

South Somerset District Council

Minutes of an informal meeting of the **District Executive** held as a **Virtual Meeting using Zoom meeting software on Thursday 2 September 2021.**

(9.30 am - 11.30 am)

Present:

Councillor Val Keitch (Chairman)

Jason Baker
Mike Best
John Clark
Peter Gubbins

Henry Hobhouse
Tony Lock
Peter Seib



Also Present:

Brian Hamilton
Sue Osborne
Gerard Tucker

Linda Vijeh
Martin Wale

Officers:

Jane Portman	Chief Executive
Jan Gamon	Director (Place and Recovery)
Kirsty Larkins	Director (Service Delivery)
Jill Byron	Monitoring Officer
Karen Watling	Interim Section 151 Officer
Paul Matravers	Lead Specialist (Finance)
Helen Morris	Specialist Team Manager
Alison Hann	Specialist - Revenues
Peter Paddon	Lead Specialist (Economy)
Brendan Fisher	Property & Development Project Manager
Joe Walsh	Specialist (Economic Development)
Stephanie Gold	Specialist (Scrutiny & Member Development)
Angela Cox	Specialist (Democratic Services)
Becky Sanders	Case Officer (Strategy & Support Services)

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

57. Minutes of Previous Meeting (Agenda Item 1)

The minutes of the previous meetings held on 5th August and 17th August 2021 were approved as a correct record and would be signed by the Chairman.

58. Apologies for Absence (Agenda Item 2)

Apologies for absence were received from Councillors Adam Dance and Sarah Dyke.

59. Declarations of Interest (Agenda Item 3)

There were no declarations of interest made by members of the Committee.

60. Public Question Time (Agenda Item 4)

There were no questions from members of the public.

61. Chairman's Announcements (Agenda Item 5)

The Chairman advised Members of the death of the ex-Leader of Council, former Councillor Tim Carroll, at the weekend. She said a full tribute would be paid to him at the next Council meeting on 16 September and she had sent her condolences to the family.

62. Additional Restrictions Grant - Discretionary Business Support Scheme (Agenda Item 6)

The Portfolio Holder for Economic Development advised that the Government had introduced a number of grants to businesses as a result of the COVID pandemic which SSDC had dispersed.

The Specialist for Economic Development advised that the additional restrictions grant commenced in November 2020 and did not cover the grant funding awarded in the first COVID lockdown period or the grants for businesses required to close in November 2020. SSDC had provided the grant funding to businesses as quickly as possible throughout the pandemic and the report requested the delegated authority allocate the remaining Additional Restrictions Grant funding to ensure the funding was allocated appropriately. There were a number of example schemes listed in the report. He noted that the Scrutiny Committee had raised several questions and his responses were:-

- The Government's preference was for the funding to be for business grants and this would be prioritised however, businesses may be encouraged to attend some support training sessions to ensure the grants were spent appropriately.
- Promotion of the grants scheme had been through the Communications Team via press releases, social media, SSDC website and local chambers of commerce. They had also engaged with local business groups.
- The grant funding received in November 2020 was to last until March 2022 but further funding was made available in January and March 2021.

- There was approximately £1m left in the Additional Restrictions Grant allocation to be spent before March 2022.

In response to questions, the Specialist for Economy advised:

- There was a timescale for businesses to be established before they qualified for any grant funding.
- It was unlikely that businesses affected by the recent flooding in the Chard area would be eligible for the funding.
- The split of grant funding and business support initiatives was likely to be around 75% / 25%.

The Chairman of the Scrutiny Committee thanked both Portfolio Holder and officers for attending their meeting and answering their questions. He encouraged officers to engage with all Chambers of Commerce across the district.

At the conclusion of the debate, Members unanimously agreed the recommendations be proposed to Council for approval.

RESOLVED: That District Executive recommend that Full Council agree to:-

- a. delegate authority to the Director of Place and Recovery, in consultation with the Director for Service Delivery, Section 151 Officer and the Portfolio Holder for Economic Development, to allocate the remaining Additional Restrictions Grant funding. It is anticipated that this may include relevant grant schemes and business support initiatives consistent with the stated aims of the Recovery and Renewal Strategy, Council Plan and the Economic Development Strategy.

Reason: To note the Additional Restrictions Grant – Discretionary Business Support Scheme and to seek approval on its future spend.

63. Council Tax - Care Leavers Discount Review (Agenda Item 7)

The Portfolio Holder for Finance and Legal Services advised that the report proposed to align SSDC with the remainder of Somerset councils and improve the service for care leavers. He noted that the Equality Impact Assessment outcomes were all positive and there were only a small number of cases in the district.

The Director for Service Delivery advised that this would align SSDC with the remainder of the Somerset Councils.

The Chairman of the Scrutiny Committee advised they had questioned if the proposed number of claimants was likely to change significantly as that would affect the risk matrix rating.

In response to questions, the Revenues Specialist advised:

- The number of claimants had been stable over 3 years and had reduced slightly. The pool of funding was significant and only a small percentage was taken by the care leavers.
- It was a council tax discount and funding was not given directly to claimants.

