

## **SCRUTINY FOR POLICIES AND PLACE COMMITTEE**

Minutes of a Meeting of the Scrutiny for Policies and Place Committee held in the Luttrell Room, County Hall, Taunton, on Tuesday 7 March 2023 at 10.00am

**Present:** Cllr G Wren (Chair), Cllr D Johnson (Vice-chair), Cllr T Butt-Philip, Cllr T Deakin, Cllr A Dingwall, Cllr E Hobbs, Cllr D Mansell, Cllr H Prior-Sankey, Cllr A Soughton, Cllr W Read.

**Committee Members attending online:** Cllr M Barr.

**Other Members present:** Cllr R Wilkins

**Absent:** Cllr L Duddridge

**The meeting started at 10.00am.**

**1. Apologies for absence – Item 1**

Cllr M Barr (attending online), Cllr L Leyshon.

**2. Declaration of Interest – Item 2**

Cllr Prior-Sankey declared that a family member is training at SCIL (item 9 – Dillington House Update).

**3. Minutes from the meetings held on 7 February 2023 – Item 3**

The minutes of the meeting held on 1 March 2023 and 7 March 2023 were proposed by Cllr Prior-Sankey, seconded by Cllr Read, agreed unanimously, and signed as an accurate record.

**4. Public Question Time – Item 4**

There were no public questions, statements or petitions received.

**5. Budget Monitoring Report – Month 10 (January) – Item 5**

The Chair invited Strategic Manager for Finance and Business Partnering - Christian Evans and Lead Executive Member Cllr Leyshon to present the report. The following was highlighted:

- Corporate overspend predicted to be £23.£1m, an improvement of £1.2m from the month 9 report position on net budget of £383.2m which represents a 6% overspend.
- Adult Services forecasting £11.9 overspend, no change from month 9.
- Children's Services forecasting £19.9m overspend, an improvement of £900,000 from the previous month. This is due to further analysis of contributions from the Dedicated Schools Grant (DSG) underspend in fees and allowances in fostering and leaving care, as well as savings within the Children's budget in disability services.

- Economy, Communities and Infrastructure forecast £800,000 underspend, an improvement of £100,000 which also includes additional expenditure on corporate costs shows a £3.4m variance due to increase in investment income following interest rate increases.
- Corporate contingency shows a 33.3m favourable position after taking the National Pay Aware into consideration and the reduction in National Insurance from November 2022.
- There will be no month 11 report due to the greater focus that usual on closing Somerset County Council accounts and amalgamating the district finances.
- Questions were invited.
  - A Councillor asked if the current favourable position was in part due to delayed actions which could have an adverse impact on next year's budget. The Officer explained that there were no planned carry forwards unless these are grant or reserve funded, as there would usually be at this time of year.
  - A Councillor said that it would be expected that the significant savings identified by analysis by Newton would be considered by the Children's and Family Scrutiny Committee.
  - The Chair reminded the Committee of the fine balance of next year's budget and the encouraging news that the deficit has been reduced to ensure the best possible start for next year's budget.
  - The Officer was thanked for his attendance at Scrutiny in recent months and the clarity of reporting.
  - A Councillor online re-iterated that the overspend was in excess of £20m and raised concerns about next year's Children's Services budget and the use of reserves. They highlighted no mention in the report of how the £23.1 will be settled and asked what the reserves position is expected to be in 2025-26 if reserves are continually used to balance the budget. The Chair stated that £20m had been allocated from reserves to address overspend. The DSG will be addressed as part of the MTFP process for 2025-26 with a clear picture of the final outturn in June/July which would be provided to Members.
  - The re-iterated the Committee's thanks to Officer and finance colleagues. It was confirmed that the new Scrutiny Resource would monitor progress.
  - The Officer thanked the Committee for their scrutiny and through questioning.

