

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **ECONOMY POLICY DEVELOPMENT GROUP** held on 28 November 2019 at 5.30 pm

Present

Councillors

J M Downes (Chairman)
N V Davey, R J Dolley, Mrs S Griggs, T G Hughes,
D F Pugsley, R F Radford, J Wright and A Wyer

Also Present

Councillors

G Barnell, R M Deed and R Evans

Present

Officers

Stephen Walford (Chief Executive), Jenny Clifford (Head of Planning, Economy and Regeneration), John Bodley-Scott (Economic Development Team Leader), Joanne Nacey (Group Manager for Financial Services), Catherine Yandle (Group Manager for Performance, Governance and Data Security), Chris Shears (Economic Development Officer) and Sarah Lees (Member Services Officer)

40 **Apologies and Substitute Members**

There were no apologies for absence.

41 **Public Question Time**

There were no members of the public present.

42 **Declaration of Interests under the Code of Conduct**

There were no interests declared under this item.

43 **Minutes**

The minutes of the meeting held on 26 September 2019 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

44 **Chairman's Announcements**

The Chairman had no announcements to make.

45 **Performance and Risk (00:02:18)**

The Group had before it, and **NOTED**, a report * from the Head of Planning & Economic Regeneration providing Members with an update on performance against the Corporate Plan and local service targets for 2019/20 as well as providing an update on the key business risks.

The contents of the report were outlined and a brief discussion took place regarding:

- It would be useful in the future to have a year on year analysis of the number of empty shops in each town.
- Lobbying Government to bring in a comparable business rate levy against on-line suppliers as there currently is with high street retailers. It was suggested that this was probably not the best time to be lobbying Government in advance of a general election. However, this could be something that the Group would like to pick up in the new year once things had settled down with the new Government.
- The Group were surprised to learn that nationally only 19% of retail sales occurred on line. This compared with 21% in 2018.

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

46 **Financial update for the six months to 30 September 2019 (00:08:58)**

The Group had before it, and **NOTED**, a report * from the Group Manager for Financial Services which had been presented to the Cabinet on 21 November 2019 presenting a financial update in respect of the income and expenditure so far in the year.

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

- The Group were reminded that there were a lot of demand led services across the Council which meant that forecasts had to be caveated..
- The forecasted General Fund surplus for the current year was £29k. The table at 3.2 showed all the variances both positive and negative in relation to this.
- There had been a number of factors accounting for the improvement in forecast from Quarter One, most significant of which were a number of savings through the shared waste scheme with Devon County Council. A significant amount had also been received in relation to a recent planning application.
- The Treasury Forecast had also been updated to reflect the fact that we did not need to borrow from the PWLB in year as previously forecast.
- It was explained that managers had been asked to clarify what was deliverable in the capital budget for the current year in terms of expenditure. This had proved much less than had originally been predicted, giving us a better cash position and hence more investment income.
- The Council had not had to borrow this year externally so had not had to pay the additional 1% which has been levied on PWLB rates. Interest rates that it had been getting on investments were less than 1%, therefore it had been using its own internal resources which had given it a preferential position.

Discussion took place with regard to:

- The word 'impairment' in relation to 3 Rivers Development Ltd. was explained to the Group as an accountancy term meaning there was a possibility a loan would not be repaid. This was supplemented with an explanation that it was quite right to bring this into the budget monitoring process and that the council needed to keep a close eye on this over the entire life of any loan.

- It was confirmed that loans from the council to 3 Rivers Development Ltd. were secured and interest was charged at a market rate.
- It was confirmed that regular monitoring of 3 Rivers took place at Cabinet level and also the Audit Committee which had oversight of the financial and governance aspects. The Economy Policy Development Group could have an input into the process when it came to monitoring the outcomes of each project and whether or not they were having an impact on the wider economy of Mid Devon. It was not the responsibility of this Group to get involved with the 'nuts and bolts' of the company's operation. It was **AGREED** that this be placed on an agenda for a future meeting once there were outcomes to monitor.

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

47 **Draft 2020/21 General Fund and Capital Budgets (00:26:48)**

The Group had before it, and **NOTED**, a report * from the Group Manager for Financial Services considering the initial draft 2020/2021 budget and the options available in order for the Council to set a balanced budget and agree a future strategy for further budget reductions for 2021/2022 onwards.

