

## **MID DEVON DISTRICT COUNCIL**

**MINUTES** of a **MEETING** of the **ECONOMY POLICY DEVELOPMENT GROUP** held on 4 November 2021 at 5.30 pm

### **Present**

#### **Councillors**

J M Downes (Chairman)  
Mrs C Collis, N V Davey, R J Dolley,  
Mrs S Griggs, B Holdman, D F Pugsley,  
R F Radford and J Wright

### **Also Present**

#### **Councillors**

R J Chesterton, D R Coren, Mrs C P Daw, R M Deed and  
B G J Warren

### **Also Present**

#### **Officers**

Stephen Walford (Chief Executive), Andrew Jarrett (Deputy Chief Executive (S151)), Richard Marsh (Director of Place), Paul Deal (Corporate Manager for Finance), Adrian Welsh (Strategic Manager for Growth, Economy and Delivery), John Bodley-Scott (Economic Development Team Leader), Clare Robathan (Policy and Research Officer) and Sarah Lees (Member Services Officer)

## **29 APOLOGIES AND SUBSTITUTE MEMBERS**

There were no apologies for absence.

## **30 PUBLIC QUESTION TIME**

There were no members of the public present.

## **31 DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT**

No interests were declared under this item.

## **32 MINUTES**

The minutes of the meeting held on 9 September 2021 were confirmed as a true and accurate record and signed by the Chairman.

## **33 CHAIRMAN'S ANNOUNCEMENTS (00:05:00)**

The Chairman had the following announcements to make:

1. The recent informal PDG workshop had been extremely informative, Members had received a tremendous amount of statistical economic information which was all relevant to Mid Devon. The challenge now was to move forward and produce effective policy. The Group had tasked officers to go away and

produce a report which could list those aspects that the Council could contribute to and then to use those aspects as markers going forwards.

2. The next informal PDG workshop would be held on 25<sup>th</sup> November and would be centred around the agricultural sector with a representative from the NFU attending. He was keen that the Council could build a relationship with the sector that could benefit them going forwards.

### 34 COVID ECONOMIC RESPONSE UPDATE (00:07:00)

The Group received, by way of presentation, an update regarding the current economic position within Mid Devon as a result of the pandemic. This included the following information:

- At the recent workshop Members had been surprised by the positive economic recovery data both locally and nationally.
- Metals and fabrication manufacturing industries were showing signs of growth within Mid Devon.
- The lack of a full labour market was a key issue both locally and nationally. Mid Devon represented 10% of the population of Devon but represented only 7% of the total output.
- Demography would remain a core challenge for the district, with a rapidly aging population and low rates of under 30s.
- Payroll had bounced back to pre-pandemic levels across the HOTSW area.
- Unemployment rates were historically very low in Mid Devon with many of those long-term unemployed having fundamental barriers to employment.
- SW house prices had risen by 17% over the last year – while the supply of rental properties had decreased.
- Job vacancies within the district were outstripping supply.
- Many people had reassessed their working lives during the pandemic, some deciding to retire, go back to studies or working remotely for companies outside of the district.
- Educational attainment lagged behind neighbouring authorities and this was particularly evident within Mid Devon's towns.
- Town Centres, which were already suffering beforehand, had been significantly impacted as a result of the pandemic.
- Another challenge was the automation of jobs currently undertaken manually.
- A Household Support Fund would be made available to those families that qualified for it over the winter period. This was due to be launched on 15<sup>th</sup> November 2021.
- A 'Visit Mid Devon' event would be held in February 2022 to support hospitality and tourism sectors and develop local supply chains. It was requested that this not be arranged on a day when Members needed to attend a formal committee.
- There had been some successes and failures in terms of funding bids. The 'Reconnecting Tiverton' Community Renewal Fund bid had been unsuccessful, similarly the Levelling Up Fund Round One bid for the Cullompton Relief Road was also unsuccessful but funding had been received for the Cullompton & Wellington Railway Station project in the region of £5m. It was currently anticipated that construction of the new station would start in 2024/5.