**The Committee noted the recommendation to the Executive Committee to:**

- **Note the forecast overspend for 2022/23 of £23.1m (section 12).**

**6. Forward Work Programme – Item 10**

The Chair informed the Committee that as this is the final meeting of this Committee, the Forward Work Plan to be considered is that of the Executive Committee and also invited Members to suggest other areas where scrutiny

should still take place by the new Climate and Place Scrutiny Committee and Finance and Resources Scrutiny Committee which would be forwarded to the appropriate Chairs. The following items were suggested:

- 20mph restriction policies for villages and parishes to address speeding;
- Continued risk of Dillington House closure and unknown costs;
- Highways small improvement scheme for minor works including role of LCNs;
- Gravity Enterprise Zone in Sedgemoor;
- Adoption of green spaces including management post-development where residents do not engage or management companies are effective and links to the Environment Act.
- Somerset Economic Future (see discussion from agenda item 8).
- Asset Disposal Update (see discussion from agenda item 6).
- Dillington House Exit Costs (see discussion from agenda item 7).

## **7. Somerset Economic Future – Economic Scenario Planning for Somerset – Item 8**

The Chair invited Paul Hickson, Strategic Commissioning Manager – Economy and Planning and David Marlow from Third Life Economics.

- The Officer thanked committee for opportunity to present and reminded the committee that the strategy is an economic foundations project to inform policy thinking. The strategy was jointly commissioned by Somerset County Council and all four District Council to provide sound evidence for economic planning set in the context of the transition to the new Somerset Council. Valuable feedback was received from the last visit to this Scrutiny Committee. It was also stated that it is important to have independent objective expertise and input which has been provided by Third Life Economics. David Marlow and Mike Spicer from Third Life Economics were introduced.
- Working with the five authorities since Spring 2022 and have now produced a final report. Discovery sessions with groups of stakeholders in different locations and on different themes and specific bilateral meetings to allow the new council to formulate economic and related strategies and plans going forward. Final report contains four distinct scenarios.
  - No significant change;
  - Health and wellbeing focus incorporating opportunities for young people and healthy ageing;
  - Economic vitality and dynamism focus to attract and retain high-quality workforce in clusters of high-level economic activity; and
  - Clean, green, decarbonisation and nature recovery focus placing Somerset at the forefront of green energy development.

- Somerset identified as a unique county with complex geography where economic trends and people flow across areas. Half of county's population live in urban locations so the county must be considered equally rural and urban. Somerset's position in the middle to lower-ranking performance growth, productivity, wages, skills etc was explained which is expected to continue with high consideration of government policies and funding opportunities
- Future benchmarking against international parameters was discussed.
- The combined Somerset authorities were commended for considering this forward approach at this tumultuous time of LGR.

Questions were invited.

- Chair stated that the emphasis on the natural environment was disappointing with protected landscapes under-represented in the strategy. The Chair continued to say that demographics was a significant issue for Somerset and questioned the finding that they do not feel safe. It was also stated that connectivity needs to be addressed with many non-remote areas still experiencing issues as well the requirement for any economic development to be environmentally sustainable.
- A Councillor welcomed ownership of the document to help shape future plans. The Officer re-iterated that the strategy should be viewed as a building block for future development vision.
- A Councillor stated that the challenge was how to enact the strategy into action for maximum impact. The report author stated that devolution deals start with such strategies and the strategy would allow Somerset to consider this option working with the Local Enterprise Partnership (LEP) which place the county at the forefront of post-pandemic recovery.
- A Councillor stated that the many small businesses in Somerset, including sole traders, were not referenced in the strategy and could contribute to the goal of dynamic enterprise. The Councillor continued to reference the other council strategies such as transport, local plans, climate and emergency strategies, and how this strategy needs to link with these. The report author stated that small businesses were consulted and included in bilateral meetings.
- The 15-minute city/town model was discussed and the non-exclusivity of that with the Gravity model.
- The impact of change to rural payments in the agricultural sector was discussed.
- A Councillor acknowledged the strategy's identification of what attracts people to Somerset but questioned the report's clarity on what retains people within the county and what would allow Somerset to thrive to enable this and maximise opportunities to inspire young people via

career and employment choices. The Officer stated that the next stage of the strategy would be to influence vision and the other council policies.

