

South Somerset District Council

Minutes of a meeting of the **District Executive** held in the **Council Chamber, Council Offices, Brympton Way, Yeovil on Thursday 1 September 2022.**

(9.30 am - 12.06 pm)

Present:

Councillor Val Keitch (Chairman)

Jason Baker	Sarah Dyke
Mike Best	Peter Gubbins
John Clark	Tony Lock
Adam Dance	Peter Seib
Nicola Clark (virtual attendance)	



Also Present:

Brian Hamilton	Andy Soughton
Andy Kendall	Gerard Tucker
Sue Osborne	Martin Wale

Officers:

Jane Portman	Chief Executive
Jan Gamon	Director (Place, Recovery, Arts & Entertainment)
Jill Byron	Monitoring Officer
Karen Watling	Chief Finance Officer (S151 Officer)
Paul Matravers	Lead Specialist (Finance)
James Griffin	Regeneration and Capital Accountant
Sharon Jones	Customer Focussed Team Manager
Natalie Fortt	Regeneration Programme Manager
Joe Walsh	Specialist (Economic Development)
Kate Arscott	Specialist (Strategic Planning)
Angela Cox	Specialist (Democratic Services)
Becky Sanders	Case Officer (Strategy & Support Services)

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

45. Minutes of Previous Meeting (Agenda Item 1)

The minutes of the previous meeting held on Thursday 4th August 2022 were approved as a correct record and were signed by the Chairman.

46. Apologies for Absence (Agenda Item 2)

It was noted that Councillor Nicola Clark had joined the meeting remotely.

47. **Declarations of Interest (Agenda Item 3)**

Councillor John Clark declared a personal interest in Agenda item 10: Wincanton Regeneration Change of Scope, as a Trustee of the Board of Bath Opera who were a beneficiary of grants from the Wincanton Regeneration Board.

48. **Public Question Time (Agenda Item 4)**

A resident asked a number of questions relating to the on-going phosphates issue and Councillor Tony Lock, as Portfolio Holder for Protecting Core Services responded as follows:

Q 1. Why has the council failed to meet the deadlines for the phosphates matter with numerous extensions

Since the issue of Natural England's letter in August 2020 South Somerset has worked closely with the other councils in Somerset to develop an approach to assessing the likely phosphate impacts arising from new developments and identifying a range of small scale solutions that allow for "off mains" schemes to deliver private treatment works, upgrade existing private works and secure land use management solutions on an individual basis.

Where delays have occurred is in the delivery of a strategic scale land use management solution that would be agreed by Natural England (as the relevant technical adviser) and secured over an in perpetuity term. This is not surprising as the work involves engagement with 3rd party landowners, persuading them of the value of engaging in projects that will tie up their land for 80+ years and ensuring that any land use solutions deliver levels of mitigation and management that meet the requirements of Natural England. This is not a quick process, and in terms of the capacity of each local authority not something that can be readily project managed in the short term, particularly given the lack of detailed guidance from others regarding the types of mitigation that would be acceptable and the efficiencies they could achieve.

Furthermore, having presented numerous councils with what is effectively an embargo on development consent, Natural England, along with a number of relevant government bodies including Ofwat, Defra and DLUHC have struggled to provide meaningful guidance and support to the affected councils such that we are each individually trying to deal with what is a national issue.

From very early on in the process the Somerset Councils presented a view to central government that the real solutions to phosphate reduction lay in engineering upgrades at sewerage treatment works and not land use changes.

As late as March this year however Defra remained committed to the delivery of phosphate reduction for new development by way of land use change.

It is welcome that in its further publications in July 2022 DEFRA and DLUHC both acknowledged that significant improvements were required at all affected sewerage treatment works to achieve the highest possible technical efficiencies, however this move has come very late in the day and will not (based upon current timetables) deliver until 2030.

Q 2. Why can't we install Klarkgester units as a temporary measure when your consultant (Royal Haskins) stated that they were an acceptable means of reducing Phosphates

The National Planning Policy Framework requires that in the first instance connections are made to public sewerage infrastructure rather than to private works. Had DLUHC wished to remove this barrier to the use of private solutions it could have re-drafted the NPPF but has not done so. As such the NPPF informs the decision making for not only planning authorities but also Natural England and the Environment Agency who would need to licence any solutions not covered by the "General Binding Rules" that deal with private sewerage schemes through the building regulations.

