDG SERVICE UNIT MOVEMENTS

Appendix 2

GENERAL FUND SUMMARY		Budget Net Direct Cost	Current Budgeted Net Direct Cost	Movement	+/- %
		2018/19	2019/20		
Cabinet					
SCM01	Leadership Team	469,370	485,280	15,910	3.4%
SCM02	Corporate Functions	83,550	83,810	260	0.3%
SCM03	Corporate Fees/Charges	207,340	229,290	21,950	10.6%
SCM06	Pension Backfunding	890,060	909,440	19,380	2.2%
SFP01	Accountancy Services	361,230	396,520	35,290	9.8%
SFP02	Internal Audit	89,100	92,100	3,000	3.4%
SFP03	Procurement	74,330	87,150	12,820	17.2%
SFP04	Purchase Ledger	46,210	46,990	780	1.7%
SFP05	Sales Ledger	44,550	45,360	810	1.8%
SHR01	Human Resources	284,600	329,580	44,980	15.8%
SHR02	Mddc Staff Training	33,380	33,040	(340)	-1.0%
SHR03	Payroll	58,890	56,300	(2,590)	-4.4%
SHR04	Learning And Development	62,760	46,170	(16,590)	-26.4%
SIT01	It Gazetteer Management	70,310	70,580	270	0.4%
SIT03	It Information Technology	796,943	905,920	108,977	13.7%
SLD01	Electoral Registration	146,260	197,020	50,760	34.7%
SLD02	Democratic Rep And Management	466,240	477,680	11,440	2.5%
SLD04	Legal Services	270,780	373,770	102,990	38.0%
		4,455,903	4,866,000	410,097	9.2%
Community PDG					
SCD01	Community Development	87,530	87,500	(30)	0.0%
SCS20	Customer Services Admin	107,230	110,360	3,130	2.9%
SCS22	Customer First	671,157	660,150	(11,007)	-1.6%
SES01	Emergency Planning	7,880	8,280	400	5.1%
SES04	Public Health	4,090	4,090	0	0.0%
SES11	Pool Cara	(590)	0	590	-100.0%
SES16	Es Staff Units/Recharges	681,610	757,490	75,880	11.1%
SES17	Community Safety	520	6,350	5,830	1121.2%
SES18	Food Safety	(17,870)	(21,140)	(3,270)	18.3%
SES21	Licensing	(7,340)	(3,250)	4,090	-55.7%
SES22	Pest Control	4,000	5,000	1,000	25.0%
SES23	Pollution Reduction	550	(720)	(1,270)	-230.9%
SPR01	Building Regulations	(8,790)	3,400	12,190	-138.7%
SPR02	Enforcement	101,650	105,820	4,170	4.1%
SPR03	Development Control	44,230	200,710	156,480	353.8%
SPR04	Local Land Charges	(30,200)	(20,530)	9,670	-32.0%
SPR09	Forward Planning	249,340	252,520	3,180	1.3%
SPR11	Regional Planning	348,940	116,000	(232,940)	-66.8%
SRB01	Collection Of Council Tax	238,470	281,230	42,760	17.9%
SRB02	Collection Of Business Rates	(100,870)	(102,290)	(1,420)	1.4%
SRB03	Housing Benefit Admin & Fraud	171,920	177,740	5,820	3.4%
SRB04	Housing Benefit Subsidy	(45,000)	(45,000)	0	0.0%
SRB06	Debt Recovery	98,380	105,180	6,800	6.9%
SRS01	Recreation And Sport	320,820	690,418	369,598	115.2%
		2,927,657	3,379,308	451,651	15.4%
Economy PDG					
SCD02	Economic Development - Markets	53,760	50,180	(3,580)	-6.7%
SCP01	Parking Services	(561,200)	(537,660)	23,540	-4.2%
SES03	Community Safety - C.C.T.V.	(1,950)	2,310	4,260	-218.5%
SPR06	Economic Development	421,930	444,000	22,070	5.2%
SPS12	GF Properties Shops / Flats	(549,950)	(430,860)	119,090	-21.7%
		(637,410)	(472,030)	165,380	-25.9%

GENERAL FUND SUMMARY		Budget Net Direct Cost	Current Budgeted Net Direct Cost	Movement	+/- %
		2018/19	2019/20		
Environment PDG					
SES02	Cemeteries	(74,060)	(86,540)	(12,480)	16.9%
SES05	Open Spaces	103,920	91,800	(12,120)	-11.7%
SGM01	Grounds Maintenance	576,870	627,240	50,370	8.7%
SPS01	Asset Management	0	30,000	30,000	N/A
SPS03	Flood Defence And Land Drain	26,430	26,430	0	0.0%
SPS04	Street Naming & Numbering	7,420	7,560	140	1.9%
SPS07	Public Transport	(13,220)	(13,220)	0	0.0%
SPS11	Public Conveniences	51,630	61,800	10,170	19.7%
SWS01	Street Cleansing	385,160	482,000	96,840	25.1%
SWS02	Waste Collection	370,210	334,680	(35,530)	-9.6%
SWS03	Recycling	689,880	885,940	196,060	28.4%
SWS04	Waste Management	276,440	315,810	39,370	14.2%
		2,400,680	2,763,500	362,820	15.1%
Homes PDG					
SES15	Private Sector Housing Grants	(22,610)	(20,410)	2,200	-9.7%
SHG03	Homelessness Accommodation	195,400	212,630	17,230	8.8%
SPS05	Administration Buildings	229,360	252,790	23,430	10.2%
SPS06	Mddc Depots	58,120	38,040	(20,080)	-34.5%
SPS08	Office Building Cleaning	63,990	65,980	1,990	3.1%
SPS09	Property Services Staff Unit	455,630	620,710	165,080	36.2%
		979,890	1,169,740	189,850	19.4%
GRAND TOTAL		10,126,720	11,706,518	1,579,798	15.60%

ECONOMY PDG 2019/20 Service Unit Budgets

Appendix 3

Summary of PDG

Service Unit	Description	2017/18 Actual	2018/19 Budget	2019/20 Budget	Movement
SCD02 Economic Development	Economic Development	54,940	53,760	50,180	(3,580)
SCP01 Parking Services	Parking Services	(527,014)	(561,200)	(537,660)	23,540
SES03 Community Safety - C.C.T.V.	Community Safety - C.C.T.V.	(978)	(1,950)	2,310	4,260
SPR06 Economic Development	Economic Development	377,255	421,930	444,000	22,070
SPS12 Gf Properties Shops/Flats	Gf Properties Shops/Flats	(394,217)	(549,950)	(430,860)	119,090
TOTALS	Sum:	(490,014)	(637,410)	(472,030)	165,380