- A Councillor said they felt that although the strategy appears aspirational, it lacked a steer to allow Members to fully embrace it as a useful tool. The author said that the intention was to create a foundation document rather than a strategy to allow Members to determine goals, priorities and outcomes.
- The Chair suggested that Somerset Economic Futures is added to a future scrutiny committee work plan.
- The Chair also suggested that public engagement and levelling-up funding would be key factors in this process.
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**The Scrutiny Committee commented on the Somerset Economic Futures report ahead of its adoption as a resource to inform future strategy development by the new Somerset Council.**

The Committee took a short break and resumed at 11.55am.

**8. Active Travel Update – Item 8**

The Chair invited Mike O’Dowd-Jones - Strategic Manager Highways & Transport and Matthew Prince - Service Manager Transport Policy to give a verbal update and share a presentation.

The following points were highlighted:

- Active Travel is a term that encompasses commuting, education and leisure which also supports economy and health and wellbeing. Active Travel is broadening from a predominantly urban issue to a pan-Somerset issue addressing walking, cycling, horse-riding and push-scooters with a decision on whether to include e-scooters still to be taken. There is now a wider remit for inclusion broader than the average fit neuro-typical adult to include those who are less mobile and those marginalised from traditional walking or cycling. Links are being strengthened with sports and other activities as well as with health and wellbeing providers. Active Travel also encompasses infrastructure delivery.
- Survey from 2020 showed 66% of people generally supported Active Travel when asked if they supported re-allocation of road space to active travel .
- Two funding streams are available: Capital funding from central government via Active Travel England primarily delivering schemes already identified and ready to be implemented which has increased significantly in recent years with £1m for projects in Yeovil, Taunton and Mendip. A further bid recently submitted for capital and revenue

projects with a strong likelihood of between £1.8m and £3.8m which will be known by the end of April.

- Revenue funding is offered via Capability Ambition Fund with £190,000 received for Local Cycling and Walking Implementation Plans (LCWIP) for a number of plans to meet requirements.
- Infrastructure design work is being completed to enable bids for capital funds, policy work on 20mph zones and quiet lanes, and work to encourage behavioural changes and engagement in Active Travel.
- Somerset is within the top half of local authorities in the country.
- Funding is available for capital projects for LCWIPs already published which includes Taunton, Bridgwater and Yeovil and also for Minehead, Williton and Watchet, as well as Wincanton and Bruton. LCWIP for Castle Cary is being developed.
- Collaborative working with Public Health, Climate Development, Public Transport including Rights of Way colleagues.
- Commissioned extensive mapping to identify gaps in active travel provision and to address maintenance, sometimes delivered via volunteer networks to meet local community need.
- Engagement with 15-minute town agenda for community and also leisure, tourism, ecological and environmental benefits.
- Positively anticipating working with the new Local Community Networks (LCNs) and benefits of the new unitary council

Questions were invited:

- A Councillor questioned the inclusion of horse-riding in Active Travel as this is almost exclusively a leisure activity and not a travel option. The Councillor continued to say that routes should be demand-led.
- A Councillor asked for examples of how Active Travel would be more inclusive referring to the high number of contacts they have with constituents regarding drop kerbs and blocked pavements for mobility scooter users. The Officer stated that LCWIPs are now focussing more on short journeys and that kerb issues and overhanging vegetation are very much part of this remit. There has been engagement with individuals and groups with mobility issues. The Councillor asked if funding is available for 20mph zones and Quiet Lanes to promote active travel where parish councils are unable to fund this. It was confirmed that Active Travel England will fund improvement works for dropped kerbs etc and that there is now a broader urban and rural scope for works to link urban and rural centres of population market towns. Scoping studies are considering a whole-town approach for Active

Travel measures including freight routes, no parking zones, dropped kerbs, pavement maintenance.

- A Councillor expressed support for e-scooters in encouraging a different audience to engage in Active Travel. The Officer confirmed that e-bikes and e-scooters are defined as Active Travel to the length of journeys that are possible and the move away from reliance on cars and can be used by those not as fit as traditional cyclists.
- A Councillor asked for confirmation of actions taken or planned to encourage change in behaviours towards all transport. It was explained that mapping work will help with behavioural change to make journey planning easier and link to rail and bus routes. Mapping is expected to be completed by the end of 2023.

The importance of working with local communities to meet need and collaborative working with landowners was discussed. An upswing in local active travel since lockdown was highlighted.

