

MENDIP DISTRICT COUNCIL

Minutes of the meeting of Cabinet held on Monday, 12 September 2016 in the Council Chamber, Council Offices, Shepton Mallet commencing at 6.30 pm.

COUNCILLORS

PRESENT:

Philip Ham	Portfolio Holder for Transformation
Tom Killen	Vice Chair of Cabinet and Deputy Leader of the Council
John Parham	Portfolio Holder for Finance, Governance, and Corporate Services
Harvey Siggs	Chair of Cabinet and Leader of the Council
Nigel Taylor	Portfolio Holder for Neighbourhood and Community Health Services
Nigel Woollcombe-Adams	Portfolio Holder for Planning, Growth and Housing Services

OTHER COUNCILLORS

PRESENT:

Bryan Beha, Peter Bradshaw, John Carter, Rachel Carter, Nick Cottle, Simon Davies, Bente Height, Roy Mackenzie, Jeannette Marsh, Terry Napper, Mike Pullin, Dick Skidmore, Alan Townsend, Danny Unwin and Ros Wyke

OFFICERS

PRESENT:

Tracy Aarons	Deputy Chief Executive
David Clark	Interim Manager Law and Governance
Paul Deal	Section 151 Officer
Claire Dicken	Committee Officer
Andre Sestini	Principal Planning Policy Officer
Jane Sharp	Shape Mendip project and Improvement Officer
Sara Skirton	Group Manager, Corporate Services

Agenda Item Number	Subject	Actioned by
1	<p>Chair's Announcements</p> <p>The Chair explained the procedures in the case of an emergency and asked that all mobile devices be switched to silent.</p>	
2	<p>Apologies for Absence</p> <p>None</p>	
3	<p>Declarations of Interest</p> <p>Councillor Harvey Siggs declared a personal but non prejudicial interest in item 09 Proposed Financial and Governance Models for the Wells Recreation Ground Trust because he was a Trustee. He said he would leave the room for the consideration of the item.</p>	

	<p>Councillor Nigel Taylor also declared a personal but non prejudicial interest in item 09 Proposed Financial and Governance Models for the Wells Recreation Ground Trust because he was a Trustee. He said he would leave the room for the consideration of the item.</p> <p>Councillor Danny Unwin also declared a personal but non prejudicial interest in item 09 Proposed Financial and Governance Models for the Wells Recreation Ground Trust because he was a Trustee. He said he would leave the room for the consideration of the item.</p> <p>Councillor John Parham also declared a personal but non prejudicial interest in item 09 Proposed Financial and Governance Models for the Wells Recreation Ground Trust because he was a Trustee. He said he would leave the room for the consideration of the item.</p> <p>Councillor Roy Mackenzie declared a personal but non prejudicial interest in item 09 Proposed Financial and Governance Models for the Wells Recreation Ground Trust because he was a Trustee. He said he would leave the room for the consideration of the item.</p>	
4	<p>Public Participation</p> <p>a. Items on the agenda – none b. Items not on the agenda – none</p>	
5	<p>Previous Minutes</p> <p>The minutes for the Cabinet meeting held on 11 July 2016 were agreed as a correct record of proceedings.</p>	Claire Dicken
6	<p>Community Infrastructure Levy</p> <p>The Portfolio Holder for Planning, Growth and Housing Services presented a report which updated Cabinet on the issues with the introduction of a Community Infrastructure Levy (CIL) in Mendip.</p> <p>The introduction of CIL would increase funding for infrastructure projects across the district. CIL would also provide revenues to Parish Councils where development took place in their area.</p> <p>The report recommended the Cabinet agree for the Council to commission a consultant study to test viable levels of CIL in Mendip; and that a further report be made to Cabinet before any consultation on CIL charges detailing estimates of potential revenue.</p>	Andre Sestini/ Anna Clark

The Principal Planning Policy Officer explained the CIL in detail.

OPTIONS CONSIDERED

The Council had the option not to progress CIL and continue to rely on Section 106 Legal Agreements. However, even now, the pooling restrictions relating to Section 106 contributions meant that the ability to collect contributions was already limited. In addition, the lack of transparency of the collection and use of Section 106 monies had also been raised as an issue by Parish Councils and others through the Local Plan process. The Council could delay any work on CIL until the government review, however this would set back the date for implementing a charging schedule.

