

**Economic Development Service Update**

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

**1.0 Introduction**

This report provides an update on the progress of key projects and initiatives developed or supported by the Economic Development team.

**1.1 Mills / Hydro Project**

The Mills / Hydro project for Mid Devon has been developing for almost 18 months, and has seen increasing interest from a wide variety of partner organisations. Most recently, the University of Exeter hosted a delegation from Mid Devon to visit their Penryn campus, where we met with academics who are world leaders in the development of smart grid technology and new turbine types. This has led us to attempt to tailor any bid that we submit to include the opportunity for the University to work with the project so that their innovation can be introduced at identified sites.

The bid work to fund the first three sites has continued, and the business plan for the wider project is almost completed. We are still intending to complete the outline application by the end of May, but now have an extra couple of weeks, as bids cannot be submitted during the purdah period. The bid is likely to ask for a significant grant from the ERDF funding allocation for the Devon area, though the majority of the match funding for the project would be from the private sector for the delivery of Thorverton mill and Flockmill. There is also scope to draw down funding through the latest round of Growth Deal funding for the South West (GD3), as Chris Garcia (Chief Executive of the Heart of the South West Local Enterprise Partnership) included our project in a prospectus for the South West when the bid for GD3 was submitted.

Ideas around the development of Tiverton Weir have been gathering momentum, and we are now exploring opportunities to utilise any power generated there to make the site a feature for the local community and for education. This could include improved lighting along the water front and the potential to have charging points for electric cars in the West Exe car park area.

A separate bid has been submitted to the Rural Community Energy Fund (RCEF) which, if successful, will bring each of the 3 sites up to the point of getting their Environment Agency permissions, which effectively is the green light for taking the schemes forward. The outcome of this bid will be known by the end of May. If unsuccessful, this will need to be included in the outline ERDF bid that we submit, which could delay the project by a couple of months. However, feedback so far from the organisation overseeing RCEF has been positive.

## **1.2 Commercialisation of Regulatory Services**

The Commercialisation of Regulatory Services project is being led by Mid Devon District Council on behalf of the regional Better Business for All group. The project will explore the opportunity to generate income through the delivery of some elements of our regulatory services, focusing on those services that can add value to business activities. There is likely to be a sliding scale produced, offering different levels of support for businesses, charged at different subscription rates.

For example, in our Environmental Health Service, officers frequently support businesses who are being assessed for food hygiene ratings. If a business is currently rated at 2 stars, they will be offered free advice and guidance that they can follow to get them up to a 5 star rating. However, an alternative to this could be for the business to pay for a premium service, whereby somebody comes into their business each month, helps put the policies and practices in place to get the business to a 5 star rating and then keeps them there and markets them on this achievement. This could be an attractive option for businesses, enabling the business owners to spend more of their time on growing the business rather than having to come away from the coal face to focus on various other issues.

It is envisaged that this could be delivered across a number of regulatory services, and this project will identify those, along with the best vehicle for delivering this type of service to the business community. If successful, the project could generate significant income for local authorities across the Heart of the South West, and the project is seen as a UK first, with interest from the department of Business, Energy and Industrial Strategy, who are keen to see how this model could work and whether or not it could be rolled out more widely.

A further benefit to Mid Devon leading on this project, is that if it is deemed to be successful, we may have opportunities to explore delivering these services to other parts of the UK.

## **1.3 Broadband**

Our recent response to the regional productivity plan consultation highlights our disappointment with the rollout of broadband infrastructure through the Connecting Devon and Somerset programme (CDS). We are currently looking at organising a separate member briefing session to which we hope to invite the lead officer for CDS.

Between July and December 2016 we had been exploring an alternative approach to delivering broadband infrastructure throughout the Mid Devon area, but unfortunately this project did not proceed. The issue of poor connectivity and low broadband speeds is recognised as being a key requirement for developing a future proof economy, and as such, we are exploring further opportunities to take forward a broadband solution in partnership with the private sector.

