

## Agenda for Cabinet

Wednesday 1 November 2017; 5.30pm

### [Members of Cabinet](#)

**Venue:** Council Chamber, Knowle, Sidmouth, EX10 8HL

[View directions](#)

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Issued 23 October 2017



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Members of the public exercising their right to speak during Public Question Time will be recorded.

- 1 [Public speaking](#)
- 2 Minutes of 4 October 2017 (pages 3-11), to be signed as a true record
- 3 Apologies
- 4 [Declarations of interest](#)
- 5 [Matters of urgency](#)
- 6 Confidential/exempt items – there are no items which officers recommend should be dealt with in this way.
- 7 Forward Plan for key decisions for the period 1 December 2017 to 31 March 2018 (pages 12-14)

- 8 Notes of the Exmouth Regeneration Programme Board held on 21 September 2017 (pages 15-19)
- 9 Minutes of the Independent Remuneration Panel held on 2 October 2017 (pages 20-22)
- 10 Minutes of the Overview Committee held on 5 October 2017 (pages 23-26)

#### **Part A matters for decision**

- 11 **Heart of the South West – Joint Committee** (pages 27-34)  
The report details the aim of the Joint Committee to provide a single strategic public sector partnership that covers the entire area and provides cohesive, coherent leadership and governance to ensure delivery of the Productivity Plan for the HotSW area.  
**Appendix A – Committee Proposal** (pages 35-37)  
**Appendix B – Draft Inter-Authority agreement** (pages 38-41)  
**Appendix C – Draft Arrangements** (pages 42-47)
- 12 **Heart of the South West Annual Report 2017** (pages 48-60)
- 13 **Financial Monitoring Report 2017/18 - Month 6 September 2017** (pages 61-68)  
This report gives a summary of the Council's overall financial position for 2017/18 at the end of month six (30 September 2017).
- 14 **Monthly Performance reports – September 2017** (pages 69-72)  
Performance information for the 2017/18 financial year for September 2017 is supplied to allow the Cabinet to monitor progress with selected performance measures and identify any service areas where improvement is necessary.  
**Appendix 1 - September 2017 snapshot**
- 15 **Robinson Bequest** (page 73)  
To request amendment of the signatories on the Robinson Bequest's National Savings & Investment Account.

**For a copy of this agenda in large print, please contact the Democratic Services Team on 01395 517546**

## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of the meeting of Cabinet held at Knowle, Sidmouth on 4 October 2017**

#### **Attendance list at end of document**

The meeting started at 5.30pm and ended at 7pm.

**\*72 Public Speaking**

There were no questions from the public.

**\*73 Minutes**

The minutes of the Cabinet meeting held on 6 September 2017 were confirmed and signed as a true record.

**\*74 Declarations**

Councillor Tom Wright: Minute 91; personal interest as Member of Budleigh Salterton Town Council.

**\*75 Matters of urgency**

None

**\*76 Matters referred to the Cabinet**

There were no matters referred to the Cabinet by the Overview and Scrutiny Committees.

**\*77 Exclusion of the public**

There were no items that officers recommended should be dealt with in this way.

**\*78 Forward Plan**

Members noted the contents of the forward plan for key decisions for the period 1 November 2017 to 28 February 2018.

**\*79 Minutes from the Recycling and Waste Partnership Board held on 23 August 2017**

Members received the Minutes from the Recycling and Waste Partnership Board held on 23 August 2017.

#### **RESOLVED (1) that the following recommendation be approved:**

##### **Minute 25 Garden waste collections – outline options**

1. that officers write to Otter Rotters Ltd to inform them that alternative options for the provision of a green waste collection service in East Devon would be pursued and therefore the expired contract with Otter Rotters Ltd not be renewed;
2. that officers be invited to work up a detailed business case, in partnership with SUEZ, for a new district wide garden/green waste collection service with a preference for a chargeable, fortnightly, all year round service, modelling options for charging and likely service demand; and
3. that Devon County Council be requested to undertake any necessary procurement exercise for the disposal of green/garden waste in East Devon.

**\*80 Minutes of the STRATA Joint Scrutiny Committee held on 6 September 2017**

Members noted the Minutes of the STRATA Joint Scrutiny Committee held on 6 September 2017.

- \*81 **Minutes of the Housing Review Board held on 7 September 2017**  
Members received the Minutes of the Housing Review Board held on 7 September 2017.

**RESOLVED (1) that the following recommendations be noted:**

**Minute 20 Housing Revenue Account Business Plan update**

the contents of the draft Housing Revenue Account Business Plan 2017-2022.

**Minute 22 Responsive repairs and works to void properties contract procurement process**

1. the progress being made on the renewal of the responsive repairs and work to void properties contract;

**RESOLVED (2) that the following recommendations be approved:**

**Minute 20 Housing Revenue Account Business Plan update**

the Housing Revenue Account Business Plan 2017-2022.

**Minute 22 Responsive repairs and works to void properties contract procurement process**

2. the direction of travel and the terms of reference for the project group formed to discuss the procurement;
3. the brief for the appointment of procurement consultants.

**Minute 23 Fire safety and policy update**

1. the Fire Safety Policy and endorse the approach towards fire safety in Council owned housing;
2. the inclusion of an article on fire safety in the next Housing Matters magazine.

**Minute 24 Compliance review**

the recommendations outlined in the compliance review (as outlined in section three of the Housing Review Board report).

**Minute 25 Sewage treatment works progress**

1. applications for First Time Sewerage should be submitted at up to 10 locations; and
2. applications for sewer requisitions should be submitted at 3 locations at a cost of £2,500 per location;
3. further consideration be given to options for transfer of sites which are not eligible for the above.

**Minute 26 Tenancy succession policy**

1. the Tenancy Succession Policy,
2. the inclusion of an article raising tenants' awareness of the Succession Policy in the Housing Matters magazine.

**Minute 28 Annual report to tenants**

the content of the annual report to tenants, subject to the information being graphically designed for reproduction in the December Housing Matters magazine.

**\*82 Notes of the Sidmouth Beach Management Plan Steering Group held on 13 September 2017**

Members received the Minutes of the Sidmouth Beach Management Plan Steering Group held on 13 September 2017.

**\*83 Minutes of the Budget Working Party held on 13 September 2017**

Members received and noted the Minutes of the Budget Working Party held on 13 September 2017.

**\*84 Minutes of the Capital Strategy and Allocation Group held on 13 September 2017**

Members received the Minutes of the Capital Strategy and Allocation Group held on 13 September 2017.

**RESOLVED that the following recommendations be approved:**

**Report 5 Guide to Project Management**

the Terms of Reference of the Capital Strategy and Allocation group be amended so that the group meets on a quarterly basis to undertake more regular monitoring, in line with the guide.

**\*85 Minutes of the Scrutiny Committee held on 21 September 2017**

Members received the Minutes of the Scrutiny Committee held on 21 September 2017.

**\*86 Discretionary Rate Relief - 2017 Revaluation Support**

The 2017 Spring Budget included a fund to local authorities to help provide support to businesses who have had an increase in their rates bill due to the 2017 Revaluation. It is for billing authorities to determine a local scheme.

The local scheme developed covers two parts:

- Part A – Formula based for financial years 2017/18 and 2018/19 only;
- Part B – Case by case for four years from 2017/18 until 2020/2021.

Debate centred around:

- Means of contacting businesses proactively about the support;
- Support related to those businesses with a rateable value of £18K and above;
- Local scheme had been devised to administer a relatively small fund of money available as efficiently as possible.

**RESOLVED:** that the Discretionary Rate Relief Scheme be approved, and delegated authority be given to the Section 151 Officer in consultation with the Finance Portfolio Holder to review the scheme, and if necessary, increase the thresholds to ensure that Government funding is being fully directed to businesses in East Devon.

**REASON:**

Members are required to approve a local discretionary scheme in order to ensure that funding made available by the Government to support businesses impacted by the 2017 Revaluation can be directed to ratepayers based on the approved local scheme.

## 87 **Financial Plan and Transformation Strategy**

This updated Financial Plan and Transformation Strategy extends to cover the period 2018 – 2028. The Budget Working Party have considered the General Fund position and given a clear steer on the direction that the Plan and Strategy should take.

The Medium Term Financial Plan (MTFP) calculates a projected deficit for the General Fund in 2018/19 of £0.735m and a further £0.529m in 2019/20; an annual budget shortfall is projected through the term of the Plan up to 2027/28, equating to a cumulative budget deficit of £5.4m. Some mitigation of this position has been identified in the Transformation Strategy, but there is still more work to do in generating savings. Immediate work identified is to bridge the gap by driving the self-sufficiency of the Council.

The Portfolio Holder for Finance outlined the importance on delivering new premises that provide business rates, as well as the need for clear ambition in the transformation savings to provide the additional income needed.

The Chairman of the Overview Committee Councillor Godbeer, announced his desire to engage his committee in researching income generation and help give direction on change required to deliver future balanced budgets.

**RECOMMENDED:** that the Financial Plan and transformation Strategy be approved.

**REASON:** Good practice in managing the finances of the Council is to produce a Financial Plan looking at the future direction of the Council's budgets. A plan in place allows a view of the Council's finances over a longer period and identified where action needs to be taken to influence the direction and shape of future service delivery, within a balanced budget. The Transformation Strategy identified key strategic themes that underpin the transformational activity to help the Council achieve savings and efficiencies, and continue to protect front line services.

## \*88 **Homelessness Reduction Act 2017**

The Homelessness Reduction Act 2017 is expected to come into effect from April 2018, with the biggest changes to homelessness legislation for 40 years. The purpose of the Act is to give people the help they need to avoid becoming homeless in the first place, and to give those already experiencing homelessness access to help regardless of whether or not they had a priority need, or if they were considered as intentionally homeless. Everyone would receive assistance, and Local Authorities would be expected to intervene at earlier stages.

Implications for the Council were:

- applicants will be regarded as “homeless” within 56 days, rather than the current 28 days, leading to a rise in homeless applications and subsequent rise in demand;
- the “5 tests” criteria of homelessness will be replaced by a more complex system with additional opportunities than previously existed to request a review of decisions;
- training for staff and limited staff resource;
- need for new case management system to be compliant with the new legislation

The Portfolio Holder for Sustainable Homes and Communities reminded the Cabinet of the strong track record of the housing service in prevention of homelessness, but

acknowledged that there would be an impact on the service. She outlined her concerns on the effect of delays in benefit payments under the universal credit scheme.

In discussion, comments included:

- dialogue had been held with local MPs on the impact of the changes. Work was underway with officers on the viability of a loan scheme for benefits until universal credit had been awarded, as well as with other agencies in signposting where to get help;
- referral arrangements were in place with other authorities to place a homelessness case in the correct authority;
- urgent cases of homelessness were dealt with by means of temporary accommodation (such as bed and breakfast or hostel) until more permanent accommodation was arranged;
- the report recognises the resource issue the change in legislation makes, and an estimate of £100K in additional budget for the first two years has been planned for, par of which being £15K in the current year for staff costs.

**RESOLVED:**

1. that the challenges and implications of the Act be noted;
2. that a supplementary estimate of £15k in the current budget be assigned for the associated staff costs in preparing for the legislation coming into force from April 2018.

**REASON:**

To meet with good practice and provide information on the change in legislation; and to cover the cost of associated staff resource in preparing for the new Act.

**\*89 Monthly Performance reports – August 2017**

The report set out performance information for the 2017/18 financial year for August 2017.

There was one indicator showing excellent performance:

- Percentage of Non-domestic Rates Collected

There was one performance indicator showing as concern.

- Percentage of planning appeal decisions allowed against the authority's decision to refuse - Three appeal decisions received this month, all of which were dismissed.

**RESOLVED:**

that the progress and proposed improvement action for performance measures for the 2017/18 financial year for August 2017 be noted.

**REASON:**

the performance reports highlighted progress using a monthly snapshot report; SPAR report on monthly performance indicators and system thinking measures in key service areas including Development Management, Housing and Revenues and Benefits.

**\*90 Guide to Project Management**

A key finding of the audit review of the "Achievement of Major Capital Projects" was that the Council did not have a corporate framework in place for major capital projects. Financial approval and monitoring was found to be sound. The Audit and Governance Committee debated the audit review in March 2017 and endorsed the recommendations made by the South West Audit Partnership (SWAP). Since then a guide has been produced, reviewed by SWAP and the final version was before Cabinet to agree.

The terms of reference for the Capital Strategy and Allocations Group (CSAG) would need to be agreed to be amended, to reflect the role of monitoring Council projects as set out in the guide.

The Portfolio Holder for Finance endorsed the guide, which was echoed by the Chairman of Audit and Governance Committee. The CSAG was decided as the best fit, under the terms of the Council's constitution, to undertake the monitoring role. The guide would come into immediate effect for all new projects.

CSAG was confirmed as an existing group established by Cabinet, with current terms of reference to "approve a method of allocation and bid prioritisation" with a view to bids being reviewed against available resources using an agreed allocation framework. Members were reminded that meetings were open for any Member to attend.

A request was made to ensure that the required staff resource in the project process was clearly stipulated.

**RESOLVED:**

1. the Guide to Project Management be approved;
2. the Terms of Reference of the Capital Strategy and Allocations Group to include the monitoring of Council projects.

**REASON:** Having a guide in place provides a framework for the oversight and monitoring of capital projects, ensuring a consistent approach for the management of Council projects.

**\*91 Budleigh Salterton Neighbourhood Plan to be formally 'made'**

The Budleigh Salterton Neighbourhood Plan had now passed referendum and must be formally 'made' by East Devon District Council in order to form part of the development plan.

In response to a question, the Chairman of Development Management Committee, Councillor Howe, confirmed that the committee had a requirement to take any neighbourhood plan into account in the determination of planning applications.

**RESOLVED:**

1. that the Budleigh Salterton Neighbourhood Plan was 'made' so it formed part of the development plan; and
2. that the Neighbourhood Plan group be congratulated on their hard work and advised that once 'made' the Neighbourhood Plan would carry full weight in the planning decision making process.

**REASON:**

The Budleigh Salterton Neighbourhood Plan received a majority 'yes' vote in their referendum as required by the regulations and there was no substantive reason not to 'make' the Plan.

**\*92 Safety Advisory Group**

The report considered the public safety risks from organisers holding large public events without consultation with public safety authorities; and recommended adoption of a Safety Advisory Group (SAG) that would:

- promote high standards of public safety at large public events in the area;



- provide organisers with sensible, practical health and safety information to allow them to comply with their legal responsibilities without undue expense;
- as far as practical, reduce any inconvenience to residents, businesses and the general public arising from events;
- provide organisers with an approach that would be consistent with other Local Authorities across Devon.

In discussion, some Members argued for a widening of the group to encompass other issues, such as the impact of litter from events, and in monitoring the events to ensure that guidance has been followed.

In response, the Deputy Chief Executive made clear that there were already reporting mechanisms in place for advising Streetscene and other services of pending events to prepare for additional clean up. Members were also advised that monitoring already took place with officers on the ground at events, including Licensing and Environmental Health officers.

In clarifying the role, the group was explained as a means of bringing together all the required bodies (such as Police, Fire and others) for an event organiser to obtain advice. This doesn't preclude the responsibilities of each of those bodies to act within their role in terms of liability; and training will be in place for the SAG so that it does not transgress into areas of liability.

A suggestion was made to have information available online for event organisers in making use of the SAG once established and supported by many Members.

**RESOLVED:**

1. that a Safety Advisory Group be established, to meet on a quarterly basis, to provide event organisers with a single point of contact to obtain relevant advice on managing public safety at large events. After two years, a formal review be conducted to assess the effectiveness of the Group and the costs and benefits to the Council, event organisers and the general public;
2. that once established, information is made available on the services of the group by means of webpage and/or other means of communication.

**REASON:**

At present there is no formal mechanism in East Devon for event organisers to easily arrange contact with all the regulators who had a role in advising them on public safety matters. It is possible for an organiser to devote considerable resource to developing an event without adequately considering public safety or nuisance issues which could have a significant impact on the viability of the event. Having a well publicised Safety Advisory Group (SAG) would provide businesses with a single point of contact for the provision of that information.

**\*93 Seaton Tramway new Terminus**

The report advised members that the new lease agreement with Seaton Tramway had now been entered into. Through the granting of this new, longer lease, which incorporated additional land, the council had enabled Seaton Tramway to invest in the redevelopment of its terminus site in Seaton to provide a modern facility that completed the regeneration of this area of land to the east of the Underfleet.

Councillor Marcus Hartnell thanked the officers and Members for their help, both in the recent negotiations, and the past regeneration work over the past ten years that had led

to a real change for the town. A regeneration forum had been established locally to continue the work of progress in the town.

The Cabinet agreed that the positive work should be widely publicised.

**RESOLVED:**

1. that the report be noted;
2. that the positive development of Seaton be publicised.

**REASON:**

To provide a summary of the enabling and investment activities that the council had undertaken over the last 10 or more years in the town of Seaton.

**Attendance list**

**Present:**

Paul Diviani                      Leader

**Portfolio Holders:**

|                 |   |
|-----------------|---|
| Phil Twiss      | Deputy Leader/Strategic Planning and Developments |
| Ian Thomas      | Finance   |
| Tom Wright      | Environment                                       |
| Marcus Hartnell | Deputy Portfolio Holder Environment               |
| Iain Chubb      | Corporate Services                                |
| Jill Elson      | Sustainable Homes and Communities                 |
| Phil Skinner    | Economy   |

**Cabinet Members without Portfolio:**

Geoff Pook

**Cabinet apologies:**

Eileen Wragg

**Non-Cabinet apologies:**

Simon Grundy  
Alan Dent  
David Barratt  
Ian Hall  
John O'Leary  
Roger Giles  
Ben Ingham  
Matt Booth  
Steve Hall  
Jenny Brown  
Val Ranger

**Officer apologies:**

Mark Williams, Chief Executive

**Also present (for some or all of the meeting)**

**Councillors:**

Megan Armstrong  
Brian Bailey  
Bruce de Saram  
Dean Barrow  
Mike Howe  
Graham Godbeer  
Cherry Nicholas  
Mark Williamson  
John Dyson  
Colin Brown  
Brenda Taylor  
Maddy Chapman  
Eleanor Rylance  
Colin Brown  
Rob Longhurst  
Helen Parr  
Steve Gazzard  
Pauline Stott  
Mike Allen  
Geoff Jung  
Peter Faithfull  
Dawn Manley  
Andrew Moulding

**Also present:**

**Officers:**

Richard Cohen, Deputy Chief Executive  
Simon Davey, Strategic Lead – Finance  
John Golding, Strategic Lead – Housing, Health and Environment  
Henry Gordon Lennox, Strategic Lead – Governance and Licensing, and Monitoring Officer  
Karen Jenkins, Strategic Lead – Organisational Development and Transformation  
Libby Jarrett, Service Lead Revenues and Benefits  
Debbie Meakin, Democratic Services Officer

Chairman ..... Date.....

## EAST DEVON DISTRICT COUNCIL

### Forward Plan of Key Decisions - For the 4 month period 1 December 2017 to 31 March 2018

This plan contains all the (i) important decisions that the Council and (ii) Key Decisions that the Council's Cabinet expects to make during the 4-month period referred to above. The plan is rolled forward every month.