During the discussion that followed Members agreed that CIL was something which the Council should consider. However, it should be balanced with the Council's priority to provide housing, particularly affordable housing. Members felt it was important that this priority should not be jeopardised in any way. Members agreed that the report represented a cautious approach which they felt was the right thing to do at this stage.

Members said it was important to consider how infrastructure would be provided in the future. In response to queries it was clarified that developers would not be able to opt for a Section 106 Agreement.

With regard to the estimated cost of the recommended consultant study some Members on the backbench queried whether it was good value for money. .

The Chairman noted that the introduction of CIL would be likely to result in competition for development between Council areas. Therefore, it was essential that any CIL level be set accordingly. He was further concerned that the Government may be reviewing CIL and that the cost of the consultant study may be wasted. He was also concerned about the issue of exemptions.

Members suggested that Officers explore what reduced studies could be made for less money. Members said they would prefer a phased approach in order for essential issues to be studied before a full charging schedule is developed.

The Deputy Chief Executive explained that the purpose of the study would be so a report could be presented to Cabinet setting out the advantages along with the disadvantages of the introduction of CIL, the implications if CIL was not adopted, the relationship to S106s and the costs and revenue related to adoption.

	<p>RESOLVED</p> <ol style="list-style-type: none"> 1. To delegate authority to the Portfolio Holder for Planning, Growth and Housing Services and the Deputy Leader of the Council to work with Officers to instruct the commissioning of a study should they deem a consultant study to test viable levels of CIL in Mendip is necessary. 2. A further report be made to Cabinet before any consultation on CIL charges detailing estimates of potential revenue, operating costs and implications for wider corporate objectives. <p>REASONS FOR THE RESOLUTION</p> <p>The recommendations reflected a phased approach to explore the potential of CIL which took into account current uncertainties and the need for a clearer picture on the implications of introducing CIL.</p>	
7	<p>MTRS BUDGET MONITORING 2016/17 – QUARTER 1</p> <p>The Portfolio Holder for Finance, Governance, and Corporate Services presented a report which summarised the forecast outturn position of the Council’s Medium Term Resource Strategy for the 2016/17 financial year, based on Quarter 1 projections.</p> <p>The report noted that any variance against the agreed budget would impact on the Council’s general balances. The Council’s financial position would be constantly reviewed to ensure its continued financial health and delivery of excellent Value for Money.</p> <p>The report indicated a projected gross Revenue budget variance of £174k, within initial carry forward requested identified of £39k, leaving a net budget variance of £135k. Currently there was no forecast budget variance against the Capital Investment Programme, although it should be noted that a number of approvals span across the MTRS period.</p> <p>General Fund balances were forecast to remain relatively strong. However Members were aware that the Council continued to face a financially difficult and uncertain future.</p> <p>Robust monitoring procedures enabled officers to highlight major financial risks on a timely basis to incorporate in the report, and officers were already working with the Cabinet to address budget pressures going forward.</p>	Paul Deal

	<p>During the discussion that followed Members thanked the Officers for their hard work and their tight management of council services.</p> <p>RESOLVED</p> <p>1. To note the contents of the report, specifically:</p> <ul style="list-style-type: none"> a) The projected <u>Revenue</u> outturn position for 2016/17 (Section 4 plus Appendices 1a and b of the Report) b) In-Year Virement Summary (Section 5 plus Appendix 2 of the Report) c) The projected levels of Reserves (Section 6 of the Report) d) The projected <u>Capital</u> outturn position for 2016/17 (Section 7 plus Appendix 3 of the Report) e) Delivery of the 2016/17 MTRS Savings proposals (Section 8 plus Appendix 4 of the Report) f) The Aged Debt Analysis (Section 9 plus Appendix 5a and 5b of the Report) g) The Council Tax and National Non-Domestic Rate Collection Summary (Section 10 of the Report). h) Summary Treasury Management position (Section 11 of the Report). <p>2. To approve the increase of £339,980 to the capital investment programme as set out in Section 7 of the Report.</p> <p>REASONS FOR THE RESOLUTION</p> <p>To maintain effective financial stewardship and budgetary control and to comply with the agreed strategy of regularly informing members of the forecast outturn position relating to the 2016/17 financial year as part of the annual budget monitoring process.</p>	
<p>8</p>	<p>Performance Management Report Quarter 1 2016/17 as at 30 June 2016</p> <p>The Portfolio Holder for Finance, Governance and Corporate Services presented a report which provided an overview of the Council's performance up to the end of Quarter 1 (30 June 2016) relating to the strategic priorities and objectives of the Corporate Plan, and key delivery enablers. It was the first report to focus on the on the Council's new Corporate Plan 2015-2019. It set out progress so far against the new objectives contained in the plan. It marked a move towards a more concise and targeted style of reporting. This was part of a new performance management framework which, over the coming months, would evolve to include reporting on key service indicators.</p>	<p>Sara Skirton</p>