Q 3. Do they see a necessity to extend the Jan 2023 deadline

We are hopeful that our work with En Trade has made good progress recently and we are jointly going through the relevant legal agreement wording with the respective solicitors and Natural England's advisers. Provided we can reach a satisfactory conclusion a report to full Council can hopefully follow on quickly allowing for the first credit sales. That said, we anticipate the early credit market will enable the release of housing within the hundreds whilst we have in excess of 4,000 dwellings affected so we hope that January 2023 will see the start of a solution but recognise it will not deliver for all so further extensions will be required.

Q 4. What is the status of the meetings with Entrade, has the contract been signed?

We are meeting En Trade on a weekly basis and are hopefully reaching the end of this process.

Q 5. When will the credit system go live

Ultimately as a market operation this is in the hands of En Trade however we believe the new year to be a reasonable date.

Q 6. How much will 1 credit cost to build a bungalow when Taunton dean have set a cost of £540 ? Will it be the same for SSDC buildings, is there a basic price across Somerset

The cost of a credit is a market issue as we are reliant upon 3rd parties to deliver the projects requiring land owners to agree to tie up their land for 80+ years. I do not know where a figure of £540 comes from, their officers have advised ours that a cost per dwelling of about £55,000 is more likely. This ties in with advice we have had from authorities in Kent and the Solent where that have been dealing with the issues for far longer. Last week we were advised that projects in Eastleigh (Hampshire) will cost about £10,000 per plot.

There can be no fixed price as the issue is not the payment of a tariff to build a certain quantum of development, rather it is a need to offset varying levels of phosphates released from sewerage treatment works, so for an unpermitted sewerage treatment works (of which South Somerset has many) the costs will be 10 x those for a Sewerage Treatment Works with an efficiency of about 0.5 millilitres of phosphate per litre of released water. As such the costs of phosphate removal are a post code lottery rather than based upon any form of viability appraisal land significantly prejudice rural communities that are generally more reliant upon unpermitted works.

The resident expressed his disappointment that houses were being constructed close to his property with no phosphate credit payment at the site.

Another resident referred to the minutes of the informal meeting of the District Executive held on Thursday 3 June 2021 where Members had agreed a grant of £390,000 from the Affordable Housing Capital Programme Reserve to Bournemouth Churches Housing Association (BCHA) as a contribution towards the costs of the purchase and refurbishment of a property in Yeovil, to provide emergency accommodation and improved support for people who are homeless, rough sleeping or at risk of rough sleeping in South Somerset. The resident asked that in the light of the refusal by SSDC Area South Committee for planning permission by BCHA for the change of use of the property known as Acacia Lodge in Yeovil, what was the status of the grant award, was the money still held in the Affordable Housing Capital Programme Reserve and did BCHA have access to it, or would the decision need to be revisited by the District Executive and Chief Executive for it to be available for a further proposal?

The Director for Place and Recovery confirmed that the grant remained in the Capital Programme Reserve for its original purpose and the Council awaited the next proposal from BCHA.

49. Chairman's Announcements (Agenda Item 5)

The Chairman advised that she was conscious of the great amount of work by staff towards Local Government Reform and she asked Councillors to be mindful of the extra work officers were carrying out over the next months prior to the new Council launch in April 2023.

50. Economic Development Celebratory Report (Agenda Item 6)

The Portfolio Holder for Economic Development advised that as the Council was in its final year, a number of reports listing the Council's achievements for residents and businesses would be presented to District Executive.

The Specialist for Economic Development introduced the report on the Council's economic and business response to Covid 19. He noted that although this was an economic development report they had been supported by many other council services and credit should be given to the whole council.

The presentation covered key projects (presentation slides in agenda papers):

- Business Grants
- Food and Drink Directory
- Supporting high streets and town centres
- Oscar Mayer redundancy support
- Business Support Week: Recover, Restart and Grow
- Broadband Directory
- Employment Hubs

In response to questions from Members, the Specialist for Economic Development advised:

- The number of people attending the Employment Hub open day who were referred by the Department for Work and Pensions (DWP) or via social media would be provided to Members.
- The majority of funding for the projects listed in the report came from Central Government although SSDC had funded some of the business support events and the Market Town Investment Group (MTIG) fund contributed to re-opening high streets safely. The DWP had contributed to the opening of the Employment Hubs.

During discussion, the following points were made:

- Council staff had continued to assist residents during the pandemic and worked across services to deliver grants and food parcels.
- Thank the economic development team for their assistance to the employees of Oscar Mayer in Chard to help them find alternative

employment. The employment hubs were also providing an excellent service.

- The Government should also be mentioned for their swift roll out of grants to businesses affected by the pandemic.
- The Government had recognised that local government were able to respond rapidly to deliver services to residents.

