

## SWT Scrutiny Committee - 2 September 2020

Present: Councillor Gwil Wren (Chair)

Councillors Libby Lisgo, Sue Buller, Dixie Darch, Habib Farbahi, John Hunt, Dave Mansell, Phil Stone and Nick Thwaites

Officers: Andrew Randell, Marcus Prouse, Tim Bacon, Gordon Dwyer, Joe Wharton and Dawn Adey

Also Present: Councillors Anthony Trollope-Bellew, Simon Coles, Chris Booth, Caroline Ellis, John Hassall, Marcus Kravis, Janet Lloyd, Andrew Sully, Ray Tully and Alan Wedderkopp

(The meeting commenced at 6.15 pm)

### 25. Apologies

Apologies were received from Councillors Cavill and Wheatley.

Councillor Trollope-Bellew attended as a substitute on behalf of Councillor Cavill.

### 26. Minutes of the previous meeting of the Scrutiny Committee held on 1st July 2020

(Minutes of the meeting of the Scrutiny Committee held on 1<sup>st</sup> July 2020 circulated with the agenda).

**Resolved** that the minutes of the Scrutiny Committee held on 1<sup>st</sup> July 2020 be confirmed as a correct record.

### 27. Declarations of Interest

Members present at the meeting declared the following personal interests in their capacity as a Councillor or Clerk of a County, Town or Parish Council or any other Local Authority:-

Name	Minute No.	Description of Interest	Reason	Action Taken
Cllr J Hunt	All Items	SCC & Bishop's Hull	Personal	Spoke and Voted
Cllr L Lisgo	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr J Lloyd	All Items	Mayor of Wellington	Personal	Spoke and Voted
Cllr D Mansell	All Items	Wiveliscombe	Personal	Spoke and Voted
Cllr D Perry	All Items	Taunton Charter Trustee	Personal	Spoke and Voted
Cllr D	All Items	Taunton Charter	Personal	Spoke and Voted

Wedderkopp		Trustee		

Cllr Janet Loyd declared an interest in respect of Agenda item 8 as the Leader of Wellington Town Council.

Cllr Thwaites declared an interest as a member of Dulverton Recovery Group.

Cllr Whetlor declared an interest as a member of Watchet Recovery Group.

Cllr Mansell declared an interest as a member of Wiviliscombe Recovery Steering Group.

28. **Public Participation**

No members of the public had requested to speak on any item on the agenda.

29. **Scrutiny Committee Forward Plan**

(Copy of the Scrutiny Committee Forward Plan, circulated with the agenda).

Councillors were reminded that if they had an item they wanted to add to the agenda, that they should send their requests to the Governance Team.

**Resolved** that the Scrutiny Committee Forward Plan be considered at the Scrutiny Committee on 9<sup>th</sup> September.

30. **Executive Forward Plan**

**Resolved** that the Executive Forward Plan be considered at the Scrutiny Committee on 9<sup>th</sup> September.

31. **Full Council Forward Plan**

**Resolved** that the Full Council Forward Plan be considered at the Scrutiny Committee on 9<sup>th</sup> September.

32. **Emergency Town Centre Recovery and back-fill of Economic Growth and Prosperity Fund**

The item was introduced and presented by the Cabinet Member and Economic Development Specialist.

The purpose of the report set out to seek Member support and approval for the measures proposed.

Following Covid-19 Lockdown, £535,000 had been made available for the purposes of Emergency Town Centre Recovery by repurposing the Council's existing Economic Growth and Prosperity Fund earmarked reserve. This had been carried out to put in place short-term impactful interventions in Town Centres to provide an urgent response to attracting footfall back in to the high street to support businesses located in these areas.

It was proposed to back-fill the repurposed budget by £500,000 from General Reserves, thereby ensuring that the Council is able to continue to deliver its adopted Economic Strategy and provide longer term support for economic recovery.

Since the announcement of 'Lockdown' in March 2020, Somerset West and Taunton Council has provided the administrative function for the business support made available by Central Government in the form of Business Rates Holidays, Small Business Grants, Retail and Hospitality Grants and has delivered a Discretionary Grant Scheme. The Council has also accessed the ERDF Reopening Town Centres Safely Fund to deliver interventions to facilitate the re-opening of key service centres in a Covid-19 safe manner.

During the Lockdown period, Covid-19 restrictions have had a severe impact on the way Town Centres, Service Centres and Town Centres across the District have been able to function. The discouragement of face-to-face services in order to curtail the spread of the virus has adversely affected businesses trading within these traditional service centres.

Whilst some businesses have been able to adapt how they interact with their customers, the negative impact on the majority of businesses based in these areas has been significant and is well documented in the national media. This is also reflected in local Town Centre footfall statistics which dropped dramatically during the Lockdown period.