During discussion, the following points were made:

- The number of care claimants was a stable number and it was not expected to increase significantly.

At the conclusion of the debate, Members unanimously agreed the recommendations be confirmed by the Chief Executive.

RESOLVED: That District Executive recommend that the Chief Executive agrees to:-

- a. approve the use of the Councils' local discretionary powers to increase the existing Care Leavers discount from April 2022.
- b. approve that the additional amount to fund the increase in the Care Leavers discount is added to the budget which currently funds Council Tax Discretionary reductions.

Reason: To approve the use of the Council's local discretionary powers to increase the Care Leavers discount from 1 April 2022, in accordance with the provisions contained in section 13A Local Government Finance Act 1992 and align with the other District Councils in the Somerset area.

64. Chard Regeneration Programme Finance Update (Agenda Item 8)

The Portfolio Holder for the Chard Regeneration Programme advised that the project had grown from a new pool to a leisure centre and town centre improvements. The Chard Regeneration Board had met and agreed to pause the next phase of the works, to look for future partners and investors. The project was within budget and the Chard Town Council fully supported the Regeneration project.

The Portfolio Holder for Finance and Legal Services advised the funding would come from earmarked reserves. The works were only paused at the current time and they would move to a full budget rather than a net budget to track the

programme in future. He clarified that paragraphs 15, 16, 17 of the report detailed the monies loaned to the project and the debt carried by SSDC.

The Director of Place and Recovery advised it was important to review the financing of the project and she thanked the finance officers for their work which would shape the future approach to financing projects. The project had not overspent but the funding has not come forward as expected from external partners, grant funding, and funding from asset sales which had impacted on the Council's long-term borrowing requirements and revenue budgets. Advice had been taken that the Holyrood Lace Mill could be sold with existing tenants. The learning would be applied to other projects in the future and would be reported to the Scrutiny Committee.

The Section 151 Officer said the increase in the borrowing requirement would impact upon the revenue budget and earmarked reserves may be used to reduce the borrowing requirement.

In response to questions, the Director of Place and Recovery and the Section 151 Officer advised:

- Funding had been sought from Homes England small size viability fund for residential development of the two mills but they felt the schemes was not viable
- Funding sought from Sport England would have required their input into the scheme which would have slowed down the leisure centre project and so this was not pursued.
- The decarbonisation costs were within the contract with Freedom Leisure and although there was some grant funding there would also be an impact on the operation costs of the centre and income to SSDC. This would be checked with the Property and Procurement Services.

During discussion, the following points were made:

- Some funding streams were not successful and lessons should be learnt from this
- The Regeneration Board were aware that Phase 2 would always be difficult.
- SSDC had a 99 year lease with SCC for the library provision at the Holyrood Lace Mill.
- The leisure centre was being developed and would be a credit to the town.
- Were there any alternatives for a shorter term to the 50 year loan?
- Pleas the Scrutiny Committee would receive a lessons learned report.

The Chairman of the Scrutiny Committee noted that the management fee agreed with the new leisure provider appeared low for a new facility and it was agreed that a written response would be provided.

The Chairman concluded that she was delighted with the development of the leisure centre as an asset for the Chard area and she congratulated the members of the Regeneration Board.

At the conclusion of the debate, the Portfolio Holder asked that recommendation C be amended to reflect SSDC's commitment to the project and this was agreed. When put to the vote, Members unanimously agreed the amended recommendations be proposed to Council for approval.

RESOLVED: That District Executive recommend that Full Council agrees to:-

- a. an increase to the Council's revenue budget for the additional financing and public realm costs as given in Table Three of this report.
- b. the use of an additional £2m of the capital receipts earmarked reserve to fund the Programme as proposed by the interim Section 151 Officer and described in paragraph 14.
- c. confirm that SSDC is keen to pursue Phase 2 but recognises that it is not feasible to enter into a Phase 2 programme of work at the current time, until significant external funding opportunities become available
- d. the inclusion of the gross capital budgets, instead of only the net capital budgets, in the council's over capital programme for the Regeneration Programme (including the Chard Regeneration Programme), as proposed by the interim S151 Officer in paragraph 20.

Reason: To consider the financial performance of the overall Chard Regeneration Programme, with particular reference to the changes which have shaped the evolution of the programme.

65. 2021/22 Revenue Budget Monitoring Report for the Period Ending 31 July 2021 (Agenda Item 9)

The Portfolio Holder for Finance and Legal Services advised that the Capital and the Medium Term Financial Plan would be presented in October as the Finance team were doing a deep dive into the finances of the regeneration projects. He said there were concerns at the number of contract staff in some services as SSDC moved towards the unitary authority vesting day. Also the Somerset Waste Partnership had suffered during the national shortage of drivers and measures would be taken with the contractor. He concluded there was a typo on page 30 at the table at point 27.

In response to questions, the Portfolio Holder and Lead Specialist for Finance advised:

- A Service Breakdown notice had been served on the Somerset Waste Partnership service.
- The mandatory grant at paragraph 17 – a number of potential recipients chose not to apply and if not used then would be returned to the government.
- The actual figure on investments income in Table A was not in brackets and it was income from the previous year which SSDC had not yet received. It would be reversed as the income was received.

