

## SWT Corporate Scrutiny Committee - 4 January 2023

Present: Councillor Sue Buller (Chair)

Councillors Norman Cavill, Simon Coles, Tom Deakin, Ed Firmin, Libby Lisgo, Dave Mansell, Nick Thwaites and Loretta Whetlor

Officers: Sam Murrell, Marcus Prouse, Chris Hall, Paul Fitzgerald, Alison Blom Cooper, Joe Wharton

Alison North via zoom until 6:45pm. Amy Tregellas via zoom.

Also Present: Cllrs Mike Rigby, Dixie Darch and Sarah Wakefield

Councillors Janet Lloyd, Brenda Weston and Gwil Wren attended via zoom

(The meeting commenced at 6.15 pm)

### 76. Apologies

Apologies were received from Cllrs Habib Farbahi (subs Cllr Tom Deakin), Gwil Wren (present via zoom and subs by David Mansell), Marcus Kravis, Nicole Hawkins and Simon Nicholls. Cllr Benet Allen the Executive Member for Resources also submitted his apologies.

### 77. Minutes of the previous Corporate Scrutiny Committee

The Minutes of the previous meeting of Corporate Scrutiny Committee held on Wednesday 7 December 2022, were confirmed as a true record.

Prop: Coles / Sec: Whetlor (approved by those present at the meeting).

### 78. Declarations of Interest

Members present at the meeting declared the following personal interests in their capacity as a Councillor or Clerk of a County, Town or Parish Council or any other Local Authority:-

Name	Minute No.	Description of Interest	Reason	Action Taken
Cllr N Cavill	All Items	SCC, West Monkton & Shadow Taunton Town	Personal	Spoke and Voted
Cllr S Coles	All Items	SCC, Taunton Charter Trustee & Shadow Taunton Town	Personal	Spoke and Voted
Cllr T Deakin	All Items	SCC, Taunton	Personal	Spoke and Voted

		Charter Trustee & Shadow Taunton Town		
Cllr L Lisgo	All Items	Taunton Charter Trustee & Shadow Taunton Town	Personal	Spoke and Voted
Cllr D Mansell	All Items	SCC	Personal	Spoke and Voted
Cllr N Thwaites	All Items	Dulverton	Personal	Spoke and Voted
Cllr L Whetlor	All Items	Watchet	Personal	Spoke and Voted

79. **Public Participation**

No items or questions had been submitted in advance of the meeting for public participation.

80. **Update on Local Government Review**

This item was brought forward on the agenda to enable the Portfolio Holder for Local Government Reorganisation (LGR) and the Community Governance Review (CGR), Cllr Sarah Wakefield to attend Ruishton Parish Council meeting.

**LGR - Digital Changes**

Marcus Prouse updated the Committee on the proposed digital changes which are due to take place from 5pm Thursday 19 January until 8am Monday 23 January. This important work is to move all the ICT systems over to the SCC platform in advance of vesting day. Some of the other districts have already transferred and it is hoped that the lessons learnt will enable a smooth transfer for SWT. Members should save all work on their device and log out by 4.45pm on 19 January. All systems will be shut down by 5pm and any unsaved work will be lost. There will be no access to IT during this period and into week commencing 23 January.

SWT iPads and SWT mobile phones do not need to be left on but there will be no access to any Microsoft 365 apps such as Outlook, OneDrive, Teams, Word, Excel, etc. during the cutover weekend. Mobile phones can be used to make and receive calls and text messages.

After the cutover weekend (from Monday 23 January), priority will be given to restoring customer facing services first and getting staff operational again. Support for Members is being planned for later in the week and details will be issued as soon as they are available.

**LGR – Peer Review**

The outcome of the Peer Review was that the assessing team could see the level of work and activity was progressing well in anticipation of vesting day, but that a more long-term view needed. It was highlighted that whilst it was necessary for all operations and systems to be safe and legal on the 1 April, it would be the

ongoing work towards transformation that would make the savings as outlined in the One Somerset business case. Overall, however the assessment was very positive and there was a recognition that the various work streams and teams were working well together.

### **LGR – Local Community Networks (LCN)**

A report will be taken to the SCC Executive Committee on 18 January which will outline and make recommendations for the LCN geographies and boundaries. It is likely that these will be slow to implement and unlikely to be ready for Day1 of the new Council. Budgets and Governance need to be aligned and this may take some time. Parish Councils who wish to take on assets and or services from the principal council will need to precept for this themselves and make provision in their budgets. Unlike the larger councils, parishes are not subject to capping on their precept, so can set it at a higher rate if they wish.