## **1.4 Cullompton Futures**

A piece of work has been started to collate ideas relating to the future economic development of Cullompton. The aim is to ensure that regeneration on the west side of the M5 is taken forward in parallel with the garden village development. Ideas have been put forward by land owners, developers, town council, ward members, and various community groups, and these have been used to draw up a map highlighting where the various ideas could be located and how they could create a cohesive economy for the town. This is purely exploratory work and will help to identify the issues and opportunities in advance of any more formal process. The link below leads to the latest iteration of the map:

[http://prezi.com/y\\_vx49jdixay/?utm\\_campaign=share&utm\\_medium=copy&rc=ex0share](http://prezi.com/y_vx49jdixay/?utm_campaign=share&utm_medium=copy&rc=ex0share) (Please note that Flash player 11.1 or higher is required in order to view the project.)

## **2.0 Enquiries & Investments**

We have been working with a number of businesses and have had several investment enquiries recently. There is significant interest in development around the Cullompton area, some of which is as a result of the garden village announcement, which makes the town a lucrative place for investment in the district. Crediton and Tiverton are both continuing to receive interest from potential investors and growing businesses wishing to expand locally.

Hitchcocks Business Park is now operating at capacity; the latest business to be going onto the site is a flower growing / distribution company which supplies a number of supermarkets in the South West. This could create up to 40 jobs over the next 2 -3 years.

Each of the plots at Mid Devon Business Park has now been sold and all of them are either being developed or going through a planning process. This has led to discussions taking place relating to the Pallex site directly behind Mid Devon Business Park, which may need to come forward quickly in order to accommodate some of the businesses wishing to locate to Mid Devon.

Willand Business Park is now fully sold, with all units either occupied or soon to be occupied.

At Kingsmill Industrial Estate we have full occupancy, and interest in the sites directly adjacent has been increasing significantly, though planning issues and transport restrictions may reduce the speed at which development can take place. The Nook has recently opened on the Estate, which is a hub for tech and digital businesses, providing incubator space and shared working space, along with a number of larger business spaces. Adopstar have recently moved from Cullompton High Street to The Nook, and it is expected that this location will help to serve a growing need for high quality tech and digital businesses while other sites in the area come forward over the next 3-5 years.

At Lords Meadow in Crediton, Graphic Plc have completed the extension of their premises, giving them the flexibility to grow significantly while staying in the Crediton area. At Tiverton Business Park there has been increasing interest in the few remaining available units and it is hoped that there will be some positive announcements about these soon.

We are rapidly reaching a position where the number of available employment sites that can readily accommodate new enquiries will be depleted and there may be considerable lead in time until new employment sites are brought forward.

### **3.0 Cullompton Springfest**

Cullompton had its annual SpringFest on April 8<sup>th</sup>, an event showcasing local food, crafts and music. Together with the October Food Festival it has become an established part of the Cullompton calendar. It was a highly successful event with a high footfall, made all the better by the fine weather. It was the first year that such a number of highstreet traders took part in the event, represented by the amount of sponsorship the committee received from local traders. Crediton will be holding their 9<sup>th</sup> Food and Drink Festival on the 17<sup>th</sup>-18<sup>th</sup> June.

### **3.1 Electric Nights**

The Market held the first of its series of six Electric Nights street events on Saturday 6<sup>th</sup> May. The number of traders was down on previous events, but there was a good turnout of customers and the market seemed busy and thriving. The SW heat of the British Street Food Awards will be held at the market on 21<sup>st</sup> May.

### **3.2 LEADER update**

There are currently 12 enquiries being supported by the team, of which three will be going forward to the Local Action Group meeting on the 24<sup>th</sup> of May. There have been no new grant awards since the last update. The purdah period leading up to the general elections may very well delay any announcements proceeding from the next Local Action Group meeting.

### **3.3 Town Centre Vacancy Rates**

The retail vacancy rates have seen a significant increase in the first quarter of 2017. The first quarter traditionally sees increased shop vacancies as retailers hold on for the Christmas trade and then close on the renewal of leases in the New Year. The biggest losses have been in the primary retail area of Tiverton with the net loss of three units, increasing vacancy rates from 4.5% to 7.7%. The overall rate for the whole town is now 8.4% which is still lower than the national average of 10.1% (Aug 2016). In Cullompton the vacancy rate has risen from 9.3% to 12.8%, four units having been vacant for over 12 months. However, one of these long standing vacancies will be occupied very soon with the opening of Costa at the former HSBC premises.

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**Circulation of the Report:** Cllr Richard Chesterton  
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**List of Background Papers:** None