Key Decisions are defined by law as “**an executive decision** which is likely:–

- (a) to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the Council's area

In accordance with section 9Q of the Local Government Act 2000, in determining the meaning of “significant” in (a) and (b) above regard shall be had to any guidance for the time being issued by the Secretary of State.

**A public notice period of 28 clear days is required when a Key Decision is to be taken by the Council's Cabinet even if the meeting is wholly or partly to be in private. Key Decisions and the relevant Cabinet meeting are shown in bold.**

The Cabinet may only take Key Decisions in accordance with the requirements of the Executive Procedure Rules set out in Part 4 of the Constitution and the Local Authorities (Executive Arrangements)(Meetings and Access to information)(England) Regulations 2012. A minute of each key decision is published within 2 days of it having been made. This is available for public inspection on the Council's website <http://www.eastdevon.gov.uk>, and at the Council Offices, Knowle, Sidmouth, Devon. The law and the Council's constitution provide for urgent key decisions to be made without 28 clear days' notice of the proposed decisions having been published. A decision notice will be published for these in exactly the same way.

This document includes notice of any matter the Council considers to be Key Decisions which, at this stage, should be considered in the private part of the meeting and the reason why. Any written representations that a particular decision should be moved to the public part of the meeting should be sent to the Democratic Services Team (address as above) as soon as possible. **Members of the public have the opportunity to speak on the relevant decision at meetings (in accordance with public speaking rules) unless shown in italics.**

#### **Obtaining documents**

Committee reports made available on the Council's website including those in respect of Key Decisions include links to the relevant background documents. If a printed copy of all or part of any report or document included with the report or background document is required please contact Democratic Services (address as above).

| Decision |   | List of documents. | Lead/reporting Officer               | Decision maker and proposed date for decision | Other meeting dates where the matter is to be debated / considered | Operative Date for decision (assuming, where applicable, no call-in) | Part A = Public meeting<br><br>Part B = private meeting [and reasons] |
|----------|---|--------------------|--------------------------------------|---|--|--|---|
| 1.       | Exmouth Regeneration Update - Queen's Drive |                    | Deputy Chief Executive               | Council 13 December 2017                      | Cabinet 29 November 2017   | 14 December 2017   | Part A  |
| 2.       | Council Tax Support Scheme 2018/19          |                    | Service Lead – Revenues and Benefits | Council 13 December 2017                      | Cabinet 29 November 2017   | 14 December 2017   | Part A  |
| 3.       | Enterprise Zone Investments                 |                    | East Of Exeter Projects Director     | Council 28 February 2018                      | Cabinet 3 January 2018   | 1 March 2018   | Part A  |
| 4.       | Port Royal Update                           |                    | Deputy Chief Executive               | Council 28 February 2018                      | Cabinet 7 February 2018  | 1 March 2018   | Part A  |

Table showing potential future important / key decisions which are yet to be included in the current Forward Plan

| Future Decisions |   | Lead / reporting Officer           | Consultation and meeting dates<br>(Committees, principal groups and organisations)<br>To be confirmed | Operative Date for decision<br><br>To be confirmed |
|------------------|---|------------------------------------|---|--|
| 1                | Business Support – options for the future | Deputy Chief Executive <b>(RC)</b> |   |  |
| 2                | Public Toilet Review                      | Service Lead – Street Scene        | Asset Management Forum tbc; Overview Committee tbc<br><b>Cabinet tbc</b>                              |  |
| 3                | East Devon Local Economy                  | Deputy Chief Executive             | Cabinet tbc; Council  |  |

The members of the Cabinet are as follows: Cllr Paul Diviani (Leader of the Council and Chairman of the Cabinet), Cllr Phil Twiss (Strategic Development and Partnerships Portfolio Holder), Cllr Iain Chubb (Corporate Services Portfolio Holder), Cllr Philip Skinner (Economy Portfolio Holder), Cllr Tom Wright (Environment Portfolio Holder), Cllr Marcus Hartnell (Deputy Environment Portfolio Holder) Cllr Ian Thomas (Finance Portfolio Holder), Cllr Jill Elson (Sustainable Homes and Communities Portfolio Holder), and Cabinet Members without Portfolio - Cllr Geoff Pook and Cllr Eileen Wragg. Members of the public who wish to make any representations or comments concerning any of the key decisions referred to in this Forward Plan may do so by writing to the identified Lead Member of the Cabinet (Leader of the Council ) c/o the Democratic Services Team, Council Offices, Knowle, Sidmouth, Devon, EX10 8HL. Telephone 01395 517546.

November 2017

**EXMOUTH REGENERATION BOARD  
ACTION POINTS FROM A MEETING  
HELD AT OCEAN, ESPLANADE, EXMOUTH ON THURSDAY 21 SEPTEMBER 2017**

Present:

|                           |     |  |
|---------------------------|-----|--|
| Councillor Philip Skinner | PJS | EDDC   |
| Cllr Jill Elson           | JME | EDDC   |
| Cllr Pauline Stott        | PS  | Exmouth Town Council                                 |
| Richard Cohen             | RC  | Deputy Chief Executive, EDDC                         |
| Cllr Phil Twiss           | PT  | EDDC   |
| Lisa Bowman               | LB  | Clerk – Exmouth Town Council                         |
| Alison Hayward            | AH  | EDDC   |
| Tim Wood                  | TW  | Honorary Alderman                                    |
| Richard Jacobs            | RJ  | EIC Group  |
| Janette Cass              | JC  | LED  |
| Jim Hill                  | JH  | Propeller Exmouth                                    |
| Gary Cook                 | GC  | Exmouth Creative Group                               |
| Leigh Rix                 | LR  | Clinton Devon Estates                                |
| Roy Pryke                 | RP  | Chairman – Exmouth Neighbourhood Plan Steering Group |

Apologies:

|                     |    |   |
|---------------------|----|---|
| Ian MacQueen        | NM | Exmouth Chamber of Trade & Commerce                 |
| Andrew Ardley       | AA | Devon County Council                                |
| Gavin Spillar       | GS | East Devon District Council                         |
| Cllr John Humphreys | JH | East Devon District Council                         |
| Cllr Richard Scott  | RS | Devon County Council                                |
| Tom Vaughan         | TV | Devon County Council                                |
| Neil Downes         | ND | Exe Estuary Management Partnership                  |
| Jeff Trail          | JT | DCC Exmouth   |
| Julian Tagg         | JT | Exeter City Football Club/Football in the Community |

|            |    |                      |
|------------|----|----------------------|
| Tim Dumper | TD | Exmouth Town Council |
|------------|----|----------------------|

The meeting started at 9.30pm and finished at 12.05pm.

| <b>Item</b>                                       | <b>Notes/Decisions</b>   | <b>Action</b> |
|---|--|---------------|
| <b>1. Introduction</b>                            | Councillor Phillip Skinner welcomed all those present to the meeting and invited everyone to introduce themselves.   |               |
| <b>2. Report of meeting held on 13 July 2017</b>  | The report of the meeting held on 13 July 2017, was confirmed as a true record.  | <b>Noted</b>  |
| <b>3. Exmouth Master Plan/ Neighbourhood Plan</b> | <p>PS welcome RP to the meeting and thanked him for all his time and effort in producing the inspirational Exmouth Neighbourhood Plan, a community led consultation document. A consultation day had been held, with 365 people attending.</p> <p>The vision of the Neighbourhood Plan was: "Exmouth aims to be a friendly, welcoming, safe, clean and vibrant town, protecting its environment and building on its traditional seaside heritage with an aspiration to be forward thinking – a great place for all, young and old, to live, work and visit".</p> <p>The 6 chapters of the Neighbourhood Plan were:</p> <ul style="list-style-type: none"> <li>• Natural environment</li> <li>• Built environment</li> <li>• Economy &amp; employment</li> <li>• Housing</li> <li>• Getting about</li> <li>• Community facilities</li> </ul> <p>The Neighbourhood Plan conformed to East Devon's Local Plan, and aimed to sit alongside it, providing an extra level of detail.</p> <p>The Board were shown a video explaining the Neighbourhood Plan. 16,000 people had seen the video, with 757 responses.</p> <p>AH then presented the Exmouth Town Centre and Seafront Master Plan (adopted in 2011) and updated the Board on progress.</p> <p>There had been 28 individual projects, some with sub projects.</p> <p>AH went through the projects listed in the Master Plan and what had happened – some projects had</p> | <b>Noted</b>  |



|   |   |                                       |
|---|---|---------------------------------------|
|   | <p>progressed, others hadn't. Achievements had been made and there was more to be done.</p> <p>It was acknowledged that a review/refresh of the Master Plan should take place. However, it was also identified that the Master Plan was a design led document and had not focussed on delivery mechanisms in any great detail. It was 'delivery' of a development that was the most challenging aspect of delivery. A review/refresh of the Master Plan sites and opportunities in terms of design alone would not in itself result in progress in achieving delivery of those sites/opportunities. Instead, a more focused consideration of a couple of the most significant sites in terms of how they could be delivered would be more beneficial and lead to something happening.</p> <p>Since the plan had been adopted more intelligence (Economic Plan and Visitors Survey) had been gathered on what the town needs/wants. There was a need to look in a more focused way to improve the town centre, for example, although a complexity of land ownership issues existed.</p> <p>The key differences between the Master Plan and the Neighbourhood Plan were that the Master Plan was design led and owned and driven by EDDC, whereas the Neighbourhood Plan was community led. There was a need for the plans to be fluid and quick to respond to changing markets, so that they did not go out of date.</p> <p>The consultation deadline for the Neighbourhood Plan was the end of September. RC and PS would circulate a response for Board members to comment on, before submitting it from the Regeneration Board. Members could also make their own individual responses on the Plan.</p> | <p><b>RC/PS</b></p> <p><b>All</b></p> |
| <p><b>4. Warren View</b></p>            | <p>PS reported that Exeter City Football Club were working towards building a 3G sports pitch at Warren View for use by the community.</p>  | <p><b>Noted</b></p>                   |
| <p><b>5. Rolle College site</b></p>     | <p>Members noted that an application for the site from the Deaf Academy was in the planning process. The Deaf Academy hoped to be operational in Autumn 2019, with building beginning in March 2018.</p>  | <p><b>Noted</b></p>                   |
| <p><b>6. Thomas Tucker - update</b></p> | <p>AH reported that builders were on site and work was continuing on converting the Thomas Tucker building to a restaurant on the ground floor and 7 apartments above.</p>  | <p><b>Noted</b></p>                   |

|  |  |              |
|--|--|--------------|
| <b>7. Orcombe Point - update</b>       | AH reported that the lease for a three year temporary catering provision had been signed to begin trading in 2018.   | <b>Noted</b> |
| <b>8. Relocation and the Town Hall</b> | <p>AH reported that work on modernising Exmouth Town Hall was almost complete, with EDDC staff anticipated to move there from 6 November 2017.</p> <p>Exmouth Town Council would be returning to the Town Hall in January 2018 and would occupy the first floor and the ground floor space vacated by the CAB.</p>   | <b>Noted</b> |
| <b>9. Coastal Community Team</b>       | AH advised that there was nothing to report at present.  | <b>Noted</b> |
| <b>10 Transport hub</b>                | <p>PS reported that the vegetation on land between M&amp;S and LED which was owned by DCC had been cut back so that that bus stop could be seen.</p> <p>Members expressed concern that there was no transport hub at all. There were no proper links to the town or anywhere else. A decent transport hub was vital to Exmouth.</p> <p>The toilet provision was inadequate and there were often unpleasant smells in the vicinity. The toilets closed at 10pm.</p> <p>LC updated the Board that GWR were due to start train station improvements in September, but were still in discussions regarding the toilets and the lease of Stagecoach there.</p> <p>LB reported that DCC had been reviewing the pedestrian crossing at M&amp;S, were interrogating the data and would come back with the details of the full survey in due course. Some members felt that this crossing was causing a problem with a large build-up of traffic and that this should be pursued with DCC.</p> <p>Members discussed a long term aspiration to move the train station and road and options in order to create a better an integrated transport interchange. The area was in desperate need of improvement and should be looked at in a holistic way and not piecemeal development.</p> | <b>All</b>   |
| <b>11. Queens Drive update</b>         | <p>AH gave an update on the Queens Drive development:</p> <ul style="list-style-type: none"> <li>• Phase one tenders on the car park had come in.</li> <li>• Phase two - the development agreement and lease with Grenadier had been signed.</li> </ul>  | <b>Noted</b> |

|   |   |               |
|---|---|---------------|
|   | <p>Consultation was starting the shortly. It was anticipated that a planning application would come in November.</p> <ul style="list-style-type: none"> <li>• The Harbour View lease would be temporarily extended for a further 12 months so it would end at the end of September 2018 and come back to EDDC in October 2018. The lease allowed for a break clause which could be served by either party by giving one month's notice. This would benefit both sides. It allowed the tenant flexibility so that when she found suitable new premises over the coming year she could break the lease without any financial penalty.</li> <li>• The fun park lease had expired at the end of August 2017 and EDDC would have vacant possession of the site from the end of September 2017. Temporary uses for the site, from Easter 2018 were being explored.</li> </ul> |               |
| <b>12. Communication Update</b>               | AH had no specific issues to report. Grenadier would be issuing their communications shortly and EDDC officers were meeting with Grenadier in order to be kept fully informed.  | <b>AH/All</b> |
| <b>13. Dates and times of future meetings</b> | The next calendared meeting to be held on 14 December 2017 at Ocean, Esplanade, Exmouth.  | <b>CL/All</b> |

## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of a Meeting of the Independent Remuneration Panel held at Knowle, Sidmouth on Monday 2 October 2017**

**Present:** Bob Wiltshire  
Derek Hunt  
Nancy Mitchard  
Bill Nicholls

**Also in attendance:** Councillor Phil Twiss  
Councillor Tom Wright  
Councillor Marcus Hartnell

Sue Howl – Democratic Services Manager  
Terry Wilson – Senior Payroll & Benefits Officer  
Chris Lane - Democratic Services Officer

The meeting started at 2.00pm and finished at 3.35pm.

\*1 **Election of Chairman**

Bob Wiltshire was elected Chairman of the Panel for the meeting.

\*2 **Welcome and Introductions**

The Chairman welcomed all members present.

\*3 **Minutes**

The minutes of the meeting of the Independent Remuneration Panel held on 16 June 2015 were confirmed and signed as a true record.

\*4 **Recommendations of the Panel in 2015/16**

Members of the Panel noted that the recommendations of the Panel agreed at the meeting on 13 June 2015 had been accepted by Council.

5 **The Council Committee Structure 2017/18**

The Leader and Deputy Leaders of the Council, Councillors Paul Diviani and Phil Twiss had been invited to the meeting of the Panel to provide an update on the changes to the Council's Committee structure following the annual Council meeting on 17 May 2017.

Councillor Diviani explained the decision to make the split in decision making between Development Management and Strategic Planning Committees. The latter role was to deal with strategic planning issues and the former the more day to day planning decisions. He confirmed that the Council was always looking at providing ways of providing best value for tax payers and serving their needs best. The Council needed to change and adapt to meet changing needs that were happening all the time, especially the reduction of central government funding.

Councillor Phil Twiss reported that part of his role as Portfolio Holder Strategic Development and Partnerships, was to be the Chairman of Strategic Partnership Committee and felt that this role did not need an additional allowance. Councillor

Twiss reported on Councillors' willingness to do more with technology which would improve their ability to work more efficiently.

Councillor Paul Diviani reported that he considered that there was an issue regarding Councillors' allowances, which needed to better reflect the time spent on Council work; especially if trying to attract younger people - the future batch of Councillors was important. Councillor Diviani thanked the members of the Independent Remuneration Panel for the valuable work they did.

The Panel then welcomed Councillor Tom Wright, Environment Portfolio Holder and Councillor Marcus Hartnell, Deputy Portfolio Holder Environment to the meeting of the Panel. Councillor Wright reported that Environment was the Council's biggest portfolio with a wide range of responsibilities. He had previously been a Deputy Environment Portfolio Holder and when he had taken over his new role in May 2017, he had requested that a Deputy be appointed to help with the workload. They had been working as a team, sharing the workload, since both were appointed in May 2017.

The Panel noted that the portfolio workload had increased greatly through the implementation of new waste and recycling contract in 2017 and also the increasing number of businesses and residents in the district. Councillor Marcus Hartnell had been taking on the responsibilities for looking after issues in the east of the district with regard to the new waste and recycling contract. He had been learning in the job and as the waste and recycling contract settled down he hoped to have some other areas of responsibility under Councillor Wright's guidance. The Panel considered that being a younger Councillor, Marcus Hartnell was the type of person that the Council benefit from having on it.

**RESOLVED** that the changes to the Council's Committee Structure in 2017/18 be noted.

**RECOMMENDED**

1. that that no special responsibility allowance be made to the Chairman and Vice Chairman of Strategic Planning Committee.;
2. that the Deputy Portfolio Holder (Environment) be granted an SRA of £3,098 to reflect his greater responsibility and workload and this be backed dated to 17 May 2017;
3. that all other Allowances to remain the same;
4. that the S151 Officer be given authority to backdate as appropriate, any allowance.

The Chairman thanked Councillors Paul Diviani, Phil Twiss, Tom Wright and Marcus Hartnell for their attendance.

## 7 **Recommendation of Council to freeze Member Allowances for 2017/18**

Members of the Panel noted the proposed action of the Council at its meeting on 28 February 2017 (Minute \*58 refers) to freeze Members' Allowances for a further year. The Panel requested that if Councillors felt they were out of pocket from this continual freeze of the basic allowance they could ask the Panel to reconvene to allow Councillors to put their case for an increase.

In response to a question from a member of the Panel, the Senior Payroll & Benefits Officer, confirmed that Member Allowances had not increased since 2009/10.

Members of the Panel noted that the minutes of the meeting would be presented to the Cabinet on 1 November 2017.

**RECOMMENDED**

that that no change be made to Member Basic Allowance for 2017/18.

Chairman ..... Date .....

## EAST DEVON DISTRICT COUNCIL

Minutes of a Meeting of the Overview Committee held  
at Knowle, Sidmouth on 5 October 2017

### **Attendance list at end of document**

The meeting started at 6.00pm and ended at 7.35pm.

- \*8 Public speaking  
There were no public speakers at the meeting.
- \*9 Minute confirmation  
The minutes of the Overview Committee held on the 25 July 2017, were confirmed as a true record.
- \*10 Declarations of interest  
Councillor Graham Godbeer; Minute 11  
Personal Interest –Member of 'Make it Local' Panel
- 11 Local Economic Development Activity  
The committee considered a report that provided an update on the work programme of the Economic Development Team, alongside the priority projects and activities

This followed a report to the committee in March 2017 that set out recent economic intelligence. The committee were updated on areas including:

- East Devon Business Centre
- Business support, working with the EHOD
- Rural economy support through BIP
- EHOD Employment and Skills Board recent request for additional funding
- Shared customer relationship management (CRM) system with EHOD

Specific activity on monitoring funding opportunities, developing a Business Engagement Strategy and an Ambassador Programme was discussed. The Economic Development Team had welcomed a new Project Officer (as supported by the Overview Committee in the budget process) and was recruiting for a new Economic Development Officer. The report also set out the marked demand on the service in commenting on planning applications. Next steps for the team include preparing a costed pipeline of projects for consideration in the 2017/18 onwards draft budget and for the medium term.

