

BATH AND NORTH EAST SOMERSET

CORPORATE POLICY DEVELOPMENT AND SCRUTINY PANEL

Monday, 29th November, 2021

Present:- Councillors Karen Warrington (Chair), Winston Duguid (Vice-Chair), Mark Elliott, Andrew Furse, Lucy Hodge, Shaun Hughes, Hal MacFie, Alastair Singleton and Sally Davis

Also in attendance: Andy Rothery (Chief Finance Officer (S151)) and Simon Martin (Infrastructure and Development Manager) and Claire Lynch (Business & Skills Manager)

44 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

45 EMERGENCY EVACUATION PROCEDURE

The Chair drew attention to the emergency evacuation procedure.

46 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were none.

47 DECLARATIONS OF INTEREST

There were none.

48 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

49 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

Councillor Karen Walker and Councillor Sarah Bevan submitted a joint statement to the Panel on the subject of the 2022 / 23 Budget. A copy of the statement can be found online as an appendix to these minutes, a summary is set out below.

2022 / 23 Budget – Will Peasedown St John be included?

Each year we see millions of pounds being spent on numerous projects across the local authority.

We are grateful that the council uses a budget setting and discussion process that allows all councillors to contribute and make representations on behalf of their

constituents. It's for this very reason that we're submitting this statement, and these items for consideration in the 2022/23 council budget.

Please do consider these financial requests from Peasedown St John residents for the forthcoming council budget.

- £50,000 for Braysdown Lane resurfacing
- £50,000 for Carlingcott resurfacing
- £50,000 for Wellow Mead resurfacing
- £20,000 for hedge maintenance and path clearance

The Panel noted the statement and thanked both Councillors for its submission.

50 MINUTES: 27TH SEPTEMBER 2021

Councillor Andrew Furse commented that he had not received any further feedback regarding the point he raised on the matter of a pedestrian crossing from Western Riverside to Victoria Park which had been promised through a Section 106 agreement.

The Panel confirmed the minutes of the previous meeting as a true record and they were duly signed by the Chair.

51 CABINET MEMBER UPDATE

The Cabinet Member for Economic Development and Resources, Councillor Richard Samuel was not able to be present at the meeting on this occasion.

52 DRAFT BUDGET ASSUMPTIONS

The Chief Finance Officer addressed the Panel and gave a presentation. A summary is set out below and a copy will be attached as an online appendix to these minutes.

Budget Assumptions 2022/23

The forecast includes the following cost pressures and assumptions:

- Pay Inflation - Estimated 2.00% per annum
- Council tax - Assumed at 1.99% & 1% Social Care precept for next 3 years
- Pension Costs - Have been revised in line with the recent revaluation for the next two years followed by a 1% increase per annum from 2023 24
- Demographic Growth & Increase in Service Volumes - Additional demand from new placement and market pressures in Adult Children Social Care
- Inflation - CPI projections held at existing planning levels of 2% this will be refreshed for the detailed budget proposal based on ONS data Financial risk is being recognised with contingencies made in high risk areas

- Budget Pressures / Rebasing – 2022/23 budget rebasing of income budgets taking account of Covid recovery, with improvement in future years
- Capital Spending - an allowance has been made to fund a minimal number of new schemes given current financial constraints
- Reserves - Planned use of £3m corporate £2.22m service reserves to manage the transitional pressures from reduced income, and £5m commitment against an earmarked general reserve for unbudgeted Covid pressures

He explained that the Council was still awaiting the outcome of the Spending Review from the Government.

He informed the Panel that a contingency budget (inflation and pressures) had been constructed with the following elements in mind.

- Adults and Childrens Corporate Contingency £2m
- Energy Inflation contingency £1.25m
- N.I. Uplift £0.75m
- Business Rates base pressure £0.5m
- New Homes Bonus grant risk £0.92m
- Total £5.42m

The Chair asked if enough measures were in place given the continuing pressure on funding within the Council.

The Chief Finance Officer replied that it was difficult to account for all eventualities, but that he felt the Council was as prepared as it could be.

Revised Budget profile

- Increase in Government funding into base budget for 2022/23
- 2022/23 will reset the budget taking account of new funding requirements
- Council funding and the budget requirement is more aligned in future years

Budget setting timetable:

- Nov: Area Forum discussion on Winter Pressures
- Dec: 14th December Budget Engagement event
- Jan: 10th & 31st Corporate Scrutiny Panel
- Feb: 10th Cabinet
- Feb: 15th Full Council

The Chair requested that as much information as possible be shared with the Panel ahead of its meetings on Jan 10th and 31st respectively.