	<p>During the discussion that followed Members were pleased with the Council's performance as reported. They further said they liked the new layout of the report. Particularly the use of symbols.</p> <p>RESOLVED</p> <ol style="list-style-type: none"> 1. To note the report contents 2. To endorse the format of the report and levels of detail provided. 3. Note performance exceptions. 4. That where performance exceptions were identified it was considered the proposed actions would be adequate to improve performance to the desired level. <p>REASONS FOR THE RESOLUTION</p> <p>Robust performance management arrangements were essential in ensuring the organisation was managed in an efficient and effective way, was delivering its goals, and that resources were available where they were needed.</p>	
<p>9</p>	<p>Proposed Financial and Governance Models for the Wells Recreation Ground Trust</p> <p>Councillors Harvey Siggs, Roy Mackenzie, Danny Unwin and Nigel Taylor had each declared personal but non prejudicial interests in this item. They each decided to leave the room for the consideration of it.</p> <p>Councillor Tom Killen took the Chair.</p> <p>The Portfolio Holder for Finance, Governance and Corporate Services presented a report. He had also declared personal but non prejudicial interest in this item and left the room for the consideration of it.</p> <p>The Shape Mendip Project and Improvement Officer explained that the report followed the submission of two alternative financial models for the future of the Wells Recreation Ground Trust (the Trust). One from Benjamin and Beauchamp (B2) in 2014 and the other from the Trust's Advisory Group. In 2015 the Council commissioned Christina Dixon Consulting (CDC) to independently review the alternatives as there were conflicting views on the way forward.</p> <p>CDC was asked to review the financial models and identify a preferred model for delivering the vision and ambitions of the Trust and providing it with an affordable, sustainable and viable future. This report summarised the findings of the CDC report and the next steps.</p>	<p>Jane Sharp</p>

The recommendation was that the Trust adopt the preferred financial model as set-out in the CDC Report. This would make the conservation needs of the barn the key priority, deliver a larger barn improvement scheme and explore opportunities for enhancing the recreation ground. This report does not impact on previous decisions regarding the new play area and gym circuit on the recreation ground.

The CDC Report also considered how the preferred financial model impacts on governance going forward. It was suggested that the Trust reconsider its governance options. CDC recommended that the Council should remain sole trustee in the short-term (possibly 3-4 years) and then once improvement works had been completed, trusteeship would be transferred to a different body. It was considered that Wells Recreation Ground Trust (WRGT) Committee Membership be widened to allow Wells City Council and others to join so they could play a more active role in the future development of the Trust; the Council would retain the majority. Given Wells City Council had shown strong interest in becoming more involved in the running of the Trust, there would be a review of membership of the WRGT Committee to enable this to happen.

This proposed governance change would require the approval of the Charity Commission. The recommendations of the CDC Report were endorsed by the WRGT Committee on 1 August 2016.

Cabinet approval was sought on this important decision.

OPTIONS CONSIDERED

Option A – Transfer to the new trust

Option B – Council remains sole trustee

Option C – Transfer to Wells City Council now

Option D – Council remains sole trustee only in the short-term then transfers the Trust – the report said this was the preferred option

Option E – Create a “different body”

The benefits of pursuing Option D were principally that it would enable the Council, as sole trustee, to act in the best interests of Wells Recreation Ground Trust and fulfill its responsibilities relating to the Trust’s charitable objectives by securing an affordable, viable and sustainable future for the Trust.