ECONOMY PDG 2019/20 Service Unit Budgets

SCD02 Economic Development

Group	Description	2017/18 Actuals	2018/19 Budget	2019/20 Budget	Movement
1000	Employees	62,488	70,280	51,330	(18,950)
2000	Premises	46,912	47,580	65,110	17,530
3000	Transport	397	0	0	0
4000	Cost Of Goods And Services	30,030	19,300	22,090	2,790
7000	Income	(84,888)	(83,400)	(88,350)	(4,950)
	Sum:	54,940	53,760	50,180	(3,580)

Cost Centre	Cost Centre Name	2019/20 Budget
CD300	Tiverton Pannier Market	30,180
CD305	Market Special Events	0
CD400	Crediton Market Square	20,000
	TOTAL	50,180

Major cost increases

A £20k budget has been added for the re-surfacing of Crediton Market Square.

Major cost decreases and changes in income

The Market Manager also carries out the role of Town Centre Manager, so the salary budget has been split 50/50, please see SPR06.

SCP01 Parking Services

Group	Description	2017/18 Actuals	2018/19 Budget	2019/20 Budget	Movement
1000	Employees	2,633	3,500	3,500	0
2000	Premises	187,612	174,050	178,930	4,880
4000	Cost Of Goods And Services	31,500	26,520	13,200	(13,320)
7000	Income	(748,759)	(765,270)	(733,290)	31,980
	Sum:	(527,014)	(561,200)	(537,660)	23,540

Cost Centre	Cost Centre Name	2019/20 Budget
CP510	Market Car Park	0
CP520	Multi-Storey Car Park	(55,660)
CP530	Amenity Car Parks	7,600
CP540	Paying Car Parks	(489,600)
	TOTAL	(537,660)

Major cost increases

No major movement to report.

Major cost decreases and changes in income

Parking Services income budgets have been reduced to reflect the current and forecasted level of P&D & permit income for 18-19.

Reduction in the External Contractors budget £6k as there is no longer a requirement to lock up the MSCP as open 24 hours.

SES03 Community Safety - C.C.T.V.

Group	Description	2017/18 Actuals	2018/19 Budget	2019/20 Budget	Movement
1000	Employees	3,559	20	4,170	4,150
2000	Premises	0	0	0	0
4000	Cost Of Goods And Services	1,463	4,030	4,140	110
7000	Income	(6,000)	(6,000)	(6,000)	0
	Sum:	(978)	(1,950)	2,310	4,260

Cost Centre	Cost Centre Name	2019/20 Budget
ES200	Cctv Initiatives	2,310
	TOTAL	2,310

Major cost increases

The Salary budget for the Specialist Officer (CCTV) was previously budgeted in SES16 which falls within the Community Wellbeing PDG.

Major cost decreases and changes in income

No major movement to report.

SPR06 Economic Development

Group	Description	2017/18 Actuals	2018/19 Budget	2019/20 Budget	Movement
1000	Employees	196,763	238,670	259,930	21,260
2000	Premises	0	0	20,000	20,000
3000	Transport	1,602	1,700	2,000	300
4000	Cost Of Goods And Services	220,640	181,560	182,070	510
7000	Income	(41,750)	0	(20,000)	(20,000)
	Sum:	377,255	421,930	444,000	22,070

Cost Centre	Cost Centre Name	2019/20 Budget
PR400	Business Development	444,000
PR420	Tiv Town Centre Regen Proj	0
	TOTAL	444,000

Major cost increases

Salaries - The Market Manager also carries out the role of Town Centre Manager, so the salary budget has been split 50/50, please see SCD02.

Premises - A £20k one off budget has been added for the town centre street scene enhancement works.

Major cost decreases and changes in income

Income budget added for charging organisations for funding advice.

SPS12 Gf Properties Shops/Flats

Group	Description	2017/18 Actuals	2018/19 Budget	2019/20 Budget	Movement
2000	Premises	63,912	61,890	106,480	44,590
4000	Cost Of Goods And Services	76,657	6,860	6,860	0
7000	Income	(534,785)	(618,700)	(544,200)	74,500
	Sum:	(394,217)	(549,950)	(430,860)	119,090

Cost Centre	Cost Centre Name	2019/20 Budget
PS890	10 Phoenix Lane	(10,730)
PS990	30-38 Fore Street	(110,610)
PS991	Industrial Units	(99,540)
PS992	Market Walk	(198,980)
PS993	Lowman Green Unit	(10,000)
PS994	Moorhayes Community Centre	(2,000)
PS995	Coggans Well	1,000
	TOTAL	(430,860)

Major cost increases

Budget increase for Specific maintenance projects on Industrial Units and Coogans Well House £30k. Vacant unit provision for Market Walk service charge (rates) of £14k.

Major cost decreases and changes in income

Relocation of shop in Fore Street, Market Walk rent reductions and provision for vacant properties has resulted in the reduction in the rental income budget.

