

Minutes of a Meeting of the Executive Property and Investments Sub-Committee held in the John Meikle Room, The Deane House, TA1 1HE on Monday 15 April 2024 at 10.00am

Present:

Cllr Liz Leyshon (Chair)
Cllr Sarah Wakefield
Cllr Richard Wilkins
Cllr Ros Wyke

In attendance:

Cllr Adam Dance
Cllr Dawn Denton
Cllr Andy Dingwall
Cllr Sue Osbourne
Cllr Leigh Redman
Cllr Rosemary Woods

Other Members present remotely:

Cllr Steve Ashton
Cllr Norman Cavill
Cllr Mandy Chilcott
Cllr Peter Clayton
Cllr Christine Lawrence
Cllr Tony Lock
Cllr Frances Nicholson
Cllr Gill Slocombe
Cllr Dave Woan

1 Apologies for Absence - Agenda Item 1

Apologies were received from Cllr Bill Revans.

2 Minutes - Agenda Item 2

The minutes were agreed as an accurate record of the meeting and signed by the Chair subject amending the attendance record to clarify which members were in physical attendance and which members were in virtual attendance.

3 Declarations of Interest - Agenda Item 3

4 Public Question Time - Agenda Item 4

The Chair welcomed members of the public to speak at all Council Committee meetings.

At the invitation of the Chair, Georgia Cusack addressed the committee. Full details of the points raised can be found in Appendix A.

5 Review performance indicators for the Investment Portfolio and main risks to the programme - Agenda Item 5

Following disruption in the room the meeting was adjourned at 10.12 and re-started at 10.45

At the invitation of the Chair, the Service Director – Strategic Asset Management, Oliver Woodhams introduced the report, noting the quarterly reporting timescale. The Service Director proceeded to hand the introduction to the Head of Commercial Investment, Robert Orrett who highlighted the two risks rated as ‘red’ - officer team resources and financial target timings changing.

The Chair thanked officers for the detailed risk reporting and requested that the colour coding used matches corporate risk reporting for future updates.

The Chair proceeded to invite comments from Sub-Committee members and other members present, with officers providing responses as appropriate, points raised included: budgeting for a decrease in annual income as assets are sold; the potential for tenant insolvencies and associated implications; void levels and real costs when compared with borrowing costs; the importance of risks, actions and implications in performance reporting; and the importance of performance, risk and budgeting reporting being considered by full Council.

The meeting was further disrupted at 10.55, but following intervention by the Chair was able to continue

Having been duly proposed and seconded the Property and Investments Executive Sub-Committee proceeded to vote on the recommendations which were agreed unanimously:

- a. The Sub-Committee considered the performance indicators for the asset management of the Commercial Investment Portfolio for Q4 2023/24:

Indicator	Measure	Q4 2023/24	Comments
Total contracted annual income		£18,787,500	Unchanged due to rent free periods on lettings
Voids	Vacant units as a percentage of total rental value	6.5%	Reduced from 9.1% following lettings at Imperial House and Alchemy
Rent arrears		Not available	

- b. The Sub-Committee agreea to align future meeting dates to enable KPI updates to be completed prior to publication of meeting reports.
- c. The Sub-Committee considered the main risks to the programme set out under paragraph 10 of the officer report.

6 Revision to the Scope of the Investment Portfolio - Agenda Item 6

At the invitation of the Chair, the Head of Commercial Investment, Robert Orrett introduced the report highlighting: the addition of two properties to the Investment Portfolio, The Northgate Yard, Bridgwater and Aspen Court, Bridgwater; and the removal of 88-92 Middle Street, Yeovil from the portfolio as this is to be combined with other strategic parcels of land in the immediate vicinity.

The Chair proceeded to invite comments from Sub-Committee members and other members present, with officers providing responses as appropriate, points raised included: Homes England Funding for Master Planning in Yeovil; timescales for Master Planning in Yeovil; Master Plans for other towns in the County; the £8m of Future High Street Funding for Yeovil; and the significance of 88-92 Middle Street to Yeovil town centre. In response officers highlighted: the intention to bid for funding for Master Planning for all towns in Somerset following careful consideration of prioritisation; the limited interest to date in 88-92 Middle Street; and that the Yeovil funding had been used for refresh of the 'public realm' alongside bus and cycle lane improvements.

Cllr Liz Leyshon proposed an amendment to the recommendations and this was duly seconded:

- c. That this Executive Sub Committee tasks officers with the following:
 - a. That the Service Director - Strategic Asset Management write to Elbit UK requesting an urgent meeting to discuss and clarify the current and future use of their premises at Aztec West and report back to the next meeting of this Sub Committee following that meeting.
 - b. That the Interim Head of Legal Services and the section 151 Officer report to the next meeting of this Sub Committee on the potential options available to the Council as landlord of the office building at 600 Aztec West in the light of the recent public concerns and protests and the risks and benefits attached to each of those options, including (a) the implications (if any) for the financial

stability of Somerset Council and (b) the opinions of the Section 151 officer, the Monitoring Officer and the External Auditor.

