

South Somerset District Council

Draft Minutes of a meeting of the **District Executive** held at the **Council Chamber, Brympton Way, YEOVIL, Somerset BA20 2HT on Thursday 1 October 2015.**

(9.30 am - 12.25 pm)

Present:

Councillor Ric Pallister (Chairman)

| | |
|--------------------|-----------------|
| Carol Goodall | Peter Seib |
| Henry Hobhouse | Angie Singleton |
| Jo Roundell Greene | Nick Weeks |
| Sylvia Seal | |

Also Present:

| | |
|----------------|---------------|
| Jason Baker | Sue Osborne |
| Mike Beech | Alan Smith |
| Tim Inglefield | Sue Steele |
| Val Keitch | Martin Wale |
| Tony Lock | Colin Winder |
| Mike Lock | Derek Yeomans |
| David Norris | |

Officers

| | |
|----------------|---|
| Vega Sturgess | Interim Chief Executive |
| Ian Clarke | Assistant Director (Legal and Corporate Services) |
| Donna Parham | Assistant Director (Finance & Corporate Services) |
| Kim Close | Assistant Director (Communities) |
| Steve Joel | Assistant Director (Health & Well-Being) |
| Colin McDonald | Corporate Strategic Housing Manager |
| Helen Rutter | Assistant Director (Communities) |
| Martin Hacker | Communications Officer |
| Jo Morris | Democratic Services Officer |

Note: All decisions were approved without dissent unless shown otherwise.

68. Minutes of Previous Meeting (Agenda Item 1)

The minutes of the District Executive meeting held on 3rd September 2015, copies of which had been circulated, were taken as read and, having been approved as a correct record, were signed by the Chairman.

69. Apologies for Absence (Agenda Item 2)

Apologies for absence were received from Councillors Peter Gubbins, Shane Pledger and Rina Singh (Strategic Director – Place and Performance)

70. Declarations of Interest (Agenda Item 3)

There were no declarations of interest made.

71. Public Question Time (Agenda Item 4)

Public participation was taken at the relevant agenda item.

72. Chairman's Announcements (Agenda Item 5)

There were no announcements made by the Chairman.

73. Westland Leisure Complex (Agenda Item 6)

The Chairman confirmed that confidential papers detailing the key findings from the survey work and updated financial implication information had been circulated to Councillors.

The Portfolio Holder for Leisure and Culture commented that the report was very comprehensive. She explained that the report had been prepared as part of the Council's work to give serious consideration to the refurbishment and operation of facilities at the Westlands Sports and Leisure Complex on a broadly similar basis to their current use. Its purpose was to present the key findings from the surveys that were sought by the District Executive meeting held on 3rd September, to assess the financial implications of SSDC entering into an agreement with Finmeccanica-Agusta Westland to take over the management and operation of Westland Leisure Centre and to supply Councillors with sufficient information so that a decision could be taken.

The Committee was addressed by Paul Saunders representing the Pistol Club, Paul Hurley, Chairman of Augusta Westland Retirement Association, Rob Fox, Chairman of Westland Cricket, Edgar Herridge, Ted Callow, Carol Barge and Michael Amor of the Allotment Association. Their comments included:-

- The complex would suffer if the sports facilities and entertainment complex were divided;
- There were lots of new housing projects within the town and those residents would need somewhere to play sports;
- With the right management and constitution the complex could become a focal point for sports and entertainment;
- The Retirement Club was the largest user of the complex for 34 years with over 200 people regularly attending events;
- Support for an annual membership fee and volunteers to be involved with the complex;
- Support for links to Augusta Westland to remain;
- The Westland Cricket Club community had extended beyond its 150 members with a flourishing schools programme, community open days and hosting of county standard youth and disabled games; and took the spread of their work to over 500 young people and adults;
- The England and Wales Cricket Board had made a firm commitment to financial assist with a new cricket pavilion, the support from the governing body would help reduce the figures the Council would need to fund;

- Highlighted the strategic importance of Westland Cricket Club to the Somerset Cricket Board;
- Both the Somerset Cricket Board and the England and Wales Cricket Board had highlighted Yeovil for significant investment in the coming years however without a cricket club in the town the investments would not be viable;
- This opportunity was about creating a leisure complex for all to enjoy;
- It was felt that consideration should be given to using volunteers to help run the entertainment venue;
- Bingo sessions had been running at Westlands Sports and Leisure complex for about 25 years and were attended by over 200 people each evening;
- The Allotment Society had received enquiries from the wider community about the availability of allotments and it was hoped they could be accommodated with a plot in the future.