The Chief Finance Officer replied that it was the intention that all of the detailed budget annexes, in terms of adjustments to the budget, including savings, investment and the capital programme would be discussed on Jan 10th.

Councillor Andrew Furse asked if the 2% assumption on pay inflation was sufficient.

The Chief Finance Officer replied that he felt that it was a reasonable figure over the five year term. He added that a contingency may need to be considered as negotiations regarding pay settlements were ongoing.

Councillor Sally Davis asked how many scenarios officers had drafted prior to the one set out in the presentation.

The Chief Finance Officer replied that there had been a range of scenarios within the Medium Term Financial Strategy and that this currently was seen as a blended live scenario. He added that Scenario 1 had Council Tax at 1.99%, Scenario 2 had a Social Care Precept of 2% and Scenario 3 had a Social Care Precept of 2% plus the continuation of the Business Rate Retention pilot.

Councillor Hal MacFie asked what elements were being cut back in terms of Capital Expenditure.

The Chief Finance Officer replied that there were no plans to cut back the existing Capital Programme items and that the only change would be to profiling on delivery to calculate our borrowing requirements. He added that there will be an updated delivery timetable.

Councillor Winston Duguid if the Council mainly received capital through a series of grants / allocations.

The Chief Finance Officer replied that large parts of the Capital Programme are grant funded on major infrastructure schemes, however there are a number of elements that are corporately funded. He added that if a loan were required for a scheme it would be repaid plus interest through revenue. He said that these were built into their core budget assumptions.

Councillor Duguid asked if there was now more of a trend for the profile of the capital to be coming through WECA rather than central government.

The Chief Finance Officer replied that it was probably more through WECA on the larger schemes.

Councillor Duguid asked how much of the Council's reserves would be needed to be used this year and in the coming years. He said that it was his recollection that when the current administration began they were at a level of £40m (£30m specific / £10m general).

The Chief Finance Officer replied that the figure was around £50m (£37m specific / £13m general) and remained broadly the same. He said that reserves were utilised to manage the 21/22 budget, however through the Covid Recovery Plans the Council

was able to mitigate its financial exposure risk and did not have to draw on the financial planning reserves that were earmarked.

He added that due to income exposure £7m had been put into the budget for 21/22 and £3m was planned for 22/23 and that this would be repaid in future editions of the Financial Plan.

Councillor Duguid asked if the savings proposals of £12.3m would be as a result of cuts or postponements.

The Chief Finance Officer replied that it should not always be seen as cuts as there are different methods of providing service delivery, such as care placements and care locations.

Councillor Duguid asked if the Council was allowed to hedge on energy.

The Chief Finance Officer replied that it was not.

Councillor Duguid asked if borrowing was expected to be static.

The Chief Finance Officer replied that this would be refreshed on the borrowing requirements of the Capital Programme, but it was static in terms of cash flow projections.

The Panel **RESOLVED** to note the update to the Medium Term Financial Strategy budget assumptions.

Budget planning update PDS Nov 2021

53 ECONOMIC DEVELOPMENT

The Business & Skills Manager addressed the Panel and gave a presentation. A summary is set out below and a copy will be attached as an online appendix to these minutes.

Business and Skills Team Functions

- Main point of contact for co-ordinating support services to local businesses and residents
- Share specific information about targeted business support, financial assistance and skill support programmes
- Inward investment and business retention, offering tailored services to support those businesses wishing to relocate or expand their businesses within our area
- Deliver sustainable, inclusive growth. Enabling residents and businesses to meet their full economic potential in our district

Inward Investment & Retention

In North East Somerset

- Appears to be a steady stream of smaller and start up retail – local high streets have been resilient
- We have a number of enquiries for smaller industrial sites in Midsomer Norton / wider Somer Valley area.
- Willmotts moving into the old Dickies building – bringing jobs and training centre
- A new planning application for 8 industrial units in Clutton, supporting other developers with plans for new workspace

In Bath

- Vulnerability to US investors in key companies during the pandemic, with 2 great companies closing Wild and Wolf (product design) 90 jobs and Funko Animations (animation and product design) 90 jobs
- However, office take-up in 2020 was resilient even during the lockdowns.
- Current office vacancy rate are higher and lease signings are down so far this year, but we have good protection for offices due to the World Heritage Site exemption to Permitted Development Rights

Economic Strategy Approach

- Address key challenges identified by One Shared Vision, the Local Industrial Strategy and West of England Recovery. Plan in order to align with future funding streams.
- Draw on the ambitions of the One Shared Vision Plan and Zero carbon approach, committing to strong and sustainable growth across the authority area.
- Partnership approach to delivery, governance and ownership drawing in community and key anchor institutions. Aim to be aspirational and visionary, rather than purely an action plan.