The Chairman of the Scrutiny Committee said they had raised a number of questions on the presentation and the following responses were provided after the meeting:

- Had SSDC returned any of the unspent grant funding to the Government and if so, how much?

During the course of the pandemic South Somerset District Council received £84,854,810 from Government for the use of Covid 19 Business Grants and distributed £72,142,766 (85%) of this. This percentage is in line with the national average. We were required to return any underspend, meaning that £12,712,045 was returned to Government

It is important to note that:

- *Government allocations were made on Valuation Office data which later transpired to be inaccurate and this was a contributing factor to underspend.*
 - *We were required to follow strict Government guidance when administering the funding and could only award grants to eligible businesses.*
 - *Government allocations did not account for ineligibility due to State Aid / Subsidy legislation which excluded a number of larger businesses.*
 - *We are aware that some businesses did not want to apply for reasons they did not state.*
 - *South Somerset were awarded £6.2m of discretionary funding all of which was fully spent.*
- Had SSDC funding contributed to any of the achievements listed in the report?

Please note, these only refer to the projects listed within the report and not additional Covid 19 support.

	Government Contribution	SSDC Contribution	Other
Business Grants	£72,142,766	No financial input however significant officer time.	
Food and Drink Directory	NA	C.£1,300 + officer time.	

Supporting streets / high town centres	high town	£289,000 (EU Funding)	(EU	C.£240,000 of Market Investment Group funding has complimented activity + significant officer time	Town / Parish Councils are required to match MTIG funding equating to C.£250,000.
Oscar Redundancy Support	Mayer	NA		Significant officer time.	
Business Support Week		NA		C.£1,000 + officer time	
Broadband Directory		NA		No financial cost + officer time.	
Employment Hubs		NA*		C. £25,000 Business Rate Retention Funding + significant officer time	*Successful funding application to the DWP for £119,500.

The Lead Specialist for Finance agreed to provide the financial information to Members.

The Portfolio Holder concluded by noting that Economic Development was now integrating as the 5 Somerset Councils moved towards a Unitary Authority and work was taking place on effective public transport and business innovation and productivity.

The presentation was NOTED.

51. 2022/23 Revenue Budget Monitoring Report for the Period Ending 30 June 2022 (Agenda Item 7)

The Portfolio Holder for Finance and Legal Services introduced the report and advised there were a number of economic pressures and also preparation to hand the accounts to a new authority. He drew attention to the budget pressures in paragraphs 9 and 10 of the report including the national pay award proposal which was not yet known, although the Council did have earmarked reserves to cover risks.

In response to questions from the Scrutiny Committee the Portfolio Holder, and Chief Executive advised:-

- Business rate collection was as expected and if a business were to fail then the business rate liability would transfer to a landlord or land owner.
- A key risk at the current time was staffing and the recruitment to vacant posts. The Council had agreed an LGR reserve which had been used to

back-fill some posts. Mutual aid between the Somerset Authorities was working well and had been used on a number of occasions.

At the conclusion of the debate, Members were content to note the report.

RESOLVED: That District Executive agreed to:-

- a. note the variances being forecast against the 2022/23 revenue budget as set out in Table One.
- b. note the budget virement made under delegated authority as detailed in Appendix A.
- c. note the forecast year-end reserves position shown in Appendix B.

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.

52. 2022/23 Capital Budget Monitoring Report for the Period Ending 30 June 2022 (Agenda Item 8)

The Portfolio Holder for Finance and Legal Services advised that the proposed increase in the disabled facilities grants was led by demand on what was expected to be needed. Although the budget would be repaid by Central Government it would be paid to the new Somerset Council.

In response to questions from the Scrutiny Committee, the Monitoring Officer and the Chief Finance Officer advised:-

- A report had been presented to Council in July on the increased risk to the completion of the decarbonisation works and the risk that the PSDS grant would be less than expected.
- The majority of the works at Yeovil Crematorium were already under contract and the contracts for the refurbishment work would be let very shortly. When under contract there was more certainty the work would be completed.

At the conclusion of the debate, the Portfolio Holder proposed the recommendations, they were seconded and agreed by Members with one abstention (absent from the room during part of the debate).