As Covid-19 restrictions have eased, public habits and public confidence in visiting services in a traditional face-to-face means has not returned to its previous levels, nor is it expected to do so for some time (if at all).

Whilst there was an immediate need to support existing businesses in the Town Centre to sustain the economy, there is also a wider recognition that Town Centres and Neighbourhood Service Centres as a whole may also need a re-think of their services and their functional role within the local economy if they are to continue to attract the public to the services that they offer.

To provide immediate support required to stimulate local town and service centres the Council has made available £535,000 from the balance of the Economic Growth and Prosperity Fund currently held in earmarked reserves. This Fund is funded from increased business rates retained income received in 2019/20 through the 75% Business Rates Retention Pilot.

Focussing these resources for the purposes of Emergency Town Centre Recovery for immediate actions to stimulate Town Centre economies is in line with the intent of supporting the local economy. In principle allocations are to be made available to settlements in proportion with their size and function throughout the District as follows:

<b>In Principle Allocations</b>	<b>£</b>
£200,000 x 1 for Taunton	200,000
£100,000 x 2 for Minehead and Wellington	200,000
£135,000 for Neighbourhood Service Centres of Watchet, Dunster, Porlock, Dulverton and Wiveliscombe and Williton	135,000
<b>Total</b>	<b>535,000</b>

Work to develop plans for emergency recovery is well underway and in July and August 2020 workshops were held with each community to identify need and commence development of local Town Centre Recovery Plans.

Town Centre Recovery Plans focus on immediate actions to stimulate High Street economies. Each differs depending on community priorities, however there is a general emphasis on actions which ensure that the town remains welcoming to visitors. For example ensuring that the public realm is well maintained and presented, that there is vibrancy through stimulating outdoor markets and entertainment and that the centre and its activities and attractions are well marketed.

Funds from the Emergency Town Centre Recovery Fund will be devolved through service level agreements, to an appropriate financially accountable authority/body within each community. During 2020/21 officers will be working closely with all grant recipients to ensure outputs are set and grants are offering value for money.

The purpose of the recommended £500,000 is to back-fill the Council's Economic Growth and Prosperity Fund. Covid-19 has had a devastating effect on the local economy. This budget will support the delivery of medium and long term proposals to stimulate the economy through delivery of the adopted Economic Development Strategy and refreshed activity appropriate for a time of Covid recovery.

The budget needs to remain flexible in order to take advantage of partnership opportunities as they develop. However the types of activity that the fund could potentially enable include:

- Development of retail/leisure/housing zoning plans for town centres and development of place plans to identify the unique narrative for each town
- Activity to strengthen local business networks, clusters and town centre partnerships
- Business skills support for the adoption of new digital technologies (such as Shop Appy)

- Activity supporting Inward Investment within the District

There was a cross over with other strategic ambitions of the Council such as Garden Town, Climate Change, Coastal Productivity Plans, Heritage and Cultural plans and potential to support economic aspects of these from this proposed budget.

The following points and questions were raised as part of the discussion:-

- The committee were broadly in favour of the proposal but concerns were expressed over the three month termination clause and distribution of the fund, with specific reference to Minehead BID.
- An update in relation to the situation with Taunton BID was requested.
- Accountability on the use of public funds was requested to be further emphasised in the report.
- The plans would support one or two of the objectives in terms of wealth creation and economic growth in the towns.
- The committee welcomed the funding being spread throughout the district.
- Work undertaken by the economic development team, in terms of plans requested to be undertaken in Wiveliscombe
- Emphasis on smaller town's regeneration was encouraged.
- Terminology had been taken from the Corporate Plan.
- The agreement with Shop Happy was being finalised prior to its planned launch in a couple of months.
- The size of the ERDF fund along with the eligibility and accountability being questioned.
- Concerns were expressed in the public accountability of the Chamber of Commerce and the transparency of this with public engagement. A requirement of public accountability was requested.
- Equality and Diversity implications of the delivery of the fund was considered and a greater need for consultation with residents was required.
- Suggestion was made that the Chamber of Commerce should set up a dialogue with SWT Councillors as part of the administration of the grant fund to ensure greater control and transparency....
- The SLA criteria could be devolved to the third party in the proposal. The final agreement would be approved by SWT with criteria targets to be met.
- Concerns were expressed over supporting businesses that were not sustainable in the long term and the impact in the long term of high streets.
- Support of sectors such as manufacturing was emphasised. Wealth generation through the area was determined to be required encourage a vibrant economy and additional employment.
- Visit Taunton should be considered a further option to Taunton Chamber of Commerce.

Councillor Mansell opted not to take part in the vote due to advice from Officers over a potential prejudicial interest.

