

# KEYNSHAM TOWN COUNCIL

Notes of the Finance & Policy Committee consultation held on Tuesday  
8<sup>th</sup> March 2022 at 6.30pm via Zoom video conferencing.

PRESENT: Councillors D Biddleston, C Fricker, A Halliday, H MacFie,  
A McGuinness, (Chair) and B Simmons.

IN ATTENDANCE: Dawn Drury – Town Clerk & A Jenner - Locum

NOT PRESENT: Cllr J Wallcroft

In accordance with the Schedule of Delegation approved by Town Council on April 22<sup>nd</sup>, 2021, the Town Clerk/Deputy Town Clerk is required to exercise delegated power (in consultation with the members of the cttee) to make decisions in respect of items 1 and 2 on the agenda:

1. Update on Section 106 matters.
2. Keynsham Town Council investment options

## 1. UPDATE ON SECTION 106 MATTERS

An update was given on a meeting and that the Town Clerk and Alan Jenner attended with senior officers from B&NES, in respect of the Town Council's comments and concerns made on the original Section 106 spreadsheet shown to full Council. At this meeting, B&NES provided a simplified new spreadsheet entitled 'KTC S106 Query Finance Response Feb 2022,' which detailed Section 106 funding due for Keynsham. **At this stage the details of the spreadsheet should not be shared until all Councillors have had an opportunity to view the same at full Council on 22<sup>nd</sup> March 2022.**

The spreadsheet provides planning reference numbers associated to the Sec 106 agreement, spend by/overdue date, monies received from the developer, total sum allocated to date and a list of areas that the Sec 106 funds have been allocated to, which include Highways, Libraries, SEND, Parks, Planning, E & C, Public Transport, CCTV, Children's Services, Housing and Regeneration.

The original spreadsheet provided by B&NES records that they had received in the region of just over £11,000.00 and if you remove the filters on the latest spreadsheet, this also shows a figure in the region of £11,000.00 so the figures almost tally, and in the current spreadsheet it is believed that they have not omitted any of the items that the Town Council were expecting comments on.

A headline figure going forward that the Town Council should be aware of is £4,672,489.63 which is left to be spent from the amount that B&NES has received from developers. The spreadsheet shows the various B&NES departments that these funds have been allocated to. The individual department allocations almost match up with the sum left to spend.

In respect of the above the Town Council has received a full answer to the questions that they were asking. B&NES have agreed with the Town Council that some of the payments under the Section 106 agreements should have been spent by now (this is in the region of £583,000) and they have chased all the necessary departments to get the allocated monies spent. Any of these unspent/overdue monies is a matter for B&NES Council and something that the Town Council should not get involved with or have a connection with. If wishing to drawdown any Sec 106 monies going forward, we now have a spreadsheet that allows us to see if any of the funds are part of this allocation of unspent/overdue monies.

It is clear in the Sec 106 agreements attached to specific developments when monies should be spent by/allocated by. Some of these agreements are tighter wherein it states dates by which B&NES must have spent the monies by (as in the case of the Cadbury site). It should be noted that hand over of Sec 106 funds by the developer also has fund handover slippages in some instances, due to Covid and construction supplier delivery delays affecting development completion dates. The planning conditions associated with each development specify where and how Sec 106 and CIL should be spent, and it is difficult to make changes to these conditions. It was confirmed that the time allowed for spending any Sec 106 monies runs from the time that B&NES receive the funds and not from the date within the agreement. With a development that has staggered instalments, the 10 year spend deadline would run from the date that the last instalment is received.

The B&NES Draft Infrastructure Plan December 2020 was brought to the attention of Councillors and a copy of the same will be circulated to all Councillors following this meeting. This plan sets out the B&NES roadmap to 2026 and in some instances to 2029 across the whole of B&NES and gives specific details for different locations in the authority including Keynsham. This document explains where money will be spent going forward and if the Town Council wanted to influence, to an extent, how the money is to be spent, as long it is within the guideline of this plan this would be reasonable, especially when it comes to where monies should be spent in parks and recreation. B&NES, also at the meeting inferred that they were open to dialogue in respect of this.

This B&NES Draft Infrastructure Plan is a good base on which to work in putting together the Town Council's own ambitions as to where Sec 106, CIL and grant funding monies could be spent.

Questions from Councillors were as follows: -

Q. In respect of influencing where monies could be spent, could the Town Council request that monies be spent on Town Council facilities such as Manor Road Pavilion and the playing fields?

