

MENDIP DISTRICT COUNCIL

Minutes of the meeting of Full Council held on Thursday 25 February 2016 in the Council Chamber, Council Offices, Shepton Mallet commencing at 6.30pm.

COUNCILLORS

PRESENT: Jeannette Marsh - Chairman
 Joanna Beale, Adam Boyden (arrived 7.05 pm), Peter Bradshaw,
 John Brunsdon, John Carter, Rachel Carter, John Coles, Shane Collins,
 Nick Cottle, Simon Davies, Edward Drewe, Stina Falle, John Greenhalgh,
 Philip Ham, Des Harris, Bente Height, Steve Henderson,
 Nigel Hewitt-Cooper, Alvin Horsfall, Claire Hudson, Lloyd Hughes,
 Tom Killen, Roy Mackenzie, Clive Mockford, Terry Napper, Graham Noel,
 Linda Oliver, John Osman(arrived 8 pm), John Parham, Mike Pullin,
 Timothy Rice, Mike Rideout, Adam Sen, Harvey Siggs, Dick Skidmore,
 Helen Sprawson-White, Nigel Taylor, Alan Townsend, Danny Unwin,
 David van Dyk, Nigel Woollcombe-Adams and Ros Wyke

OFFICERS

PRESENT: Stuart Brown	Chief Executive
Adam Savery	Deputy Corporate Finance Advisor
Caroline McCafferty	Committee Officer
Eve Murphy	Committee Officer
Donna Nolan	Corporate Manager Governance, Assets and Public Spaces and Monitoring Officer

Agenda Item Number	Subject	Actioned by
1 and 2	<p>Evacuation Procedures, Induction Loop and Turning Off Mobile Phones</p> <p>The Chairman explained the evacuation procedures, informed everyone on the use of the induction loop and requested that mobile phones be switched to silent.</p> <p>Councillor John Coles was invited to offer an opening prayer. People wishing to leave the meeting during the opening prayer were given the opportunity to do so.</p>	
3	<p>Apologies for Absence</p> <p>Apologies for absence were received from Councillors Bryan Beha, Eve Berry, Damon Hooton and John North .</p>	
4	<p>Declarations of Interest</p> <p>Councillors John Parham, Simon Davies, Bente Height and Jeannette Marsh each declared a personal but non-prejudicial interest in item 18 Urgent Business, Request by Shepton Mallet Town Council for a Advance of £40k against their 2016/17 Precept, because they</p>	

	were each a Member of Shepton Mallet Town Council.	
5	<p>Chairman's Engagements , Communications and Announcements</p> <p>Council noted the engagements that the Chairman had attended since the last meeting:</p> <ul style="list-style-type: none"> • 15th December 2015 Shepton Mallet Post Office. Visit to the Sorting Office to meet staff and view Christmas deliveries. • 24th December 2015 Chairman's Christmas Celebration. Mendip District Council. Ploughman's Lunch and Live music. • 27th January 2016 Shepton Mallet Almshouses. Commemorating the visit of The Bishop of Bath and Wells, The Rt. Reverend Peter Hancock. • 19th February 2016. Visit with other Mendip District Councillors and staff to the Sustainable Energy Visit Centre at Wyke Farm, near Bruton. 	
6	<p>Public Participation</p> <p>There was no public participation.</p>	
7	<p>Minutes of the Council</p> <p>The minutes of the meeting held on Monday 14 December 2015 were agreed as a correct record of proceedings, subject to the removal of the phrase "such as Palm Oil", on Page 7, Item 16a.</p>	Eve Murphy
8	<p>Medium Term Resource Strategy</p> <p>The purpose of this report was to make recommendations on the level of the Council's Revenue and Capital Budgets, the Band D Council Tax and Special Expenses Rate for 2016/17</p> <p>The Council Leader, Councillor Harvey Siggs introduced the item and stated that this budget formed part of the ongoing situation as a result of the continued reduction of government grants. He applauded the great success of Shape Mendip and the Leisure Contracts at Frome, Street and Wells, which had all helped to balance the budget. He further stated that balancing the budget had set the scene for future flexibility, which all Councils would have to adopt.</p> <p>It was noted that the Corporate Services Procurement was in its final stages bringing further savings, and that the Devolution Bid to Central Government was ready for signature. He praised the Chief Executive Officer for having taken a lead role in the Devolution project. The Leader commented on the Government's desire for Mayors as part of</p>	Paul Deal