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2019-20 BUDGETS

Transfers into Earmarked Reserves

page 57

SERVICE		MAINT 19/20 BUDGET	PLANT 19/20 BUDGET	EQUIPMENT 19/20 BUDGET	VEHICLES 19/20 BUDGET	OTHER 19/20	NEW HOMES BONUS	
CP540	PAYING CAR PARKS (MACHINE REPLACEMENT SINKING FUND)			3,000.00				
EQ754	PHOENIX PRINTERS EQUIP SFUND			2,200				
ES100	CEMETERIES	25,000						
ES450	PARKS & OPEN SPACES	25,000						
ES580	POOL CAR RUNNING COSTS				3,600			
ES730	ENVIRONMENTAL ENFORCEMENT				3,600			
GM960	GROUNDS MAINTENANCE		14,360		52,960			
LD201	ELECTION COSTS - DISTRICT					20,000		
LD300	DEMOCRATIC REP & MANAGEMENT					5,000		
EQ660	STATUTORY DEVELOPMENT PLAN (PR810)					100,000		
PS350	PUBLIC CONVENIENCES				1,200			
PS880	BUS STATION	5,000						
PS980	PROPERTY SERVICES STAFF UNIT				10,500			
PS990	FORE STREET MAINT S.FUND	5,000						
PS992	MARKET WALK MAINT S.FUND	20,000						
RB100	COUNCIL TAX				1,200			
RS140	LEISURE SINKING FUND			75,000				
EQ737	STREET CLEAN VEHICLE SFUND				66,500			
EQ738	REFUSE VEHICLE SFUND				223,680			
EQ739	TRADE WASTE VEHICLE SFUND				23,070			
EQ740	RECYCLING VEHICLE SFUND				173,290			
EQ761	RECYCLING PLANT SFUND		20,000					
EQ763	RECYCLING MAINT SINKING FUND	2,700						
	WASTE PRESSURE WASHER			2,500				
EQ755	ICT EQUIPMENT SINKING FUND			189,500				
IE435	NEW HOMES BONUS GRANT						1,241,970	
EQ825	PROPERTY MAINTENANCE	100,000						
TOTAL		182,700	34,360	272,200	559,600	125,000	1,241,970	2,415,830
2018/19		82,700	34,360	269,700	555,010	125,000	1,121,250	2,188,020
Movement		100,000	-	2,500	4,590	-	120,720	227,810

Transfers from Earmarked Reserves

SERVICE		UTILISE NHB	OTHER	
EQ638	DEV CONT LINEAR PARK		4,170	
EQ640	W52 POPHAM CLOSE COMM FUND		1,950	
EQ641	W67 MOORHAYES COM DEV FUND		1,630	
EQ642	W69 FAYRECROFT WILLAND EX WEST		4,620	
EQ643	W70 DEVELOPERS CONTRIBUTION		6,650	
EQ644	DEV CONT WINSWOOD CREDITION		3,080	
ES733	PUBLIC HEALTH		45,400	
EQ820	TIVERTON EUE (PR220)		203,920	
EQ824	GARDEN VILLAGE PROJECT (PR225)		54,310	
PR400	BUSINESS DEVELOPMENT	45,000		
PR400	BUSINESS DEVELOPMENT	100,000		
EQ660	FORWARD PLANNING (PR600)		15,000	
EQ755	ICT EQUIPMENT SINKING FUND	189,500		
EQ660	STATUTORY DEVELOPMENT PLAN (PR810)		81,000	
	RELEASING OF RESERVES TO FUND THE 19/20 GF BUDGET		544,000	
TOTAL		334,500	965,730	1,300,230
2018/19		891,090	216,860	1,107,950
Movement		(556,590)	748,870	192,280

Provisional Capital Programme 2019/20

Appendix 5

Estimated

Capital Programme

2019/20

£k

Estates Management

Leisure - Site Specific

Exe Valley Leisure Centre

Spinning Room - New window - improve light	20
Leisure Spinning Bike Replacement - all sites	60

Culm Valley sports centre

Fitness Gym Kit Replacement	185
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Total	265
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Other MDDC Buildings

MSCP Improvements

MSCP-Top Deck surfacing	70
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MDDC Depot sites

Carlu Close - Potential Air Conditioning units	25
Carlu Close - Interceptor upgrade (correct class)	30
Carlu Close - Solar PV options	20

Cemeteries

Tiverton Cemetery - Infrastructure extension	80
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Other Projects

Land drainage flood defence schemes	25
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* General Fund Development Schemes

Commercial property/Land Acquisition Tiverton redevelopment project	1,500
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Total	1,750
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* All developments schemes are subject to acceptable Business Case

Economic Development Schemes

* Hydro Mills Electricity Project	680
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Total	680
--------------	------------

* All Economic Development schemes are subject to acceptable Business Case

ICT Projects

UPS Power supplies refresh	25
Continuous replacement/Upgrade of WAN/LAN (networking hardware switches)	100
Lalpac Licensing System replacement (SN)	80

Total	205
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Affordable Housing Projects

Grants to housing associations to provide houses (covered by Commuted Sums)	117
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Total	117
--------------	------------

Private Sector Housing Grants

Empty homes and enforcement	108
Disabled Facilities Grants-P/Sector	562

Total	670
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TOTAL GF PROJECTS	3,687
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0

General Fund SPV Projects

Housing Schemes

Waddeton Park - 75 Affordable Homes - SPV	2,000
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TOTAL GF SPV PROJECTS	2,000
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TOTAL GF PROJECTS (Including SPV Schemes)	5,687
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Estimated
Capital Programme
2019/20

[HRA Projects](#)

[Existing Housing Stock](#)

Major repairs to Housing Stock	2,325
Renewable Energy Fund	300
Disabled Facilities Grants - Council Houses	300

* [Housing Development Schemes](#)

Replace end of life HRA Assets	2,000
Council Housing building schemes to be identified	2,000

* Proposed Council House Building / industrial units schemes subject to full appraisal

Total	6,925
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TOTAL HRA PROJECTS	6,925
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[HRA SPV Projects](#)

[Housing Schemes](#)

Round Hill Tiverton- Site	1,500
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TOTAL HRA SPV PROJECTS	1,500
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TOTAL HRA PROJECTS (Including SPV Schemes)	8,425
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GRAND TOTAL GF + HRA	10,612
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GRAND TOTAL GF + HRA SPV Schemes	3,500
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GRAND TOTAL GF + HRA (Including SPV Schemes)	14,112
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[MDDC Funding Summary](#)

[General Fund](#)

	2019/20
EXISTING FUNDS	£k
Capital Grants Unapplied Reserve	951
Capital Receipts Reserve	31
NHB Funding	417
Other Earmarked Reserves	188
Other Funding	600
Subtotal	2,187

	2019/20
NEW FUNDS	
PWLB Borrowing	1,500
PWLB Borrowing (SPV)	2,000
Revenue Contributions	0
Subtotal	3,500

Total General Fund Funding	5,687
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[Housing Revenue Account](#)

	£k
EXISTING FUNDS	
Capital Receipts Reserve	1,065
NHB Funding	21
HRA Housing Maintenance Fund	2,000
Other Housing Earmarked Reserves	2,697
Subtotal	5,783

	£k
NEW FUNDS	
PWLB Borrowing	1,142
PWLB Borrowing (SPV)	1,500
Revenue Contributions	0
Subtotal	2,642

Total Housing Revenue Account Funding	8,425
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TOTAL FUNDING	14,112
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ECONOMY PDG
8TH NOVEMBER 2018

MID DEVON ECONOMIC PROFILE

Cabinet Member(s): Cllr Richard Chesterton
Responsible Officer: Jenny Clifford, Head of Planning and Regeneration

Reason for Report: To provide members with an updated profile of the Economy of the District.