During the discussion that followed Members noted the works that had already taken place on the site. Members wished to continue moving forward with the project. They felt it was important to make the conservation needs of the barn the key priority as well as exploring opportunities for enhancing the

recreation ground. Members looked forward to receiving a progress report in due course.

There was some concern about the budget information. Appendix E of the report showed the estimated running costs of the site after improvements had been done and a comparison of improvement project costs. Councillor Terry Napper wished to have detail about funding sent to him outside of the meeting.

Following Officer advice that the subsidy would be expected to reduce as marketing improved, Members stated that they wanted the subsidy to cease in the long term.

RESOLVED

1. To approve the preferred financial model, as proposed in the CDC report.
2. To approve the request that delegated authority be granted to the following:
 - a) The Group Manager for Corporate Services, in consultation with the Chair of the WRGT Committee, the Portfolio Holder for Finance, Governance and Corporate Services and relevant heritage conservation officers to undertake preliminary steps for recruiting a Project Development Manager; with the appointment of the Project Development Manager being endorsed by Cabinet at a later date.
 - b) The Group Manager for Corporate Services, in consultation with the Chair of the WRGT Committee and the Portfolio Holder for Finance, Governance and Corporate Services, to enter into an appropriate legal agreement with Somerset Building Preservation Trust to deliver the schedule of urgent minor repairs as detailed at Appendix C.
 - c) The Group Manager for Corporate Services, in consultation with the Chair of the WRGT Committee and the Portfolio Holder for Finance, Governance and Corporate Services, to enter into an appropriate legal agreement with Somerset Building Preservation Trust to appoint them as WRGT's advisor on the appointment of the Project Development Manager and on the conservation needs of the barn in relation to the larger barn improvement scheme.
3. That Cabinet approve key stages in the development of the financial model.

4. To approve the outline marketing and communications plan, as proposed in the CDC report.
5. To approve changing the governance model as proposed in the CDC report and identified as Option D in Section 3.2 of this report. The Council would remain sole trustee in the short-term and then once improvement works have been completed consider transferring the trusteeship to a different body.
6. To widen membership of the WRGT Committee to allow Wells City Council to join so they can play a more active role in the future development of the Trust. For clarity, the Council would retain the majority.

REASONS FOR THE RESOLUTION

Preferred Financial Model

The CDC report recommended a financial model that enabled the Trust to adopt an income-led community approach that:

- Would put the conservation needs of the Bishop's Barn as the Trust's key priority. As a nationally important Scheduled Ancient Monument, there were several urgent minor repairs that need to be done now and consent was in place allowing these to be completed.
- Enable a larger barn improvement scheme to be developed similar to that proposed in the B2 report and using the Trust's cash reserves to help lever in significant funding. That would facilitate a once-in-a-generation refurbishment of the barn allowing it to fulfill a role as a multifunctional community venue.
- Identify opportunities for improving the recreation ground and potential funding.
- Increase community use of the barn in the short-term, but only for events appropriate to its noise sensitive location.
- Secure the input of a Project Development Manager and SBPT to make it all happen.

Change of Governance Model

By changing the governance model, it would enable:

- The Council, as sole trustee, to act in the best interests of Wells Recreation Ground Trust and fulfill its responsibilities relating to the charitable objectives of the WRGT Committee
- The Trust to deliver its vision for an ambitious scheme providing vibrant community space with a multifunctional

	<p>venue and a well cared for recreation ground that secured a future for Wells Recreation Ground Trust that was affordable, viable and sustainable.</p> <ul style="list-style-type: none"> • Wider involvement in shaping the future development of the Trust. 	
<p>10</p>	<p>Making the Best of Development and Opportunities for the Council including the Future of the Civic Site</p> <p>The Portfolio Holder for Finance, Governance and Corporate Services presented a report which briefly summarised the recent developments and potential opportunities that existed to further develop the Civic Site and the Shape Mendip brand. It also noted that the Council was working in challenging times and that it would need to be both flexible and agile in its approach to dealing with opportunities that would arise to successfully address the challenges of the current environment and those that would come forward in the future.</p> <p>The Phoenix Sponsorship Board was a successful oversight vehicle for the works that took place on the civic site, with its delegations enabled the effective delivery of the project's aims. This model would be a highly effective one to utilise for the raft of new projects that would take place as the Council transformed to meet the challenges it faced. As a consequence of this, given that it was appropriate to reconvene the Phoenix Sponsorship Board to oversee the new opportunities for the civic site, it would seem logical to extend the remit of that board, while rationalising its membership, to make it responsible for oversight and direction of the raft of transformational projects and opportunities being developed.</p> <p>During the discussion that followed Members noted it was important to continue to look for opportunities to improve the organisation and its facilities and that the establishment of the Sponsorship Board was a proven model.</p> <p>In response to questions from the backbench Members noted that the Police Authority at Portishead would remain as Gold Command. Whereas it may be possible for local decisions to be made on site.</p> <p>One backbench Member suggested that there should be a named substitute in place on the new Sponsorship Board for the Leader of the Opposition. However, Cabinet Members felt that continuity was extremely important and for the time being it would not be possible for others to join the core group. It was expected that a number of others would be invited to join the group for specific issues from time to time.</p>	<p>David Clark</p>