Devolution bids, and stated that this was not the current position of this Council or any of the Councils that were part of the project; however discussions were still being had with Central Government on the matter.

The Leader confirmed that the EU Referendum would be taking place on 23 June 2016. This would be a challenging time for the Council as Glastonbury Festival would be taking place at the same time; however Officers had been making plans for some time in anticipation of this eventuality, and clarified that the Glastonbury Festival organisers had published a statement on their website to advise Festival goers to obtain a postal vote. Members noted that it was not possible for polling stations to be set up at the Festival due to electors having to vote in the area where they are registered.

The Leader concluded by noting that he had brought an urgent item to the meeting, as Shepton Mallet Town Council had asked for an advance on their April 2016 precept. This would be discussed under Item 18.

Councillor Graham Noel, Portfolio Holder for Services and Corporate Finances presented a report which introduced the 2016/17 MTRS and detailed financial plan for 2016/17. The Capital Investment Programme set out the investment plan for over £1m going into services which addressed the needs within available resources, without the need for external borrowing as summarised in the appendices to the report.

He stated that an overarching capital envelope of £2.5m was proposed which allowed maximum flexibility and that further proposals to use additional capital would be subject to Cabinet approval.

The proposed revenue budget was balanced. Significant savings were delivered through partnerships involving leisure, core services and the Shape Mendip Hub. Local economic growth provided greater income through Council Tax and Business Rates, which were increased through new housing and the business rates pool with neighbouring authorities.

He stated that the last Council Tax increase was in 2010 but that a small increase of 1.75% was necessary for the continuation of quality services due to the reduction of Government funding, increased demand and inflation, and changes to National Insurance and the National Living Wage. This 1.75% increase would mean an increase of just £2.47 a year for a Band D property, and would raise an additional £95k for the Council.

The Somerset County Council and other District Councils in Somerset had set up the Somerset Rivers Authority (SRA) to find ways protect the county from flooding. This authority was expected to become a separate precepting authority in the future. In the interim, however, an additional 1.25% increase was proposed for the funding of the SRA and would produce £71K for 2016/17

He added that the Special Expenses Rate charges per Parish for churchyards and play areas remained frozen with an overall cap of £12.50.

Councillor Noel, concluded that the level of reserves and balances remained buoyant as a result of good budget management for which he congratulated the Financial team and Mendip Staff.

During the discussion which followed, Councillors echoed the following sentiments.

Councillor Roy Mackenzie stated that he hoped the introduction of a Mayor for the Devolution bid could be avoided due to the geographical difficulties this would bring.

Councillor John Parham discussed the Council's influence on other organisations in the County which have relied on the Council to collect their precepts, including the Police whose budget was revised due to the Council's collection of their precept. He added that though there would be an extra 1.25% on Council Tax for the Somerset Rivers Authority, the Council had always contributed towards drainage.

The recommendations as set out in the report were proposed by Councillor Nigel Hewitt Cooper and seconded by Councillor Nigel Taylor.

The recommendations were carried with three abstentions.