### **LGR – Planning Committees**

The Planning process is being reviewed across the 4 district councils, and the new planning constitution is being drawn up. This is due to be taken to the Constitution and Governance Committee at SCC on the 30 January 2023. At the present time, due to the fact there are 5 local plans in existence, (as SWT has 2, inherited from former West Somerset and Taunton Deane DC) it is proposed to have 4 planning sub-committees determining applications within the geography of the respective Local Plans. The members determining the applications will be representative of their local area and will have knowledge of current planning legislation and issues.

### **LGR – Recruitment of Executive Directors**

This is currently happening with the Tier2 appointments going through the interview process and selection. The outcome will shape the nature of services going forward.

### **LGR Workstreams**

Service workstream check-lists are being worked through to ensure that nothing is missed prior to vesting day.

All staff have now been transferred to the SAP Payroll IT system so that they are on one platform prior to vesting day.

### **CGR – Taunton Town Council**

Work is ongoing. The legal challenge that was presented to SCC is being worked through at County level.

The following comments and questions were received: -

- Cllr Whetlor reminded the Committee that just because Parish Councils were not subject to having their precept capped, it did not mean that they should increase it substantially. The burden to pay would fall on the Council Taxpayer who was already experiencing hardships due to the Cost-of-Living crisis. It would be more prudent to adjust the precept at a reasonable level and see what services were affordable.

- Cllr Cavill asked if there would be consistency in the planning process across the new Council? *Whilst there are 5 local plans and various IT systems there cannot be consistency as the 4 local sub-committees will be working to different guidelines. The first priority will be to get all the areas onto 1 ICT system and going forward to draw up a Local Plan for the whole of Somerset. In the meantime, the work-around is to ensure that the sub-committees are operational and can be ready to work from Day1.*

Cllr Wakefield left the meeting at 6:50pm

#### 81. **Corporate Scrutiny Request/Recommendation Trackers**

There were no updates to report on the recommendation tracker.

Members are still waiting for a response on the call abandonment rate for customer services. This is to be provided later in January.

The committee noted the trackers.

#### 82. **Corporate Scrutiny Committee Forward Plan**

Cllr Whetlor and Marcus Prouse confirmed that a verbal update and presentation on the Public Transport Task and Finish group would be provided at the 1 Feb 2023 meeting.

The Local Labour Agreements (Planning Policy Report) would also be brought forward on that date.

#### 83. **Executive and Full Council Forward Plan**

The Committee noted the Executive and Full Council Forward Plans.

#### 84. **Planning Performance Update**

Executive Councillor Mike Rigby, (Planning, Transportation and Economic Development), introduced the report and described the challenges the planning service is currently experiencing which include: Recruitment and retention of staff; phosphates and the impact of moving to the Unitary Council.

The report author, Alison Blom Cooper made a presentation to the Committee which can be accessed [here](#).

Questions and comments from the Committee were as follows:-

- *Is phosphates the sole reason for the planning backlog? It is a contributing factor, but lack of resource due to recruitment and retention of planning staff has also been an additional challenge. Some applications take a long time to process because planning officers are waiting on requested information from the applicant. The application stalls because the required information is not provided.*

- Is the 5yr Housing Supply figure a target or advisory? *The Secretary of State has indicated that this is to start a conversation, but guidance is needed before numbers can be reduced.*
- How are phosphate credits calculated? Is this information available on the website, so that prospective applicants can refer to it? [Report to the Phosphates Planning Sub Committee - Progress on the Interim Strategy and determinatio.pdf \(somersetwestandtaunton.gov.uk\)](#). *A Phosphate Budget Calculator and other information is available to view on the [SWT website](#).*
- Why are different wastewater treatment works awarded different phosphate credits? *This is determined by the efficiency of each water treatment plant. Better treatment plants will generate a greater number of credits.*
- What is happening with planning enforcement as the service seems to have deteriorated in recent months? *Cllr Rigby explained that planning enforcement was not a statutory part of the service, and it has struggled recently due to lack of resources. He agreed however, that more should be done and hoped that this was something that the new unitary would tackle robustly. New officers have been employed who have taken a while to find their feet, but they are now working through the backlog.*
- Why do applicants tend to withdraw their applications before receiving a determination? *Usually this happens when it looks like the application is heading for refusal. Applicants will withdraw the application in order to go away and work on it. They will then re-submit later.*
- How is the 5 year land supply affected by the phosphates backlog? *SWT and the Planning Inspectorate are evaluating what is deliverable and looking at land availability. Estimates are then being made.*
- Who is on the Phosphates Nutrient Group? *This is made up of representatives from the 5 Councils and the nominated representative for SWT is Executive Councillor Derek Perry who has responsibility for Phosphates. His substitute is Executive Councillor Mike Rigby.*
- What are windfall sites? *These are small sites that come forward that were not previously listed in the Local Plan. Figures are predicted but look at historical data to make an assessment.*
- Cllr Lloyd requested more information from enforcement officers, and regular updates in respect of the Listed Buildings and conservation area around Tonedale Mill, Wellington. This was her ward area and she often received queries from concerned member of the public.
- How can developers who are considering renovation of existing buildings find help in overcoming the phosphate issue, especially when there is limited opportunity for mitigation? *Extensive information is available on the [SWT website](#) which should provide some assistance. If not, then please follow up with a member of the planning team.*