Members welcomed the news that the East Devon Business Centre was 100% full and based on current performance would return a net income to the council this year of £38,683.

Debate from the committee included:

- Importance of the visibility of the team to business in the district;
- The provision of start-up workshops in the district would be improved by new provision planned in Seaton;
- It was planned to extend the East Devon Business Centre and it was hoped that this principal could be extended to other towns in the District such as Axminster or Exmouth;
- Importance of maintaining the current bank of land allocated for employment use in Exmouth;

- Concern over the haemorrhaging of employment land to housing in the district. Planning policies were needed that were robust enough to retain land for employment use;
- A satisfactory measure was needed for what constituted effective marketing for employment land;
- Importance of economic intelligence and impacts being taken into consideration in planning decisions;
- Sustainability was often an issue raised by planners when considering planning applications for businesses in the countryside. The EDM suggested economic factors warrant equal weight to environmental and social in evaluating sustainable development. The importance of diversification of agricultural businesses was noted;
- There was a need for better policy for provision of business units near villages which would improve their sustainability;
- Need to support initiatives to encourage coastal tourism;
- Town centres were under threat and need support;
- Expansion of rural businesses was important and the Economic Development Service were working for good economic development in rural areas;
- Need for an economically sustainable approach at EDDC;
- Retention of local people to continue living and working in East Devon was important and there was the need to have a budget to assist with the improvement of the skills of young people in the district;
- Town centres have to develop goods and services that were not available on line, the relaxation of Street Trading regulations in the district would be important to them;
- The lack of career counselling for young people was a concern;
- Possibility of having an app which would enable school children to obtain work placements;
- Praise for BiP for their support for business and thank them for what they do on behalf of business in East Devon.

The Committee wished to thank Rob Murray and the Economy Team for an excellent and informative report.

### **RESOLVED**

1. The report on Local Economic Development Activity be noted;
2. The progress made in delivery of local economic development activity be noted;
3. The achievement of full occupation and cost effectiveness of the East Devon Business Centre be noted;
4. That Members agree to support and develop business bulletins to promote the services and advice that the Council can provide, tailored and targeted to specific business groups throughout the district.

**RECOMMENDED to Strategic Planning Committee** that a report be presented to them, in consultation with the Development Management Team which:

- a) Details the enhanced economic evidence and intelligence input from the Economic Development Team including advice on planning applications;
- b) Identified the practical advantages of closer working between Economic Development and Development Management functions;
- c) Explores means by which the positive economic impact of planning policy be maximised.



\*12 Housing Delivery Task and Finish Forum update

The committee received an update on the nine recommendations made by the Forum, which were agreed by Cabinet on 10 May 2017.

The committee welcomed progress made on the issues and debate included:

- The Local housing Company was progressing well and had held its first meeting;
- 25 homes had been purchased by EDDC and were being let to local families at 80% of market rents;
- Need to invite relevant officers to a future meeting of the committee to give a report on the recommendations made by the TAFF.

**RESOLVED** that the update on progress on the recommendations be noted.

\*13 Overview committee forward plan

The forward plan was noted and an additional item on Income Generation and council transformation be added, possibly to be discussed at a special meeting. Members noted the need to have an investigation group to gather information on this issue before it was discussed in detail.

**Attendance list**

**Councillors Present:**

Graham Godbeer (Chairman)  
Ian Hall (Vice Chairman)  
Peter Faithfull  
Rob Longhurst  
Mike Allen  
Mark Evans-Martin

**Councillors Also Present:**

Jill Elson  
Philip Skinner  
Paul Carter  
Pauline Stott  
Geoff Jung

**Officers**

Richard Cohen, Deputy Chief Executive  
Rob Murray, Economic Development Officer  
Giles Salter, Solicitor  
Lindsey Lawrence, Economy Project Officer  
Chris Lane, Democratic Services Officer

**Councillor Apologies:**

Jim Knight  
Mike Howe  
Tom Wright  
John Dyson  
Phil Twiss

**Officer Apologies:**

Debbie Meakin, Democratic Services Officer

Chairman .....

Date.....

**Report to:** Cabinet  
**Date of Meeting:** 1 November 2017  
**Public Document:** Yes  
**Exemption:** None  
**Review date for release** None



**Agenda item:** 11

**Subject:** Heart of the South West – Joint Committee

**Purpose of report:** The aim of the Joint Committee is to provide a single strategic public sector partnership that covers the entire area and provides cohesive, coherent leadership and governance to ensure delivery of the Productivity Plan for the HotSW area. The specific objectives of the Joint Committee are to:

- a) Improve the economy and the prospects for the region by bringing together the public, private and education sectors;
- b) Increase our understanding of the economy and what needs to be done to make it stronger; and
- c) Improve the efficiency and productivity of the public sector
- d) Identify and remove barriers to progress and maximise the opportunities /benefits available to the area from current and future government policy.

**Recommendation:** That Cabinet recommends the Council to:

- a) Approve the recommendation of the HotSW Leaders (meeting as a shadow Joint Committee) to form a Joint Committee for the Heart of the South West;
- b) Approve the Arrangements and Inter-Authority Agreement documents set out in appendices A and B for the establishment of the Joint Committee with the commencement date of 1st January 2018;
- c) Appoint the Leader and Deputy Leader as the Council's named representative and substitute named representative on the Joint Committee;
- d) Appoint Somerset County Council as the Administering Authority for the Joint Committee for a 2 year period commencing 1 January 2018;
- e) Approve the transfer of the remaining joint devolution budget to meet the support costs of the Joint Committee for the remainder of 2017/18 financial year subject to approval of any expenditure by the Administering Authority;
- f) Approve an initial contribution of £1400 for 2018/19 to fund the administration and the work programme of the Joint Committee,

noting that any expenditure will be subject to the approval of the Administering Authority;

g) Agree that the key function of the Joint Committee is to approve the Productivity Strategy (it is intended to bring the Strategy to the Joint Committee for approval by February 2018);

h) Authorise the initial work programme of the Joint Committee aimed at the successful delivery of the Productivity Strategy;

i) Agree the proposed meeting arrangements for the Joint Committee including the timetable of meetings for the Joint Committee as proposed in para 2.14.

**Reason for recommendation:**

Working together will deliver better results if we are to help our businesses improve their productivity levels and deliver greater prosperity across the Heart of the South West. By collaborating across local geographies we will strengthen the area's voice to Government and strengthen the actions the area can take to improve productivity.

**Officer:**

Mark Williams, Chief Executive - email: [mwilliams@eastdevon.gov.uk](mailto:mwilliams@eastdevon.gov.uk)

**Financial implications:**

This is a request for £1,400 contribution for 2018/19 and if agreed will be included in next year's budget.

**Legal implications:**

The legal basis for forming the Joint Committee is detailed in Appendix C, which is entirely permissible. The Draft Arrangements (Appendix C) represent a reasonable approach to the function and operation of this Joint Committee. Therefore they do not in themselves raise any legal concerns but it will be for Members to satisfy themselves that they are content with the proposed governance arrangements being proposed. It should be noted that the Joint Committee is being given delegated authority to approve the Productivity Plan but otherwise will refer the other areas of work (as detailed in Section 2 of the Draft Arrangements) to the respective authorities for decision.

**Equalities impact:**

Low Impact

**Risk:**

Low Risk

**Links to background information:**

- [Heart of the South West Productivity Strategy Consultation](#)
- [HotSW Joint Committee Proposed function - Appendix A](#)
- [HotSW Joint Committee Draft Inter-Authority Agreement - Appendix B](#)
- [HotSW Joint Committee Draft Arrangements - Appendix C](#)

**Link to Council Plan:**

Developing an outstanding local economy

**Report in full**

**1. Introduction**

1.1 Since August 2015, Devon and Somerset County Councils, all Somerset and Devon Districts, Torbay Council, Plymouth City Council, Dartmoor and Exmoor National Parks, the Local Enterprise Partnership (LEP) and the three Clinical Commissioning Groups have worked in partnership to progress towards securing a devolution deal for the HotSW area focusing on

delivering improved productivity. Since that time the partnership has continued to progress its objectives in spite of policy shifts at a national level.

1.2 On 13 July 2016 (Minute 31) the Council gave 'in principle' approval to the establishment of a HotSW Joint Committee, subject to approving the Joint Committee's constitutional arrangements and an inter-authority agreement necessary to support the Joint Committee. This report sets out the necessary documents which, if agreed, will enable the Joint Committee to be formally established.

1.3 Since then the General Election has further shifted the national policy position. On the 13 September 2017 representatives of HotSW (from the Somerset, Devon, Plymouth and Torbay upper tier authorities) met Jake Berry MP, Minister for devolution to clarify the position of the Government and the HotSW Partnership on the devolution issue. The meeting was very positive and although no agreements were reached at the meeting, the partnership's representatives were given a clear message that the Government would welcome a bid from the partnership to progress our productivity ambitions by identifying areas where we can work together with Government. Importantly the Minister indicated that there would be no requirement to have an elected mayor for Devon and Somerset as a condition of any deal. This statement has removed one significant blockage to moving our ambitions forward and we now need to agree what we want from this initiative and then find practical ways to work with the Government on delivery.

1.4 There is now no doubt that the Government is keen to engage with wider areas that can demonstrate:

- Unity, clarity of purpose and a shared, ambitious vision built on local strengths
- Strong partnership between business and the public sector with solid governance arrangements that provide assurance in capacity to deliver
- Compelling ideas that can help to deliver Government objectives
- Clarity about the offer to Government in terms of savings and is prepared to take hard decisions based on a robust analysis of risk and benefits.

The Joint Committee will provide the ideal governance framework at this stage to take forward this dialogue with Government.

1.5 The key role of the HotSW Joint Committee is to develop, agree and ensure the implementation of the Productivity Strategy. This can only be achieved by working, where appropriate, in collaboration with the individual constituent authorities and the LEP. The Strategy will agree a common vision for increased prosperity through economic growth informed by a local evidence base and engagement with local stakeholders. It will also link to Government policy initiatives, particularly in relation to the Industrial Strategy, and will form the basis for developing our collective 'ask' of Government.

## **2. HotSW Joint Committee Proposal**

2.1 The detail of the proposed functions of the Joint Committee and how it will operate are set out in appendix A. Appendix B sets out an Inter-Authority Agreement for consideration which details how the Joint Committee will be supported and sets out the obligations of the Council if it agrees to become a constituent member.

2.2 The documents detail the Administering Authority functions in support of the operation of the Committee including the provision of financial, legal, constitutional and administrative support to the Committee.

2.3 At this stage the Arrangements and Inter-Authority documents have been 'scaled' to fit the functions of the Joint Committee and the limited liabilities that each authority faces in signing up to be a constituent authority. In the event that the remit of the Joint Committee expands to take on more decision-making responsibilities and functions of the constituent authorities, the Arrangements and Inter-Authority agreement will be revisited to ensure that they remain fit for purpose and proportionate. Any expansion of the functions and responsibilities would require the approval of the constituent authorities.

2.4 The Joint Committee has a much more limited role than a Combined Authority. It does not have the statutory or legal status of a Combined Authority and cannot deliver the full range of benefits that a Combined Authority can, but it does have the potential to provide cohesive, coherent leadership and a formal governance structure. Its role will focus on collaboration, negotiation and influencing with full decision making responsibilities limited to developing and agreeing the Productivity Strategy. The principle of subsidiarity will apply to the relationship between the Joint Committee, the constituent authorities and local sub-regional partnerships with decisions to deliver the Productivity Strategy and decisions necessary as a result of the other functions of the Joint Committee being taken at the most local and appropriate level.

2.5 The aim of the Joint Committee through the delivery of the Productivity Strategy will be to:

- Improve the economic prosperity of the wider area by bringing together the public, private and education sectors;
- Work together to realise opportunities and mitigate impacts resulting from Brexit;
- Increase understanding of the local economy and what needs to be implemented locally to improve prosperity for all;
- Ensure the necessary strategic framework, including infrastructure requirements, is in place across the HotSW area to enable sub-regional arrangements to fully deliver local aspirations; and improve the efficiency and productivity of the public sector. This work will be supported by a Joint Committee budget based on an agreed work programme.

2.6 The creation of a single strategic public sector partnership covering the HotSW area will: facilitate collaborative working; help us to remove barriers to progress; as well as provide a formal structure to engage with Government at a strategic level on major areas of policy. It also has the potential to enable the constituent authorities and partners to have discussions with neighbouring councils / combined authorities / LEP areas on South West peninsula priorities and issues as well as the ability to move swiftly towards a Combined Authority model in the future (by potentially acting as a shadow Combined Authority) if the conditions are deemed acceptable to the constituent authorities.

2.7 Critically, the Joint Committee will also provide a formal mechanism for the constituent authorities to engage effectively with the LEP across common boundaries and agendas. District Council partners, in particular, might view this as an opportunity to engage more effectively with the LEP. The LEP, which will sit alongside the Joint Committee, has recently adopted new governance requirements to ensure greater transparency and accountability and wishes to further improve its democratic accountability in discussion with HotSW partners. The Joint Committee will provide a formal structure to take these discussions forward and for the constituent authorities to have greater influence over the activities of the LEP on our common agendas.

2.8 Although the Joint Committee is a cost-effective formal structure, some provision needs to be made to meet the support costs of what will be a fully constituted local authority joint committee. It is proposed that Somerset County Council (who have provided the lead for the governance workstream of the devolution project over the last two years) takes on the support role (with the option of rotating the role after 2 years of operation), to provide the financial, legal, democratic support to the Joint Committee from 1 January 2018.

2.9 There is currently the remainder of the joint devolution budget raised from an initial contribution from all authorities and the LEP in 2015. It is recommended that the remaining funds from this budget - £42,000 - are transferred to the Administering Authority and the budget is used to support the costs of the Joint Committee for the remainder of 2017/18 financial year and for some of 2018/19.

2.10 In addition, the Joint Committee will need a budget to undertake its work programme in order to oversee the implementation of the Productivity Strategy. The overall budget required to support the Joint Committee and enable it to undertake its work programme will be dependent, to an extent, on the level of 'in-kind' officer resources provided to the Committee by the constituent

authorities. The Administering Authority will review the in-kind support which has been provided for the devolution project in consultation with the constituent authorities and bring forward revised budget figures as part of a budget and cost sharing agreement as necessary in due course to the Joint Committee for consideration and recommendation to the constituent authorities. The budget figures set out in this report in paragraph 2.11 are therefore provisional at this stage. The initial Joint Committee work programme is set out in section 3 below for approval.

2.11 Through work undertaken by the partners it is estimated that the operating cost of a Joint Committee will be £89,000 in 2018/19 (and to cover the remainder of 2017/18) excluding any in-kind support. This estimate is made up of the following:

- £40,000 for the Administering Authority to undertake its duties. This is seen as a minimum cost and assumes that 'in-kind' officer resource remains in place at the same level; the Joint Committee meeting venues are provided by partners as 'in-kind' contribution
- £25,000 (estimate) for work the Joint Committee would wish to commission
- £24,000 for the Brexit Resilience and Opportunities Group Secretariat.

2.12 The Shadow Joint Committee recommends the budget is met by contributions from the constituent authorities. This would exclude the LEP and the CCGs from contributing as non-voting partners. As stated above it is estimated there will be a funding carry forward of £42,000 from the 2015 devolution budget. This would leave a shortfall of £47,000 to meet the total estimated budget requirement of the Joint Committee in 2018/19. Using the formula of contributions agreed in 2015 to support the devolution project the contribution requested of each constituent authority for 2018/19 is set out below. This assumes that all authorities agree to become members of the Joint Committee and would have to be recalculated should fewer than 19 authorities become Members.

- County Councils - £10,500
- Unitary Councils - £4,000
- District Councils and National Parks £1,400

2.13 Under this formula it is recommended this Council contributes £1400 for 2018/19 as a constituent authority. Any expenditure against this budget would be subject to the formal approval of the Administering Authority.

2.14 In terms of the proposed meeting arrangements for the Joint Committee, it is recommended:

- (a) That the Joint Committee should meet formally immediately after the LEP Board meetings to assist with engagement and co-operation between the bodies and allow co-ordination of the respective work programmes.
- (b) That the following dates are reserved for meetings of the Joint Committee in 2018:
  - Friday 26 January
  - Friday 23 March
  - Friday 25 May
  - Friday 20 July
  - Friday 28 September
  - Friday 30 November
- (c) That the Joint Committee meetings should start at 10am with the venues rotated throughout the HotSW area. The assumption will be that the host authority for that meeting will provide appropriate accommodation and facilities 'in kind'.

### **3. HotSW Productivity Plan and the Joint Committee Work Programme**

3.1 The Partnership has, since its inception, been focused on working together to tackle low productivity as this is seen as the key to future economic growth. The academic research undertaken in the HotSW Green Paper on Productivity [Insert link to Green paper](#) highlighted that whilst Devon and Somerset have one of the highest employment rates in the country too many of those jobs are part-time and low paid. This means that our area has one of the lowest productivity rates in the Country and this is a major barrier to future prosperity.

3.2 The Partnership has continued to lobby Government to work more closely with our area in order to make good on its promise to spread economic growth across the Country and we now need to build on the recent meeting of the Minister and the momentum achieved. This work is urgently needed to ensure that areas such as the Heart of the South West don't get left behind as Government look to focus investment in areas where there are strong, cross boundary strategic partnership arrangements such as the six Mayoral Combined Authorities.

3.3 The Productivity Strategy is being developed through an academic evidence base and engagement with stakeholders and the community. The draft plan is currently out to [consultation](#) which ends on 30 November 2017. Members are encouraged to respond to the draft strategy.

3.4 *(messages from the draft strategy once approved by the Shadow Joint Committee)*

3.5 It is recommended that one of the first tasks of the Joint Committee will be to approve the Productivity Strategy early in the New Year.

3.6 The Partnership has been meeting as a Shadow Joint Committee since 22 September 2017. Its focus is to ensure the Joint Committee can immediately move into action and take advantage of major funding streams, national policy debates and lobbying around the economy. The Partnership will be working with the LEP to deliver the Productivity Strategy and will be supporting a joint work programme which initially will involve:

- Developing and recommending a delivery and investment Framework, to implement the Productivity Strategy and demonstrating our capacity to deliver. This will complement the LEP's Strategic Investment Panel which oversees the LEP's investments;
- investigating ways to complement existing work to draw out opportunities to attract infrastructure investment in line with the Productivity Strategy aims, building our track record for ambitious and compelling propositions;
- investigating ways to complement existing work on improving the delivery of skills in line with the Productivity Strategy aims
- investigating ways to complement existing work on strengthening leadership & knowledge within the area's SMEs in line with the Productivity Strategy aims;

3.9 Any Joint Committee expenditure on the joint work programme will be subject to approval by the Administering Authority.