	<p>RESOLVED</p> <ol style="list-style-type: none"> 1. To note the report. 2. To agree to the establishment of the Phoenix Sponsorship Board (comprising of a core group of the Leader, the Deputy Leader, the Portfolio Holder for Transformation, the Chief Executive and the Leader of the Opposition). 3. To give delegated authority to the Sponsorship Board, for all budgets, and associated practical strategic and financial management responsibilities associated with the Council's programme of transformation including the phase 2 of the delivery of the public sector hub, subject to the provision of regular update reports to Cabinet. <p>REASONS FOR THE RESOLUTION</p> <ol style="list-style-type: none"> 1. To keep members informed of the latest developments and opportunities concerning the civic site. 2. To establish a common forum where these opportunities and developments could be reported on and debated. The cross-party nature of the Project Sponsorship Board reflected the potential impact such developments may have on strategic priorities, corporate objectives and wider socio-economic developments and benefits. 3. To provide the Project Sponsorship Board with appropriate authority to make decisions that would allow the Council to gain best value from its assets, to further enhance the variety of services available from the Shape Mendip Hub and to deliver positive outcomes from opportunities that would arise a part of the Council's transformational activities. 	
<p>11</p>	<p>Five Councils' Partnership Update</p> <p>This item had been withdrawn from the agenda prior to the meeting.</p>	
<p>12</p>	<p>Portfolio Holder Decisions</p> <p>None.</p>	
<p>13</p>	<p>Forward Plan</p> <p>Noted.</p>	

14	<p>Minutes for Information</p> <p>The following minutes were noted:</p> <p>Scrutiny Board Minutes 25 July and 22 August 2016 Wells Recreation Ground Trust Minutes 1 August 2016 Audit Committee Minutes 10 August 2016</p>	
15	<p>Urgent Business</p> <p>None</p>	
16	<p>Exclusion of The Press and Public</p> <p>Cabinet passed a resolution to exclude the press and public from the meeting during items 17 and 18 on the grounds that exempt information (as defined in Schedule 12A Local Government Act 1972) of the following description was likely to be disclosed:</p> <ul style="list-style-type: none"> • Category 1 – Information relating to any individual • Category 2 – Information which is likely to reveal the identity of an individual 	
17	<p>Irrecoverable Arrears – Housing Benefit Overpayments</p> <p>Cabinet were asked to consider the arrears which were irrecoverable, and to write off the sums as detailed in the report.</p> <p>Members were encouraged to consider along with the Portfolio Holder for Finance, Governance and Corporate Services what lessons could be learned from errors had been made by the Council in some cases of benefit overpayment. Also, individual cases should be raised with the Portfolio Holder and Officer to work together to resolve issues as and when they occur.</p> <p>In response to queries Members felt it was important for letters sent by third party contractors to be laid out in the appropriate tone and style for the Council. The Deputy Chief Executive agreed to investigate this issue.</p> <p>RESOLVED</p> <p>Cabinet agreed to write off the irrecoverable arrears as set out in the report.</p>	Paul Deal

18	Irrecoverable Arrears – Council Tax Cabinet were asked to consider the arrears which were irrecoverable, and to write off the sums as detailed in the report. RESOLVED Cabinet agreed to write off the irrecoverable arrears as set out in the report.	Paul Deal
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The meeting closed at approximately 8.10 pm.