

Draft minutes subject to approval at the next meeting of the Executive
Executive – 7 March 2007

Present: Councillor Williams (Chairman)
Councillors Bishop, Mrs Bradley, Cavill, Clark, Edwards, Hall, and Mrs Lewin Harris

Officers: Mrs P James (Chief Executive) Ms S Adam (Strategic Director),
Mr S Murphy (Principal Accountant) Mrs E Collacott (Principal Accountant), Mr S Kendal (Economic Development and Regeneration Manager), Mr B Yates (Building Control Manager) and Mr G P Dyke (Democratic Services Manager)

Also Present: Councillor Wedderkopp.

(The meeting commenced at 6.15 pm)

28. Apologies

Councillor Leighton

29. Treasury Management and Investment Strategy 2007/08

Submitted report which gave an update on Treasury Management and Investment Activities for 2007/2008. The current level of Council debt together with outstanding investments were noted. It was expected that short term interests rate would peak by the Summer of 2007 and fall again by December 2008. Long term rates were anticipated to remain more stable.

Borrowing and debt restructuring was outlined in order to take advantage of prevailing low long term rates. Investment maturities were to be extended in light of current relatively high rates whilst maintaining liquidity of cash.

RESOLVED that the Treasury Management Strategies outlined in the report be agreed.

30. Quarter Three Budget Monitoring Update

Submitted details of the Council's budget position at Quarter three. It was anticipated that the Council's budget would be overspent by the end of the financial year. Details were submitted of the reasons why this was so and the action that had been taken to minimise its effect. This report had also been considered by the Review Board at its meeting on 22 February 2007.

RESOLVED that the predicted financial outturn position and the steps taken to minimise the impact on the Council's General Fund Reserves be noted.

31. **Increases in Building Regulation Fees**

Under the Building (Local Authority Charges) Regulations 1998 the Council was authorised to fix a scheme of charges to recover the cost of providing a Building Regulation service. Income from fees should be sufficient to recover the cost of providing the service when considered over a three year accounting period (the break even target).

Budget forecasts for 2007/08 indicated a potential shortfall in income against expenditure. Consideration was therefore given to an overall increase in fees charged for Building Regulation Services in order to address the forecast imbalance. In setting the revised scale of fees consideration was given to fees proposed to be charged by neighbouring authorities. The proposed fees would be a little above South Somerset and Sedgemoor charges but below Mendip whilst West Somerset were expected to follow this Council's lead.

Under the Local Government Association Model Scheme for Fees, charges were broken down into three principal categories.

New Dwellings
Domestic Extensions
And all other works

RESOLVED that the new scheme of charges as set out in the Appendix to the report to the Executive be agreed with effect from 1 April 2007.

32. **Somerset Inward Investment Company**

Proposals to establish a Somerset Inward Investment Company had been under discussion for some time. The proposed company was intended to develop a countywide marketing presence specifically to address the mismatch between the perceptions that businesses in the South East and Midlands currently had of Somerset as a place to holiday but not to do business.

In addition through marketing the company would work to attract new business relocations together with supporting expansion plans for all local companies and those based outside of Somerset but within the South West.

A specialist consultancy had been engaged by the County Council to work with partners to develop a business plan and a detailed business case. The company would operate as a partnership between the Local Authorities in Somerset, business representative organisations, individual business stakeholders, academic institutions and the Regional Development Agency.

Details were submitted of the funding proposals for the new company together with a number of matters that remained to be resolved. These included issues of governance and proposed remuneration for the staff group.

Allocation of the costs of the Council's contribution for each of the first three years of operation could be contained within existing budgets.

RESOLVED that:-

- (1) this Council become a founding partner of the Somerset Inward Investment Company;
- (2) a financial contribution be made to the costs of the first three years of operation of the company in the sum of £12,500.00 a year in 2007/08, £25,000.00 in 2008/09 and £25,000.00 in 2009/10;
- (3) the Executive Portfolio Holder for Economic Development and Property be authorised to decide upon representation on the proposed Somerset Inward Investment Company Board of Directors.

33. Local Authority Business Growth Initiative Awards 2007/08

In 2006/07 the Council had received £138,000.00 in the first round of awards made by Government in recognition of the growth in income from business rates achieved in the previous year.

Indicative amounts for the second round award of LABGI for 2007/08 had initially been advised by the Government. However the initial indication provided by the Government had proved to be wildly inaccurate and the figure now notified had been significantly reduced from that originally stated. It would therefore be necessary to consider further how the revised amount would be allocated.

Members felt that it was regrettable that the level of disparity between the indicated award in early February and the final “capped” award advised later in the same month was so great. This called into question the value of the two part process.

RESOLVED that:-

- (a) the Executive Portfolio Holder for economic Development and Property be authorised to agree the final distribution of LABGI monies for 2007/08 in line with the revised award figure that had now been indicated.;
- (b) the DCLG and LGA be informed of this Council’s concern over the way in which this matter has been handled.

34. Exclusion of Press and Public

RESOLVED that the press and public be excluded from the meeting for the following item because of the likelihood of exempt information would otherwise be disclosed relating to Clause 1 of Schedule 12(a) of the Local Government Act 1972.

35. Property Services Management Changes

Considered report which gave details of a proposal to release the Property Services Manager and carry out a minor adjustment to the staffing structure.

Details were submitted of the financial implications of this proposal. It was noted that the costs would be recovered in less than one year. Ongoing annual savings would then be £49,459.00. However in order to achieve these savings £32,616.00 would be needed from reserves.

RESOLVED that the proposed restructure of Property Services be agreed and a Supplementary Estimate of £32,616.00 from reserves be approved.

(The meeting ended at 7.37pm)