#### **4. Consultation, communication and engagement**

4.1 Members, partners and the public have been kept informed of developments of the HotSW Devolution Partnership and the Productivity Strategy through press releases, newsletters, presentations, workshops and publications. This information flow will be maintained by the Joint Committee. In addition, all of the authorities within the Partnership have taken formal decisions as required during the various stages of consideration of devolution proposals and the proposed creation of the Joint Committee.

4.2 A draft Productivity Strategy was released for public consultation on 10 October 2017. To complement the on-line consultation there will be; Council-based briefings and targeted key stakeholder events through 6 sub-regional roadshows held in Plymouth, Northern Devon, Cullompton/Exeter, Torbay, Taunton/Bridgwater and Yeovil/Shepton Mallet. The consultation will end on 30 November 2017 and feedback will influence the final strategy which is due for approval in early 2018.



## **5. Equality Considerations**

5.1 The Inter-Authority Agreement requires all constituent authorities to support, promote and discharge its duties under the Equality Act through the work of the Joint Committee. The Partnership is developing an Equality Impact Needs Assessment to inform the development of the Productivity Strategy. The Joint Committee will consider this assessment alongside the Productivity Strategy before adoption.

## **6. Public Health Considerations**

6.1 There is a strong correlation between economic prosperity and health of the population. Public Health specialists will be key stakeholders within the consultation process and will be asked to advise on ways in which the Productivity Strategy could be connected to public health strategies to maximise the benefits to our communities.

## **7. Risk Management Considerations**

7.1 The creation of a Joint Committee will place a formal governance structure around the preparation and implementation of the Productivity Strategy. The Strategy will be used as a tool to attract a greater share of Government funding around the Industrial Strategy to mitigate the risk of Devon and Somerset being left behind other areas of the country.

7.2 Without a Productivity Strategy and Joint Committee in place, the Council and its partners will lack credibility and be at a disadvantage in negotiating and lobbying Government on a range of policy initiatives including the growth agenda and are likely to miss out on potential funding streams.

7.3 The individual financial risk to the individual constituent authorities of establishing the Joint Committee is limited to their financial contributions to the running and operational costs of the Joint Committee. The risk is shared between all of the constituent authorities.

## **8. Legal considerations**

8.1 Each of the partners' legal teams and Monitoring Officers have been involved in the development of the Arrangements and Inter-Authority documents set out as Appendices A and B. The documentation also aligns to the LEP's Assurance Framework.

8.2 This simple documentation sets out the functions, membership and operations of the Joint Committee and the requirements upon the Constituent Authorities in supporting it.

## **9. Financial considerations**

9.1 The costs associated with the early work on the Productivity Strategy preparation largely relate to officer time which is being provided 'in kind' by the authorities and partners. Specifically the LEP has met some direct costs.

9.2 The establishment of the Joint Committee provides a low cost option compared to a Combined Authority model of governance. As part of the Inter-Authority Agreement the assumption is that the constituent authorities will continue to provide in-kind support although this will be reviewed by the Administering Authority to ensure that the levels of support are appropriate, sustainable into the future and acceptable to the authorities providing the support. The direct running costs of the Joint Committee will be limited to providing officer support for the meetings, if there is insufficient 'in-house' capacity, and the costs of the meetings themselves. At this stage direct support costs will be kept to a minimum and for 2017/18 and some of 2018/19 will be covered by the residual joint devolution budget established in 2015.

9.3 In addition to the direct costs of administering the Joint Committee there is also the issue of a budget to fund its Work Programme. Further details of the provisional budget requirements are set out in section 2 together with the proposed funding mechanism for contributions from individual constituent authorities.

9.4 In coming to their decision about a Joint Committee and whether the potential costs provide good value for money, Members might like to consider the potential cost/impact of not working in this way and the potential loss of influence with the Government and investment to the area. Through recent funding initiatives and policy – including through the recent meeting with the Minister, it is clear that Government is looking for areas to come together and articulate their vision and priorities across footprints wider than their organisational boundary or sub-regional areas.

9.5 The proposal put before Members sets out a low risk, low cost option to work in a more formal way to capitalise on opportunities arising from future Government strategies, funding announcements and in preparation for Brexit.

## 10. **Options/Alternatives**

10.1 There are two options and alternatives that Members might consider:

Option 1 – Do nothing and continue with informal arrangements within the Partnership. As set out above the feedback from Government is they prefer to work ‘at scale’ and are looking more favourably at areas that have a unity of vision and purpose.

Option 2 – move to a Combined Authority. The Partnership now need to review the option of establishing a Combined Authority at some point following the indication from the Minister that there will be no requirement to have an elected mayor in order to pursue our ambitions. Establishing a Combined Authority requires a substantial lead in time to allow for the Parliamentary approval process and would inevitably require the creation of a shadow Combined Authority to test and confirm the concept. The potential benefits of moving to a Combined Authority model will have to be judged against the implications of doing so, including the cost implications. The Joint Committee has the benefit of allowing the Partnership to move relatively quickly to establish a Combined Authority if that is the wish of the partners.

## 11. **Reason for Recommendation/Conclusion**

11.1 Working together will deliver better results if we are to help our businesses improve their productivity levels and deliver greater prosperity across the Heart of the South West. By collaborating across local geographies we will strengthen the area’s voice to Government and strengthen the actions the area can take to improve productivity.

11.2 The Productivity Strategy will replace the Local Enterprise Partnership’s Strategic Economic Plan. It will be the key strategic document for the partners to engage with Government and each other on a range of investment opportunities and powers emerging from the Industrial Strategy, Brexit and other policy opportunities.

11.3 The HotSW Joint Committee will provide a formal strategic partnership to complement and maximise the ability of individual authorities and sub-regional arrangements to deliver their aspirations. It will provide the formal arrangements for collaboration on productivity.

11.4 Through the Joint Committee the partners can test and improve their ability to work together as a potential precursor to the possible establishment of a Combined Authority at some point in the future. It will also provide a mechanism to further strengthen democratic input and influence with the LEP and align more effectively with the LEP’s new model of governance and accountability.

11.5 Without a Joint Committee in place, the HotSW area will continue to struggle to position itself to be able to take advantage of Government policy initiatives and new funding opportunities compared to those areas that have and are establishing formal strategic partnerships.

## **HEART OF THE SOUTH WEST JOINT COMMITTEE PROPOSAL – INTRODUCTION**

### **1. Introduction**

1.1 This report provides a brief introduction to the recommendations set out in the report

‘To consider a report by Julian Gale, Monitoring Officer, SCC and agree the recommendations in the draft template report, amended as necessary following the debate and that each authority is requested to agree the approved recommendations during autumn 2017.

### **2. Background**

2.1 As referred to in the report the 19 authorities in the partnership considered and gave ‘in principle’ agreement to the establishment of a HotSW Joint Committee over the February to April 2017 period. This included the proposed list of functions for the Joint Committee. All of the authorities passed resolutions giving their support to the establishment of the Joint Committee with 18 of the 19 approving the full list of proposed functions of the Joint Committee. The exception was Exeter City Council who removed some of the proposed functions from the list. Exeter’s position is set out in detail in section 3 below.

2.2 The ‘in principle’ approvals given were subject to each authority approving the Joint Committee’s Arrangements and the Inter-Authority Agreement setting out the detail of the Joint Committee and how it would be supported. The plan at that stage was to bring these documents through the summer 2017 democratic cycle with a view to achieving the necessary approvals to enable the Joint Committee to be established from 1 September 2017. These considerations were subsequently put on hold pending the outcome of the County Council and then the General Elections.

2.3 The HotSW CEx Group now considers that the time is right to move forward with the proposal to establish the Joint Committee with a view to having it in place by 1 January 2018. The reasons for these developments are set out in the report.

### **3. Next steps**

3.1 If the partnership agrees the recommendations set out in the report then each authority is asked to take the final version of the report and attachments, back through their own internal governance arrangements to achieve the necessary sign off to enable the Joint Committee to be established as of 1 January 2018.

### **4. Issue to consider**

#### Functions of the Joint Committee

4.1 As a reminder the list of functions for the Joint Committee which the authorities were asked to sign up to 'in principle' is set out below. These are taken directly from the 'Arrangements' document.

The Joint Committee shall:

- (a) Develop, own and implement the HotSW Productivity Plan in collaboration with the LEP.
- (b) **Identify and develop proposals (for recommendation to constituent authorities / partner agencies as necessary) in response to policy opportunities presented by the Government to secure functions and funding for the benefit of improving productivity. Examples include Industrial Strategy, Brexit, and Devolution.**
- (c) Develop and make recommendations to the constituent authorities / partner agencies for actions emerging from the work of the Brexit Opportunities and Resilience Task Group
- (d) Continue discussions / negotiations with the Government / relevant agencies to secure delivery of the Government's strategic infrastructure commitments, e.g. strategic road and rail transport improvements
- (e) **Identify opportunities for rationalising / improving existing public sector governance arrangements and make recommendations to the constituent authorities/partners.**
- (f) Work with the LEP to identify and deliver improvements to the LEP's democratic accountability and to assist the organisation to comply with the revised (November 2016) LEP Assurance Framework. This includes formally endorsing the LEP's assurance framework on behalf of the constituent authorities as and when required and before it is formally approved by the LEP's Administering Authority.
- (g) Ensure that adequate resources (including staff and funding) are allocated by HotSW partners to enable the objectives in (a) to (f) above to be delivered.

4.2 Exeter City Council omitted (b) and (e) from the list (highlighted in **BOLD** above) above when resolving to agree 'in principle' to join the Joint Committee. The reasons given for this in their Executive minutes from March (the recommendations were subsequently approved at their Full Council meeting in April) were as follows:

'Members were advised that this Council had reservations with regards to the proposals for identifying and developing proposals in response to policy opportunities and for rationalising/improving existing public sector governance and this was reflected in the recommendations to Council.'

4.3 The 'in principle' resolutions of the authorities were at a point in time some months ago since when the national and local political 'scenes' have changed. It therefore makes sense to revisit the list of functions to achieve common ground and agreement. This is even more important given that the overwhelming thrust of the devolution work of the last two years has been to keep all of the HotSW partners on board because of the strength that this gives the partnership when speaking to Government. The list of functions can be expanded at any time with the agreement of the constituent authorities so the list agreed at this meeting should be regarded as the starting point. This is the most important outcome even if it means a shorter list of functions and the loss of some wider considerations outside of the Productivity Plan focus.

4.4 The contents of the report will be revisited following the meeting to ensure that the contents accurately reflect the agreed list of functions of the Joint Committee and the outcome of the debate.

## **5. Consultation and Implications**

These aspects are fully covered in the draft template report and members should familiarise themselves with the contents before considering the recommendations to progress the establishment of the Joint Committee.

Julian Gale

Strategic Manager – Governance & Risk & Monitoring Officer

14.9.17

**HotSW JOINT COMMITTEE  
DRAFT INTER – AUTHORITY AGREEMENT**

**1. Commencement and Duration:**

1.1 This Agreement (and the obligation of the Constituent Authorities [CAs]) shall take effect on the agreed Commencement Date – 1<sup>st</sup> January 2018 - and shall continue until the Joint Committee (JC) is dissolved.

**2. Formation provisions:**

2.1 The CAs agree to form the JC from the agreed Commencement Date and to delegate / refer the functions specified to the JC from that date as set out in section 2.3 of the Arrangements document.

2.1 The JC shall operate in accordance with the Arrangements document and the Standing Orders and Rules of Procedure of the Administering Authority.

**3. Administering Authority (AA) arrangements**

3.1 The AA shall be appointed by resolution of the CAs for a 24 month period (24 months is considered as appropriate to provide sufficient continuity but also to provide the option to rotate the role on a regular basis).

3.2 The AA shall provide:

- Financial, legal, constitutional and administrative support to the JC and its meetings
- An on-line presence for the JC via the AA website with links to the CAs / partner organisations websites.
- Ensure it has appropriate insurance arrangements in place to cover the AA role.

3.3 The AA may resign from the role by giving 6 months' notice to the CAs.

3.4 The AA may be removed and replaced by a majority vote of the CA members at a formal meeting of the JC.

3.5 The JC shall cease to exist in the event that no CA or organisation can be identified to undertake the AA role.

**4. JC Finance**

4.1 The JC's budgetary arrangements shall be detailed in a budget and cost sharing agreement (**to be drafted**) to be agreed by all of the Constituent Authorities annually on the recommendation of the JC and in advance of the financial year. The only exception to this will be in the JC's first year of operation when the JC shall recommend a budget and cost sharing agreement to the Constituent Authorities for approval at the first opportunity following its establishment.

4.2 The budget and cost sharing agreement shall cover:

- (a) The responsibilities of the Constituent Authorities for providing funding for the JC
- (b) The anticipated level of expenditure for the JC for the year ahead
- (c) The cost sharing mechanism to be applied to the Constituent Authorities
- (d) Details of how the budget will be set and agreed each year
- (e) Who is to be responsible for maintaining financial records on behalf of the JC (the 'accountable body');
- (f) What financial records are to be maintained;
- (g) What financial reports are to be made, to whom and when;
- (h) What arrangements and responsibilities are to be made for:
  - auditing accounts;
  - insurance including ensuring all partners have sufficient cover;
- (i) How any financial assets held by the JC on behalf of the Constituent Authorities will be redistributed to the CAs in the event of the dissolution of the JC or in the event of a CA formally withdrawing from the CA.

## **5. Roles and responsibilities of the CAs**

5.1 The CAs shall:

- (a) Appoint Members and named substitutes to the JC in accordance with the 'Arrangements'.
- (b) Undertake to share the costs of the JC in accordance with the budget and cost sharing agreement and pay their contribution to the JC to the AA in good time.
- (c) Make appropriate arrangements for recommendations of the JC to be considered and decisions made by the CA.
- (d) Support the work of the JC by offering services, resources or other 'in kind' support to assist with JC projects and activities.
- (e) Within the terms of the Inter-Authority Agreement, agree to share information to support the work of the JC.

## **6. Chief Executives' Advisory Group**

6.1 The Group shall:

- (a) Ensure that the JC fulfils its functions and responsibilities and in accordance with all legal and constitutional requirements.
- (b) Plan and co-ordinate the JC's activities to ensure the achievement of its aims and objectives
- (c) Consider the performance and effectiveness of the JC on an on-going basis and make recommendations for changes for consideration by the JC and CAs as necessary.
- (d) Ensure that professional advice is available and provided as necessary to the JC to enable it to carry out its functions.
- (e) Rigorously monitor and scrutinise the JC's budget.
- (f) Consider disputes between the CAs over the application or interpretation of this Agreement together with any potential breaches of this Agreement.

## **7. Withdrawal from / dissolution of the JC**

7.1 A CA wishing to withdraw from the JC shall give a minimum of 6 months' notice in writing to the other CA via the AA. The CAs shall co-operate with any such request.

7.2 If two or more CAs give notice of withdrawal from membership of the JC in the same Financial Year, the JC shall consider and make recommendations to the remaining CA as to the future operation of the JC and, if appropriate, recommend any necessary amendments required to the JC's functions and operating arrangements.

7.3 Where a majority of the CAs at any time agree (via formal resolutions) that the JC should be dissolved or terminated on a specified date then the JC shall cease to exist from that date.

## **8. Accounts, Audit and Reporting arrangements**

8.1 The AA's accounts and audit arrangements will apply to JC business.

8.2 The AA will ensure appropriate reporting arrangements are in place for the JC.

## **9. Review of Inter-Authority Agreement**

9.1 At any time one or more of the CAs may seek a review of this agreement and the operation of the JC by giving notice to the CAs via the AA.

9.2 The review shall be undertaken by the Chief Executives Advisory Group for report to the JC. Any recommendations for changes to the agreement from the JC shall only be implemented if agreed by all of the CAs.

## **10. Insurance, Indemnities, and Conduct of Claims**

10.1 The JC as a scrutiny and policy making group rather than a commissioning body undertakes administrative functions and therefore carries relatively little risk.

10.2 Each authority's insurance cover will automatically extend to provide protection for their members and officers participating in the work of the JC and in their capacity as officers or members of that authority.

## **11. Information Sharing, Data Protection, Confidentiality, Publicity and Freedom of Information (FOI) Requests**

11.1 The CA shall share information about their organisations where that information is relevant to the aims and objectives of the JC.

11.2 Where such information is confidential or privileged, for example for reasons of commercial, customer or client confidentiality, the CA concerned shall seek to provide the information in such a form as to assist the JC whilst maintaining



confidentiality, for example by the use of statistical and other non-identifiable forms of data. If confidential information is provided by a constituent authority to assist the work of the Joint Committee, then each constituent authority will respect that confidentiality and shall not use or disclose such information without the permission of the authority that provided the information.

11.3 In respect of FOI requests, the AA will ensure that the requirements of the FOI Act 2000 are met in respect of the activities of the JC. In particular the AA will consult the officers of the CA as necessary regarding any potentially contentious enquiries and will then respond to them accordingly on behalf of the JC.

11.4 The JC and the CAs shall at all times abide by the requirements of the Data Protection Act.

11.5 A CA shall not make any public statement or issue any press release or publish any other public document relating to, connected with or arising out of the work of the Joint Committee without obtaining the other CAs' prior approval as to the contents thereof and the manner of its presentation and publication.

## **12. Promoting Equality, Diversity and Social Inclusion**

12.1 All CAs will support and promote the principles of inclusiveness and equality for all through the work of the JC.

## **13. Extent of obligations and further assurance**

13.1 Nothing in this Agreement is to require any of the CA to act in any way that is inconsistent with its obligations or duties as a local authority.

## **14. Variations of the Agreement**

14.1 Subject to the express provisions of this Agreement, no variation of this Agreement will be valid or effective unless agreed by formal resolution of all of the CA.

## **15. Dispute Resolution / Breach of this Agreement**

15.1 In the event of a dispute arising from the interpretation and operation of this Agreement or a breach of this Agreement by any CA or JC member, the matter shall first be considered by the Chief Executives' Advisory Group. The Group shall seek to resolve the matter by discussion and mutual agreement and report to the JC and CA as necessary.

15.2 Where this fails to achieve a resolution, then the JC may give formal consideration to further action. Such action may include:

- (a) A request to a CA to replace a JC member;
- (b) A request to a CA to withdraw from the JC;
- (c) A recommendation to the other CAs for the termination of the participation of a CA.

## HEART OF THE SOUTH WEST (HotSW) JOINT COMMITTEE – DRAFT ARRANGEMENTS

### 1. Introduction:

1.1 Legal status: The HotSW Joint Committee is a Joint Committee of the local authorities listed in 1.5 below that comprise the HotSW area and established under Sections 101 to 103 of the Local Government Act 1972 and all other enabling legislation to undertake the functions detailed in section 2 of this Agreement.

1.2 Key purpose: The key purpose of the Joint Committee is to be the vehicle through which the HotSW partners will ensure that the desired increase in productivity across the area is achieved.

1.3 Aims and objectives: The aim is to provide a single strategic public sector partnership that covers the entire area and provides cohesive, coherent leadership and governance to ensure delivery of the Productivity Strategy for the HotSW area. The specific objectives of the Joint Committee are to:

- (a) Improve the economy and the prospects for the region by bringing together the public, private and education sectors;
- (b) Increase our understanding of the economy and what needs to be done to make it stronger;
- (c) Improve the efficiency and productivity of the public sector;
- (d) Identify and remove barriers to progress and maximise the opportunities /benefits available to the area from current and future government policy.