RECOMMENDATION: that members note the report.

Relationship to Corporate Plan: The Mid Devon Economic Profile provides a statistical framework in which the corporate priorities for the Economy are set.

Financial Implications: There are no financial implications arising from this report

Legal Implications: There are no legal implications arising from this report

Risk Assessment: There are no risks related to this report

Equality Impact Assessment: None Anticipated

1.0 Economic Profile

1.1 The attached paper provides an updated summary of the state of the Mid Devon Economy.

1.2 At a time of uncertainty in the national economy, the economic profile shows that Mid Devon has a number of strengths and potential opportunities that might support economic growth, but that it also faces a number of issues and challenges which will need to be overcome for growth to be realised.

1.3 Strengths

- High employment rates / low unemployment
- High levels of self-employment
- Relatively strong manufacturing sector
- Transport connectivity - good road and rail links
- High proportion of micro-businesses
- High business survival rate
- Strong growth on available employment sites
- High natural capital

1.4 Weaknesses

- High proportion of low skilled, low waged employment
- Low productivity – predominance of traditionally low productivity industries such as retail, agriculture, accommodation and food, food processing, logistics, health and social care

- Low business birth rate
- Low levels of high tech / advanced manufacturing businesses and businesses in the knowledge economy
- Paucity of sixth-forms / further education in the district
- Poor broadband and mobile connectivity, particularly in rural areas.
- Low levels of medium and large businesses

1.5 Opportunities

- Significant levels of planned development – with a substantial increase in population
- Garden Village – opportunity to create high quality development with high environmental / sustainability credentials
- Electrification of transport – opportunity to link to local energy generation
- Innovative local projects – Hydromills project, smart grid and energy storage solutions
- Potential links with Exeter Innovation Centre, Exeter University.
- Building on the Mid Devon’s Natural Capital as a place to ‘Live, Work and Play’
- Brexit - opportunities created through realignment of trading links
- EHOD and GESP – joint initiatives with partners

1.6 Threats

- Significant new employment space becoming available along M5 corridor at Taunton, Wellington and Exeter
- Competition from neighbouring authorities for attracting businesses
- Macroeconomics – pressure on global trade – increase in protectionism / trade wars (changes in US policy)
- Economic disruption of Brexit – potential negative impact of substantial change / disruption to trading relationships e.g. no-deal
- Uncertainty over the future of farming and the nature of agricultural subsidies post CAP
- Traditional manufacturing most likely to be affected by increased automation.

1.7 Constraints on Growth

- Constraints to key road infrastructure and junctions
- Poor broadband connectivity
- Low standard of qualification and technical skills amongst resident population
- Lack of a range of size and type of employment spaces – workhubs, flexible working space – business ladder – starter-units and follow-on units

1.8 Opportunities for Growth

- Major developments along M5 corridor
- Culm Garden Village
- Sectoral Growth - High Tech / Advanced Manufacturing, Green Economy, Food & Drink.

1.9 The Economic Profile for Mid Devon will provide the evidence base for the Economic Strategy which is in process of being completed.

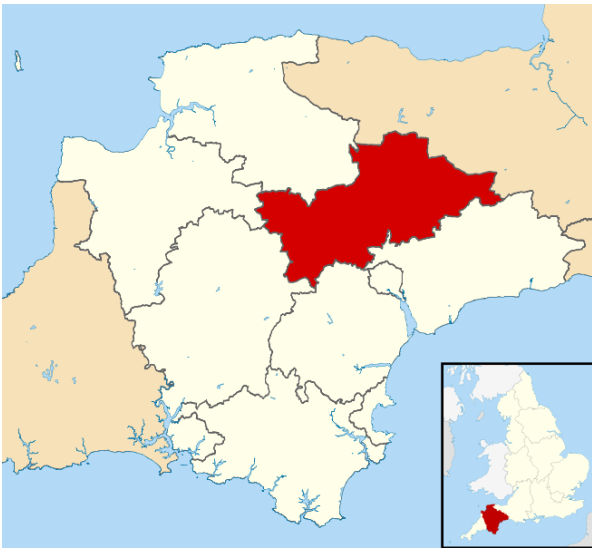
Contact for more Information: John Bodley Scott (Economic Development Team Leader), jbodleyscott@middevon.gov.uk 01884 234363

Circulation of the Report:

List of Background Papers: Appendix A – Economic Profile of Mid Devon

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Economic Profile of Mid Devon



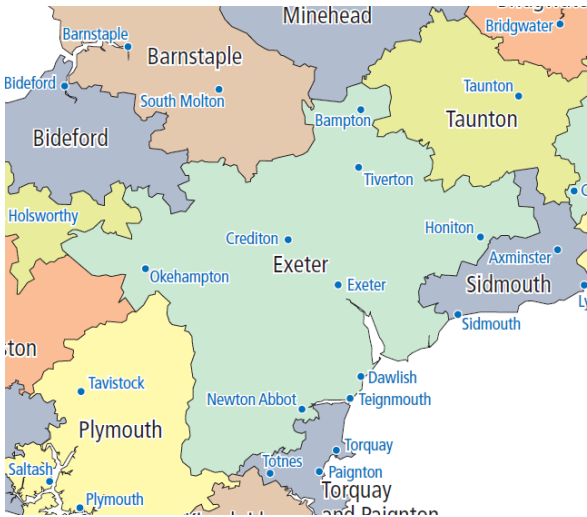
Mid Devon is a rural district located on Devon's eastern border with Somerset, and straddling the main transport links into the county. Covering an area of 913 km², it lies between Exmoor NP to the north and Dartmoor NP to the south west and stretches into the Blackdown Hills AONB to the east. It currently has a population of around 80,600 (2017)¹ with a concentration to the east of the district in the two main market towns of Tiverton (pop. 22,177) and Cullompton (pop. 9,245). The north and the west of the district are predominantly rural, with the district's third market town, Crediton (pop. 7,872) to the north west of Exeter. Over half the population live rurally in the villages and small settlements characteristic of the area.