Cllr Buller concluded the item by thanking Alison Blom Cooper for an informative presentation. It highlighted that communication was key, especially around the challenges and backlogs being experienced by the Planning team.

85. **Access to Information - Exclusion of the Press and Public - Appendix A only**

The committee voted to move into confidential session if it was necessary to discuss Item 11, Appendix A.

Prop: Coles / Seconded: Thwaites – (Unanimous)

86. **Commercial Property Investment Activity and Performance Report**

In the absence of the Executive Councillor for Resources, Benet Allen, the report was introduced by Chris Hall, Deputy Chief Executive and Director of Place and Climate Change.

Chris stated that it was a positive report which provided an overview of the current position. No acquisitions or disposals had taken place since December 2021, and all commercial obligations have been met. The commercial investment portfolio is now in the working phase.

A question was raised at the Scrutiny pre-meeting regarding the amount of debt remaining for the Council's commercial investment. This is outlined in paragraph 5.7 in the report and was also covered in further detail in a report to Audit and Governance Committee on 7 November 2022 providing an update in the response to the external auditor's annual report.

[https://democracy.somersetwestandtaunton.gov.uk/documents/s20502/External Auditors 2020-21 key recommendations update.pdf](https://democracy.somersetwestandtaunton.gov.uk/documents/s20502/External%20Auditors%2020-21%20key%20recommendations%20update.pdf)

The debt position can be summarised as follows:

	£000
Total capital investment	98,965
Less: Amount financed using revenue funds	-3,520
Equals: Amount financed using borrowing	95,445
Less: Borrowing repaid in 2021/22 and 2022/23 (known as MRP)	-3,882
Current balance of residual borrowing (92.5% of total initial investment)	91,563

The total amount paid off of the initial investment to date is therefore £7.402m (3520 + 3882 per table above).

Comments from the Committee were as follows:-

- Cllr Lisgo asked on a point of clarity if the Commercial Investment portfolio included the SWT housing stock? *The housing stock is separately ring-fenced within the Housing Revenue Account (HRA). It is not part of the Commercial Investment Portfolio.*
- Cllr Mansell asked how many low-cost loans applied to the commercial investment portfolio? *The Council's total borrowing position is determined within Treasury Management. This is currently set at £73 million for low-*

*cost loans. The majority of this will be tied into the Commercial Investment Portfolio.*

- Steelite International Limited – This was the largest acquisition within the portfolio. It was tied into a long-term lease and was performing adequately, but due to its high usage on utilities and the impact of the Cost of Living Crisis it was prudent to flag this as a risk.
- Aztec West – Concern was expressed that one of the suites was currently empty. Jo Wharton confirmed that rent was being paid under the break-clause, and that it could be favourable as some of the neighbouring tenants were considering expanding. It may be possible to enlarge one of the other rented suites to incorporate this, which would increase the rental income and maintain a good relationship with the tenant.
- A Commercial Property Investment Specialist, Harvey Gardner was now employed by SWT to build relationships with the occupiers of the commercial spaces and ensure good landlord/tenant liaison.
- The income repayments have come from a variety of areas: Reduction in reserves, debt repayments, treasury management and reallocation of underspends from previous years.

Cllr Buller finished by saying that the responsibility for the portfolio would soon rest with the new authority, and uncertain times were ahead. She was concerned about the amount of investment in Steelite, due to the big charge against it from the USA commercial investors. She recognised however that SWT was being as prudent as it could be and thanked the officers for a comprehensive overview.

It had not been necessary to enter into confidential session, so the meeting was concluded.

### **Post Minute Note**

Cllr Cavill requested a breakdown on the how the debt repayments related to investment activity have been funded. Paul Fitzgerald provided the following summary after the meeting:-

The total repayment of debt in 21/22 and 22/23 totals £7.402m as set out in the report, which has been funded as follows:

£1.805m	From investment income
£2.597m	From Business Rates Risk reserve surplus and Pooling gains
£2.000m	From Budget Risk Reserve surplus
<u>£1.000m</u>	From General Reserves
£7.402m	

(The Meeting ended at 8.17 pm)