The Sub-Committee proceeded to vote on the proposed amendment and this was agreed for inclusion unanimously.

Having been duly proposed and seconded the Sub-Committee proceeded to vote on the recommendations as amended, these were agreed unanimously.

- a. Agreed the revised schedule of assets in Appendix A as being the revised scope of the Non-Treasury Commercial Asset Portfolio. Including the addition of Northgate Yard, Bridgwater, Aspen House, Bridgwater to the schedule and the deletion of 88-92 Middle Street, Yeovil from the schedule.
- b. To transfer the governance overview of the asset management of 88-92 Middle Street, Yeovil to the Asset Management Group
- c. The Executive Sub Committee tasked officers with the following:
 - That the Service Director - Strategic Asset Management write to Elbit UK requesting an urgent meeting to discuss and clarify the current and future use of their premises at Aztec West and report back to the next meeting of this Sub Committee following that meeting.
 - That the Interim Head of Legal Services and the section 151 Officer report to the next meeting of this Sub Committee on the potential options available to the Council as landlord of the office building at 600 Aztec West in the light of the recent public concerns and protests and the risks and benefits attached to each of those options, including (a) the implications (if any) for the financial stability of Somerset Council and (b) the opinions of the Section 151 officer, the Monitoring Officer and the External Auditor.

The Chair thanked members of the public for their attendance and patience.

7 Exclusion of the Press and Public

Having been duly proposed and seconded, the sub-committee proceeded to vote on a proposal to enter confidential session.

Exclusion of the Press and Public

The Executive sub-committee RESOLVED to pass a resolution under Schedule 12A of the Local Government Act 1972 to exclude the press and public from the meeting, on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, within the meaning of Schedule 12A to the Local Government Act 1972.

8 Report on Investment Property Sales – agenda item 7

The sub-committee proceeded to discuss this confidential item with officers providing responses as appropriate.

9 Update on Asset Investment - Agenda Item 8

The sub-committee proceeded to discuss this confidential item with officers providing responses as appropriate.

Meeting Ended: 12:02

Chair

Appendix A

Submission from Geogria Cusack:

Dear Councillors.

I would like to discuss the agenda point “Key Decision Reports on Investment Property

Disposals” today, more specifically your sale of the 600 Aztec West site, currently occupied by Israeli Weapons manufacturer Elbit Systems. At the last meeting we attended, you reported you were not able to evict this tenant. You have been provided information showing you that indeed you can evict them and you have once again, not responded, nor commented on why you have taken this approach to sell instead of taking the legal and moral responsibility you hold to evict war criminals from your property. We know it is within your legal rights to evict this tenant. They are committing war crimes. They advertise their weaponry as “battle tested on Palestinians”, their weapons are sold to a psychopathic regime that is committing a genocide and continues to carry out horrific atrocities against innocent people with the weapons they make in their factories in the UK.

I am appealing to you today as individuals to reconsider once again, the decision you have

made to sell this property without evicting Elbit. We are appealing to you to use the power you already hold right now to evict these war criminals. Renting property to war criminals is illegal. A growing number of citizens are becoming aware of these facts and are beginning to hold their local governments and officials accountable to this matter. We shouldn't have to. It's illegal. I shouldn't have to tell you either that evicting these murderers might actually make you look good and prove beneficial for your careers as councillors! By all means, use it as a badge of honour for the rest of your career” “I evicted war criminals from my constituency” “ I stood up against a genocide”. How admirable and honourable an accolade is that? It's the moral decision, it's noble and it's adhering to the law.

I can see from your agenda, you make choices daily that affect the lives and wellbeing of the

people of Somerset. There is care and responsibility to the people of your constituency that

forms the core of your work as councillors and yes, you have to make money to provide the best outcomes for your constituency, but I'm asking you to take into account the people of Palestine today and the horrific Zionist regime that is torturing, raping, starving, mutilating, stealing their homes and land and traumatising them for years to come.

Trying to sell this site and wipe your hands of this responsibility is cowardly. You appear to have chosen a time for the sale of this particular site that highlights you are aware of what Elbit does there and why they pose a problem as tenants. You must be aware of what Elbit Systems are doing on your property even though you have used the excuse that you “can't prove what they are doing” to not evict. Selling at this time highlights the fact you may be avoiding looking bad because more and more Somerset residents are becoming aware of Elbit and what they are doing. Your

choice of timing and your lack of comment on any aspect of the moral nature of your decision is seriously disappointing.