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

¹ Devon County Council (PPSA Estimates) 2014 (from MDDC Annual Monitoring Report 2016-2017)

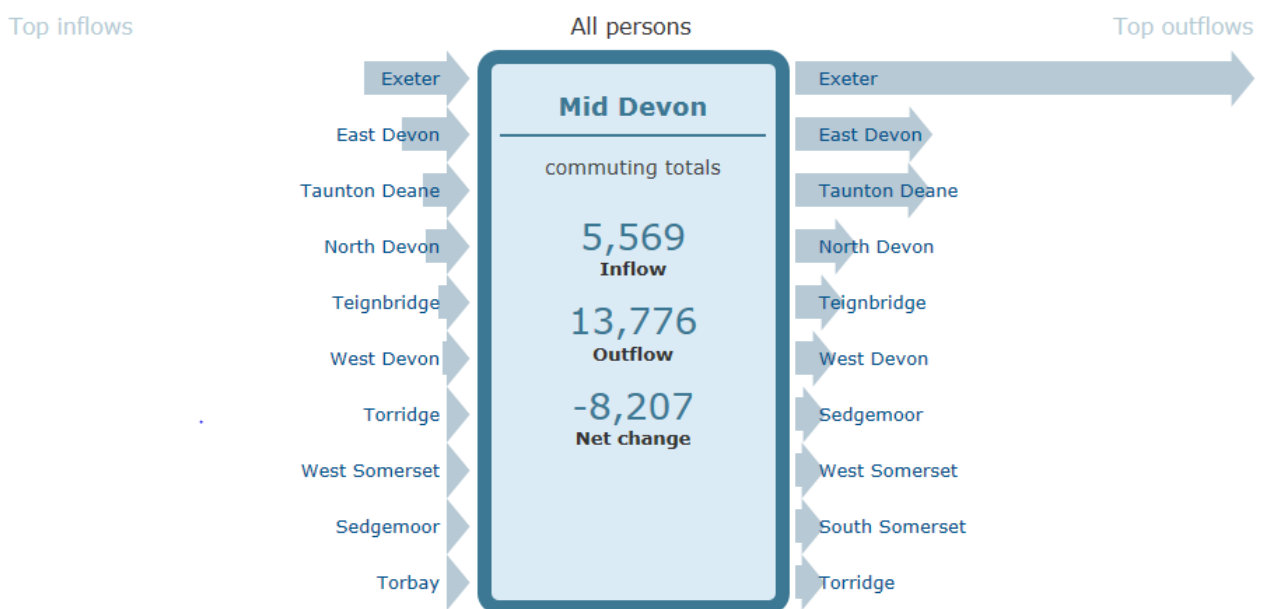
Greater Exeter functional economic geography



The majority of Mid Devon district lies within the Exeter 'Travel to Work Area'. According to the 2011 census, 37% of the workforce commutes out of the district for work, of which over 50% work in Exeter. Although there is also a flow of workers from other districts into Mid Devon, there is a net outflow of 8,207. The difference between residence- and workplace- based average earnings indicates that workers tend to be commuting to more highly paid jobs outside the district. In total, 75% of workers in Mid Devon also live in Mid Devon while only 57% of working residents of Mid Devon work in Mid Devon.

District level Inflows and Outflows (2011 Census)

<https://www.nomisweb.co.uk/census/2011/WU01EW/chart/1132462162>



Population

Data source: ONS population estimates 2017	Mid Devon Number	Mid Devon %	South West %	Great Britain %
Total Resident Population	80,200			
Resident Population of Working Age (16-64)	47,100	58.4%	60.6%	62.9%

Mid Devon has seen an 11% increase in population in the last ten years and is set to increase by a further 18% to 93,500 by the year 2033. Large housing developments are planned for Cullompton and Tiverton which will increase this population even further. Mid Devon has a lower proportion of its population of working age than the national average, mainly due to an increasingly aging population and the fact that a significant proportion of

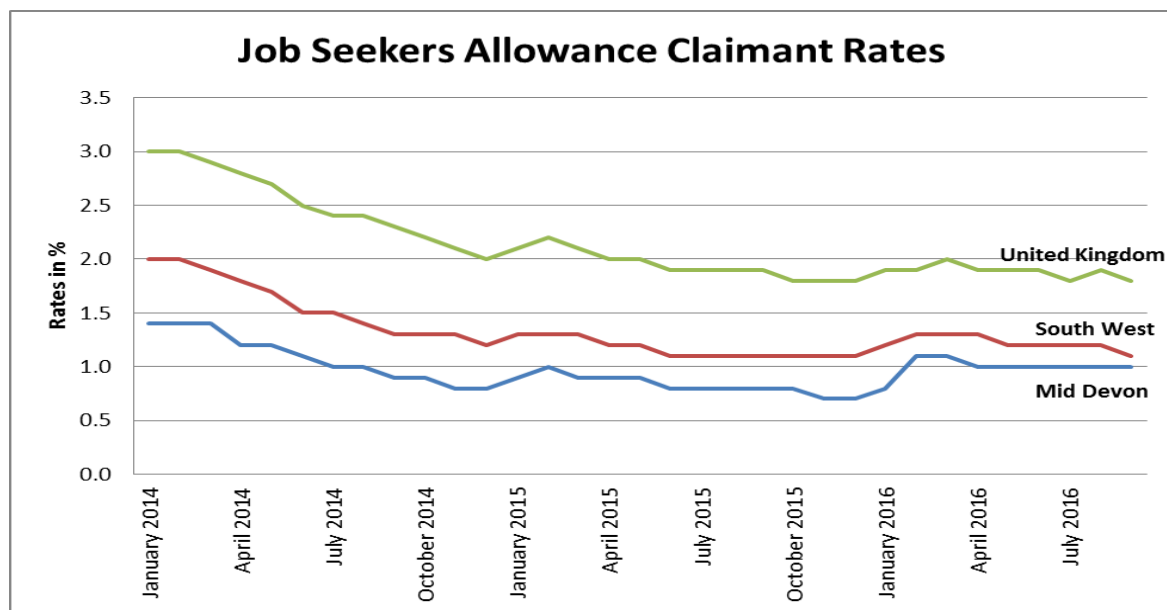
young people move out of the area for education or work. The Black and Minority Ethnic population makes up about 2-5% of the population with currently a large number of migrant workers, mostly from Eastern Europe.