1.4 Commencement: The Joint Committee will be established in accordance with the resolutions of the Constituent Authorities listed below in paragraph 1.5 with effect from the Commencement Date (1<sup>st</sup> January 2018) and shall continue in existence unless and until dissolved by resolution of a majority of the Constituent Authorities.

1.5 Membership: Each of the Constituent Authorities listed below shall appoint 1 member and 1 named substitute member to the Joint Committee on an annual basis. Each member shall have 1 vote including substitute members. For the Councils, the member appointed shall be that Council's Leader except in the case of Torridge District Council where the member appointed by the Council shall have authority to speak and vote on matters on behalf of the Council. Political balance rules do not apply to the Joint Committee membership. The substitute member shall also be a cabinet member where the Council is operating executive arrangements. For the National Park Authorities the expectation is the Chairman of the Authority shall be the member appointed to the Committee. :

- Dartmoor National Park Authority
- Devon County Council
- East Devon District Council
- Exeter City Council
- Exmoor National Park Authority
- Mendip District Council
- Mid Devon District Council
- North Devon Council

- Plymouth City Council
- Sedgemoor District Council
- Somerset County Council
- South Hams District Council
- South Somerset District Council
- Torbay Council
- Taunton Deane Borough Council
- Teignbridge District Council
- Torridge District Council
- West Devon Borough Council
- West Somerset Council.

1.6 In addition to the Constituent Authorities the partner organisations listed below shall each be invited to appoint 1 co-opted representative and 1 named substitute co-opted representative to the Joint Committee. Co-opted members shall not have voting rights:

- Heart of the South West Local Enterprise Partnership (the LEP)
- NHS Northern, Eastern and Weston Devon Clinical Commissioning Group
- NHS South Devon and Torbay Clinical Commissioning Group
- NHS Somerset Clinical Commissioning Group

1.7 The Joint Committee may co-opt further non-voting representatives from the private, public and/or voluntary sectors at any time.

1.8 Each appointed member / representative shall remain a member of the Joint Committee until removed or replaced by the appointing authority / organisation. Appointments to fill vacancies arising should be notified to the Joint Committee Secretary as soon as possible after the vacancy occurs.

1.9 Standing Orders / Rules of Procedure: Outside of the contents of this 'Arrangements' document, the Standing Orders and Rules of Procedure for the Joint Committee shall be those contained in the Constitution of the Administering Authority to the Joint Committee, subject, in the event of any conflict, to the provisions in the Arrangements document taking precedent.

1.10 Administering Authority: A Council shall be appointed by the Constituent Authorities as the Administering Authority for the Joint Committee and shall provide legal, democratic services, financial and communications support to the Committee. The Joint Committee's Forward Plan of business and papers for its meetings shall be published on the Administering Authority's website with links provided to the websites of the other Constituent Authorities and partner organisations.

## **2. Joint Committee Functions:**

2.1 The only delegated function of the Joint Committee relates to the approval of the HotSW Productivity Strategy. All other matters referred to in 2.3 are 'referred' matters where the Joint Committee will make recommendations to the constituent authority or authorities for decision. Additional delegated or referred functions may be proposed for the Joint Committee in the future by the Joint Committee or any of

the Constituent Authorities, but shall only be agreed if approved by all of the Constituent Authorities.

2.2 The principle of subsidiarity will apply to the relationship between the Joint Committee, the constituent authorities and local sub-regional partnerships with decisions being made at the most local and appropriate level on all matters to do with the delivery of the Productivity Strategy and in relation to the other functions of the Joint Committee.

2.3 The Joint Committee shall:

- (a) Develop and agree the HotSW Productivity Plan in collaboration with the LEP.
- (b) Ensure delivery of the HotSW Productivity Plan in collaboration with the LEP and the constituent authorities.
- (c) Continue discussions /negotiations with the Government on the possibility of achieving devolved responsibilities, funding and related governance amendments to assist with the delivery of the Productivity Plan. Joint Committee proposals arising from these discussions /negotiations would require the formal approval of the constituent authorities / partner agencies.
- (d) Continue discussions / negotiations with the Government / relevant agencies to secure delivery of the Government's strategic infrastructure commitments, eg, strategic road and rail transport improvements
- (e) Work with the LEP to identify and deliver improvements to the LEP's democratic accountability and to assist the organisation to comply with the revised (November 2016) LEP Assurance Framework. This includes endorsing the LEP's assurance framework on behalf of the constituent authorities as and when required. However, this is subject to the Framework being formally approved by the LEP's Administering Authority.
- (f) Ensure that adequate resources (including staff and funding) are allocated by the constituent authorities to enable the objectives in (a) to (e) above to be delivered.

### **3. Funding**

3.1 The Constituent Authorities shall agree each year and in advance of the start of the financial year (except in the year of the establishment of the Joint Committee) a budget for the Joint Committee in accordance with a Budget and Cost Sharing Agreement to cover the administrative costs of the Joint Committee and costs incurred in carrying out its functions. All funds will be held and administered by the Administering Authority on behalf of the Constituent Authorities and spent in accordance with that Authority's financial regulations and policies.

3.2 In the Joint Committee's first year of operation, the budget will be approved by the Constituent Authorities on the recommendation of the Joint Committee as soon as possible after the establishment of the Joint Committee.

3.3 Joint Committee members' costs and expenses will be funded and administered by the respective Constituent Authority.

#### **4. Review of the Joint Committee Arrangements**

5.1 The Joint Committee may at any time propose amendments to the Arrangements document which shall be subject to the approval of all of the Constituent Authorities.

5.2 Any Constituent Authority may propose to the Joint Committee amendments to the Arrangements. Such amendments shall only be implemented if agreed by all of the Constituent Authorities on the recommendation of the Joint Committee.

#### **5. Members' Conduct**

5.1 All members of the Joint Committee shall observe the "Seven Principles of Public Life" (the 'Nolan' principles) and will be bound by their own authority's code of conduct in their work on the Joint Committee.

5.2 Joint Committee members / representatives shall be subject to the code of conduct for elected members adopted by the Constituent Authority that nominated them to be a Joint Committee member or to the conduct requirements of the organisation that appointed them. This includes the requirement to declare relevant interests at formal meetings of the Joint Committee.

#### **6. Requirements of Joint Committee members**

6.1 Joint Committee members shall:

- (a) Act in the interests of the Joint Committee as a whole except where this would result in a breach of a statutory or other duty to their Constituent Authority or would be in breach of their Constituent Authority's Code of Conduct.
- (b) Be committed to, and act as a champion for, the achievement of the Joint Committee's aims.
- (c) Be an ambassador for the Joint Committee and its work.
- (d) Attend Joint Committee meetings regularly, work with others to achieve consensus on items of business and make a positive contribution to the Committee's work.
- (e) Act as an advocate for the Joint Committee in any dealings with their organisation including seeking any approvals from their Constituent Authority/Partner Organisation to Joint Committee recommendations.
- (f) Adhere to the requirements of the 'Arrangements' document and maintain high ethical standards.

## **7. Appointment of Chairman and Vice-Chairman**

7.1 The Joint Committee shall elect a Chairman and Vice-Chairman from amongst the voting membership as the first items of business at its inaugural meeting and at each Joint Committee Annual General Meeting thereafter. The appointments shall be confirmed by a simple majority vote of Constituent Authority members. If a deadlock occurs between two or more candidates a secret ballot shall immediately be conducted to confirm the appointment. If there is still deadlock following a secret ballot then a further meeting of the Joint Committee shall be held within 14 days and a further secret ballot shall be held to resolve the appointment.

7.2 A vacancy occurring in the positions of Chairman or Vice-Chairman between Annual General Meetings shall be filled by election at the next meeting of the Joint Committee. The person elected will serve until the next Annual General Meeting.

7.3 The Chairman and Vice-Chairman shall, unless he or she resigns the office or ceases to be a member of the Joint Committee and subject to 7.5 below, continue in office until a successor is appointed.

7.4 In the absence of the Chairman and the Vice-Chairman at a meeting, the voting members of the Committee present shall elect a Chairman for that meeting.

7.5 The Chairman or Vice-Chairman may be removed by a vote of all of the Constituent Authority members present at a meeting of the Joint Committee.

## **8. Quorum**

The quorum for any meeting of the Joint Committee shall be 9 Constituent Authority members. The Chairman will adjourn the meeting if there is not a quorum present. In the absence of a quorum, the meeting shall be adjourned to a date, time and venue to be agreed by the Chairman.

## **9. Voting**

9.1 Wherever possible the elected and co-opted members of the Joint Committee shall reach decisions by consensus and shall seek to achieve unanimity.

9.2 In exceptional circumstances where a formal vote is required, the proposal will be carried by a simple majority agreement of the voting members present and voting by a show of hands. The Chairman of the Joint Committee shall not have a casting vote in the event of a tied vote.

## **10 Decision making Arrangements**

10.1 Only the Joint Committee shall approve the Productivity Strategy.

10.2 The Joint Committee may at any time appoint working groups consisting of Joint Committee members and/or co-opted representatives / officers to consider specific matters and report back / make recommendations to the Joint Committee.

## **11 Formal Meeting Arrangements**

11.1 The Joint Committee will hold an Inaugural Meeting within 30 days of the agreed commencement date and thereafter shall meet on a regular basis as agreed by the Joint Committee annually at its Annual General Meeting.

11.2 The Chairman or in his/her absence the Vice-Chairman, may call a special meeting of the Joint Committee following consultation with the Chief Executives' Advisory Group to consider a matter that falls within the Committee's remit but cannot be deferred to the next scheduled meeting, provided that at least ten clear working days notice in writing is given to the Joint Committee membership.

11.3 Formal meetings of the Joint Committee shall normally be held in public, in accordance with the Access to Information Rules and the Standing Orders / Rules of Procedure of the Administering Authority.

11.4 Meetings of any working groups or task groups established by the Joint Committee shall, unless otherwise agreed, be held in private.

## **12. Who can put items on the Joint Committee's agenda?**

- (a) The Joint Committee itself;
- (b) Any of the members of the Joint Committee appointed by the Constituent Authorities
- (c) A Constituent Authority by way of a formal resolution
- (d) The Chief Executives' Advisory Group
- (e) The Monitoring Officer and / or the Chief Finance Officer of the Administering Authority.

## **13. Reporting Arrangements**

13.1 In addition to any ad hoc reports to the Constituent Authorities, the Joint Committee shall supply an annual report of its activities to the Constituent Authorities in May of each year.

13.2 The Joint Committee shall co-operate with the public scrutiny arrangements of the Constituent Authorities.

## **14 Record of attendance**

14.1 All members present during the whole or part of a meeting are asked sign their names on the attendance sheets before the conclusion of every meeting to assist with the record of attendance.



Annual  
Report  
2017



## Foreword by Steve Hindley CBE DL, Chair

“ Since our last annual conference in October 2016, it’s been an action-packed year for the LEP and its partners.

We’ve now got an investment programme approaching three-quarters of a billion pounds and of the 57 capital and revenue projects, 11 are already completed, 27 are underway and a further 19 are in the pipeline and due to start soon.

Following the last round of the Growth Deal when we secured the largest allocation in the country, we were given to understand that the third round – known to us as Growth Deal 3 – would be a much smaller amount compared to what we were bidding for. However through effective advocacy from the LEP, HotSW MPs, local authority and business partners, we eventually received more than double what was initially on the table.

This success is testament both to the confidence that the government has in our area’s potential, and the LEP’s ability to deliver. It’s a step in the right direction after decades of under investment in our infrastructure. Along with our partners in

the Local Authorities, other LEPs and organisations such as the Peninsula Rail Task Force, we’ve made some progress in reversing this under investment but we recognise much still remains to be done.

Our partnership has gathered momentum this year with the recruitment of seven new private sector board members, bringing expertise from a diverse spectrum of disciplines including nuclear, rural economy and international marketing. I would like to thank those board members who came to the end of their terms of office this summer. Their insight and commitment has helped the LEP develop into a highly successful partnership over the last six years, and our achievements have been very much dependent on their diligence and dedication on a voluntary basis whilst running their own businesses.

Another milestone on the governance front is that the Department for Business, Energy and Industrial Strategy has praised our transparency, which shows our stakeholders that we’re providing value for money and that our partners’ interests are paramount.

Whilst it’s important for a publicly funded body to show transparency and due diligence, it’s equally important to deliver on a higher strategic level and leverage economic benefits that would not have existed without our intervention.

HotSW LEP is delivering on all fronts this year, with significant progress being made in our cross-LEP partnerships where we bring together partners from different LEP areas to create opportunities that are greater than the sum of the parts. One such initiative is the Nuclear South West partnership, which has just had some encouraging meetings with Government on a proposed Nuclear Sector Deal that aligns with the national Industrial Strategy and will bring direct investment in infrastructure and skills.

Also, in the aerospace industry, the i-Aero consortium is gathering momentum to present to Government a proposal for high value design and thereby harness the benefits of the aerospace industry which is of global significance here in HotSW and the wider south west.

We’re working with our partners towards delivering a Productivity Plan for the Heart of the South West. A key part of this will be realising the ways in which HotSW has real world-class potential, and using these as a springboard for wider growth.

Otherwise known as our “Golden Opportunities”, these areas are: the aforementioned nuclear and aerospace sectors, plus marine, rural productivity, health and social care and data analytics.

Alongside these, it’s essential that we support growth in all sectors, and the area has significant employment opportunities in service industries and tourism, amongst many others. However, our Golden Opportunities are those which we believe offer the most potential for improvement in wider productivity and prosperity in clusters that will generate high value jobs and rewarding careers. This is what we were set up to do back in 2011 when we were first established.

How far we’ve come since then; we’ve helped thousands of businesses become more profitable, and helped thousands of

people gain new skills and take up new jobs; we’ve developed thousands of square metres of new workspaces and hundreds of miles of new roads. Take a look at this year’s annual report which focusses on the immense progress of our delivery programme, along with some real examples of our achievements and an outlook to the future priorities.

We’ve had Ministerial assurance that LEPs are an essential part of the Government’s plan for driving local growth and the Industrial Strategy. The Government values the way LEPs bring local business leaders into growing local economies and because we’re critical for the country’s future economic success, there are plans to put us on a more consistent legal footing. The Government is expected to set their ideas out further through the autumn and we await these with interest.

So with this in mind I look forward to another year of achievements towards delivering prosperity for all in the Heart of the South West. ”



## Heart of the South West in numbers



The Heart of the South West Local Enterprise Partnership is a strong and dynamic partnership between the private sector, local authorities, universities and further education across Devon, Plymouth, Somerset and Torbay. The LEP board consists of members from across the partnership, with a majority from the private sector.

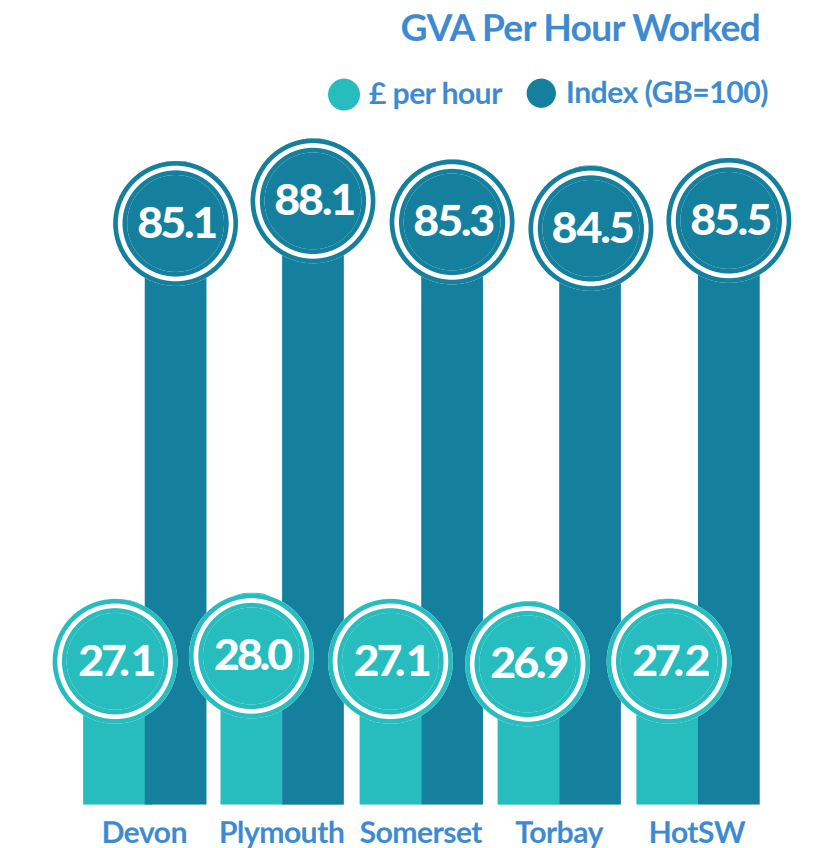
The area has a population of 1.7m and is home to 83,000 businesses. We are a strategic partnership between councils, the education sector and businesses and our aim is to support the generation of better growth, employment and prosperity across the area, securing investment and influencing government policy.

Of the circa 83,000 businesses across HotSW, 84% are microbusinesses employing between 0-9 people. Every local authority within the HotSW LEP has seen a modest net business growth, with the majority of growth from the micro-business category.