The Assistant Director (Health and Well-Being) provided members with a powerpoint presentation. He reminded members that further information had been requested at the September District Executive on the roof structures, the mechanical and electrical systems, the structure of the retaining walls and previous hire and bookings and this information was included in the confidential papers.

He advised that since the last Executive, a Project Board had been formed and a risk log had been prepared and Property advisers had also undertaken the requested pieces of work. The key findings highlighted that there were no major issues with the roof structure although there was a need to replace the flat roof coverings and the down pipes and treat the end lap corrosion and corroded fixings. The costings had been updated accordingly. He referred to the mechanical and electrical systems report which identified items that needed to be repaired or replaced and those costs had been fully incorporated into the project costs. In terms of the hire analysis, he advised that the function and facility hire figures for the last two years had been triangulated which indicated that the reported income was understated by approximately £31k over the two years.

The Assistant Director (Health and Well-Being) also advised that the sports facility only option had been looked at and discussed with Augusta Westland (AW) to obtain their view. AW had indicated that they would be willing to consider the option and present it to the Board however their preference was for SSSDC to take over the whole complex and that if this was the preferred option there would be no financial support from them or Yeovil Town Council. The sports facilities would be expensive to operate on a stand alone basis and the ticket levy couldn't be used to finance the sports facilities. He confirmed that a risk log had been prepared and would evolve and be monitored by the project team as the project progressed.

The Assistant Director (Finance & Corporate Services) updated members on the following financial aspects of the project:

- The principles of capital spend;
- Estimated expenditure and income associated with the project;
- Impact on capital receipts;
- Benefits of borrowing including the revenue implications;
- The current SSSDC budget position and the need for members to reallocate resources in line with priorities;
- The affordability of the project and the impact on balances.

The Chairman of Scrutiny Committee said that members had sought clarification about contributions from neighbouring Parish Councils – which Parishes have been approached and what commitments have been received to date? Members asked if a Business Plan would be available prior to the final decision on 13th October? Members noted that the report does not mention in any detail the potential for separating the sporting facilities from the social complex, and although a verbal update was provided at the Scrutiny meeting by the Assistant Director, Scrutiny members would ask that this information is included in the final report to Council. Scrutiny members appreciated the additional financial information provided by the s151 Officer which outlined the financial impact and the affordability of the recommendations. Scrutiny members voted on the recommendations as contained in the report and the voting was as follows: 5 in favour, 3 against and 3 abstentions.

During a lengthy discussion, Members made a number of comments which included the following:

- The complex was incredibly important to SSDC as a whole;
- The financial risks were large but manageable;
- A more intensive use of the facilities in certain key areas was likely to change the way that the people in the region would see Yeovil;
- It was clear that splitting the site was not an option and it should be considered as a whole;
- The project was an opportunity to bring a district facility to be used by everybody;
- The facility was extremely important to the local community;
- It was suggested that recommendations 4 c and d be amended to include the words 'up to';
- Managed and promoted in the right way, the facility could be profitable in the future;
- It was suggested that recommendation 5 be amended to include the words 'ongoing revenue support';
- The Council's priority of improving the health and well-being of the community was extremely important;
- The risks had been adequately evaluated.

At the conclusion of the debate the recommendations were amended to reflect discussion and were duly proposed and seconded, and on being put to the vote, were carried (voting: 6 in favour, 0 against, 1 abstention).

RESOLVED: That the District Executive agreed:

1. To recommend to Council they approve a 30 year internal loan of £1,865,046 at 2.96% interest for use towards refurbishment, to be repaid through the introduction of a Facility Levy.
2. Subject to approval by Council of recommendation 1 above, authorise the Assistant Director (Health and Well-Being) in conjunction with Portfolio Holder (Leisure and Culture) to:
 - a. Submit and negotiate the Statement of Principles set out in Appendix 6 with AugustaWestland (AW).
 - b. Seek an annual financial contribution from Yeovil Town Council (YTC) towards the revenue costs and seek additional financial

support from the other adjacent Parish Councils.