Employment

Mid Devon has a high employment rate and low unemployment. Of the 47,100² residents aged between 16-64, 85% are economically active. This is significantly higher than the South West and the UK rates, and is at a level at which the district has effectively full employment. However, this figure includes a high proportion of part-time and self-employed workers, and there may be a level of underemployment.

<i>Data Source; ONS annual population survey Apr 2017 – Mar 2018</i>	Mid Devon Numbers	Mid Devon %	South West %	Great Britain %
Economically Active	44,400	85.4	80.9	78.4
In employment	43,300	82.9	78.2	75.0
Employees	33,800	71.1	65.7	64.0
Self-Employment	9,100	11.1	12.1	10.6
Unemployed (Model-based)	1,100	2.5	3.3	4.3

The unemployment rate is very low at 2.5%. The claimant rate in July 2018 was only 0.8%³, which is almost a third of the UK rate of 2.2%.



Self Employment

Mid Devon has extremely high levels of self-employment. At 11.1% it is higher than the national average and higher than most of our nearest neighbours. This may be a result of the low level of employee jobs in the district, but also reflects the relative strength of farming, as the majority of agricultural workers are self-employed. Construction is also a strong sector in Mid Devon, which also has high levels of self-employed workers.

² ONS population estimates 2017

³ ONS July 2018

Job Density

There are an estimated 36,000 employment jobs in the District in 2016⁴. This represents a job density of 0.78 (i.e. 78 jobs for 100 resident population aged 16-64). This level is typical of an area adjacent to an economic hub, such as Exeter, which has a density of 1.2 (meaning there are more jobs than working age people). Within the functioning economic geography of Exeter and the Heart of Devon, East Devon and Teignbridge all have similar job densities to Mid Devon, with 0.89 and 0.76 respectively.

Employment

There is a predominance of low waged, low skilled jobs in the district, with service sectors such as wholesale and retail (20.8%), health and social work (10.4%) and education (10.4%) predominating. However, the district has a relatively large manufacturing sector, making up 18.8% of employment, focusing on textile, food and paper manufacture. Mid Devon has a number of larger manufacturers such as Heathcoat Fabrics, Hepco, Devon Valley Papermill, Graphic PLC, Ernst Jackson making high-spec. globally-recognised products. There is also a concentration of distribution and logistics along the M5 corridor, and a growing professional, scientific and technical services sector, including a number of green engineering businesses.

Employee jobs by Industrial Sector	Count	Industry percentage
G. Wholesale and retail trade; repair of motor vehicles and motorcycles	5,000	20.8%
C. Manufacturing	4,500	18.8%
Q. Human health and social work activities	2,500	10.4%
P. Education	2,500	10.4%
I. Accommodation and food service activities	1,750	7.3%
H. Transportation and storage	1,000	4.2%
F. Construction	1,000	4.2%
M. Professional, scientific and technical activities	1,000	4.2%
N. Administrative and support service activities	900	3.8%
R. Arts, entertainment and recreation	700	2.9%
O. Public administration and defence; compulsory social security	600	2.5%
S. Other service activities	400	1.7%
J. Information and communication	400	1.7%
L. Real estate activities	300	1.2%
E. Water supply; sewerage, waste management and remediation activities	250	1.0%
A. Agriculture, forestry and fishing	200	0.8%
K. Financial and insurance activities	175	0.7%
B. Mining and quarrying	40	0.2%
D. Electricity, gas, steam and air conditioning supply	25	0.1%
<i>ONS Business Register and Employment Survey 2016</i>	24,000	

⁴ Source: Nomis: Job Density 2016

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

Agricultural Labour Force on commercial holdings in Mid Devon 2016		%
Farmers, partners, directors and spouses, Full Time	1,311	36.7%
Farmers, partners, directors and spouses, Part Time	1,214	34.1%
Salaried Managers	73	2.0%
Regular Workers, full time	376	10.5%
Regular Workers, part time	326	9.1%
Casual Workers	262	7.3%
Total Labour Force	3,563	
<i>Source: DeFRA June Farm Survey 2016</i> https://www.gov.uk/government/statistical-data-sets/structure-of-the-agricultural-industry-in-england-and-the-uk-at-june		

Wages

Median Gross Annual Pay (for full time workers)	Mid Devon	South West	GB
By place of work	£25,767	£27,123	£28,866
By place of residence	£27,408	£27,537	£28,758

Source: ONS annual survey of hours and earnings 2017

As mentioned above, many of the jobs in Mid Devon are low waged and low skilled. Average workplace earnings in Mid Devon are 11% lower than the national average. However, earnings by place of residence are considerably higher than the average by workplace. This seems to suggest that those who commute out of the District are working in better paid, probably more highly skilled jobs.

Training & Skills

<i>Data Source; ONS annual population survey Jan 2017 – Dec 2017</i>	Mid Devon Numbers	Mid Devon %	South West %	Great Britain %
NVQ level 4 and above	13,800	31.4 %	39.0%	38.6%
NVQ level 3 and above	23,500	53.6%	60.3%	57.2%
NVQ level 2 and above	34,400	78.6%	79.0%	74.7%
NVQ level 1 and above	40,400	92.2%	90.1%	85.4%

The percentage of Mid Devon workforce holding a degree or higher qualification (NVQ 4+) at 31.4% is well below the national average.

Mid Devon schools perform well against national figures.

2017	% achieving English Bacc. ⁵
Uffculme School	65%
Cullompton Community College	46%
Queen Elizabeth's School	45%
Tiverton High School	44%
Devon	42%
England	43%

The proportion of students achieving English Baccalaureate level⁴ is higher than the national average. However, this does not necessarily translate to young people accessing higher education. By the age of eighteen, those achieving Level 3 qualifications falls slightly below the England average. In 2013/14, only 44% of students from state-funded schools and colleges in Devon went to a UK higher education institution compared to the England average of 58%.

Businesses

There are currently 4,510 businesses in Mid Devon⁶, of which 92.2% are micro businesses with less than 10 employees. One of the contributing factors is the high rate of self-employment at 15.5% compared to 10.6% nationally.