Key Priorities for Businesses and Skills

- Digital inclusion and skills
- Addressing inequalities / disabilities
- Upskill and Retrain

Skills Projects

- Employment & Skills Pod
- 3D Academy

Project & Programme Delivery & Successes

- Targeted Recruitment and Training (TR&T) s106 – Planning & Procurement, 20 WE placements over the year. 80 lined up from Jan.
- Women's Work Lab – Full cohort each time.

Councillor Alastair Singleton referred to the SWOT Analysis within Appendix 1 and asked if there was evidence of a current unmet demand for A Grade office space.

The Director of Regeneration & Housing replied that there is a disparity between the quality of office space traditionally available across the area compared to the needs now for modern, higher quality, flexible and more sustainable office space. He said that flexible / large floorplates were difficult to provide.

He added that it has been interesting to see what the post pandemic demands will be. He said that within Bath Quays there is 55,000 sq ft of office space that the Council has developed and that demand was strong for its use. He said that evidence suggests there is still an under supply for this type of space.

He stated that there was a strong market interest for B&NES for relocation and that the difficulty for companies was having the ability to make timely decisions with all the changes that continue to occur.

Councillor Singleton asked how sure it was that the benefits listed on page 33 in terms of GVA Impact and Employment Impact would be realised.

The Business & Skills Manager replied that she would consult with a member of the team and respond in due course to the Panel.

Councillor Shaun Hughes commented that within the presentation there were a lot of names / acronyms in terms of projects and programmes, such as Future Bright and Invest in B&NES. He asked how this information was being communicated to local businesses within the area and whether there was a document that Councillors could have to circulate to those that would find it helpful.

The Business & Skills Manager replied that a lot of information is advertised on the Council's website, that there is also an Employer Engagement Network that was in place to help with communication and that they do also send out newsletters to local businesses. She said that she was willing to look into more that can be done.

The Director of Regeneration & Housing added that the branding of the 'Invest' work was being looked at and in addition how can their work be highlighted to businesses as they provide a one point of contact platform to enable businesses to access the various grants that could be available to them. He acknowledged that it was likely that more could be done on this matter.

The Chair commented that the 'Invest in Bath' brand was seen as a barrier on occasions to companies in North East Somerset and they won't therefore engage. She asked officers to consider using the Community Hubs, Chamber of Commerce, Local Forums and Parish Councils as a way of passing information on and suggested they could give a presentation in different localities.

The Director of Regeneration & Housing said that he would take that suggestion on board. He added that there were a number of High Street Hubs now in place in Bath, Keynsham and Midsomer Norton to provide support to businesses and that they were looking to provide more of these in the future if possible.

Councillor Hughes commented that industrial space locally appeared to be eroding with more of an emphasis being put on the digital economy. He asked if officers were working with the Planning department to develop a policy to protect our industrial spaces.

The Director of Regeneration & Housing replied that work was ongoing within the Spatial Development Strategy to identify and safeguard industrial land in the district. He added that through the work of the new Economic Strategy they would try to show the strengths that B&NES can offer to provide more.

He said that the demand does exist for this space and that commitment needs to be shown to initiatives such as the Somer Valley Enterprise Zone.

Councillor Hal MacFie asked what plans were there to improve local bus services, particularly in Keynsham, as they appear to be stopping earlier in the day which is limiting access for the public.

The Director of Regeneration & Housing replied that WECA were set to receive capital investment as part of City Region Sustainable Transport Funding which would see them allocated £540m over the next five years, some of which will come through to B&NES for corridor improvements to improve bus services / connectivity.

Councillor MacFie asked if any further information / data could be provided to the Panel in terms of the numbers of people that are self-employed within B&NES.

The Business & Skills Manager replied that she would consult with a member of the team and respond in due course to the Panel.

Councillor Andrew Furse commented that it had been a challenge for many years in terms of North East Somerset as the housing and economic development plans from the Council do not always match up with those of Government.

He said that it should be recognised that there are pockets of deprivation across the area and he was pleased to see that NEETs had been picked up in the report. He added that the challenge still remained on how to engage with those most hard to reach.

He stated that he would like to have seen more references within the report that refer to technology and engineering as he believed there were opportunities available locally for young people. He added that this also needed to be looked at alongside the issue of affordable housing and the part that plays in being able to allow people stay within the area or move here.