The Scrutiny Committee:-

1. Noted that £535,000 has been repurposed for Emergency Town Centre Recovery following Covid-19 Lockdown utilising the Council's Economic Growth and Prosperity Fund held in earmarked reserves.
2. Recommended that Full Council approves a budget allocation of £500,000, funded from General Reserves, to back-fill the Economic Growth and Prosperity fund.
3. Recommended that Full Council delegated authority to approve expenditure of both funds to the Director of Development and Place in consultation with the Economic Development Portfolio Holder.
4. Requested that the Director of Development and Place and Economic Development Portfolio Holder, in consultation with Taunton Councillors, consider including Visit Taunton in addition to the Taunton Chamber of Commerce as the grant distributing bodies for Taunton.

### 33. **The creation of a Community Chest Fund**

The item was introduced and presented by the Cabinet Member and the Community Resilience Manager.

The proposed Community Chest would be used for projects within the community that aid community cohesion, response to COVID19 and recovery of the community. This is by definition a wide remit but the aspiration is that groups of varying size are able to access a timely boost to support their activities. This funding would complement the extensive awards made available and awarded to many businesses in our area and is very much targeted at recovery to provide more enabling funding to the Voluntary and Community Sector and wider community groups. These are grants to help the community and are separate from business grants, which have been widely promoted and accessed elsewhere.

The Community Chest Scheme would support one-off initiatives that are:

- supporting COVID19 recovery
- seen as valuable to the area
- are not able to secure mainstream funding from the Council or other sources

One-off grants of up to £5,000, usually not exceeding 75% of the total actual costs were available, i.e. the group will need to find at least 25% from their own

or other sources, which could include in kind contribution e.g. volunteer hours. Consideration would be given to:

- projects submitted by small community groups, defined as having an income of less
- than £10,000 per year and no paid staff
- initiatives that will help community groups to become sustainable in the longer term
- initiatives that will help the community to recover from the effects of COVID19
- groups who have not received a grant/other funding from the Council
- projects aligned to SWT Corporate Priorities

Retrospective funding applications would be considered on a case by case basis but will not normally be supported.

Examples of projects that may be funded include signage or screens to allow a community café to operate safely; funds to allow community activities to take place and restore community life; match funds to enable groups to start up and reinvigorate an area from the varying effects of COVID19.

It was intended that there was an application process through a simple Firmstep form. Applications were up to the value of £5,000 and must not have been previously funded by the Council (e.g. through a business grant). Applications would be automated and then the Community Resilience Team will assess them for suitability.

A dashboard would be created and used to understand expenditure over time. In addition, the portfolio holder will receive a weekly summary of how funds have been allocated. They must be spent by 31st March 2021.

The scheme would be widely promoted and therefore we expect applications from across the SWT area. However, the Community Resilience Team in consultation with the portfolio holder would monitor to ensure that there is a geographic spread to the funding allocation. Where it is felt that an area is under represented, further promotion will take place to try to encourage participation.

Ongoing monitoring of spend and activity would be completed within the Community Resilience Team.

Members would be able to access a summary of spend on a monthly basis and the Community Resilience Manager will bring a report at the closure of the scheme as to how monies were spent and where benefits were realised.

During the discussion the following points and questions were raised:-

- The likely recipients were questioned if the recipients had not received support from another Council fund. Concerns were expressed over Community and voluntary organisations being unable to be considered in attaining support from the fund.

- Members of the committee were reassured that the Firmstep process had worked effectively throughout the Covid-19 period through issuing business grants.
- Further assurance was given to inclusivity to ensure the fund is distributed as widely as possible to ensure organisations could continue to operate efficiently.
- A monthly update would be provided to members setting out the organisations that had achieved funding.
- Organisations that had received previous funding but were still struggling were encouraged to get in contact.
- It was considered if new community groups would be considered for funding. Councillors were encouraged to get in contact if they aware of groups that required funding.
- Assisting the community to be successful in activities supporting community cohesion was encouraged.
- The committee welcomed assistance from the fund to their communities.
- Concerns were expressed over the issue of a press release relating to this item prior to it being considered at Scrutiny. Greater consideration around this was encouraged in the future to respect the democratic process on future items being considered. The Scrutiny Chair would address this with officers outside of the meeting.
- An exception of organisations that employ staff was requested due to the fact that some organisations employ small amounts of part time staff. Clarification was given that smaller organisations in this instance would still be considered.
- The Cabinet member was congratulated on the Community Chest Fund. The suggestion was made to create a future fund for Councillors to use individually to support initiatives in their ward.
- There was flexibility in the turnover criteria of the scheme.

The Scrutiny Committee:-

1. Recommended to approve a supplementary budget of £250,000 for the Community Chest, to be funded from Business Rates Retention Pilot surplus income due to be received in 2020/21.
2. Delegate authority to the Communities Portfolio holder to make decisions relating to the spend of this fund.
3. The Communities Portfolio holder will engage with ward members on proposed spending within their wards.