Discussion took place regarding:

- The situation regarding units in Market Walk, Tiverton. Up to date information was not available for the meeting but would be supplied to Members as soon as possible thereafter.
- Upskilling individuals was a positive and necessary ambition but how would it be achieved and how would those individuals be retained within the Mid Devon workforce? Currently there was a mismatch between the skills needed and the skills available. The Council was working where it could with local businesses, schools and colleges to ensure youngsters were made aware of all the opportunities which existed. This would be a key theme of a future PDG workshop and Members would have an opportunity to bring their ideas and develop a strategy going forwards.
- Providing the right type of housing was key in attracting and keeping people with the right skills needed for district. This could be achieved through allocating appropriate sites within the Local Plan and through the planning process.
- Effective and targeted communication was key.
- Biggest problem facing the education sector within Devon was a lack of adequate funding per child but District Councillors could act as lobbyists to those that had influence.
- Members had recently received a communication of a possibility of service cuts to the South West Trains services to London. However, if this was to come to fruition it was recognised that this could provide positive benefits as freeing up capacity on the rail line could provide additional services in the area.
- The Council was well engaged within various railway forums and were receiving weekly updates.
- Seating within Tiverton Town Centre, some of this had been removed during the pandemic to discourage public gathering. There was an opportunity to comment on improved seating provision in the second phase of the Tiverton Town Centre Regeneration project.

It was confirmed that the update provided to the January meeting would be in the form of a written report.

### 35 **MEDIUM TERM FINANCIAL PLAN - GENERAL FUND, HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME (01:23:00)**

The Group had before it, and **NOTED**, a report \* from the Deputy Chief Executive (S151) presenting to Members the updated Medium Term Financial Plan (MTFP) which covered the period 2022/23 to 2026/27 and options available in order for the Council to set a balanced budget.

Before discussing proposed budget savings the Corporate Manager for Finance provided high level detail regarding the Chancellor's recent budget, this included the following:

- Spending for Government departments would increase by 3.8%, whilst this was better than expected, no detail had been received yet.

- Part of the 3.8% increase would be needed to cover cost inflation linked to the national staff pay award and this was predicted to take up the greater part of that increase.
- Local authorities would be required to retain their current referendum limits of 2% or £5, this would have the effect of capping the Council's income.
- A number of changes to Business Rate Reliefs were highlighted – but due to current legislation the Council is unable to benefit from them as it is prevented from claiming relief on its own property.
- Whilst the Chancellor's budget covered a high level 3 year settlement there was no helpful detail yet as to how this would affect local authorities.

The forecasted General Fund shortfall for 2022/2023 was currently £1,072m and was predicted to rise to £1,643m by 2026/2027. A public consultation process had commenced and Members were encouraged to ask their constituents to engage in the process.

Suggested budget savings were presented in Appendix 2 and the Policy Development Group were asked to comment on whether or not they supported those that related to the Economy area or whether they had any alternative saving ideas:

Discussion took place with regard to:

- There was no more 'low hanging fruit' to cut, this had already been done in the previous 10 years plus of budget cutting.
- The effect of the pandemic on Council finance was ongoing.
- So much detail was yet to come from central Government.
- Public concern regarding the 'big numbers' in relation to Council Tax.
- The number of question marks shown in Appendix 2 in relation to the Economy service areas was noted by the PDG.
- Making sure all available Council owned units were occupied thereby ensuring maximum income.
- The need for the PDG to identify and recommend savings where it could to the Cabinet in order to address the shortfall in the budget.
- The scope of the Economy PDG budget area being limited with its emphasis being more on growth and bringing money in.
- The Council's retail portfolio was as full as it had ever been.

The Chairman stated that because of the current uncertainties regarding the areas identified in Appendix 2 under the Economy area he did not feel the PDG were able to comment savings options at the current time. He thanked the Deputy Chief Executive (S151) and his team for all that they had done to progress the budget thus far.

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

### 36 **PENINSULA TRANSPORT: RESPONSE TO THE CONSULTATION ON REGIONAL TRANSPORT STRATEGY VISION (01:47:00)**

The Group had before it, and **NOTED**, a report \* from the Director of Place informing Members of the District Council's response to the Regional Transport Vision consultation being undertaken by Peninsula Transport, the sub-national transport

body. This report was requested by the PDG following consideration of consultation material at its last meeting.

It was explained by the Strategic Manager for Growth, Economy and Delivery that Members had shown an appetite at the last meeting to continue to be involved in the discussion around a regional transport strategy. It was suggested that perhaps more Member engagement could be had by having discussions with the transport team at Devon County Council. This was something that the Economic Development team could investigate since not all the issues previously raised were regional, some were very local and Members could have a great deal to contribute. This suggestion was supported by the PDG. There were links with 'skills and employment' and an opportunity to 'join up some of the dots'.

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

### 37 **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01:55:00)**

Other than the items already identified in the work programme, the following was requested to be on an agenda for a future meeting:

- As part of the emerging Recovery work, a report setting out suggested plans for initiatives which were 'ready to go' should Government funds subsequently become available to progress them.

(The meeting ended at 7.26 pm)

**CHAIRMAN**