RESOLVED

1. CAPITAL INVESTMENT PROGRAMME

The Council agreed:

- (i) The overall Capital Investment Programme for 2016/17 of **£1.016m** and note the indicative programmes for 2016/17 to 2020/21 as set out in **Appendix A and B**;
- (ii) An overall Capital Envelope at **£2.5m** for 2016/17 to provide sufficient flexibility to enable to Council to respond to investment opportunities if they arise in-year.
- (iii) That the Chief Executive and relevant Corporate Management Team Officer(s) be given delegation to decide on the specific individual capital projects to be delivered within generic approvals for their area of control, following any consultation as necessary;
- (iv)
- (v) The Prudential Code Indicators as shown in **Appendix C**, subject to any changes made;
- (vi) That the following statement on the Minimum Revenue

Provision be endorsed for 2016/17:

“The Council will continue to make provision at least equal to an annual 4% reducing balance method on all capital expenditure covered by government supported borrowing approvals, whilst making provision for all other expenditure based on the nominal life of the asset delivered.”

2. REVENUE BUDGET PROPOSAL

The Council agreed:

- (i) The overall Revenue Budget for 2016/17 of **£14,824,900** after taking into consideration all proposals and supporting documentation within the following appendices:
 - **Appendix D(i)** – Revenue **Control Totals by Service**
 - **Appendix D(ii)** – Revenue **Control Totals by Subjective**
 - **Appendix E** – Summary of **Growth/Savings Proposals**
 - **Appendix F** – Summary of **Reserves and Balances**
 - **Appendix G** – **Special Expenses Rate**
- (ii) Delay the previous decision to increase the proportion of New Homes Bonus Funding supporting the base budget until such time that certainty on the future levels of this funding stream is known.
- (iii) The growth and savings proposals detailed within **Appendix E**.

3. COUNCIL TAX SETTING

The Council agreed:

- (i) A Council Tax Requirement of **£5,540,900** for Mendip District Council representing a Council Tax of **£143.75** for a Band D property, an increase of **1.75%** from 2015/16.
- (ii) An introduction of an additional Council Tax Precept equivalent to an increase on Mendip’s Council Tax of **1.25%** for the Shadow Somerset Rivers Authority only. This equates to a Band D value of **£1.84** resulting in a Council Tax Requirement of **£71,000** for 2016/17.

4. SPECIAL EXPENSES RATE

The Council agreed:

- (i) A Special Expenses Rate of £228,539.70, capping the rate to 2015/16 levels.

<p>9</p>	<p>Treasury Management Strategy Statement</p> <p>Councillor Graham Noel, Portfolio Holder for Services and Corporate Finances presented the report which sought approval for the Treasury Management and Annual Investment Strategy for the forthcoming financial year 2016/17.</p> <p>The Council was required to report on the Treasury Management Strategy at the beginning of the year, the middle of the year for progress, and at year end to report results, though the Council provided information on a quarterly basis.</p> <p>The Treasury Management Strategy covered the Capital Investment Programme and the Treasury Management investments, borrowing and cash flow management which were provided through Capita Asset Services as the external management advisors.</p> <p>The report demonstrated that the Council did not need to borrow externally as sufficient resources were available internally, though interest rates were historically low should borrowing be considered.</p> <p>Careful thought was to be given to the timing of any future borrowing due to the future economic outlook.</p> <p>The report outlined the strict criteria for borrowing and stated that the Council reviewed credit ratings via recognised professional agencies.</p> <p>He concluded by adding that the budget monitoring report showed where Council funds were invested and the rates which were achieved.</p> <p>During the discussion which followed, Councillor Nick Cottle sought a guarantee for ethical investment such that the Council should not invest in companies whose products posed a danger to health, such as tobacco companies, or in countries with poor records on human rights. Councillor Graham Noel clarified that the criteria for investment was set out and would continue to be followed.</p> <p>The recommendations as set out in the report were proposed by Councillor Nigel Taylor and seconded by Councillor Philip Ham.</p> <p>The recommendations were carried with one abstention.</p> <p>RESOLVED</p> <p>The Council approved:</p> <ul style="list-style-type: none"> • The strategy as laid out in the report including only borrowing short term to cover shortfalls in cashflow. • The prudential guidelines as laid out in the report • To approve MRP policy included in this report • Council approved the recommendations as set out in the report. 	<p>Paul Deal</p>
<p>10</p>	<p>Council Tax Setting</p>	<p>Paul Deal</p>

