

BATH AND NORTH EAST SOMERSET

RESOURCES POLICY DEVELOPMENT AND SCRUTINY PANEL

Monday, 1st August, 2011

Present:- Councillors John Bull (Chair), Manda Rigby (Vice-Chair), Colin Barrett, Charles Gerrish, Dave Laming, Nigel Roberts and Vic Pritchard

Also in attendance: William Harding (Head of Human Resources), Tom McBain (Divisional Director - Property), Angela Parratt (Head of Transformation), Andrew Pate (Strategic Director – Resources), Tim Richens (Divisional Director - Finance) and Ian Savigar (Head of Revenues & Benefits)

1 WELCOME AND INTRODUCTIONS

The Chairman welcomed everyone to the meeting.

2 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure.

3 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillor Watt sent apologies and was substituted by Councillor Vic Pritchard.

4 DECLARATIONS OF INTEREST UNDER THE LOCAL GOVERNMENT ACT 1972

There were none.

5 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

The Chairman announced that, due to public attendance at the meeting, he would vary the order of the agenda and take item 8 KEYNSHAM REGENERATION AND WORKPLACES PROJECT first.

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

There were none.

7 OVERVIEW PRESENTATION

Andrew Pate – Resources Director introduced the item and gave an overview presentation on service areas within his Directorate. *(a full copy of this presentation is available from Democratic Services or on the Council Website)*. The following points were covered:

- Customer Services
- Finance
- Improvement and Performance
- Legal and Democratic Services (reports to Chief Executive)
- Policy and Partnerships
- Property Services
- Risk and Assurance
- Transformation and Change Programme

The Director gave a brief summary, statistics and key facts for each service.

The Panel members raised the following points and asked the following questions:

Following a question from Councillor Roberts, Ian Savigar – Divisional Director Revenues and Benefits and Council Connect explained that Council Connect staff are now getting more support from other departments when following up calls and that this had brought about big improvements in call resolution especially for highways and missed bins.

Councillor Pritchard asked what type of flood defence equipment had been purchased in the Chew Valley area. The Director explained that people had been helped with flood defence training and also supplied with barriers (door barriers, self closing air bricks etc).

Councillor Roberts asked about the review of the IT programme and how he could be assured, in terms of value for money, what benefit the authority would get from it. Angela Parratt – Head of Transformation – explained that the change programme was not technology led. She further explained that by October, there would be a road map highlighting how many systems were being used in the organisation. This road map would help to reduce cost by reducing the number of systems and it would also help to identify where there are gaps. The officer further explained that the overall amount of money spent had been reduced by taking a licensing holiday.

In response to a question from Councillor Barrett on grant levels, Andrew Pate – Director of Resources - explained that the way the Council gets grants from the Government is under review and it was unclear if this would be good for this authority in the short term. In particular the Government Resource Review was looking at the return to Local Government income from business rates growth starting in 2013/14. In the medium term the answer will depend on how much housing growth and business rates growth takes place compared with other Local Authorities. He explained that he would find out more during August when the Government starts to issue the detail and report back to the Panel in the later in the year.

Councillor Laming asked how saving on the BRT would reflect on the Council's finances. Tim Richens – Divisional Director Finance – explained that this was not expected to directly materially affect the Council's revenue budgets. Andrew Pate – Director of Resources – went on to explain that there may be a one off hit to reserves as reported as a risk to full Council, ie the revenue reversion risk for project costs so far charged to capital for aspects of the project that stop. This risk which is between £3.5million and £7million would initially be a call on revenue reserves. He also referred to the potential additional cost of borrowing for elements of the scheme previously funded through park and ride additional income also referred to in the report in the region of £200,000.

The Chairman thanked officers for the presentation.

8 KEYNSHAM REGENERATION AND WORKPLACES PROJECT

Tom McBain – Divisional Director Property, and James Windsor – Project Manager introduced the presentation on 'Workplaces Programme' (*a full copy of this presentation is available from Democratic Services or on the Council Web Site*). The presentation covered the following:

- Workplaces Programme – general update
- Keynsham Regeneration
- Progress to date
- Benefits achieved
- Next Steps

Derek Quilter – Lead Director (delivery) gave a presentation on 'Keynsham Regeneration' (*a full copy of this presentation is available from Democratic Services or on the Council Web Site*). The presentation covered the following:

- Brief
- Existing Site
- Consultation
- Design Proposals
- Animation
- Programme
- Delivery Partner
- Potential for Riverside
- Key Decisions
- Financing

Andrew Pate – Resources Director gave an outline of the financing position. He explained that this had been reported previously to Council. He explained that there was £13million planned expenditure directly relating to offices but that slightly more than half the main construction expenditure was in relation to regeneration (including new library and one stop shop, public realm and highways) plus retail. He explained that all spend items are appropriate for borrowing. He explained all the funding options that had been considered - PFI credits, municipal bonds, tax incremental

finance and a private sector finance income strip option. He explained that deliberations were ongoing. He further explained that the key issue with the finance scheme is the timing as the cost of finance is changing, currently there are attractive finance rates but the scheme is not at a point where a funding option can yet be locked into.