3. Subject to approval by AgustaWestland (AW) of the Statement of Principles authorised the Assistant Director (Health and Well-Being) in conjunction with the Assistant Director (Legal and Corporate Services), Assistant Director (Finance and Corporate Services) and Portfolio Holder (Leisure and Culture) and the Leader of Council to negotiate and finalise the Lease, Funding Agreement and Business Transfer Agreement
4. Subject to agreeing terms of the Lease, Funding Agreement and Business Transfer Agreement with AW, and a Funding Agreement with Yeovil Town Council (YTC) and other funding partners, pursuant to recommendations 2 and 3 above:
 - a. Enter into an agreement with AW to take over the management and operation of the Complex for a 30 year term.
 - b. Approve the use of up to £62,495 of general revenue balances to fund the revenue required to finance the operation of the facility, adding the requirement to the Medium Term Financial Plan (MTFP).
 - c. Approve the once-off use of up to £86,237 of general revenue balances that may be required to fund the PWLB Equal Instalment Loan repayments whilst the Facility Levy scheme is implemented during year 1.
 - d. Approve the once-off use of up to £60,000 of general revenue balances during the first year from handover to cover the net loss of revenue associated with the planned refurbishment works.
5. Subject to achievement of recommendation 1, authorised the Assistant Director (Health and Well-Being) in conjunction with Portfolio Holder (Leisure and Culture) to work with the clubs and individuals supporting the venue and petition to raise further funds towards the overall £2.628m estimated refurbishment costs and ongoing revenue costs.

Reason: To assess the financial implications of South Somerset District Council potentially entering into an agreement with Finmeccanica – AgustaWestland to take over the management and operation of the Westland Sport and Leisure Complex

(voting: 6 in favour, 0 against, 1 abstention)

74. Medium Term Financial Strategy and Plan (Agenda Item 7)

The Portfolio Holder for Finance and Legal Services introduced the report noting that there were lots of unknown areas at the present time on this report. There were many decisions that were pending particularly with the Council awaiting the Autumn Statement. He noted that the Council was in the middle of a process of identifying a substantial level of savings. There was a need to consider new ways of working and working with other partner Councils in order to achieve the necessary savings; and to seek ways of turning capital to good use to support revenue. He noted that the situation was looking positive and beneficial with regard to the pooling of business rates and recommended that the final decision on whether the Council remains in the Somerset Business Rates Pool for 2016/17 be delegated.

The Assistant Director (Finance & Corporate Services) advised that the report was the start of the budget process for the current year.

In response to a member question on the New Homes Bonus (NHB), the Assistant Director (Finance & Corporate Services) advised that the amount of NHB being used to fund the MTFP would give the authority time to make any cuts necessary in a measured way should NHB funding be withdrawn particularly as government announcements were being delayed each year.

The Scrutiny Committee Chairman asked for clarification on the process being followed to refresh the Council Plan as clarity on priority and non-priority areas was crucial for the budget setting process. Scrutiny members also commented that having a refreshed Council Plan should inform all the major decisions facing members in the coming weeks.

The Chairman noted that the Council Plan would change if the Council were to make decisions on the Westland Leisure Complex and joint working with another authority. The refresh of the Council Plan would be given a high priority and approved by Council by the end of the year to feed into the budget process.

At the conclusion of the debate, members were content to approve the recommendations of the report.

RESOLVED: That the District Executive:

1. Approved the current Medium Term Financial Strategy;
2. Approved that £314,000 in Council Tax Reduction Grant be passported to support Town and Parish Councils' Precepts;
3. Approved in principle that South Somerset District Council remain in the Somerset Business Rates Pool for 2016/17 with a final decision delegated to the Assistant Director – Finance and Corporate Services in Consultation with the Leader and Finance Portfolio Holder;
4. Noted the current position and timetable for the Medium Term Financial Plan.