	<p>Councillor Graham Noel, Portfolio Holder for Services and Corporate Finances presented the report which sought a recommendation from the Council for the resolution required to set the Council Tax for the financial year 2016/17. The recommendation was based on a 1.75% increase on Council Tax for the 2016/17 year; the first rise in the Mendip Council Tax since it funded Sort It Plus in 2009/10.</p> <p>This increase was not applied to the Special Expenses Rate which had been capped at the 2015/16 level.</p> <p>In addition the Council had raised a demand to fund the Somerset Rivers Authority (SRA) equivalent to 1.25%. This was detailed in the Medium Term Resource Strategy Item above.</p> <p>In the discussion which followed, Members congratulated the Finance Team and agreed that increases were necessary, though value for money for local residents was to be achieved and vulnerable members of society were to be protected.</p> <p>Councillor Ros Wyke asked for clarity on the totality of the 1.25% Council Tax precept for the Somerset Rivers Authority. The Deputy Corporate Finance Advisor, clarified that the Council's allocation was £200K.</p> <p>The recommendations as set out in the report were proposed by Councillor Nigel Woolcombe-Adams and seconded by Councillor Helen Sprawson-White.</p> <p>RESOLVED</p> <p>The recommendations were carried with five abstentions.</p> <p>The Council approved the formal tax resolutions for 2016/17 when the relevant information became available from the precepting authorities.</p> <p>At the time of publication of the minutes, not all the information required was available. It was anticipated that this information would be available by Friday 19th February and the full appendices for this report would be published to members following the final announcement.</p>	
11	<p>Proposed Scheme of Delegation for Neighbourhood Planning</p> <p>Councillor Nigel Woolcombe-Adams the Portfolio Holder for Wellbeing, presented the report in which Full Council were asked to approve the scheme of delegation outlined in the report and that Section 18 of the Constitution (Responsibility For Functions) be amended as per Appendix 1 of the report.</p> <p>The Council had a statutory duty to support Neighbourhood Plans pursuant to Section 61G(5) of the Town and Country Planning Act 1990 as applied to Neighbourhood Plans by Section 38A of the Planning and Compulsory Purchase Act 2004) and the <u>Neighbourhood Planning</u></p>	<p>Natasha Durham</p>

	<p><u>(General) Regulations 2012.</u></p> <p>Policy Guidance stated that Local Planning Authorities fulfil their duties as soon as possible in order to speed up the delivery of Neighbourhood Plans and a number of deadlines were proposed to enforce this. It was therefore vitally important that Neighbourhood Plans were processed in a timely and efficient manner .</p> <p>Councillor Woollcombe-Adams explained that currently the Council would not be able to meet the eight week deadline within its meeting structure; therefore the scheme of delegation had been recommended.</p> <p>In the discussion which followed, Members commended Officers on their work on this paper.</p> <p>The recommendations as set out in the report were proposed by Councillor Nigel Woollcombe-Adams and seconded by Councillor Ros Wyke.</p> <p>The recommendations were carried unanimously.</p> <p>RESOLVED</p> <p>Full Council approved the scheme of delegation outlined in this report and that Section 18 of the Constitution (Responsibility For Functions)was amended as per Appendix one</p>	
<p>12</p>	<p>Joint Procurement of Services</p> <p>The Deputy Leader of the Council, Councillor Tom Killen, informed Members that following the Joint meeting of Cabinet and Scrutiny where a preferred bidder had been agreed, Council were now asked for formal consent to put in place three governance recommendations which comprised of:</p> <ul style="list-style-type: none"> • an updated Inter Authority Agreement (IAA) • the establishment of a joint committee made up of one Member from each council; and • the establishment of a Joint Overview and Scrutiny Board, which would be made up of two Members from each Council. <p>During the discussion which followed, Members agreed their consensus.</p> <p>Councillor Helen Sprawson-White asked for possible cross party involvement on the recommendations.</p> <p>The Leader of the Council, Councillor Harvey Siggs, informed Council that Councillor Graham Noel would be stepping down from his role as Portfolio Holder now that the project was brought together and agreed. He thanked Councillor Noel for all his hard work and expressed that he would be looking at reforming the Cabinet in the near future.</p>	<p>Chris Atkinson</p>