### Employment & Earnings

Source: ONS

|          | Employment rate (Dec 2016) | Total Employees in 2015 | Gross weekly earnings (2016) |
|----------|----------------------------|-------------------------|------------------------------|
| Devon    | 73.6%                      | 310,500                 | £477.1                       |
| Plymouth | 73.8%                      | 107,800                 | £519.8                       |
| Somerset | 75.9%                      | 217,000                 | £467.7                       |
| Torbay   | 74.7%                      | 46,900                  | £421.8                       |
| HotSW    | 74.4%                      | 682,200                 | £479.1                       |

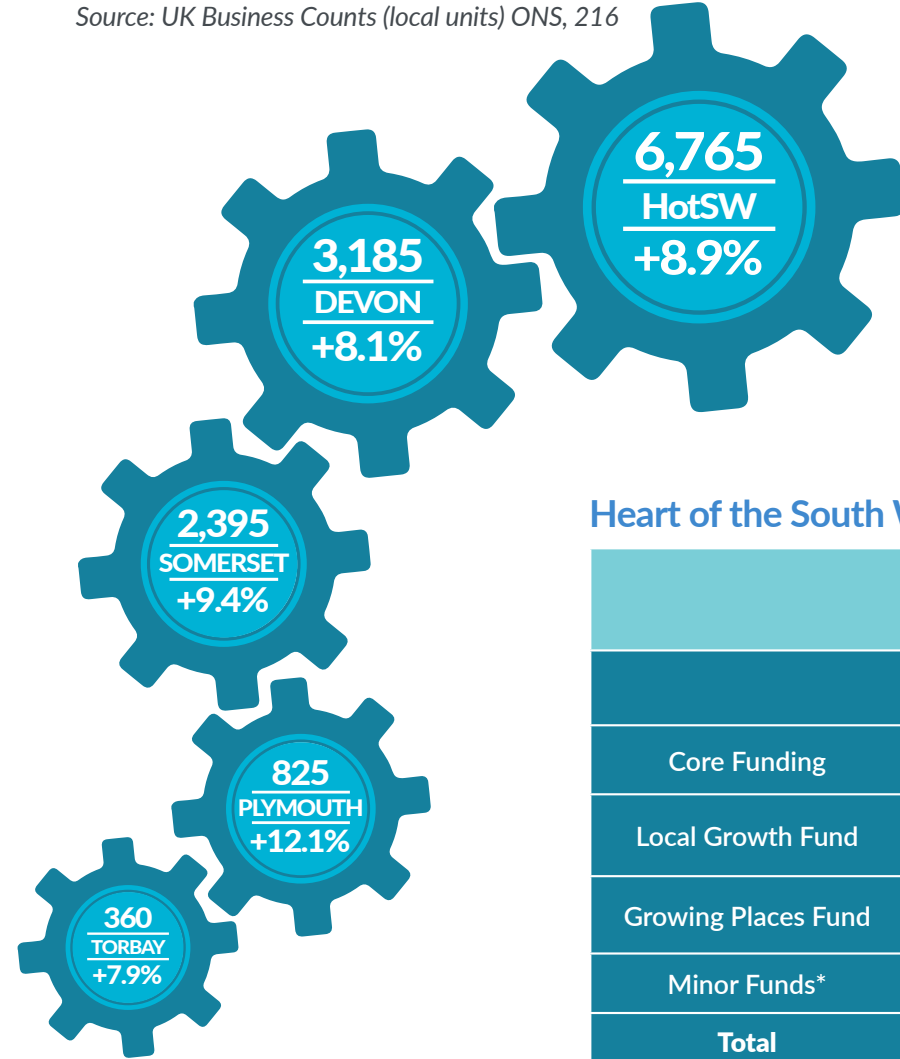




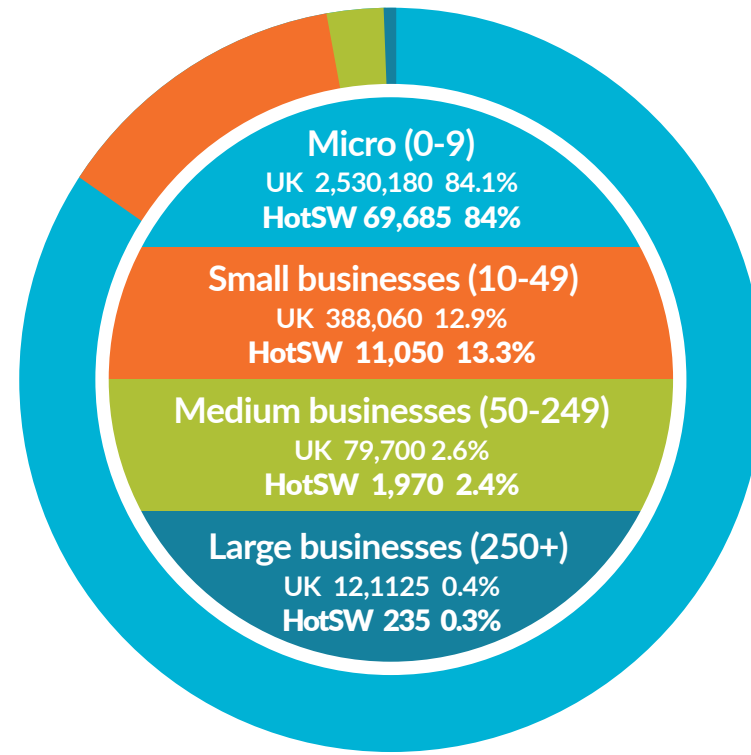
## Heart of the South West in numbers

### Net Business Growth since 2011

Source: UK Business Counts (local units) ONS, 216



### Size of Businesses in HotSW vs UK (2016)
























### Heart of the South West LEP Financial Statement 2016/17

|                     | Bal. b/fwd @ 1st Apr 2016 | Funds In     | Sub total     | Funds Out    | Bal. c/fwd @ 31st Mar 2017 | Committed in 2017/18 |
|---------------------|---------------------------|--------------|---------------|--------------|----------------------------|----------------------|
|                     | £'m                       | £'m          | £'m           | £'m          | £'m                        | £'m                  |
| Core Funding        | 1.24                      | 1.99         | 3.23          | 1.22         | 2.01                       | 0.28                 |
| Local Growth Fund   | 75.90                     | 36.13        | 112.03        | 33.22        | 78.81                      | 26.19                |
| Growing Places Fund | 13.52                     | 0.12         | 13.63         | 0.67         | 12.96                      | 8.92                 |
| Minor Funds*        | 0.23                      | 0.00         | 0.23          | 0.04         | 0.19                       | 0.09                 |
| <b>Total</b>        | <b>90.89</b>              | <b>38.24</b> | <b>129.12</b> | <b>35.14</b> | <b>93.98</b>               | <b>35.47</b>         |

\* Local Transport Board Grant and Rural Growth Network Grant

## The Board

The LEP Board is made up of high calibre leaders from the private, public and education sectors who invest their time and expertise on a voluntary basis to increase prosperity in the Heart of the South West.

|   |   |  |  |   |  |  |
|---|---|--|--|---|--|--|
| <br><b>Stuart Barker</b><br>Devon County Council<br>Cabinet Member for<br>Economy, Skills and Training | <br><b>David Bird</b><br>Regional Director,<br>Santander Commercial<br>and Corporate Banking | <br><b>Ian Bowyer</b><br>Leader,<br>Plymouth City Council                                       | <br><b>Stuart Brocklehurst</b><br>Chief Executive,<br>Applegate           | <br><b>Martin Brown</b><br>Entrepreneur  | <br><b>Stephen Criddle</b><br>Principal & CEO,<br>South Devon College | <br><b>Paul Diviani</b><br>Leader, East Devon<br>District Council               |
| <br><b>David Hall</b><br>Deputy Leader,<br>Somerset County Council                                     | <br><b>Steve Hindley</b><br>Chair,<br>Midas Group Ltd  | <br><b>Jackie Jacobs</b><br>Finance Director,<br>EIC Group                                      | <br><b>Helen Lacey</b><br>Managing Director, Red<br>Berry Recruitment Ltd | <br><b>Fiona McMillan</b><br>Non-Executive Director,<br>EDF Energy New Build<br>Gen Co Ltd | <br><b>Judith Petts</b><br>Vice-Chancellor,<br>Plymouth University    | <br><b>Gordon Oliver</b><br>Mayor, Torbay Council                               |
| <br><b>Barbara Shaw</b><br>Chief Executive,<br>Westward Housing                                      | <br><b>Harvey Siggs</b><br>Leader,<br>Mendip District Council                              | <br><b>Sir Steve Smith</b><br>Vice-Chancellor and<br>Chief Executive,<br>University of Exeter | <br><b>Mel Squires</b><br>South West Regional<br>Director, NFU          | <br><b>Richard Stevens</b><br>Managing Director,<br>Plymouth Citybus                     | <br><b>Karl Tucker</b><br>Managing Director,<br>Yeo Valley          | <br><b>Martha Wilkinson</b><br>Chief Executive, Devon<br>Community Foundation |

## Achievements *Chris Garcia, Chief Executive*



“Looking back to the last Annual Report, I’m pleased to say that we’ve made major step-changes in achieving the priorities that were set out for 2016 and 2017.

Last year we were still waiting to secure our third Growth Deal from Government, we set out to explore the opportunities and threats presented by leaving the EU, and we put in a bid to reserve funding for the North Devon link road and improved rail infrastructure.

Our ambition paid off – we got a higher proportion of funding from central government pro-rata based on population than most other parts of the UK, and the highest proportion than anywhere else in the south west.

This latest Growth Deal package is for ten strategic projects that have LEP wide

benefits. And we continue to see more and more Growth Deal projects start on site or take shape on the ground as the programme to 2020 rolls out.

### Connecting Devon and Somerset



#### Phase 3 and 4G Mobile Package

Providing Superfast broadband to premises within the ‘final 5%’ not served via the private sector, and furthering our aim to increase superfast coverage in the HotSW to 100% by 2020.

The three projects shown here are examples of the exciting projects that inspired the Government to award us this third round of Growth Deal funding in February this year.

In total our full programme of Growth Deal packages are worth almost £600m of investment, including the match funding from the local public and private sector to the £239.07m from Treasury. When you add to that the Growing Places Fund, the Rural Growth Pilot and the European Funds being invested in our area, our current capital programme is worth £735 million, and we aim to make the most of it by delivering the benefits of investment to the local business community.

### Somerset Energy Innovation Centre



An additional 200sqm workspace at SEIC – delivered by SWMAS, Business West and Somerset Chamber of Commerce – a national hub for innovation and collaboration, where tenants can access business support, engage with Hinkley supply chain and develop low carbon opportunities and new partnerships.

Communities Secretary Sajid Javid: “As part of efforts to deliver an economy that works for everyone, the Government is equipping local people with the resources they need to drive forward local growth. That’s why we’re giving £43.57 million of new money to Heart of the South West to give businesses the support and opportunities they need to achieve their potential – on top of the £195.5 million already awarded”.

These case studies are just some examples of our many projects. Details of all our projects are on our website at [www.heartofswlep.co.uk](http://www.heartofswlep.co.uk) where you can sign up to our newsletter and social media streams.

We continue to support the local authorities on their plans for a Joint Committee, which will give them enhanced mechanisms for partnership on key decision making. Our fundamental challenge remains improving productivity; i.e. the amount produced per worker or per hour worked. We’ve successfully grown employment in the last five years but Heart of the South West lags behind other areas on productivity, so we’re working with the local authorities and our national parks to create a robust Productivity Plan to address this; the Plan is due to go out for consultation in the autumn and be published early in 2018.

### Construction Futures



Delivered by Devon Communities Together, Construction Futures will enable construction students and people from disadvantaged backgrounds to gain on-site work experience by renovating properties to be resold at a profit, which is then re-invested in future projects.



Aerospace & Advanced Engineering



Rural Productivity



Marine



Health and Social Care



Data Analytics



Nuclear



# Direct Investment







## The LEP's programme of investment is approaching three quarters of a billion pounds.

Three Growth Deals, the Growing Places Fund and the Rural Growth Network, along with European Funds investment by the EU Government in the HotSW area, have already helped deliver 1500 new jobs, over 500 new homes; trained nearly 800 people and supported 2,500 businesses. We continually review our expected outputs against performance and are already ahead of schedule on the number of businesses supported and the number of new homes expected to be built by 2021 has increased by over 7,000.







Our investment programme, matched by local public and private sector funding, is contributing towards the overall aim of the LEP's strategic economic plan to increase productivity and deliver prosperity for all.

|  | Government Award | EU Funds Contracted | Match Funding | Total        |
|--|------------------|---------------------|---------------|--------------|
| Growth Deal 1&2                        | 195.5            |                     | 236.7         | 432.2        |
| Growth Deal 3                          | 43.6             |                     | 114.4         | 158.0        |
| <b>Total Growth Deal Funding</b>       | <b>239.1</b>     | <b>0.0</b>          | <b>351.1</b>  | <b>590.2</b> |
| Growing Places Fund                    | 22.6             |                     | 48.4          | 71.0         |
| European Structural & Investment Funds |                  | 32.1                | 26.8          | 58.9         |
| Rural Growth Network Pilot             | 2.9              |                     | 15.1          | 18.0         |
|  | <b>264.5</b>     | <b>20.8</b>         | <b>438.4</b>  | <b>738.1</b> |

✓ Actual statistics (2017)

|   |   |   |   |   |  |
|---|---|---|---|---|--|
|  |  |  |  |  |  |
| <b>1,423</b><br>New jobs created to date  | <b>764</b><br>People trained to date  | <b>3,955</b><br>Businesses supported to date  | <b>507</b><br>New homes to date   | <b>£43m</b><br>Private Sector leverage to date                                      | <b>67</b><br>Infrastructure spend to date  |

Statistics forecast (2021)

|   |   |   |   |   |   |
|---|---|---|---|---|---|
|  |  |  |  |  |  |
| <b>26,930</b><br>New jobs created   | <b>59,005</b><br>People trained   | <b>30,103</b><br>Businesses supported   | <b>18,342</b><br>New homes  | <b>162</b><br>Private Sector leverage   | <b>641</b><br>Infrastructure spend  |

|                         | GD1  | GD2   | GD3  | Growing Places Fund  |
|-------------------------|--|---|--|--|
| <b>Programme</b>        | £297m programme, including £111m secured from Government for 29 projects, the 8th highest allocation of Growth Deal in the UK  | £141m programme including £65m secured from Government for 11 projects, the highest allocation of Growth Deal in the UK   | £160m programme including £43.6m secured from Government for 10 projects, the highest allocation of Growth Deal per capita in the South West.  | £47.92m programme of investment, including £22.5m of loan funding – all £22.5m fully committed to 7 projects   |
| <b>Progress</b>         | <ul style="list-style-type: none"> <li>• 25 funding agreements signed</li> <li>• 18 projects in delivery</li> <li>• 7 projects complete</li> <li>• £55m spent</li> </ul> | <ul style="list-style-type: none"> <li>• 6 funding agreements signed</li> <li>• 6 projects in delivery</li> <li>• £1m spent</li> </ul>  | <ul style="list-style-type: none"> <li>• Offer letter received from Government</li> <li>• 1 project started</li> <li>• Offer letters, subject to business case approval, sent out to GD3 projects</li> </ul> | <ul style="list-style-type: none"> <li>• 6 funding agreements signed</li> <li>• 2 projects in delivery</li> <li>• 4 projects complete (3 of these at repayment stage)</li> </ul> |
| <b>Expected outputs</b> | <ul style="list-style-type: none"> <li>• Up to 22,000 jobs created</li> <li>• 11,000 new homes built</li> <li>• 5,100m<sup>2</sup> commercial floorspace</li> </ul>      | <ul style="list-style-type: none"> <li>• Up to 4300 jobs created</li> <li>• 5400 homes built</li> <li>• 206,000m<sup>2</sup> commercial floorspace</li> <li>• 4900 learners assisted</li> </ul> | <ul style="list-style-type: none"> <li>• 126 housing units unlocked</li> <li>• 630 jobs created</li> </ul>   |  |

## Case Studies

57 projects: 27 underway – 19 planned



### Wild Beer – Growth through Rural Enterprise Grants

The LEP aims to generate economic prosperity in the long term, and a lasting legacy of benefits can best be seen over time. One of our earliest schemes was the Rural Enterprise Grant (REG) overseen for the LEP by our partners in Devon County Council, which is still generating growth three years down the line. With £60,000 from the REG in 2014, plus £89,000 of its own match funding, The Wild Beer Co in Westcombe, Somerset purchased extra brewing capacity and a new bottling line. The brewery is now exporting to over a dozen countries with growing demand in the US, southern Europe and Scandinavia.

### Oceansgate

The new home of marine enterprise in Britain's Ocean City, Oceansgate occupies 35 hectares at one of Europe's largest dockyards at Devonport, providing a unique complex of office buildings, industrial units and docks for commercial use.

It has direct deep water access to the English Channel and is an unrivalled location for a wide range of marine businesses, offering the largest marine and maritime commercial opportunity site currently available in the UK.

The success of the Oceansgate development is through a variety of funding and partnerships that the LEP has been involved in; from the Plymouth and Peninsula City Deal in 2011 through to Growth Deal and Growing Places packages, and latterly the designation of Oceansgate as one of the Heart of the South West's multi-site Enterprise Zones. These partnerships are helping to bring about the transformation of a run-down dockyard into a world-class marine industries location that will be ready for occupation in January 2018.



### Exeter Science Park

Exeter Science Park is a success story having come about through multiple investments including funding from the former Regional Development Agency, Local Authorities, the European Regional Development Fund and the LEP's Growing Places Fund and Growth Deal Funds. It continues to attract confidence from the private sector, inward investors and local and national public sector strategies.

The Science Park demonstrates how growth is achieved by a sustained effort over many years, utilising funds from multiple sources and is part of a wider growth corridor which includes other sites in the Exeter and East Devon Enterprise Zone – part of the HotSW multi-site package, and the award-winning new community of Cranbrook.

The Exeter Science Park Centre building is now 82% occupied by small knowledge-based companies, which are only accepted according to criteria targeting Science/Tech focus.

As for the wider Science Park, the Met Office has built its new £97m super-computer - one of the most powerful in the world - which is a further catalyst for growth and collaboration between science, business and academia. It's part of the long term commitment to create a technology cluster and improve science & innovation, as recognised by the Science and Innovation Audit, piloted in the south west of England and south east Wales.

### Electronic & Photonics Innovation Centre (EPIC)

EPIC is an £8M, 3,834m<sup>2</sup> purpose built state of the art facility driving innovation in microelectronics and photonics at White Rock Business Park in Torbay. As well as being partially paid for by the LEP's Growth Deal, the centre also draws in funding from Torbay Council, the European Regional Development Fund and Coastal Communities, making it another example of effective partnership funding.

It will create 220 new jobs, support 70 hi-tech businesses and 14 collaborations between industry and academia. EPIC also complements the development of South Devon College's new Hi-tech and Digital Skills Centre.

Due to be operational in early 2019, the centre will provide open-market access to laboratory and clean room facilities; accommodating specialist equipment to support R&D, prototyping, innovation and collaboration; as well as specialist sector support, office and meeting rooms, collaboration space and incubation facilities to support start-up and spin-off tech companies.

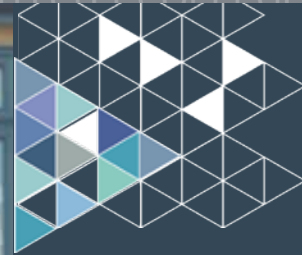
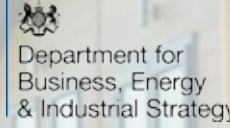
EPIC will be a centre of excellence in supporting technological innovation and will help the Heart of the South West contribute to raising national productivity by enabling the UK to remain internationally competitive in the technologies sector.





## Case Studies

57 projects: 27 underway – 19 planned



*"The support we received has really allowed us to move in the right direction and ensure our business plan and cash-flow forecast was in good shape."*

L. WALKER, NEW OAKS FARM

### Heart of the South West Growth Hub

Getting the right advice and support is an important factor for many businesses looking to invest in an area, and the Heart of the South West Growth Hub provides an added incentive for investment from new start-ups, those looking to relocate here, and companies already established in the area that are looking to grow.

Since being set up early in 2016, the Heart of the South West Growth Hub has dealt with 2,500 businesses, that's including 551 being referred to

specialist service and 237 having received intensive support from the Growth Hub's business advisors.

The Growth Hub is only half way through its three year contract and has already exceeded its projected targets, and the LEP is looking forward to developing the service as the market for business support and the Government's focus on the importance of business support increases.