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

- The council was still waiting with some trepidation for the outcome of the Fair Funding Review and the Business Rate reset whilst Parliament had been suspended pending the result of the general election. The Review and Base Rates Reset will not now be announced until 2021/21. The Government had regrettably confirmed that they would issue a one year settlement in the meantime which had a significant negative impact on the council being able to forecast for future years.
- The initial aggregation of all pressures and savings currently indicated a General Fund budget gap of £346k.
- There were still a few key issues that had not been resolved or were still to be evaluated which might either improve or worsen the budgetary position for next year.
- The 'easy' efficiency savings had already been taken across all service areas of the council.

A more up to date report would be brought to the Policy Development Groups in January showing a much clearer position. The Group would be asked to consider the savings necessary to bring the budget into a balanced position by the February full Council meeting.

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

48 **Draft Corporate Plan 2020 - 2024 (00:38:40)**

The Group had before it a report * from the Chief Executive considering the first draft text of a new Corporate Plan for the council which would replace the current plan (expiring in March 2020).

The Chief Executive explained that the report before the Group was being presented to each Policy Development Group with the comments and views from each Group being fed back to the Cabinet before a final draft was considered by full Council in February 2020. If Members had any views they wanted conveying following the meeting they could do so through the Clerk.

The report reflected all the hard work that had been undertaken by Members at an Away Day in September and subsequent comments made regarding the future direction and focus of the council.

Discussion took place regarding:

- The tension within the document at this early stage between competing priorities and competing objectives. It was likely that the final plan would not necessarily contain 'absolute' statements on definitive approaches, since the decisions on how to implement activity and actions would be taken at a more detailed level at the appropriate time. However, it was important that the Corporate Plan set what the council was trying to achieve for the good of the local community.
- It was stated that it would be good to know what the advantages and disadvantages were under each subject area, for example, the promotion of the Exe Valley as an Area of Outstanding Natural Beauty. It was explained that the word 'consider' was important in relation to this as the promotion of the AONB could be an aspiration but the implications of this needed to be fully 'considered'.
- It was suggested that incubation and start up space be moved as a specific ambition under the Economy column rather than remain in the overarching comment at the top of the draft document.
- Projects and ambitions that were impossible to achieve, for example, due to a lack of funds, would not be included in the draft or final document. The final approved Corporate Plan needed to include realistic goals and aspirations.
- It was felt that it was correct to include lobbying for the abolition of 'Right to Buy' in the Homes column of the draft document since this reflected the views of the Homes PDG in the previous council and appeared to have cross party support in the new council. However, it was reiterated that full Council would need to sign off the final document and agree all the aspirations within it.
- The Chairman commented that he felt that the overarching comment at the top of the draft document reflected a change in the council's commitment to the Climate Change Declaration as well as a number of green initiatives.

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

49 **'Future High Street Fund' - more information on the unsuccessful bid (01:00:53)**

The Group had requested at the previous meeting that they receive additional information in relation to a bid which had been made to the 'Future High Street Fund'. The bid had been unsuccessful.

Further clarification had been sought from the funding body and the feedback received had indicated two issues that may have led to an unsuccessful bid.

These included:

- The way the application had been composed included a statistical review of the town and Tiverton had shown to be not “as in need’ as some of the other towns that had submitted a bid. One of the requested statistics had been an analysis of footfall and it had not been possible to provide this analysis at the time of submitting the bid. This may have hampered the application. This would be addressed for future project bids.
- The second element may have been around investment readiness. At the time of the bid process the Masterplanning exercise was in full swing with a lot of consultation work going on and even though projects were put forward other applications may have had projects that were ‘ready to go’.
- The Cabinet Member for Planning and Economic Regeneration reassured the Group that the Masterplanning process would be coming forward again in the spring. Partnership working was crucial and Tiverton Town Council had been very keen to relay what needed doing immediately plus longer term projects. This Group would be kept informed as the process progressed.

50 **Economic Development Service Update (01:12:09)**

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

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

51 **Identification of items for the next meeting (01:13:47)**

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

- A presentation from the ‘Crediton Heart Project’ (to the March meeting).
- It was confirmed that John Sheaves from ‘Taste of the West’ would attend the next meeting in January and provide a presentation.

(The meeting ended at 6.50 pm)

CHAIRMAN