#### 34. **Access to Information - Exclusion of the Press and the Public**

**Resolved** that:- The Scrutiny Committee Recommended that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the next item of business on the ground that it involves the likely disclosure of exempt information as defined in paragraph 3 respectively of Part 1 of Schedule 12A of the Act, namely information relating to the financial or business affairs of any particular person (including the authority holding that information).



### 35. **Delivering Regeneration - Setting up a Special Purpose Vehicle**

A Commercially Confidential Report was presented to the committee setting out the creation of a Special Purpose Vehicle.

During the discussion of the item the following points and questions were made:-

- Concerns were expressed over not having the PWC report. Assurance was given that the report would be received in advance of 29<sup>th</sup> September.
- More detailed tax advice and implications would form each of the projects nearer the time as part of the business case considerations.
- Reassurance was given that the committee would still have time to comment on the report nearer to full council consideration.
- App 4 set out a summary and terms of reference of what PWC would be providing in their report. The Construction industry scheme was requested to be added to this detail.
- The risk of the projects would be held with the subsidiaries. As part of an exit strategy any new authority could exit the activity of the SPV in selling assets and shares.
- The council had the power of authority to enter into this agreement under section 1.4 of the localism act.
- Carbon Neutrality and Zero carbon ambitions were requested in the report in the use of what's constructed and how projects are constructed.
- Concerns were expressed over the risks of asset stripping resources that belong to the Council along with democratic control and accountability.
- A focus on profits and the risk of further subsidy for SPV's and lack of democratic involvement was questioned. Concerns were expressed over approving the SPV without the PWC report.
- The benefits of SPV and principles that govern them were a good idea. The projects and services would be added to the group on a business case basis. Oversight of the SPV would still be held with the Council. The Scrutiny Committee could still hold the company to account.
- The current uncertainty in the context of commercial projects was considered.
- Further advice from PWC would be part of future thinking of forming the SPV.
- The benefits of the SPV were well founded, concerns still remained around competence of Councillors to oversee the running of a group of companies.
- Appointing a Director of the company and the process and time taken around this was considered.

The Scrutiny Committee recommended to the Executive to:-

1. Approve the creation of (name to be confirmed) as a company limited by shares and wholly-owned by the Council in accordance with the principles of future business cases set out in this report; subject to the provision of the tax and compliance advice from the

PricewaterhouseCoopers (PWC) report and construction industry scheme information.

2. Delegate authority to the Director of Place (in consultation with the Executive) to register the name of (the SPV) and complete all practical, financial and legal matters to enable (the group SPV) to be established including approval of the final form of all necessary legal documentation and thereafter oversee operations of the Council.
3. That Projects and services are added to the Group on a business case by business case basis as approved by Full Council and performance monitored through the Shareholder Agreement.

### 36. **Tangier**

The Committee considered a Confidential report relating to the acquisition of Commercial Land.

The following points were raised as part of the discussion:-

- Ground investigation works would be undertaken before the site is purchased.
- Purchase of the land and the principles of development was encouraged.
- The rate of return from the investment was questioned along with the indicative costs of the development and financial assessment.
- The cost return and risks were considered. The level of return would be tested with build prices.
- Zero Carbon ambitions from the development and adoption of this was commended. Ground and water sourced heat pumps were encouraged. Zero Carbon construction was encouraged be considered.
- Amending the planning permission was considered and revising the application to amend this to add zero carbon initiatives.
- A foot and cycle bridge was encouraged to be included in the development to provide easy access to the station.
- The building will need to be piled to ensure the structures are stable, it was acknowledged that this would impact on the zero carbon.
- Regeneration site, this scheme would need to achieve zero carbon, a redesign would be an expensive process, getting the best result quickly was the aim of the project. A new planning application would be a time and cost intensive process.

The Scrutiny Committee Recommended:-

1. The principle of purchasing the current site.
2. An additional budget to be identified to progress detailed design will be tested with sub-contractors on a construction management

approach.

3. That funding is sought from Homes England and if a viable solution is not identified then the site should be opened up as a green space with car parking for the benefit of the area.
4. Delegated authority to the Executive Portfolio Holder for Asset Management and Economic Development and the Chief Executive, in consultation with the S151 Officer, to agree the final terms and complete the transaction, subject to satisfactory due diligence and satisfactory professional advice is received in relation to Finance, Procurement, Title, SPV, Tax and VAT and Legal and Ground Conditions specifically. Specifically a detailed business case will be presented to Executive for the final decision to proceed.
5. The acquisition to be subject to an independent valuation confirming the purchase represents value for money and the scheme is valued as outlined in the report.
6. That the development will achieve zero carbon and if possible contribute affordable housing

(The Meeting ended at 7.56 pm)