RESOLVED: That District Executive agreed to:-

- a. note the expenditure on the capital programme as at the end of quarter one and the revised budget for the year, given in table one;
- b. note the amount remaining the Corporate Capital Contingency Budget, given in table two;
- c. approve the decrease the Huish Park land acquisition capital budget of £0.195m as explained in paragraph 17;
- d. approve the removal of the unspent additional capital budget of £660k given to the Yeovil Refresh project at Full Council in December 2021, see paragraph 27;
- e. note that the re-scoping and re-profiling of the Wincanton Regeneration project, seeking approval elsewhere on this District Executive's agenda, is taken into account in this budget monitoring report - see paragraph 31;
- f. note that £1.959m of the Yeovil Crematorium Refurbishment budget will slip from 2022/23 into 2023/24– see paragraph 13;
- g. note that the virement agreed by Full Council from the decarbonisation phase 2 capital budget into the PSDS (Public Sector Decarbonisation Scheme) budget of £1.276m should have been a virement of the funding budget rather than the expenditure budget see paragraph 21 and therefore the expenditure budget for the PSDS has consequentially been reduced by this amount;
- h. note that the revenue budget is at significant risk of requiring an increase in the 2022/23 revenue budget, currently estimated at £277k, arising from increasing interest rate costs that will be incurred in borrowing the funding required to finance this year's capital expenditure budget, see paragraphs 47 to 50.

That District Executive recommends to Full Council to increase the Disabled Facilities Grant capital budget by £1.405m – see paragraph 41.

Reason: To inform Members of the actual spending at the end of quarter one, the forecast year-end spend on the Council's 2022/23 Capital Programme Budget, and to explain projected variations against individual projects and the Programme as a whole.

(Voting: 8 in favour, 0 against, 1 abstention)

53. Corporate Performance Report 2022-23: 1st Quarter (Agenda Item 9)

The Chairman, as Portfolio Holder for Strategy, introduced the first quarterly monitoring report. She noted there were some areas of concern which was expected in the first quarter.

The Specialist for Strategic Planning advised that the monitoring information was now collected digitally which meant more detail could be included and less officer time was spent gathering the information. Monthly reporting was now possible to monitor areas of concern and ensure solutions put in place were working. There were 29 measures from the previous year and 21 new measures related to the objectives in the Corporate Plan

The Chairman of the Scrutiny Committee thanked the Specialist for Strategic Planning for attending their meeting to answer questions. He particularly noted that the new performance monitoring format and performance indicators were not the same across all 5 Somerset Councils, and, a number of the performance indicators mentioned recruitment as an issue. He also drew attention to LGR 11 (Council Tax support – new claims) where it took 68 days to process claims and LGR 9 (Housing Benefit – new claims) where the processing time had increased from 21 to 59 days. He suggested inter-departmental aid could help to reduce the processing time.

The Chief Executive said the cost of living crisis was impacting on many residents and the performance indicators LGR11 and LGR9 were a priority area. She also advised that some areas of the Council were very difficult to recruit to and it could be that some posts would not be filled prior to vesting day. Where possible, the Council was using mutual aid from the other Somerset Councils to fill key posts.

At the conclusion of the debate, Members were content to note the report.

RESOLVED: That District Executive agreed to:-

- a. note improvements/changes to the reporting approach for the Council's agreed key performance indicators for 22/23;
- b. note and comment on the report with consideration to the current organisational pressures as detailed in paragraph 7.

Reason: To note the current position of the Council's agreed key performance indicators covering the period from April to June 2022 (Q1).

54. Wincanton Regeneration Scope Change (Agenda Item 10)

The Portfolio Holder for Environment and Area East advised the Regeneration Board were now working together and the report requested to significantly alter the scope of the project within its approved budget. She said the new focus would bring better regeneration outcomes for the town as it sought to bring a key vacant building back into use. The building repair grants would continue although new applications had closed to allow those projects which had come forward to be completed by March 2023. The public realm works would not commence but the highway safety works would be completed. She noted there were some risks to the change of scope as a compulsory purchase of a property was involved, but the board were committed to the change. She concluded by thanking the officers for their work in supporting the projects.

The Regeneration Programme Manager advised that although the focus would be on the empty property workstream, the building repair grants and the events and activities grant applications already received would be assessed and taken forward.

During discussion, the following points were made:-

- The report requested the retention of the £260,000 previously allocated for public realm but the cost of the change of scope was estimated at less than £200,000.
- The compulsory purchase process was very lengthy process and it could be binding to the future Somerset Authority.

In response to questions, the Director for Place and Recovery confirmed that the Chairman of Wincanton Town Council was a member of the Regeneration Board and had agreed with the change of scope of the project. She also noted that the owner of the building may be willing to discuss the sale of the building.

The Chairman of the Scrutiny Committee said they felt the programme had been well adapted and there appeared to be a will to take the project forward for the benefit of the residents of Wincanton.