Reason: To advise members of the Medium Term Financial Strategy and the current position on the MTFP (Revenue Budgets for 2016/17 to 2020/21).

75. Affordable Housing Development Programme (Agenda Item 8)

The Chairman, as Portfolio Holder introduced the report. He referred to the overall delivery and net gain of affordable housing and noted that the projection for the current financial year was 226, which he considered to be a good projection. With regard to affordable homes delivery he felt that the Council had done a good job in trying to keep the balance between rural and urban delivery. He highlighted that the Council had received a high level of public subsidy associated with completed schemes particularly from the Homes and Communities Agency.

The Corporate Strategic Housing Manager drew members' attention to some minor amendments in the report as follows:

Recommendation e – to read ref section 9

Recommendation f – to read ref section 10

He also referred to Appendix B of the report and explained that the asterisk against some schemes referred to schemes where properties had been delivered in previous years.

The Corporate Strategic Housing Manager drew members' attention to several details in the report and highlighted that 181 properties had been completed in the last financial year which was considered to be a good outcome. He referred to the slippage in the programme namely the Lufton development and the demise of Brookvale and gave further information on the proposed new allocation of funds including a new rural scheme in Misterton and some specialist bungalows in Yeovil.

The Chairman of the Scrutiny Committee thanked the officer for a very detailed and thorough report and asked that funding generated by HG4 and the geographical spread be kept under review and reported to members.

During a brief discussion on the report, a member paid tribute to the officers and organisations involved with the reform of the sites affected by the demise of Brookvale and was pleased to note the emphasis on Chard numbers.

At the conclusion of the debate members were content to agree the recommendations of the report.

RESOLVED: That the District Executive:

- a. Noted the outturn position of the Affordable Housing Development Programme for 2014/15 [*ref section 6*];
- b. Allocated £139,000 to Stonewater for Queensway, Yeovil [*ref section 8*];
- c. Confirmed the de-allocation of funds from BCHA [*ref section 8*];
- d. Allocated £120,000 to Knightstone for Jarman Way (Furnham Road), Chard [*ref section 8*];

- e. Allocated £396,661 to Yarlington for a scheme at Misterton, subject to planning permission *[ref section 9]*;
- f. Allocated £315,000 to Yarlington for three 3 bedroom bungalows in Yeovil, subject to planning permission *[ref section 10]*;
- g. Agreed the principle of making an allocation to Stonewater for the provision for those with Learning Disabilities *[ref section 11]*;
- h. Noted the outcome of the Housing Association selection review process in collaboration with Mendip District Council. *[ref section 12]*;
- i. Confirmed the approach suggested with respect to the aggregation of funds raised under planning policy HG4 *[ref section 13]*;
- j. Confirmed the delegation of authority to allocate funds raised under HG4 to specific schemes to the portfolio holder. *[ref section 13]*.

Reason: To update the Executive on the final position of the Affordable Housing Development Programme for 2014/15 and future prospects in the light of recent Government announcements.

76. Loan to Hinton St. George and Locality Rural Community Services Ltd (Agenda Item 9)

The Executive was addressed by David Clements, Chairman of Hinton St George Rural Community Services. He referred to the aging population in Hinton St George with many people being unable to drive and commented it was critical for a shop and post office to be located in the village. He confirmed that the first of the loans had been repaid and that they were in the process of paying off their current commercial mortgage, however, the biggest exposure as a business in going forward was the rise in interest rates. The business had excellent staff and an efficient group of volunteers. The business had a stable financial situation and cash flow had improved with the financial forecast due to be met for the year. He asked members to support the Groups funding application.

The Portfolio Holder for Finance and Legal Services introduced the report and referred members to the risk matrices outlined in the report and commented that there was a low financial risk in taking the decision which supported community priorities.

In response to a member comment, the Assistant Director (Finance and Corporate Services) confirmed that the loan agreement would include a first charge on the property and that the value of the property would be assessed and details would be included in the report to Full Council.

The Chairman of Scrutiny Committee sought reassurance that SSSDC would have first charge on the property if the loan is agreed and agreed with the suggestion that the Loans policy should be revisited in light of the number of reports now coming forward to Council for approval.