Source: Nomis: UK Business Counts (Enterprises) 2017		Mid Devon %	South West %
Total	4,510		
Micro (0 to 9)	4,160	92.2%	89.2%
Small (10 to 49)	305	6.8%	9.0%
Medium-sized (50 to 249)	40	0.9%	1.4%
Large (250+)	5	0.1%	0.3%

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

Businesses by size of turnover (£000s)

Source: UK Business: Activity, Size & Location 2017	Mid Devon Number	Mid Devon %	South West %	UK %
£0-49 k	1,190	26.4%	22.0%	18.7%
£50-99 k	905	20.1%	21.1%	23.3%
£100-249 k	1,305	28.9%	29.9%	30.8%
£250-499 k	515	11.4%	12.8%	12.5%
£500-999 k	300	6.7%	7.0%	6.8%
£1000-4999 k	160	3.5%	3.7%	3.8%
£5000+ k	90	2.0%	2.2%	2.4%
Total	30	0.7%	0.7%	0.8%

⁵ English Baccalaureate is a Grade C in English and Maths, and a Grade C in the following areas, sciences, language, history or geography.

⁶ UK Business Counts (Enterprises) 2017

Business start-ups

Source: ONS Business Demography 2016	Total Count of Businesses	Business birth count 2016	Business birth rate	Business death count 2016	3 yr survival rate
Mid Devon	3,355	330	9.8%	235	81.0%
South West			13.5%		76.8%
UK			14.6%		75.0%

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

Infrastructure

Digital Connectivity (Broadband and 4G)

Devon has the lowest broadband connectivity and 4G coverage in the south west. Only 76% of premises have speeds > 30 MB compared to an average of 90% in England in general.

	➤ 30 Mb	< 10 Mb	4G coverage (urban)	4G coverage (rural)
Devon	76%	12%	42%	7%
Somerset	79%	9%	38%	18%
England	90%		82%	28%

Ofcom Connecting Nations 2016

This falls to 72% in Mid Devon, which has the lowest broadband speeds amongst EHOD (Exeter and Heart of Devon) authorities⁷

	Mid Devon	East Devon	Teignbridge	Exeter	UK
% of connections <2Mb/s	3	1	1	0	
% of connections <5Mb/s	7	4	3	1	
% of connections <10Mb/s	12	7	6	2	
% of connections <30Mb	28	16	16	8	
Average Download Speeds					
SFBB availability (superfast)	69%	80%	58%	17%	91%
UFBB availability (ultrafast)	2%	3%	26%	75%	
FFTP availability (full fibre)	2%	3%	0%	9%	3%

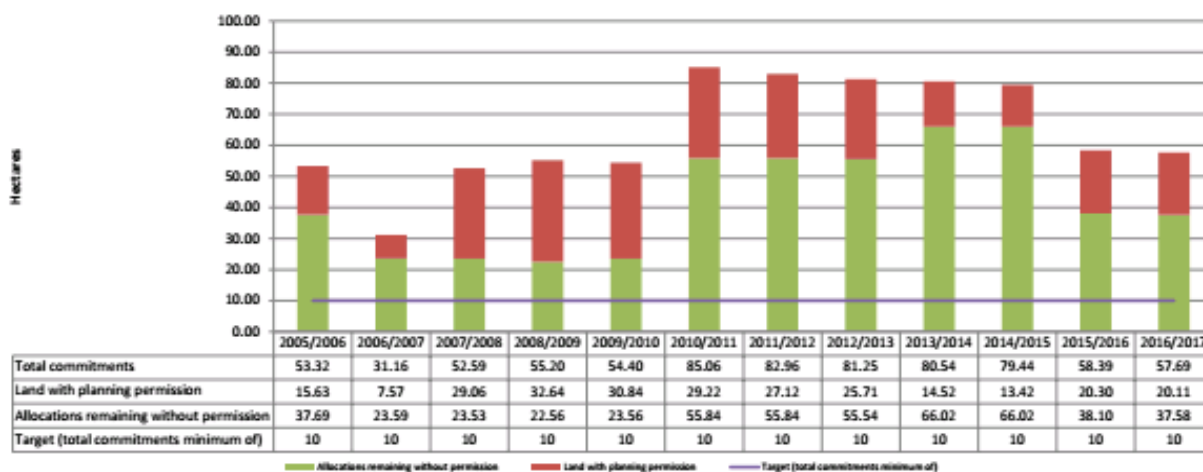
Ofcom Connecting Nations 2016

Employment Space (from MDDC Annual Monitoring Report 2016-17)

⁷ 2017 Ofcom Connected Nations Report

<https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-2017/data-downloads>

Supply of employment land (i.e. the total of employment allocations and land with planning permission) has remained above the minimum 10 hectares target. Previous years had seen approximately 10-20 hectares of allocated land with planning permission at any one time. 22,000 sqm of B1/B8 has now been granted permission in June 2017 on the Eastern Urban Extension (outside of this monitoring period). A planning permission for 12,000 sqm B1/B2/B8 on the proposed allocation, Venn Farm in Cullompton, was granted permission in December 2016. Also on the windfall site, Hitchcocks Farm two B1/B2/B8 permissions totalling 5434 sqm have been granted permission indicating growing confidence in the market for employment land.



Source:
Mid Devon District Council

Productivity (GVA)

Productivity in the South West, as measured by GVA, is considerably lower than the UK average. GVA (Gross Value Added) measures the value of economic output and more specifically it measures the contribution to the economy of each individual producer, industry or sector. Aggregated, it can be used as an indication of prosperity, living standards and the prospects for economic growth.

<i>Estimated GVA 2016</i>	Mid Devon	East Devon	Teignbridge	Exeter	Devon CC	UK
Total GVA (£ million)	£1,330m	£2,413m	£2,413m	£4,082m		
GVA per head	£16,663	£17,246	£18,583	£31,446	£17,942	£23,755

As with much of the region, low productivity is a problem for the district. Compared to our nearest neighbours Mid Devon has a much lower GVA per head than any of the other EHOD authority areas. The current sectoral mix in Mid Devon has a large proportion of traditionally low productivity sectors, such as retail, agriculture, accommodation and food, logistics, health and social care.