	<p>The recommendations were proposed by Councillor Harvey Siggs and seconded by Councillor Roy Mackenzie.</p> <p>The vote was carried, there were two votes against the proposal and one abstention.</p> <p>RESOLVED The Council approved the following recommendations:</p> <p>Recommendation A - Council entered into an Inter Authority Agreement (IAA) with the four partner councils as detailed in (Appendix 1), Cabinet report dated 25 January 2016.</p> <p>Recommendation B - Council established a Joint Committee in accordance with the details outlined in (Appendix 3), Cabinet report dated 25 January 2016.</p> <p>Recommendation C - Council established a Joint Overview and Scrutiny Committee as outlined in (Appendix 4) Cabinet report dated 25 January 2016.</p>	
13	<p>Pay Policy Statement 2016/17 The Chief Executive and the Corporate Manager, Governance Assets and Public Spaces and Monitoring Officer left the room for the item.</p> <p>Councillor Graham Noel, Portfolio Holder for Services and Corporate Finances presented the report in which Full Council were asked to agree the Pay Policy Statement for 2016/17 at Appendix 1 to the report.</p> <p>In the discussion which followed, Councillor Adam Boyden asked if the Council was intending to comply with the National Living Wage Law due to come in force in April 2016. Councillor Graham Noel clarified that the Council would comply with any law.</p> <p>The recommendations were proposed by Councillor Harvey Siggs and seconded by Councillor Helen Sprawson-White.</p> <p>The recommendations were carried with no abstentions.</p> <p>RESOLVED The Council agreed the Pay Policy Statement for 2016/17 at Appendix 1 to this report</p>	David Clark
14	<p>Bribery and Corruption</p> <p>Councillor Graham Noel, Portfolio Holder for Services and Corporate Finances presented the report which stated that the National Crime Agency and the Chartered Institute of Public Finance and Accountancy issued an Amber Alert concerning Local Authorities and UK Bribery Act 2010.</p>	David Clark

	<p>Under the Act, corporate liability for relevant commercial organisations was introduced meaning that they could be responsible for corrupt actions of their employees. Full Council was asked to note the report.</p> <p>RESOLVED Council noted the report.</p>	
15	<p>Motions to Council</p> <p>There were no Motions to Council.</p>	
16	<p>Questions from the Public</p> <p>There were no questions from the public.</p>	
17	<p>Questions from Members</p> <p>There were no formal questions submitted by Members.</p>	
18	<p>Urgent Business</p> <p>The Chairman agreed that the following item could be considered as urgent business:</p> <p>Request by Shepton Mallet Town Council for a Advance of £40k against their 2016/17 Precept</p> <p>The Leader of the Council, Councillor Harvey Siggs presented the report which made recommendations on a possible advance against 2016/17 precept monies due to Shepton Town Council in 2016/17 of £40k. The Advance was requested by Shepton Mallet Town Council to enable it to pay a court judgement which was now overdue.</p> <p>Shepton Mallet Town Council had informed the Council that it had no way of paying, and it did not appear to have taken any safeguards to prevent such a situation. The Council had to ensure that if the advance was agreed, that it was properly managed and not detrimental to the District Council. A nominal rate of interest would be charged and Shepton Mallet Town Council would be expected to welcome the South West Audit Partnership to undertake an audit of their financial processes. The Council was not looking to set a precedent or to become a loan authority but was ensuring the support to the local residents.</p> <p>During the discussion which followed, Members expressed their astonishment at the situation and disappointment that there were not more Members of Shepton Mallet Town Council present at the meeting.</p> <p>Members raised the following concerns</p> <ul style="list-style-type: none"> • Did Shepton Mallet Town Council have a future plan? 	