It was then proposed and seconded that the Committee discuss the remainder of the report in confidential session and this was agreed without dissent. The report was discussed in confidence for 25 minutes.

At the conclusion of the confidential debate, it was proposed that the final recommendation be removed and that the sum of £260,000 allocated to Wincanton Public Realm works on 7th July 2022, from the Corporate Capital Contingency Budget be removed and officers be authorised to make the necessary adjustments to the figures presented in the report, prior to Council.

This proposal was agreed by the Portfolio Holder for Environment and Area East and when put to the vote, was carried by 8 votes in favour, 0 against and 1 abstention. Councillor Peter Gubbins abstained from voting as he had not been present for the whole of the debate.

RESOLVED: That District Executive recommend that Council approve:-

- a. A significant change in project scope, within the existing agreed capital budget for the Wincanton Regeneration Scheme, to accommodate the revised over-riding priority of bringing key vacant premises back into use (more detail provided in the Confidential Appendix).

Whilst noting that:-

- The events and activities, plus building repair grants work will also continue but applications closed for both at the end of August to enable completion in March 2023.
- Whilst public realm construction will not commence, the Highways Safety Audit 2 works will be completed to allow Somerset Council the option to progress public realm works in future
- Agreement will be sought from Somerset County Council for any land acquisition or Compulsory Purchase Order under the s24 Direction that is over the value of £100k.

That District Executive did NOT agree that the sum of £260,000 allocated to Wincanton Public Realm works on 7th July 2022, from the Corporate Capital Contingency Budget, remain within this project's budget to be used to finance the changed project scope, and authorised officers to make the necessary adjustments to the figures presented in the report, prior to Council.

Reason: To significantly alter the scope within the approved budget of the Wincanton Regeneration Project from that agreed by District Executive in February 2022 to provide better regeneration outcomes for Wincanton.

(Voting: 8 in favour, 0 against, 1 abstention)

55. Sale of commercial development land at Lufton, Yeovil (Lufton 2000 joint venture) (Agenda Item 11)

The Portfolio Holder for Economic Development advised that Abbey Manor Developments Ltd had made an offer to buy the Council's interest in the Lufton 2000 Joint Venture. He said the Commercial Property, Land and Development Manager had advised that the proposal would not change the Council's capital balance sheet but would convert the interest into a capital sum. In his opinion,

the offer was a fair price and the site would continue to be commercially developed.

In response to questions from Members, the Monitoring Officer confirmed:-

- Land area phases 4 and 5 were acquired in 2006 and were subject to overage with the original vendor
- The parcels of land acquired were linked to further educational purposes and there were no concerning covenants in any of the documents seen.

It was then proposed and seconded that the Committee discuss the remainder of the report in confidential session and this was agreed without dissent. The report was discussed in confidence for 10 minutes.

At the conclusion of the confidential debate, it was proposed that recommendation d be amended to remove the wording “subject to the price being no worse than the minimum identified in the confidential appendix to this report” and this was seconded and unanimously agreed by Members.

RESOLVED: That District Executive agreed to:-

- a. note the contents of the report.
- b. approve the proposal to sell the Councils share in the Joint Venture asset named Lufton 2000 on the terms outlined in the confidential appendix to this report.
- c. authorise the Chief Financial Officer to seek the approval of the Somerset County Council to the sale under the Section 24 direction.
- d. delegate the power to the Solicitor and Monitoring Officer to approve the detail of the sale.

Reason: To agree the sale of the Council’s 50% share in the Lufton 2000 Joint Venture to its joint venture partner Abbey Manor Developments Limited.

56. District Executive Forward Plan (Agenda Item 12)

There were no additional reports added to the Forward Plan.

RESOLVED: That the District Executive agreed to:-

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

Reason: The Forward Plan is a statutory document.

57. Date of Next Meeting (Agenda Item 13)

Members noted that the next scheduled meeting of the District Executive would take place on Thursday 6th October 2022 in the Council Chamber, Council Offices, Brympton Way, Yeovil commencing at 9.30 a.m.

58. Exclusion of Press and Public (Agenda Item 14)

The Chairman asked Members to agree that the press and public be excluded from the following item and this was agreed without dissent.

RESOLVED: That the following item 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).

59. Briefing on Local Government Reorganisation (Confidential) (Agenda Item 15)

The Chief Executive provided members with a brief verbal update on the progress of Local Government Reorganisation in Somerset and answered their questions on points of clarification.

The report was NOTED.

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Chairman

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Date