- A Councillor said there was a need for secure lockable storage for privately owned e-bikes. The Officer said that two secure storage areas will be operational in Taunton in the next few months.

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Andy Soughton and Wes Read left 1.00

## **9. Asset Disposal Update – Item 6**

The Chair invited Oliver Woodhams – Head of Property and co-lead on the LGR Asset Optimisation Workstream to give a verbal update and share a presentation.

The following points were highlighted:

- Huge task of combining asset records of the five authorities ahead of Vesting which will be an ongoing task. 2022-23 opening balance across the five authorities held in reserves (capital receipts) was £18.7m with a significant reduction at closing combined level of capital reserves with assumptions in the financial plans. Approx. £12m used for flexible use of capital receipts for LGR transformation as well as each authority's use of capital receipts for financing capital programmes. Approx. £10m capital receipts banked with £5m closing balance.
- 2023-2024 first year of new Council estimated opening balance £4.9m encompassing £4m for transformational revenue expenditure and another £6.4m for capital program. As budget requirement of £10.4m is in excess of £4.9m opening balance, there will be a need to sell some property assets to meet financial commitments. Healthy pipeline of assets to be considered for disposal including low risk assets such as flats development at Coal Orchard in Taunton and also in Yeovil which

should complete in 2023-24. Asset based is consolidated with a regular turnover giving a strong market position. Properties can sit in the sales and disposals pipeline for some time and may be rented in the short term to avoid standing vacant. 2024-2025 and 2025-2026 expected £7.4m asset disposal required.

- SCC Asset Disposal Policy since 2014 and will run to 31 March and until new policy in place. All disposals in line with this policy whether end of lease or service no longer required. Working with other services for re-use/re-purposing opportunities. Asset Strategy Group discuss disposal proposals to endorse or reject before consideration by Full Council following consultation with local and executive members. Asset Management Strategy and new Council Plan recently approved which will feed into an updated Asset Disposal Policy.
- New Asset Management System, TechForge, as part of LGR to understand the estate held and for accurate records accurate with all buildings now set up on new system with land assets to be completed in 2023.
- LGR and increased hybrid and dynamic working post-covid and to support climate emergency, provides opportunity for asset rationalisation.
- Project with central government, One Public Estate (OPE), for funded research of the estates of Somerset Council, NHS Somerset and Avon and Somerset Police to identify opportunities for surplus office space to meet financial imperatives of heating and paying business rates on sparsely used buildings. Staff have been relocated to Broughton House at Blackbrook in Taunton for revenue savings with Petter's House in Yeovil also being reviewed. A review of council properties in West Somerset began in early 2023. Condition surveys and decarbonisation works will be considered. C Block of County Hall is similarly being considered, possibly linking with accommodation requirements in Taunton.

Questions were invited:

- The Chair drew parallels with the disposal of the redevelopment of Quantock House and County Hall C Block
- A Councillor asked the level of risk to the disposal of housing stock indicated. The Officer explained that the two flats developments previously mentioned are the only significant residential assets which are bespoke assets but are not however significant in the context of the whole property portfolio. Many units are already sold with some impact from lower market value. The Councillor continued to ask if the new Asset Disposal Strategy is operational. The Officer said there have been



initial conversations with lead members with much work to be completed which will be prioritised after April.

- The Chair requested Asset Disposal to be added to a future work plan.
- The Officer was thanked for a very comprehensive presentation and acknowledged the work of the Property Team who are working at full capacity.

Cllr Dingwall left the meeting at 13.30pm

### **10. Dillington House Update – Item 9**

The Chair invited Ian Rowswell – Head of Service, Dillington House to give a verbal update and share a presentation which highlighted the following:

- Decision taken in September 2022 to cease activities on 30 September 2023 with final exit to be complete by 30 November 2023 and relinquish the full repairing lease to mitigate many liabilities incurred for SCC. Subsequently negotiations have continued to allow Somerset Centre for Integrated Learning (SCIL) to continue operating its Initial Teacher Training (ITT) course for one year in the first instance. Hospitality activities at Dillington were majorly impacted by lockdown.
- Consultation with staff and trade unions has been undertaken which has encompassed the impacts of closure and the risk of redundancy. A discretionary retention scheme has been finalised with the aim of incentivising staff to remain to allow delivery of bookings. General Manager left at end of December 2022 with an internal promotion to fill that vacancy. Any new staff are employed on short term contracts and additional casual staff employed which is optimising operations.
- Bevan Brittan have been instructed to provide legal advice with reference to the lease and issuing notice of the lease which has now been done. Risks remain regarding the full repairing liabilities. Negotiations continue with the landlord for a settle commercial solution.
- Alder King have been deployed to schedule the condition of the property and to negotiate dilapidations costs and are now liaising with the landlord and surveyors. Meetings are taking place with colleagues in SCC Facilities Management to support exiting and future arrangements. Inventory has been reviewed to assess the large number of assets within the property, focussing initially on artwork either SCC owned or on-loan to find suitable alternative arrangements by November 2023.
- Discussions with Heritage colleagues to create a Dillington Collection to mark the SCC tenure to include photographs, adult education course programme etc. Work has continued to find alternative provision for

community education courses with venues potentially interested in talking to tutors for day courses. Suitable alternative locations for SCIL have not yet been found with landlord negotiations continuing regarding SCIL using part of the site.

- Cost pressures continue on the revenue operating budget on staff and pay and also on energy and consumables including food and drink. 2023-02 24 expected budget overspend for six months to end of November 2023 is likely to be £170,000. Costs of ceasing operations and exit are currently on track as reported at September 2022 at £3.1m. Writing-off of the Hyde building loan and dilapidations costs are not yet known with a higher risk.
- Current head of service will leave post at end of March 2023 with Mickey Green assuming the role of senior reporting officers from April with a managed move of responsibility when the post is filled.
- Staffing is a remaining risk in terms of filling posts and retaining staff and also staff performance. The Officer praised existing staff for their professionalism. Securing a financial settlement with the landlord with regard to dilapidations is also a significant risk. A increase in landlord engagement is expected now that the lease notice has been served. Questions were invited.
- A Councillor recalled previous assurance that many options were available for SCIL which have not materialised which may jeopardise the ITT arrangement and asked for confirmation of the Hyde building loan write-off figure. The Officer responded with reassurance of SCIL activities continuing and the value of the service, and continued to say that landlord negotiations for an interim period at a similar rate were key until an alternative location is found. The Officer offered an update to a future scrutiny committee on exit costs.
- A Councillor highlighted the risk of SCIL remaining at Dillington if a suitable rent cannot be negotiated and dilapidation costs escalate. The Officer stated that the surveyor had made multiple visits and has reported that estimates appear broadly accurate. The Councillor questioned the decision to extend operation past March 2023 to September 2023 to safeguard budget pressures. The Officer stated that if events including weddings had been cancelled then compensation payments would have been made and great inconvenience caused as well as reputational issues.
- The Chair requested Asset Disposal to be added to a future work plan.

### **11. Exclusion of the Press and Public – Item 11**

To consider passing a resolution having been duly proposed and seconded under Schedule 12A of the Local Government Act, 197 that the press and public be excluded during the remainder of the meeting on the basis that

if they were present during the business to be transacted there would be a likelihood of disclosure to them of exempt information of the following description:

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

This was proposed by Cllr Prior-Sankey and seconded by Cllr Deakin. The Committee voted unanimously in favour.

The meeting continued in closed session.

## **12. Contract Award for Software Reseller Framework – Item 12**

**The Committee considered the recommendation that the Executive:**

- **Approves the award of a four-year contract to the three suppliers identified in the attached Confidential Appendix B for the supply of computer software and associated services from 1 May 2023.**
- **Agrees that Appendix B be treated in confidence, as the case for the public interest in maintaining the exemption outweighs the public interest in disclosing that information.**
- **To agree to exclude the press and public from the meeting where there is any discussion at the meeting regarding exempt or confidential information (Appendix B).**

## **13. Any Other Urgent Items of Business – Item 13**

As the last meeting of the Scrutiny and Policies and Place Committee, the Chair thanked the Officers from Democratic Services for their support.

On behalf of the Committee, Cllr Butt Philp thanked Cllr Wren for his dedication to scrutiny in his position as Committee Chair.

**The meeting ended at 14.07pm**

**END**