The Panel members raised the following points and asked the following questions:

Councillor Bull asked about staff moving from the Guildhall and the impact on Keynsham office space. The Director explained that accommodation would be needed for around 100 staff which would have relatively low impact on the scheme. He explained that about 100 staff are based in the Guildhall of about 1500 total Council office based staff (excluding schools, operational buildings, depots etc). The Keynsham development is for 640 Council staff. Riverside and Keynsham Town Hall presently accommodate about 610 staff.

Responding to a question from Councillor Laming, Tom McBain – Divisional Director Property explained that consultants had been engaged to advise on projected rental levels and plans for retail and securing a pre-let for a key anchor tenant or tenants.

Tom McBain confirmed that there had been informal discussions regarding student accommodation and hotel plus residential options for Riverside and also that there had been discussion with Avon Fire in response to a question from Councillor Barrett.

There was some discussion around potential local government reorganisation – Andrew Pate, Resources Director confirmed that land is normally transferred but that this form of reorganisation was not on the agenda for the existing Government.

Councillor Roberts asked what was being done to encourage sustainability in terms of transport, he noted that the car park was being increased. Derek Quilter – Lead Director (delivery) explained that he was working with Jane Wildblood – Corporate Sustainability Manager on measures to encourage public transport use and car sharing. He explained that there was no separate revenue budget line for this aspect of the project work although he was working closely with the Council's sustainability team. Councillor Roberts added that this was a large project and that consideration should be given to some funding towards sustainability issues.

Councillor Roberts asked about the potential anchor tenant, Tom McBain explained that there were ongoing discussions with a convenience store and others which it was hoped would create natural footfall between this store and Tesco at the other end of the High Street.

Councillor Laming raised concerns about Keynsham with relation to recent job losses. He stated that this regeneration would be a kick start for the town. Andrew Pate – Resources Director explained that this project was not able to solve all of the problems for the area and that some of the points made were beyond the scope of the project but that it would make a sizeable contribution.

Councillor Gerrish asked about the police becoming co-users of the one stop shop in Keynsham, the project manager explained that the police were expected to take about 100 square metres.

Councillor Bull thanked all those present for the debate on this issue and asked that a further update report be brought to the November 21st meeting of the Panel which would be held in Keynsham in order to accommodate members of the public who would like to attend.

9 USE OF CONSULTANTS - WORKING GROUP

Councillor John Bull introduced his proposal to form a small working group from the Panel to look at the way consultants have been used by the authority. He suggested that the working group be made up of four members who would look at 2 or 3 case studies and bring back proposals/recommendations to the Panel in approximately two months.

Councillor Barrett asked if the group could have access to the main headings on where money on consultants is spent.

The Panel **RESOLVED** to set up a working group on the 'Use of Consultants' and that Councillors Bull, Laming, Barrett and Roberts would be members of the group.

10 CABINET MEMBER UPDATE

Councillor David Bellotti – Cabinet Member for Community Resources addressed the Panel and made the following points:

- The Panel is served by excellent officers;
- The Portfolio is named 'Community Resources' as the new administration considers that the resources of the authority belong to the community;
- It is not just our internal budgets that affect us but also global issues;
- He is a supporter of the coalition government and their drive to reduce borrowing;
- Local Government mainly have a good financial record.
- He stated that the Council's borrowings amounted to £90million but when past decisions about intended capital projects are allowed for, this rose to £204million and repayment rates (5%) had to be remembered.
- Council Tax was frozen last year by Central Government and the new administration have an aspiration that it should be frozen for another year;
- There had been assurance from the Government that there would not be any losers in the business rates transfer;
- Schools are protected so there would be no cuts made and the coalition government had protected health care funding;
- There was a problem around the BRT funding as £6million had been spent;
- On Keynsham Regeneration, the new administration did not see that this was dependant on development of Riverside but it does have to be considered, plans are being worked up. He was concerned not to have empty shops and working towards getting an anchor tenant. He explained that he did not want

to take out a new loan for the £38million and was looking into alternative funding. He explained that the new administration are reluctant to have consultation in August (school summer holidays) and consultation would begin in September. He takes on board the point made in the discussion on this item about funding for sustainability issues

The Panel members raised the following points and asked the following questions:

Councillor Gerrish commented that he agreed that risk should be minimised but not at any cost. He suggested that risk should not be minimised by surrendering the value of the equity in the project if this created poor value for money.

Councillor Laming asked if he could have a simple layout of projects, current borrowings and projected borrowings.

Councillor Bull commented that he was pleased to hear of the new administrations commitment to Keynsham regeneration.

Councillor Bellotti reiterated that he was committed to Keynsham regeneration but did not want to take out a loan for the £38million and alternative methods of funding are being looked at and would be reported to the Panel when appropriate.

Councillor Bull thanked the Cabinet Member.

11 PANEL FUTURE WORKPLAN

The Panel noted the future workplan and agreed the first draft with the following suggestions for future items:

- NNDR – Implications to the authority
- Members IT
- Review of Performance of Electoral Services
- Property Board Operation and direction of travel.
- Road map – Transformation Programme (IT Review)
- Growth agenda to increase NNDR

These suggestions will be considered at the next agenda briefing meeting.

The meeting ended at Time Not Specified

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services