At the conclusion of the debate, Members unanimously agreed the recommendations be confirmed by the Chief Executive.

RESOLVED: That District Executive recommend that the Chief Executive agrees to:-

- a. note the 2021/22 forecast outturn on the revenue budget.
- b. note that work is currently being undertaken by the S151 Officer, along with finance and the Senior Leadership Team, on reviewing a number of budgets as part of the preparation for producing a refreshed Medium Term Financial Plan. The results of that work could impact on current financial year.
- c. approve the transfer of the COVID-19 LA Support Grant of £837,653 into an earmarked reserve.
- d. approve the budget virement of £150,000 detailed in paragraph 22.
- e. note the budget virements made under delegated authority as detailed in Appendix A;
- f. note the transfers made to and from reserves outlined in paragraph 24, the Area Reserves as detailed in Appendix B, and the Corporate Reserves as detailed in Appendix C.

Reason: To provide Members with the current projection of the forecast spending and income (“outturn”) against the Council’s approved Revenue Budget for the financial year, and to explain projected variations against budget.

66. Investment Asset Update Report (Agenda Item 10)

The Portfolio Holder for Economic Development advised that the investments were made to support vital council services. Progress was all good and there was only £15.5m left to invest. The battery storage facility was exceeding its expected income. He welcomed the Property Investment Project Manager who analysed the investment opportunities for the Investment Asset Group to consider.

The Property Investment Project Manager advised that:

- rental income was at 98.7% recovery – only £8,000 short of 100% collection.
- Three units were currently vacant.
- The multi-let portfolio was managed by Savilles and they were paid by the tenants service charges.
- No additional property had been purchased during the last quarter but construction on the coffee pod in Glastonbury was due to start shortly.
- They continued to assess markets for investment opportunities for the remaining £15.5m.
- The battery storage site in Taunton was delivering in excess of budget and the Fareham battery storage project was on budget.
- The Marlborough housing development – 2 houses were sold and 1 was under offer and 3 flats were under offer. When all were sold, there would be a £2m return on expenditure.

In response to questions, the Property Investment Project Manager, the Section 151 Officer and the Portfolio Holder advised:

- The original agreement at the battery storage site in Taunton was to repay the loan first and there was no suggestion to change this.
- The figures from the battery storage site in Taunton were not included in the graph and it was hoped to have income in line with the projection by the end of the calendar year.
- The Marlborough project was expected to break even and £500,000 of receipts was intended to fund the Wincanton Regeneration Project.
- The MTFP report in October would propose a halt in investment in the new financial year due to the tightening of the CIPFA financial code.
- A new Commercial Strategy and Financial Strategy would be presented to District Executive the following month.

The Chairman of the Scrutiny Committee said that they had requested further information on the Marlborough development at their next meeting. They had also asked why assets had devalued in some cases and officers were to respond direct to the Member.

At the conclusion of the debate, Members unanimously agreed the recommendations be proposed to the Chief Executive for approval.

RESOLVED: That District Executive recommend that the Chief Executive agrees to:-

- a. note the resilience of the property investment portfolio throughout the Covid-19 pandemic;
- b. note progress made to date in acquiring new commercial property investments and the asset management following acquisition;
- c. note the return being achieved across the portfolio which is in line with the Council's target of 7%
- d. note progress being made in securing income from our existing assets and the contribution to the revenue budget towards the revised £3.35m target;
- e. note progress being made in disposals and transfers of existing assets, resulting in a reduction of future liabilities associated with these assets;
- f. approve the proposal for the reduction of requirement for reporting to the pre-Covid-19 frequency of every six months, rather than every three months, in light of the more settled economic landscape, with a quarterly dashboard type progress document.

Reason: To provide Members with a quarterly update on progress with implementing the commercial investment component of the Commercial Strategy agreed by Council.

67. District Executive Forward Plan (Agenda Item 11)

RESOLVED: That the District Executive:-

1. approved the updated Executive Forward Plan for publication as attached at Appendix A, with the following amendment;
 - Public Space Protection Order for Yeovil – October 21
2. noted the contents of the Consultation Database as shown at Appendix B.

Reason: The Forward Plan is a statutory document.

68. Date of Next Meeting (Agenda Item 12)

Members noted that the next scheduled meeting of the District Executive would take place on Thursday 7th October 2021 as a virtual meeting using Zoom meeting software commencing at 9.30 a.m.

69. Exclusion of Press and Public (Agenda Item 13)

RESOLVED: That the following items be considered in Closed Session by virtue of the Local Government Act 1972, Schedule 12A under Paragraph 3: Information relating to the financial or business affairs of any particular person (including the authority holding that information).

70. Briefing on Local Government Reorganisation (Confidential) (Agenda Item 14)

The Director for Place and Recovery provided Members with an update on the Local Government reorganisation in Somerset. She said that an informal update would be provided at the conclusion of all future District Executive meetings to keep Members fully informed.

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Chairman

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Date