In response to a member comment, the Assistant Director (Finance & Corporate Services) confirmed that the Councils Loans Policy was currently in the process of being updated to reflect more modern pricing and reduce the frequency of loan requests needing to be considered by Full Council.

Members unanimously agreed the recommendation of the report.

RESOLVED: That District Executive recommend full Council approve a loan of £190,000 to Hinton St George and Locality Rural Community Services Ltd.(HCRS), to be repaid over 20 years, from the available capital balances and under the terms of SSDC's loans policy (with the exception that the loan is for £190,000 over 20 years).

Reason: To request that full Council approves a loan of £190,000 to Hinton St George and Locality Rural Community Services Ltd. (HCRS).

77. Wyndham Park Community Facilities and Primary School Provision (Agenda Item 10)

The Chairman, as Portfolio Holder introduced the report and explained that approval was sought to allow SSDC to obtain an option on an adjacent site to enable the provision of both the community facilities and a 7 classroom school. He advised that the option would only be required in the event that the forthcoming application for residential development UP Mudford Sustainable Urban Extension was not approved by spring 2016.

The Area Development Manager (South) advised that valuations had now been received. She reiterated that there was an acute lack of school places in Yeovil and that that this was having an impact on families within the town particularly within the Wyndham Park area as well as a lack of community facilities. It was extremely important to allow the development to go ahead in order for a school to be open in 2017.

During a short discussion on the item, members sought assurances that the provision of additional parking would continue to be discussed.

At the conclusion of the debate, Members confirmed the recommendations of the report.

- RESOLVED:** That the District Executive approved:
1. That if required, SSDC obtains an Option to purchase the land required for a 7 classroom school at the Up Mudford Sustainable Urban Extension (SUE) in order to secure the current Wyndham Park 7 Class School site for the purpose of providing a community hall/playing field. On condition that any Option would carry a Deferred Payment Period of 3 years from the date of acquisition to allow the developers of the Up Mudford site time to secure the appropriate planning approval.
 2. That access be granted to Somerset County Council (SCC) for a temporary construction road across the SSDC verge at Lyde Road. Allowing the School site to be brought forward before the

housing triggers in the Section 106 Agreement are reached.

Reason: To update members on progress regarding the provision of community facilities to serve Wyndham Park, Yeovil.

78. Community Right to Bid Quarterly Update Report (Agenda Item 11)

The Chairman referred to the response he had received from the Secretary of State for Communities and Local Government and drew members' attention to the online government consultation.

The Assistant Director (Communities) updated the report and advised that Barrington School and field had been placed onto the Register of Assets of Community Value. She advised that The Smithy Inn, Charlton Musgrove had been subject to appeal and had now been rejected. She noted that Castle Cary Constitutional Club had been sold and a nomination had been received to place the asset on the register.

During discussion, members felt that it was important for the officer and member costs associated with Community Right to Bid to be raised as part of the consultation process. The Assistant Director (Communities) agreed to take this issue forward as part of her feedback to the government consultation.

Members were content to note the report.

RESOLVED: That District Executive noted the report.

Reason: To inform members of the current status of the register of Assets of Community Value in South Somerset using the Community Right to Bid during quarters one and two of the 2015/16 financial year

79. District Executive Forward Plan (Agenda Item 12)

The Chairman of the Scrutiny Committee asked when the issue of two hours free car parking (as discussed via a Motion to Full Council) would be included in the Forward Plan – at the time, members were informed that any decision on this would have to be taken as part of the 2016/17 budget setting process which is underway.

In response, the Interim Chief Executive confirmed that work had been undertaken on the issue and that the item would be considered within the budget report.

It was requested that the consultation document on Right to Bid be included in the list of current consultations.

RESOLVED: That the District Executive:-

1. approved the updated Executive Forward Plan for publication as attached at Appendix A.

2. noted the contents of the Consultation Database as shown at Appendix B.

Reason: The Forward Plan is a statutory document.

80. Date of Next Meeting (Agenda Item 13)

Members noted that the next scheduled meeting of the District Executive would take place on Thursday 5th November 2015 in the Council Chamber, Council Offices, Brympton Way, Yeovil commencing at 9.30 a.m.

.....
Chairman

.....
Date