A. The funds from the impact of a development usually suggests that the Sec 106 will be spent on existing or new infrastructure associated with the development itself and hence this would probably not include existing property owned by the Town Council. This needs to be checked out further as Manor Road Pavilion and the playing fields are not in the ownership of the Town Council, as the facilities are leased from Bath and North East Somerset Council. In respect of Parks and Open Spaces, the Town Council is

working closely with B&NES on a four-year plan for Keynsham Memorial Park and some influence could possibly be made in this locality, by suggesting areas of expenditure at future meetings to be held with B&NES and other park user stakeholder groups. The addition of toilets and a café facility by the bandstand (which does belong to the Town Council) has been mentioned on numerous occasions in the past.

It was confirmed that as far as it can be seen there is not a link to any possible Sec 106 agreement funding from a nearby development that permit and qualify for a total rebuild of the Manor Road Pavilion facility. CIL funding, even though it has to have some link with the development that generated the income, has a much looser definition than Sec 106 agreements. As long as it satisfies the test that it is being used to the benefit of the whole of the Keynsham community then this would be a correct use of the monies.

Q. In respect of the monies allocated to the Somerdale bridge, was this the funds required for the actual project and was it all developer monies?

A. Some of the sum specified was allocated to feasibility study. As this is a cross boundary project monies would be allocated from developer funds, S.Glos and WECA for the installation of this bridge.

Clarity in respect of this should be sought and the Councillor asking the question was requested to put their question in writing to the Clerk, who would then seek a full official answer from the B&NES.

Q. It was suggested that items of Sec 106 funding be added to a future agenda of the Keynsham Forum, so that questions can be asked as to where the Sec 106 monies are and where are they being spent. This information should be available to the public and easily accessible. In respect of this should the Keynsham Ward Councillors also be going to B&NES and seeking more information on behalf of the Town Council?

A. The matter of Sec 106 funding could be added to the Keynsham Area Forum next agenda, through a request from the Town Council representative of ALCA. The Town Clerk as Vice Chair of ALCA is also on the agenda setting group for the Keynsham Forum meetings. In respect of dual hatted Councillors seeking more information it was suggested that they seek advice from the B&NES legal team, as to what they can and cannot do in respect of this matter.

It was suggested that going forward the Town Council keep on top of the latest spreadsheet provided and regularly go back to B&NES asking if, when and how any of the outstanding monies have been spent and also requesting an updated sheet each time.

Thanks were expressed to Alan.

## 2. KEYNSHAM TOWN COUNCIL INVESTMENT OPTIONS

The Councillors present were given information in respect of some of the options for undertaking the Auditors recommendation of sourcing some investment options for some of the Town Council funds.

The Town Clerk reported that the latest Public Sector Deposit fund share class 4 yield as at the 28 February was 0.3589% and this fund could be topped up with about £25,000 to keep it below £85,000.

No Councillors had contacted the Town Clerk with any investment options they had found so Alan had done some preliminary investigations and had come up with a few options: -

Raisin.co.uk offers access to a range of fixed term withdrawal accounts all with the FCS compensation protection. These are not only UK accounts. The best rate of interest is no withdrawal for five years that gives 2.1% gross per annum yielding about £9,000 over five years, but Town Council would have to commit £85,000 for five years.

Raisin offer UBL at 2.1%, Bank of Ceylon at 2.05%, QIB at 1.9% (UK product) all to max of £85K locked in for five years.

There is an option to use Cambridge and Counties Bank instant access account at 0.85% pa with a 90-day notice, a minimum investment of £10,000 with a ceiling of £3 million. There is an online application through their website and then transfer from a UK Bank account. Cambridge and Counties also offer, a no withdrawal two year at 1.6%.

The Town Council could select say, three of the five-year accounts to deposit £85,000 with a higher sum into Cambridge, two year no withdrawal of any amount, and it would be safe to leave untouched for a period of time together with additional sum that needs near instant access on the Cambridge, 90-day withdrawal. It was suggested that a banks rating be looked at before setting on firm decisions in respect of investing with them.

It was suggested that any decision(s) made by the Town Council be taken to a financial advisor for comments on choices of investment options and to receive details on any better investments and this matter be brought back to Finance and Policy Committee and Town Council at a meeting in the near future.

In respect of the possibility of interest rates rising in the next year or so, it was suggested that the Town Council should follow the auditor's advice and get at least some of its monies into a few short-term investment accounts, as soon as possible.

The Auditor's recommendation was to open 3 -5 accounts and increase the fund in the Public Sector Account and it was suggested at this meeting that these should be done on a short term investment period of 1 or 2 years and then reviewed at this point to look at interest rates.

### **3. DATE OF THE NEXT MEETING**

#### RECOMMENDATION

To note that the date and time of the next meeting of the Committee is **Tuesday 22<sup>nd</sup> March 2022 at 7.00 p.m.** in The Space (before Town Council meeting).

The consultation ended at 19.40 pm.