The Business & Skills Manager replied that a number of the projects are available on an outreach basis. She said that the NEETSs work was carried out in the main through Youth Connect and a support project has been put in place to go into schools to offer direct help. She added that they had also been to gain some funding from WECA for a specific mental health project for NEETs.

Councillor Lucy Hodge commented that within reports for the Planning Committee there tends to be a shortage of information about potential industrial use of sites and suggested whether officers within Economic Development could input into the relevant reports that the Committee receives.

Councillor Winston Duguid asked why this area of work has not been looked at for a number of years.

The Director of Regeneration & Housing replied that the Economic Strategy was updated in 2015 as part of the refresh of the Placemaking Plan and this was a five year plan to 2020. He said that they had initially commenced this work just prior to the pandemic, at which point Business Support became our primary role.

Councillor Duguid asked if the Council had fed into the West of England Local Industrial Strategy.

The Director of Regeneration & Housing replied that they had, but it was also important to have our own and to make them dovetail.

Councillor Duguid commented that through the support work carried out during the pandemic it had probably given the team a better database of what businesses were doing locally.

The Director of Regeneration & Housing replied that it had and that the Council had supported 4,500 businesses during the pandemic. He added that through Invest in Bath they are now able to update 3,000 businesses on a regular basis.

Councillor Duguid asked what the timescales were for the strategy and asked for it to include KPIs or a success criteria as well as a vision statement

The Director of Regeneration & Housing replied that a Draft Strategy was scheduled for June 2022 and that it would fit behind the Renewal Vision.

Councillor Duguid referred to the matter of tourism and in particular Commercial Heritage and asked how far this can be taken post Covid and where was it likely to top out.

The Director of Regeneration & Housing replied that it is an essential part of our Skills Plan and to seek to make these jobs more valuable and to have a career path. He added that work was required to now shape the visitor economy to see if the time that people stay in the area can be increased.

Councillor Mark Elliott commented that he felt that it was the right time for a new strategy to be devised and said that if possible he would like to see Climate Emergency put at the heart of it.

Councillor Hughes said that there were concerns in the Somer Valley with regard to employment and he asked if any comment could be given as to how the 500 new homes on the Mendip border will be managed.

The Director of Regeneration & Housing replied that this would be monitored but said there was a chance the Mendip homes could increase the numbers of people that will use the local high streets.

Councillor Hughes said that he felt that there was pressure on housing within Midsomer Norton with prices in Bath remaining high and that this could have a knock on effect with people commuting back into the city for work.

The Director of Regeneration & Housing replied that the need for transport investment is acknowledged as was the housing challenge and the need for good quality affordable housing across B&NES.

Councillor Hughes stated it was vital that the Economic Development team worked alongside the Planning team to find the right mix of industrial sites and the right type of housing.

The Chair said that she was pleased to see Market Gardens referred to in the report and commented that a balance was needed with regard to accessing industrial sites through the sometimes narrow lanes in North East Somerset and the everyday access needs of the local community.

She also asked if an update could be provided on the progress of rural broadband.

The Director of Regeneration & Housing replied that he would provide some feedback on the rollout within Devon & Somerset. He added that at this stage he did not believe there was a mass distribution issue within North East Somerset and that it was about finding the right sites to enable local high quality goods to be made.

The Panel **RESOLVED** to note the work of the Business & Skills Team in delivering our economic development agenda and its attempts to promote inclusive economic growth throughout the district.

Business Skills Presentation

54 PANEL WORKPLAN

The Chair introduced this item to the Panel and made the following comments.

10th January 2022

Draft Budget: As much information as possible would be welcome for this meeting.

28th March 2022

Preparing for the Future: Report to contain some elements of transport information, metrics on where people will be working in the future and information about retention and recruitment of staff.

People Strategy Update: Include information about the appraisal system and performance management.

9th May 2022

Referring to the Christmas Market she said she would like the Panel to discuss the Council's decision making process.

She suggested that the Panel might also look at the Business Plan of ADL.

11th July 2022

Management of the Property Estate: Move this item to this meeting from the Future Items list.

26th September 2022

Parental Leave: Move this item to this meeting from the Future Items list.

Parish Charter: Move this item to this meeting from the Future Items list.

Councillor Alastair Singleton said that he would not want to see the work of the Community Contribution Fund shelved after just one year.

Councillor Lucy Hodge asked for the Panel to receive a report in due course on the income to the Council with regard to films / television programmes recorded within B&NES and events held in our local parks.

The Panel **RESOLVED** to note the comments made regarding their future workplan.

The meeting ended at 6.00 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services