### Inward Investment

The LEP works in partnership with Local Authorities and the Department for International Trade to market an attractive package of investment opportunities, enabling the area to compete effectively on a global stage. The Heart of the South West Enterprise Zones covering multiple sites at Exeter and East Devon, Huntspill Energy Park and Oceansgate are major selling points in the marketing of HotSW as a business location.

Figures for the number of companies setting up businesses here from abroad have been on a steady increase since 2011. In 2016/17 there were 22 successful Foreign Direct Investment projects, an increase of 57% on the previous year. Through these investments 688 new jobs have been created and 1009 jobs safeguarded. The LEP continues to work with partners to attract new investors and will be increasingly responsive to opportunities and challenges presented by the post-Brexit market.

### Enterprise Advisor Network

The Enterprise Adviser Network encourages businesses and schools to work together to support young people in making choices about their future careers. It provides information to schools about the skills needs for business, so they can develop career-focused activities.

Initially 36 schools were funded on the project, with funding for a further 27 schools being secured in 2016. This means that 60% of schools in the area have an Enterprise Adviser. Six special schools have also been invited to take part.

The CSW Group delivers the service, which is being funded by the Careers and Enterprise Company, Devon County Council, Somerset County Council, Plymouth City Council and Torbay Development Agency.

## Influencing and shaping: working with partners locally and in Government

In 2016/17, the LEP has strategic input to a number of programmes delivered in partnership with HotSW or by other organisations, including:

- European Structural and Investment Funds (ESIF)
- Great South West
- Nuclear South West
- Science and Innovation Audit
- i Aero
- Rural Productivity
- Energy Strategy
- Innovate UK



The Heart of the South West 2014-2020 European Structural Investment Funds (ESIF) Strategy sets out how our area will use ESIF to promote smart, sustainable and inclusive growth. The ESIF Strategy was developed with a wide range of partners in the context of the Strategic Economic Plan to ensure that European funded activities directly contribute to our wider plans for growth. The ESIF programmes have a notional value of £109m for the Heart of the South West and are managed by Government departments. Funding comprises:

- C. £53.6 million of European Regional Development Fund (ERDF) monies with key priorities of innovation, business support, ICT and the low carbon economy;
- C. £39.7 million of European Social Fund (ESF) monies with priorities of employment, skills and social inclusion; and

- C. £15.5 million of European Agricultural Fund for Rural Development (EAFRD) monies to support growth and jobs in rural areas, with a particular focus on grants for food processing, tourism and micro and small businesses.

The LEP is a local partner in the ESIF process, providing advice and support to the Managing Authorities to ensure investments meet local needs. In 2016/17, the LEP continued to advise the Managing Authorities in the development of ESIF calls for applications and, through the ESIF-funded Technical Assistance Project, hosted workshops to publicise the funding opportunities.

As a result, the first projects are now starting to deliver activity for businesses and people across the area and calls continue to be launched to commit remaining funds. Despite the Brexit vote the LEP continues to work with Government to maximise

the opportunity for utilising ESIF funds and on shaping what replacement funds could look like. Government has made the commitment that for all ESIF projects with signed contracts or funding agreements in place prior to the UK's exit from the EU, funding will be guaranteed by Her Majesty's Treasury even if projects continue beyond the UK's departure from the EU.

For ERDF and ESF monies, the Heart of the SW LEP area has both transition and more developed status as defined by the European Commission, with Plymouth, Torbay and Devon being 'transition' areas, Somerset being 'more developed'. EAFRD monies are spatially targeted at rural areas of Devon and Somerset. Below is HotSW's notional ESIF allocation, and page 18 has a list of contracted projects at the time of publication of this Annual Report.

| Fund                | Notional Allocation (£m) | Contracted (£m) | In the business process (£m) | Total Contracted & under application (£m) | % of Notional Allocation | Live Calls (£m) | Balance to be applied for (future calls) (£m) |
|---------------------|--------------------------|-----------------|------------------------------|---|--------------------------|-----------------|---|
| ERDF Transition     | 40.2                     | 11.6            | 26.6                         | 38.2                                      | 95%                      | 2.5             | -0.5  |
| ERDF More Developed | 13.4                     | 2.8             | 7.5                          | 10.3                                      | 77%                      | 2.5             | 0.7   |
|                     | <b>53.6</b>              | <b>14.4</b>     | <b>34.1</b>                  | <b>48.5</b>                               | <b>90%</b>               | <b>5.0</b>      | <b>0.1</b>                                    |
| ESF Transition      | 26.9                     | 11.5            | 2.0                          | 13.5                                      | 50%                      |                 | 13.5  |
| ESF More Developed  | 12.7                     | 6.0             | 1.3                          | 7.3                                       | 57%                      |                 | 5.4   |
|                     | <b>39.7</b>              | <b>17.5</b>     | <b>3.2</b>                   | <b>20.7</b>                               | <b>52%</b>               | <b>0.0</b>      | <b>18.9</b>                                   |
| EAFRD               | 15.5                     | 0.2             | 2.2                          | 2.4                                       | 15%                      | 12.4            | 0.7   |
| <b>ESIF Total</b>   | <b>108.8</b>             | <b>32.1</b>     | <b>39.5</b>                  | <b>71.6</b>                               | <b>66%</b>               | <b>17.4</b>     | <b>19.8</b>                                   |





## ESIF Contracted Projects Annual Report (30th August 2017 data)

|       |  | More Developed | Transition                   |               |
|-------|--|----------------|------------------------------|---------------|
|       |  | Somerset       | Devon, Torbay & Plymouth     | Total ESIF £m |
| ERDF  | Innovate2 Succeed  | Y              | Y                            | 0.5           |
|       | Electronics and Photonics Innovation Centre  | Y              | Y                            | 1.4           |
|       | Plymouth Materials Characterisation Project  |                | Y                            | 1.0           |
|       | Innovation in Healthy Ageing   |                | Y                            | 0.7           |
|       | Superfast Extension Programme  | Y              | Y                            | 4.6           |
|       | Local Manufacturing Advisory Programme   | Y              | Y                            | 0.7           |
|       | Export for Growth  | Y              | Y                            | 1.3           |
|       | Start Ups  | Y              | Y                            | 0.7           |
|       | Growth Hub   | Y              | Y                            | 0.9           |
|       | HotSW Social Enterprise Programme  | Y              | Y                            | 1.0           |
|       | ZEBCAT   |                | Y                            | 1.5           |
| ESF   | Big Lottery opt-in, including sub-contracted activities of: Employability/Enterprise for Young People; Employment support for 18-24 year olds (Devon, Plymouth and Torbay); Employment support for over 24s (Devon, Plymouth and Torbay); and Employment support 18+ (Somerset). | Y              | Y                            | 7.8           |
|       | Employment and Skills Funding Agency opt-in, including sub-contracted activities of: Business start up; Support for NEETs; Apprenticeship services; Skills support for the workforce – Basic level; and Skills support for the workforce – Higher level                          | Y              | Y                            | 9.7           |
| EAFRD | Brean Down Way   | Y              |                              | 0.2           |
|       | Hestercombe Gardens Trust: Heritage Interpretation Signage   | Y              |                              | 0.0           |
|       |  |                |                              |               |
|       |  |                | <b>Total ESIF contracted</b> | <b>32.1</b>   |

## Influencing and shaping: working with partners locally and in Government



With partners in Dorset and Cornwall and the Isles of Scilly, we've launched a new collaboration to promote our joint interests. Using as a working title, Great South West – this helps compete with other cross-LEP partnerships such as the Northern Powerhouse and the Midlands Engine. It aims to develop our propositions that tackle barriers to productivity and prosperity, and aligns with the private sector led #backthesouthwest campaign which launched the South West Growth Charter at the inaugural Growth Summit last October.

With over £100bn businesses opportunities, a dynamic and progressive South West can promote our propositions that will contribute to a successful national economy.

In this new process, the public and private sector work flexibly on a regional basis – with no set geographical limit – with different partners for different projects that are relevant to particular opportunities. For example, the Nuclear South West partnership extends from Cornwall to Gloucester, the Marine Cluster stretches as far as Portsmouth, and iAero partnership harnesses the globally significant aerospace strengths in the whole of the south west.



Nuclear South West (NSW) is a partnership between the nuclear industry network and the stakeholder alliance of the Heart of the South West, West of England and GFirst LEPs, the academic and skills sector and business support agencies.

Its role is to capitalise on the circa £50billion worth of contracts available to south west companies across 15 projects over the next 20 years in new build, decommissioning and defence. The South West has unparalleled strength and potential in the global nuclear industry; and Nuclear South West is working with Cumbria LEP on a Nuclear Sector Deal in response to the Government's Industrial Strategy, to generate transformational economic benefits for the UK and establish the national nuclear industry as a global leader.

## Influencing and shaping: *working with partners locally and in Government*



### **Building better energy together**

The Hinkley Point Training Agency (HPTA) is a Nuclear South West partnership of LEPs, Local Authorities, FE Colleges and independent training providers; bringing an innovative approach to recruiting local labour for the 25,000 new jobs generated by Hinkley Point C. HPTA aims to create 1,000+ apprenticeships; ensure that 34% of those working on-site are within a 90 minute travel zone; and leave a legacy of a highly skilled sustainable workforce for the future.

### **Science and Innovation Audit**

A consortium of major businesses, Local Enterprise Partnerships and higher education institutions found that the south west England and south east Wales region can lead the UK and compete with the world in the areas of advanced engineering and digital innovation, through one of the first Science and Innovation Audits in the country.

It identified the area as home to the largest aerospace sector in the UK and pioneering automotive, nuclear, marine and marine renewables and microelectronics industries, and through collaborations and sector deals can maximise on these opportunities to raise productivity.



iAero is a collaboration of the aerospace industry – which has a cluster of global prominence in the south west – between the West of England, Heart of the South West and Cornwall and the Isles of Scilly LEPs, the West of England Aerospace Forum, HE, FE and training providers and business support agencies.

The region's aerospace cluster has global prominence and is essential to driving up the UK's industrial productivity and excellence, so the consortium has made a response to the Government's Industrial Strategy to harness the economic opportunities and retain competitiveness when Britain leaves the EU. iAero is a cost-effective mechanism for enabling technological innovation, and is currently working on high-value design as a way of raising productivity and creating a unique proposition for the south west aerospace industry.



## **Innovate UK** Knowledge Transfer Network

Evidence shows that productivity is closely linked to levels of innovation – the development of new products and services – within an area's business community. On this measure the Heart of the South West area has scope for improvement, strengthening links between businesses, our world-class research institutions and sources of funding. To drive innovation, as well as investing in key assets such as Exeter Science Park, the LEP is working with Innovate UK on a HotSW event for businesses to explore our wider challenges and opportunities and test new partnerships between businesses and our research base to address these.

### **South West Energy Strategy**

The Heart of the South West, Cornwall and the Isles of Scilly and Dorset LEPs have secured £100,000 from Government to develop an Energy Strategy by the end of this financial year to help develop a low carbon economy; delivering affordable energy, supporting businesses to grow and enabling clean growth.



### **Rural Productivity**

The South West Rural Productivity Commission was established this year between the Heart of the South West, Dorset, Swindon & Wiltshire and Cornwall & the Isles of Scilly LEPs to explore the challenges and opportunities around rural productivity and growth. The commission consisted of experts from all four LEP areas who heard over 37 hours of testimony from witnesses across the region and reviewed over 200 items of evidence. The commission is now working with LEPs and Government to finalise recommendations and an action plan across a number of policy areas, and the report will be published this autumn.



## How we have supported the policies of others

As well as securing direct investment, we are supporting and endorsing a number of policies and bids with partner organisations to secure funding and strategic backing for transformational projects. Key areas of activity are highlighted:



| Policy Areas                        | LEP activity in 2016/17  |
|-------------------------------------|--|
| <b>Industrial Strategy Response</b> | ✓ Developing HotSW Productivity Plan with Local Authorities and sector deals with other LEPs.  |
| <b>Localism</b>                     | ✓ Supporting the Local Authorities to set up governance structure and do deals related to sectors for important challenges and opportunities presented by increased localism                             |
| <b>Road Improvements</b>            | ✓ Transport Infrastructure Fund – we endorse bids by Highways Authorities such as the business case for the improvement of the North Devon Link Road   |
| <b>Rail Improvements</b>            | ✓ Supported Peninsula Rail Task Force in their 20 year plan to improve resilience and reliability; journey times and capacity & comfort to the south west rail network                                   |
| <b>Enterprise Zones</b>             | ✓ Established Heart of the South West multi-site Enterprise Zones at Oceansgate, Huntspill Energy Park, Exeter and East Devon.   |
| <b>Housing</b>                      | ✓ Continue to prioritise housing as a key output for Growth Deal and Growing Places funding.   |
| <b>Broadband</b>                    | ✓ Direct funding for broadband and mobile infrastructure through Growth Deal, Growing Places and ESIF, as well as making the case to Government on the importance of rural broadband                     |
| <b>Environment</b>                  | ✓ Supported National Parks to develop economic growth priorities Supported environmental task and finish group.  |
| <b>Careers</b>                      | ✓ Worked with national partners to expand Enterprise Advisor Network Successful bid for Growth Deal including 3 skills projects European Social Fund skills projects in the pipeline and being mobilised |

| Outcome  |
|--|
| ✓ Productivity Plan out for consultation in the Autumn.<br>Nuclear Sector Deal with Nuclear South West partners and Cumbria LEP receiving positive responses from Govt departments.  |
| ✓ Joint oversight of the forthcoming Productivity Plan between the LEP, Local Authorities and the National Parks   |
| ✓ A303 /358 partnership for highways England made progress and out for consultation.   |
| ✓ Supported PRTF in finalising the 20 year plan. Reiterated our case to south west MPs and to ministers the need to reverse decades of under-investment in the rail service to enable the economy to reach its full potential for higher productivity. |
| ✓ Exeter & East Devon now open for business with Oceansgate and Huntspill following in 2018.   |
| ✓ Growth Deal outputs on Housing increased from anticipated 11,000 to 18,000 this year.<br>Supporting Local Authorities on bids for the Housing Infrastructure Fund  |
| ✓ Work started to connect the first 21 communities to ultrafast broadband. Connecting Devon and Somerset programme already provided superfast broadband to 278,000 homes and businesses and improved broadband to 320,000 premises.                    |
| ✓ Natural capital is a key opportunity within the forthcoming Productivity Plan.<br>The distinctive assets of the region are a major USP in the Great South West campaign.   |
| ✓ 60% of schools now have an Enterprise Adviser<br>HPTA on track for 34% of Hinkley workforce being from local catchment. More Growth Deal funded FE projects in programme.  |

## What next?

Key priorities for 2017/18 will be:

- ✓ Reacting to the post-Brexit economy by maximising on the opportunities and mitigating risks.
- ✓ Ensuring the ESIF and Growth Deal projects are delivered within programme.
- ✓ Developing Great South West and future cross LEP working
- ✓ Supporting Local Authorities to progress a Combined Authority or Joint Committee covering the Heart of the South West
- ✓ Continuing to deliver our pipeline of capital investments on budget - on target - on time
- ✓ Identifying and successfully bidding for future funding streams
- ✓ Delivering the Heart of the South West Productivity Plan

We will need to support businesses across the whole HotSW area to raise their levels of innovation and new product development, developing new, more efficient ways of working, and to help them access new markets in the UK and overseas. We need to help our communities unlock the enormous potential of the digital economy and other growing areas like nuclear, marine and aerospace, and to ensure the workforce has the skills to prosper in the economy of the future.

The LEP remains strategically connected with our partners in Government and is confident that they will increasingly see our potential for growth and our aspirations to contribute more to the UK economy. We're encouraged by the early responses to the Nuclear Sector Deal and we know that the Government is keen to see more cross-LEP working to create economies of scale and meaningful economic areas to rival those of the north and the midlands.

Therefore we're confident about our ability to attract more money and more strategic backing for our initiatives in the years to come, and as we look forward we see our main role as being at the forefront of identifying opportunities in the new post-Brexit economy.

We've been working on creating the conditions for growth, maximising on the opportunities for growth and as we lead into the next phase we'll be looking at building on our distinctive assets to increase productivity and therefore prosperity.



**Report to:** Cabinet  
**Date of Meeting:** 1 November 2017  
**Public Document:** Yes  
**Exemption:** None



**Agenda item:** 13

**Subject:** **Financial Monitoring Report 2017/18 - Month 6 September 2017**

**Purpose of report:** This report gives a summary of the Council's overall financial position for 2017/18 at the end of month six (30 September 2017).

Current monitoring indicates that:

- The General Fund Balance is being maintained at or above the adopted level.
- The Housing Revenue Account Balance will be maintained at or above the adopted level.

**Recommendation:** **The variances identified as part of the Revenue and Capital Monitoring process up to Month Six be acknowledged.**

**Reason for recommendation:** The report updates Members on the overall financial position of the Authority following the end of each month and includes recommendations where corrective action is required for the remainder of the financial year.

**Officer:** Laurelie Gifford [lgifford@eastdevon.gov.uk](mailto:lgifford@eastdevon.gov.uk)  
Rob Ward [RWard@eastdevon.gov.uk](mailto:RWard@eastdevon.gov.uk)

**Financial implications:** Contained within the report

**Legal implications:** There are no legal comments required.

**Equalities impact:** Low Impact

**Risk:** Low Risk

In compiling this report we have looked at all large, high risk and volatile budget areas. Predicted spending patterns have been linked to operational activity and all material budgets have been subject to thorough risk assessments by operational managers and finance staff. Any continuing variances in spending patterns will then be considered as part of the medium term financial strategy

**Links to background information:** .

**Link to Council Plan:** Funding this outstanding place

## 1. Report in full Introduction

- 1.1 The purpose of this monitoring report is to update members of the Cabinet on the overall financial position of the Authority following the end of month six.

## 2 Investment Income

- 2.1.1 EDDC's treasury management advisors, Capita Asset Services, reports that it undertook its last review of interest rate forecasts on 9 August after the quarterly Bank of England Inflation Report. There was no change in the Bank of England's MPC policy at that meeting. However, the MPC meeting of 14 September revealed a sharp change in sentiment whereby a majority of MPC members said they would be voting for an increase in Bank Rate "over the coming months". It is therefore possible that there will be an increase to 0.5% at the November MPC meeting. If that happens, the question will then be as to whether the MPC will stop at just withdrawing the emergency Bank Rate cut of 0.25% in August 2016, after the result of the EU withdrawal referendum, or whether they will embark on a series of further increases in Bank Rate during 2018.
- 2.2 The overall balance of risks to economic recovery in the UK is currently to the downside but huge variables over the coming few years include just what final form Brexit will take, when finally agreed with the EU, and when.
- 2.3 EDDC's average forecast net annual return (i.e. after deducting fees) on external investments at 0.55% and internal investments of 0.22% is better than the August 2017 average LIBID rates of 0.11% for 7 Days.

|                                    | <b>Annual Budget<br/>£000</b> | <b>Predicted<br/>Outturn<br/>Variation<br/>£000</b> |
|------------------------------------|-------------------------------|---|
| <b>Investments</b>                 |                               |   |
| External investments (Net of Fees) | (238)                         | 74  |
| Internal investments               | (48)                          | 27  |
| <b>Total</b>                       | <b>(286)</b>                  | <b>101</b>  |

## 3 Implementation of the Markets in Financial Instruments Directive (MiFID II)

- 3.1 Legislation called the Markets in Financial Instruments Directive (MiFID II) comes into effect on 3<sup>rd</sup> January 2018.