- Could the situation reoccur?
- Had Shepton Mallet Town Council looked at borrowing against their own assets?
- Had all other avenues of revenue been exhausted?
- Had Shepton Mallet Town Council sought advice from the Somerset Association of Local Councils (SALC) or Mendip Solicitors?
- Was there any risk to the Council?
- Was the request legal?
- Could the details of the court proceedings be made available?
- How had Shepton Mallet Town Council found themselves in this situation?
- Could a precepting authority become bankrupt?
- Who would pay the legal fees and audit costs and should they be added to the precept or deducted from the advance?
- Who would draft the loan agreement and how would it be calculated?
- Had Shepton Mallet Town Council been refused a loan from other sources?
- Should the Clerk of Shepton Mallet Town Council be recommended for financial training?
- Did the District Council have any leverage in ensuring Shepton Mallet Town Council came up with a plan for improvement?
- When was the court payment due?

Councillor Simon Davies stated that Shepton Mallet Town Council had some capital reserves which were difficult to access due to the fact that some of the signatories on the account were no longer with Shepton Mallet Town Council. It was noted that the dual hatted District and Shepton Town Councillors had not been aware that this request had been made until this evening.

The following points were clarified

- The District Council's money was not at risk as the advance would be deducted from the precept due to be paid to the Town Council in April 2016.
- Details of the court case were not for this Council's consideration
- Should Shepton Mallet Town Council not be able to successfully perform their budgetary requirements in future, they would have to report themselves to Central Government
- The court payment was overdue by a week.

The Leader of the Council informed Members that all of the suggestions and questions put forward were answered in the report, and he suggested that the Leader of the Opposition be consulted on the final recommendation, which was accepted with thanks.

The Leader proposed that in these exceptional circumstances, and as a one off occurrence, that the advance be issued as requested. It was proposed that the Leader of the Opposition be consulted on the final recommendation. The following statement was added, "That any legal, audit or administrative costs incurred by Mendip District Council in connection with this advance would be recovered (at cost) from Shepton Mallet Town Council" at point vi.

Councillor Philip Ham seconded the recommendation which was carried. There were four abstentions.

RESOLVED

In these exceptional circumstances and as a one off occurrence issued a short term advance against the precept of £40,000 to Shepton Mallet Town Council to enable the payment of the outstanding judgement subject to the following:

- (i) That a nominal rate of interest be charged equivalent to the loss to Mendip District Council from having the advance invested to generate a return
- (ii) SWAP be asked to undertake an audit prior to the release of funds to provide assurance that:
 - No other reserves could be utilised, that necessary financial controls were in place and that no further liabilities existed beyond the stated £40k.
 - Shepton Mallet Town Council's Budget for 2016/17 was realistic and had the capacity to meet repayment of the loan.
 - Any items of concern raised in the report be addressed including training and financial expertise and this to be a condition of the loan.
 - Appropriate authorisation to enter into an agreement in respect of this matter was in place.
- (iii) The agreement would specify repayment of the advance by reducing the 2016-17 Precept monies payable to Shepton Mallet Town Council in the first week of April 2016.
- (iv) While the advance remained outstanding the District Council would have access to Shepton Mallet Town Council's monthly management accounts.
- (v) Delegated authority to agree the specific terms and conditions of the loan was given to the Chief Executive and S151 Officer in

	<p>consultation with the Leader of the Council and Leader of Opposition.</p> <p>(vi) That any legal, audit or administrative costs incurred by Mendip District Council in connection with this advance would be recovered (at cost) from Shepton Mallet Town Council.</p>	
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The meeting closed at approximately 8.30pm.