Sectoral code	Broad Sectoral Category	£ million
GHI	Distribution	267
OPQ	Public Sector (Health, Education)	237

L	Real Estate	235
C	Manufacturing	213
F	Construction	118
MN	Professional	94
ABDE	Agriculture and Forestry	87
RST	Other	46
J	Information	19
K	Finance	12

Sectoral Contribution to the Mid Devon Economy by broad sectoral category
<https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/regionalgrossvalueaddedbalancedbylocalauthorityintheuk>

Even comparing sector with sector south-west businesses tend to be less productive than their national counterparts.

There are a number of factors that may contribute to this:

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

The LEP has produced a Productivity Strategy for the South West, which seeks to address some of these issues.

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ECONOMY PDG
8TH NOVEMBER 2018

ECONOMIC DEVELOPMENT SERVICE UPDATE

Cabinet Member(s): Cllr Richard Chesterton
Responsible Officer: Jenny Clifford, Head of Planning, Regeneration & Growth

Reason for Report: To update members on progress with key Economic Development Service Priorities.

RECOMMENDATION: That the report be noted

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

Financial Implications: There are no additional financial implications arising from the report.

Legal Implications: None

Risk Assessment: None

Equality Impact Assessment: None anticipated

1.0 Introduction

1.1 This report provides an update on the progress of key projects and initiatives developed or supported by the Growth, Economy and Delivery team (GED team).

2.0 Devon Hydro and Smart Grid Project ('Mills Project')

2.1 The funding bid to the Heritage Enterprise was unsuccessful, but we received feedback suggesting we may wish to consider submitting a project purely focused on Thorverton Mill, as this had the strongest links to the heritage element of the funding programme. Consideration is now being made to how to progress with trying to access further funding for this project.

2.2 Initial scoping and feasibility work has continued regarding Tiverton Weir, with Hydromatch Ltd having ongoing discussion with the Environment Agency (EA). The pre-application discussion has led to a few elements of the proposed scheme being altered to give the project the best chance of getting through the (EA) full application stage. Rough designs of the site have now been drawn up so that talks would be able to progress with regards to land lease / purchase of the site. A paper is being prepared to discuss how the Council wants to progress with this project.

2.3 A similar process is being followed with schemes developing at Flock Mill in Rewe (nr Silverton) and at Thorverton, with full feasibility work being completed, and progress being made into discussion with the EA. Though the local authority will not be responsible for the delivery of these schemes, their development forms part of a wider approach to supporting hydro generation and demonstrating Mid Devon's buy-in to the low carbon economy.

3.0 Enquiries and Investments

- 3.1 The GED team are continuing discussions with land owners across the district to ensure that their land will come forward for economic development activities. Though much of this information is commercially sensitive, land at J28 has now been brought to the market for commercial development adjacent to Kingsmill Industrial Estate, and the GED team have been working with the land owners and agents to help make this happen.
- 3.2 Demand for business space in the district is still high, and a number of enquiries have been received, though supply of premises and sites is still limited. Some of the more common enquiries received are proving difficult to accommodate within the District, particularly for small and medium sized industrial units which seem to be the most commonly sought premises that businesses enquire about. This includes buildings offering between a few thousand to 20,000sqft, of which there are only a couple available.

4.0 LEADER Programme

- 4.1 The EU-funded LEADER programme is fast drawing to a close. There are now just two Local Action Group (LAG) meetings to approve successful applications before the close of the programme in March 2019. The last round for applications will be in November with a deadline for full applications by the 15th November. This will allow time for the applications to be processed and assessed before the final LAG on the 30th January.
- 4.2 The fund is currently over 70% committed, with further large applications in the pipeline. There is still a good list of projects being developed but there remains a risk that some applications will not be able to meet the 15th November deadline. However, at this stage there is reasonable expectation that the fund will be able to be fully committed.

5.0 Tiverton Market Events

- 5.1 Tiverton Pannier Market has a busy round of events during the summer, including:
- Electric Nights Streetfood: There were 5 Electric night events during the summer, each with a different theme. This year crafts and artisan foods stalls were introduced alongside the normal street food and drink offer. All events have been well attended and traders have been content with trade. The entertainment provided was also varied and was complimentary to the theme of the market. The special Christmas Electric Nights will be held on Saturday December 1st and is run in conjunction with the town's Christmas light switch-on. The theme for this will obviously be the celebration period of Christmas with choirs and Christmas music provided by a disc jockey. The dates for next years (2019) Electric Nights have been set and the themes proposed. This has already been publicised to traders and already there is interest in attending.
- 5.2 Other Events: During the year there have been a number of events. These have been organised by the traders and management working together to ensure their success. With the support of the traders, there has been some kind of entertainment or event at least once a month during the summer and autumn periods. These have been events like the 'Wild West Show' and the Peoples' Choir. There have been buskers and other musicians providing entertainment such as the local operatic

society promoting their shows. There have also been various exhibitions and displays held at the market during the year. Art and craft classes have been introduced on a Wednesday provided by traders and a local artist. There is now also sessions where people can 'have a go' at spinning wool and 'lap weaving' which compliments the wool stall.

- 5.3 Car Boot Sales: Following requests and expressions of interest from the public and traders, the Market's Sunday Car Boot Sale returned on 30th September. The Car Boot Market is run by a third party on a hire agreement at the Pannier Market on the last Sunday of the month. The first one was well attended and did bring people to the market. There will be a special one on 9th December to compliment the Sunday opening of the market.
- 5.4 Farmers Market: The Tiverton market is reintroducing a Farmers Market after several years of not having one. This will be held on the 4th Friday of the month, the first being November 21st. There will not be one during December but will commence again in January. The market will be held in the south hall of the Pannier Market and operate between 9am and 2pm.
- 5.5 Christmas opening. Throughout December from 1st to the 24th, the market will be open 7 days a week with Sundays providing special markets which include a craft market and a last minute gift fayre. This is also supporting and complimenting the decision by the Town Centre Partnership that Sunday trading will take place rather than late night shopping. There will be entertainment on certain days throughout the Christmas period, which includes the visit of the reindeer to the market on Saturday 22nd. There will be a strong emphasis on this 'Festival of Christmas' as the town will be promoting this.

6.0 Cullompton Railway Station

- 6.1 Work is progressing with regard to the provision of railway stations at Cullompton and Wellington. Further feasibility work is in the process of being commissioned to inform a Strategic Outline Business Case. A meeting with the local MPs is currently being scheduled. An update will be provided to the Economic Policy Development Group following this meeting.

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

List of Background Papers: None

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