Under the current UK regime, local authorities are automatically categorised as 'per se professional' clients in respect of non-MiFID business and for MiFID business if they satisfy the criteria for large undertakings. Local authorities that do not satisfy the latter may opt up to elective professional client status if they fulfil certain 'opt-up criteria'.

- 3.2 Following the introduction of the Markets in Financial Instrument Directive 2014/65 ("MiFID II") from 3 January 2018, firms will no longer be able to categorise a local public authority as a 'per se professional client' for both MiFID and non-MiFID business.

Instead, all local authorities must be classified as "retail clients" unless they are opted up by firms to an 'elective professional client' status.

- 3.3 A move to retail client status would mean that all financial services firms like banks, brokers, advisers and fund managers will have to treat local authorities the same way they do non-professional individuals and small businesses. That includes a raft of protections ensuring that investment products are suitable for the customer's needs, and that all the

risks and features have been fully explained. This provides a higher standard of protection for the client but it also involves more work and potential cost for both the firm and the client, for the purpose of proving to the regulator that all such requirements have been met.

Such protections would come at the price of local authorities not being able to access the wide range of assets needed to implement an effective, diversified investment strategy. Retail status would significantly restrict the range of financial institutions and instruments available to authorities. Many institutions are not authorised to deal with retail clients and may not wish to undergo the required changes to resources and permissions in order to do so.

Even if the institution secures the ability to deal with retail clients, the range of instruments it can make available to the client will be limited to those defined under Financial Conduct Authority (FCA) rules as 'non-complex'. In many cases managers will no longer be able to even discuss ('promote') certain asset classes and vehicles with the authority as a retail client.

- 3.4 MiFID II allows for retail clients which meet certain conditions to elect to be treated as professional clients (to 'opt up').

The election to professional status must be completed with all financial institutions prior to the change of status on 3<sup>rd</sup> January 2018.

- 3.5 In order to continue to effectively implement the authority's investment strategy after 3<sup>rd</sup> January 2018, EDDC intends to submit applications for election to be treated as a professional client to all institutions with whom the authority has a relationship.

#### 4 General Fund Position as at Month Six

- 4.1 The following table shows the original budget set for the year and any supplementary estimates approved to date. In year variances identified which are likely to affect the outturn for the year are detailed below:

| <b>General Fund Position</b>                                      | <b>£000</b>   |
|---|---------------|
| <b>Original Budget Requirement (set 22/02/17)</b>                 | <b>11,398</b> |
| Revenue projects funded from 2016/17 earmarked reserves           | 819           |
| Relocation allowances reclassified from capital                   | 200           |
| Month 6 predicted over / (under) spend at year end detailed below | (262)         |
| <b>Predicted Budget Outturn 31/3/2018</b>                         | <b>12,115</b> |

A summary of the predicted over and under spends to the Year End is shown below:

| <b>Predicted over / (under) spends</b>   | <b>Variation as at Month 6<br/>£000</b> | <b>Predicted<br/>Outturn<br/>Variation<br/>£000</b> |
|--|---|---|
| <b>Environment Services</b><br>Car park income due to multiple payment methods   | (130)                                   | (120)   |
| <b>Street Scene</b><br>Recycling income below budget due to a significant reduction in price of cardboard and paper (£100 per tonne reduced to £40 per tonne.)<br>Recycling roll out only part year instead of full year as budgeted<br>Profit share affected by above and large drop in plastics market | 40<br><br>120                           | 40<br><br>100                                       |
| <b>Strategic Development &amp; Partnership Services</b><br>Planning policy reserve funded inspection fees and neighbourhood plan examinations<br>Planning fees reduction due to economic climate   | (100)<br><br>49                         | (100)<br><br>60                                     |
| <b>Finance Services</b><br>Revenues and benefits admin grant<br>Employment costs due to staff vacancies  | (63)<br><br>(49)                        | (63)<br><br>(49)                                    |
| Investment Income variations as above  | 42                                      | 101   |
| <b>Service variations previously reported</b>  | (130)                                   | (130)   |
| <b>Predicted Outturn Total Variations General Fund</b>   | <b>(263)</b>                            | <b>(262)</b>  |

4.1.1 These variations will have the following overall effect on the Council's General Fund Balance:

|   | <b>£000</b>    |
|---|----------------|
| <b>General Fund balance as at 1/4/2017</b>  | <b>(4,198)</b> |
| Transferred to Capital reserve per Outturn report Cabinet 14/6/17   | 406            |
| Predicted net over / (under) spend to year end net of Year end transfers to Earmarked Reserves (from above) | (262)          |
| <b>Predicted General Fund Balance 31/03/18</b>  | <b>(3,854)</b> |

The Council has an accepted adopted range for the General Fund Balance to be within the range of £2,800k to £3,600k. The predicted balance is currently above this range. The final position will be considered at outturn reported in June 2018.



4.2 An analysis of the main income streams is shown below:

|                           | <b>Annual Budget<br/>£000</b> | <b>Variation at Month 6<br/>£000</b> | <b>Predicted Outturn Variation<br/>£000</b> |
|---------------------------|-------------------------------|--------------------------------------|---|
| Building Control fees     | (484)                         | (13)                                 | 0   |
| Car Park income           | (3,210)                       | (260)                                | (250)                                       |
| Local Land Charges income | (264)                         | 0                                    | 0   |
| Planning fees Income      | (1,445)                       | 49                                   | 60  |
| Refuse & Recycling income | (1,639)                       | 160                                  | 140   |

4.4 Summary of Other Reserves:

|                                    | <b>Balance B/f 2017/18<br/>£000</b> | <b>Spend to date<br/>£000</b> | <b>Estimated additional Spend/ (Income)<br/>£000</b> | <b>Predicted Balance C/f to 2018/19<br/>£000</b> |
|------------------------------------|-------------------------------------|-------------------------------|--|--|
| Asset Maintenance Reserve          | <b>(997)</b>                        | 17                            | 31   | <b>(949)</b>                                     |
| Business Rates Volatility Reserve  | <b>(639)</b>                        | 0                             | 0  | <b>(639)</b>                                     |
| Community led Housing Reserve      | <b>(1,210)</b>                      | 23                            | 0  | <b>(1,187)</b>                                   |
| New Homes Bonus Volatility Reserve | <b>(1,431)</b>                      | 0                             | 0  | <b>(1,431)</b>                                   |
| Transformation Reserve             | <b>(483)</b>                        | 0                             | 0  | <b>(483)</b>                                     |

## 5. Housing Revenue Account Position up to Month 6

5.1 In quarter two a comprehensive budget review process has been undertaken with each cost centre allocated to a housing officer and manager, with detailed discussions about current spend patterns and forecasts for the remainder of the year. The review takes into account historical spend patterns, supplier trends and order review.

A summary of the predicted over and under spends to the year end is shown below:

|                            | <b>Variation at Month 6<br/>£000</b> | <b>Predicted Outturn Variation<br/>£000</b> |
|----------------------------|--------------------------------------|---|
| Income (a)                 | 38                                   | 76  |
| Responsive Maintenance (b) | (158)                                | (227)                                       |
| Programmed Maintenance (c) | 43                                   | (150)                                       |
| Special Works (d)          | (175)                                | (210)                                       |
| Major Repairs (e)          | (463)                                | 19  |
| Other                      | <b>(43)</b>                          | <b>(64)</b>                                 |

|   |              |              |
|---|--------------|--------------|
| <b>Predicted Outturn Total Variations HRA</b> | <b>(758)</b> | <b>(556)</b> |
|---|--------------|--------------|

- a) The income from the HRA is forecast to be less than 0.5% over budget driven by marginally lower yields in garage and other rents and income.
- b) The decrease in responsive maintenance has been driven by a further reduction in the requirement for day to day repairs as seen in 2016 as this need is replaced by programmed works.
- c) Programmed maintenance is currently on budget and forecast to be under due to a lower than expected costs of list maintenance and electrical inspections.
- d) Although predicted to be under budget large increases in the asbestos programme have been offset by cost savings elsewhere.
- e) The bathrooms, kitchens and boiler replacement programmes which are due to start in earnest from this month will be working with the contractors to accelerate the programme and catch up the budget underspend in the remaining six months of the year.

5.3 The following table shows the original budget surplus set for the year and the total variations as identified above, which are likely to affect the budget to give a revised budget surplus for the year.

|   |                |
|---|----------------|
| <b>HRA Surplus/Deficit</b>                          | <b>£000</b>    |
| <b>Original Budget surplus</b>                      | <b>(521)</b>   |
| Month 6 predicted net (under)/overspend to year end | (556)          |
| <b>Predicted Budget (Surplus)/Deficit HRA</b>       | <b>(1,077)</b> |

5.4 These variations will have the following effect on the Housing Revenue Account

|   |                |
|---|----------------|
| <b>HRA Balance</b>  | <b>£000</b>    |
| <b>Housing Revenue Account Balance as at 1/04/17</b>                | <b>(7,070)</b> |
| Transfer to Future Housing Development Fund per Outturn CAB 14/6/17 | 3,970          |
| Predicted budget requirement as above                               | (1,077)        |
| <b>Predicted HRA Balance as at 31/03/18</b>                         | <b>(4,177)</b> |

The recommended level for the HRA balance has been agreed at £2.1m (£500 per property) with an adopted headroom of £1m.

|  |  |                               |
|--|--|-------------------------------|
|  | <b>Future Housing Development Fund</b> | <b>HRA Volatility Reserve</b> |
| <b>HRA Retained Reserves</b>                             | <b>£000</b>                            | <b>£000</b>                   |
| <b>Balance brought forward as at 1/4/2017</b>            | <b>0</b>                               | <b>(4,400)</b>                |
| Transfer from Volatility Reserve per Outturn CAB 14/6/17 | (2,800)                                | 2,800                         |

|  |                |                |
|--|----------------|----------------|
| Transfer from HRA balance Outturn CAB<br>14/6/17 | (3,970)        | 0              |
| <b>Predicted balance as at 31/3/18</b>           | <b>(6,770)</b> | <b>(1,600)</b> |

## 6. Capital Programme Position up to Month 6

### 6.1 General Fund Capital programme

The following tables currently estimate the total required from the Capital reserve is £406k. It is estimated that the reserve will be replenished in 2019/20 after the sale of The Knowle.

| <b>Capital Programme</b>                               | <b>£000</b> | <b>£000</b>   |
|--|-------------|---------------|
| <b>Net Capital Programme Budget (Council 22/02/17)</b> |             | <b>13,087</b> |
| 2016/17 projects slipped into 2017/18                  | 4,655       |               |
| <b>Revised 2017/18 budget</b>                          |             | <b>17,742</b> |
| <b>Capital Programme variations</b>                    |             |               |
| Variations previously reported                         | 288         |               |
| Transfer of relocation allowances to revenue           | (200)       |               |
| HRA Affordable Housing                                 | 3,423       |               |
| <b>Predicted Capital Budget Requirement Month 6</b>    |             | <b>21,253</b> |

### 6.2 HRA Capital Programme

Capital expenditure for the year includes affordable housing purchases funded through right to buy receipts and the Future Housing Development Fund.

### 6.3 Capital programme financing

| <b>Capital Programme financed by</b>     | <b>£000</b> | <b>£000</b>     |
|--|-------------|-----------------|
| Use of General Fund Capital Receipts     | (152)       |                 |
| External Loans/Internal borrowing        | (7,254)     |                 |
| S.106 funding                            | (46)        |                 |
| Other grants and contribution            | (272)       |                 |
| General Fund contribution                | (5)         |                 |
| New Homes Bonus                          | (3,010)     |                 |
| Predicted Capital Reserve Contribution   | (406)       |                 |
| <b>Total General Fund Financing</b>      |             | <b>(11,145)</b> |
| HRA Right To Buy Capital receipts        | (1,460)     |                 |
| HRA Future Housing Development Fund      | (3,398)     |                 |
| HRA Other Capital receipts               | (744)       |                 |
| HRA contribution for Major Repairs       | (4,506)     |                 |
| <b>Total HRA Financing</b>               |             | <b>(10,108)</b> |
| <b>Total Capital Programme Financing</b> |             | <b>(21,253)</b> |

| <b>Capital Reserve</b>   | <b>£000</b> |
|--|-------------|
| <b>Capital Reserve as at 1/4/2017</b>                          | <b>0</b>    |
| Transfer to Capital reserve Outturn CAB 14/6/2017              | (606)       |
| Transfer from Capital reserve to Relocation allowances reserve | 200         |
| Use of Capital Reserve to fund 2017/18 Capital programme       | 406         |
| <b>Predicted Capital reserve 31/03/18</b>                      | <b>0</b>    |

**Report to:** Cabinet  
**Date of Meeting:** 1 November 2017  
**Public Document:** Yes  
**Exemption:** None  
**Review date for release:** None



**Agenda item:** 14

**Subject:** Monthly Performance Report September 2017

**Purpose of report:** Performance information for the 2017/18 financial year for September 2017 is supplied to allow the Cabinet to monitor progress with selected performance measures and identify any service areas where improvement is necessary.

**Recommendation:** That the Cabinet considers the progress and proposed improvement action for performance measures for the 2017/18 financial year for September 2017.

**Reason for recommendation:** This performance report highlights progress using a monthly snapshot report; SPAR report on monthly performance indicators and system thinking measures in key service areas including Development Management, Housing and Revenues and Benefits.

**Officer:** Karen Jenkins, Strategic Lead – Organisational Development and Transformation

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**Financial implications:** There are no direct financial implications

**Legal implications:** There are none arising from the recommendations in this report

**Equalities impact:** Low Impact

**Risk:** Low Risk

A failure to monitor performance may result in customer complaints, poor service delivery and may compromise the Council's reputation.

**Links to background information:**

- [Appendix A – Monthly Performance Snapshot for September 2017](#)
- [Appendix B - The Performance Indicator Monitoring Report for the 2017/18 financial year up to September 2017](#)
- [Appendix C – System Thinking Reports for Housing, Revenues and Benefits and Development Management for September 2017](#)

**Link to Council Plan:** Continuously improving to be an outstanding Council

## Report in full

1. Performance information is provided on a monthly basis. In summary most of the measures are showing acceptable performance.
2. There are four indicator showing excellent performance:
  - Percentage of Non-domestic Rates Collected
  - Percentage of planning appeal decisions allowed against the authority's decision to refuse
  - Percentage of Council Tax Collected
  - Working days lost due to sickness absence
3. There is one performance indicator showing as concern.
  - **Days taken to process Housing Benefit/Council Tax Benefit new claims and change events** – The processing times for new claims and change of circumstances shows a general reduction, apart from a peak in February which coincided with the issuing of annual Council Tax bills and a peak in change events in August and September due to the volumes of work we received and our staff resourcing during the summer holiday period. We are now back on track and have no backlogs of work.
4. Monthly Performance Snapshot for September is attached for information in [Appendix A](#).
5. A full report showing more detail for all the performance indicators mentioned above appears in [Appendix B](#).
6. Rolling reports/charts for Housing, Revenues and Benefits and Development Management appear in [Appendix C](#).

# Monthly Performance Snapshot – September 2017



This monthly performance snapshot shows our performance over the last month:

- **5 days** to process your Housing or Council Tax Benefit claims
- **93%** of invoices received by us are paid within 10 days
- **99.8%** of rent due on council owned homes collected % excluding former tenant arrears (98.54% including former tenant arrears).
- We dealt with 163 reactive building maintenance cases at EDDC's public buildings during September 2017, this compares with 179 in the previous month, and 220 in September of 2016. Highlights includes the installation of Defibrillators at the Knowle Council Offices, Camperdown Depot, and Seaton Wetlands.
- Gallery sales during Thelma Hulbert Gallery's new Frances Hatch exhibition in September were up +87% on August (£1,616 – August / £3,014 September)

Latest headlines:

- Planning have submitted a bid to the HCA to try and secure £10 million of funding to support the delivery of the Axminster north/south relief road.
- Building control have undertaken a customer survey which shows that on average customers scored the service overall as a 9 out of 10 and 71% thought it was good value for money.
- Grenadier Estates have come forward with their design proposals for the new watersports centre for phase 2 of the Queens Drive regeneration site in Exmouth. Public Consultations will be held at the end of October.
- Seaton Tramway are now on site with the construction of their new terminus following the granting of a new lease for their main terminus site in Seaton. This has been the culmination of over 2 years of work for the Tramway in securing their planning permission and the Regeneration Team in negotiating the new lease terms. The new terminus will complete the redevelopment of land between the new Tesco and Seaton Jurassic, just off the Underfleet in Seaton.
- The Economic Development team were key in protecting the Kings Arms pub in Stockland against an appeal which sought to reduce the size of the pub and provide residential development in place of the car park and skittle alley. ED successfully argued that this would undermine the future viability of the pub business and result in a net loss of employment space and jobs.
- Wild East Devon Winter events guide has been published. The Wild East Devon winter events guide includes over 100 events delivered by the East Devon District Council countryside team and partner organisations. Events run from October through to April 2018 and include guided walks, crafts activities and wildlife talks. All of the events take place in the East Devon Countryside and aim to inspire people to enjoy our

outstanding environment. Events guides can be viewed online: <https://goo.gl/HT1CVH> or picked up at local libraries and tourist information centres.

- Housing's Designated Tenant Complaint Panel completed its sixth formal complaint review.
- Estate walkabouts were undertaken in Musbury and Shute meeting residents and picking up issues on housing estates, & officers attended resident association meetings at Lower Brook Meadow in Sidford, Lymebourne & Arcot Park in Sidmouth and Harepath Road in Seaton.
- Officers from Housing Landlord Services visited Taunton Deane BC to share their learning during their first year of Universal Credit.
- Thelma Hulbert Gallery won 'Highly Commended' in East Devon AONB's Acland Awards 2017 for the regeneration of their Wild Art garden and coordinating art activities for local schools and families.



**Report to:** Cabinet  
**Date:** 1 November 2017  
**Public Document:** Yes  
**Exemption:** None



**Review date for release** None

**Agenda item** 15

**Subject:** **Robinson Bequest**

**Purpose of report:** To request amendment of the signatories on the Robinson Bequest's National Savings & Investment Account.

**Recommendation:** **That the signatories for the Robinson Bequest be amended to the Head of Finance, the Financial Services' Manager and the Treasury Management Accountant.**

**Reason for recommendation:** The Council administers a bequest, known as the Robinson Bequest, the income from which is used to maintain the Garden of Rest in Beer. The Bequest has an investment held in a National Savings & Investment Account that requires two out of three authorised signatures in order to make a withdrawal. At the Council, there now remains only two authorised signatories; these are the Head of Finance and the Financial Services' Manager. The third signatory has left. It is proposed to appoint the Treasury Management Accountant as the replacement third signatory.

**Officer:** Janet Reeves – Accountant  
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**Financial implications:** Details are contained within the report.

**Legal implications:** There are no legal comments required.

**Equalities Impact:** Low Impact.

**Risk:** Low Risk.

**Links to background information:** None.