

The Council's Vision:

To enable people to live, work and prosper in West Somerset

WEST SOMERSET DISTRICT COUNCIL

Meeting to be held on Wednesday 22 January 2014 at 4.30 pm

Council Chamber, Williton

AGENDA

1. Apologies for Absence

2. Minutes

Minutes of the Meeting of Council held on 20 November 2013 to be approved and signed as a correct record – **SEE ATTACHED.**

3. Declarations of Interest

To receive and record any declarations of interest in respect of any matters included on the agenda for consideration at this meeting.

4. Public Participation

The Chairman to advise the Committee of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public wishing to speak at this meeting there are a few points you might like to note.

A three-minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue. There will be no further opportunity for comment at a later stage. Your comments should be addressed to the Chairman and any ruling made by the Chair is not open to discussion. If a response is needed it will be given either orally at the meeting or a written reply made within five working days of the meeting.

5. Chairman's Announcements

6. Low Cost Home Ownership Scheme

To consider Report No. WSC 15/14, to be presented by Councillor K H Turner, Lead Member for Housing, Health and Wellbeing – **SEE ATTACHED.**

The purpose of the report is to outline to Members the proposed amendment to the Council's Low Cost Home Ownership Policy, in particular how it relates to the sale of properties at Clanville Grange in Minehead and the circumstances that have led to these proposals being made.

7. Somerset Strategic Housing Framework and West Somerset Action Plan

To consider Report No. WSC 16/14, to be presented by Councillor K H Turner, Lead Member for Housing, Health and Wellbeing – **SEE ATTACHED.**

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The purpose of the report is to outline to Members the proposed Somerset Strategic Housing Framework 2013-2016.

8. Honorary Aldermen

To consider Report No. WSC 9/14, to be presented by Councillor S J Pugsley, Lead Member for Executive Support and Democracy – **SEE ATTACHED**.

The purpose of the report is to provide Council with the opportunity to review the current policy for conferring the title of Honorary Aldermen on former Members, which has been in place since May 2000.

9. Somerset Waste Partnership Business Plan

To receive a presentation from Steve Read, the Managing Director of the Somerset Waste Partnership.

10. Proposal to Extend Public Place Designation Orders in Minehead

To consider Report No. WSC 17/14, to be presented by Councillor D J Westcott, Lead Member for Community and Customer – **SEE ATTACHED**.

The purpose of the report is to seek approval from Council to commence the process to designate certain geographic areas in Minehead as Public Place Designation Zones in accordance with the Police and Criminal Justice Act, 2001 and the Local Authorities (Alcohol Consumption in Designated Public Places) Regulations 2007.

11. Consultation Response to the NDA/Magnox on the Preferred Option for Storage and Treatment of ILW Waste at Hinkley Point A

To consider Report No. WSC 13/14, to be presented by Councillor C Morgan, Lead Member for Environment - Hinkley – **SEE ATTACHED**.

The report sets out the Council's proposed response to the Nuclear Decommissioning Authority's (NDA's) current 'Stage B' consultation on their Preferred Options for Intermediate Level Waste (ILW) storage and Fuel Element Debris (FED) Treatment Facilities. The deadline for responses is 31st January 2014.

12. Localism Act 2011 – Review of Community Right to Challenge and Assets of Community Value

To consider Report No. WSC 1/14 to be presented by Councillor D J Westcott, Lead Member for Community and Customer – **SEE ATTACHED**.

The purpose of the report is to enable the Council to review the processes set up in relation to the Community Right to Challenge and bid relating to Assets of Community Value that were bought into force arising out of the Localism Act 2011.

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13. Arrangements for Independent Remuneration Panel and Review of West Somerset Council Members' Allowance Scheme

To consider Report No. WSC 7/14, to be presented by Councillor T Taylor, Leader of Council – **SEE ATTACHED**.

The purpose of the report is to enable the Council to agree an approach in regard to reviewing the current West Somerset Council Members' Allowance Scheme and to agree to extend the appointment of the existing West Somerset Council member on the Joint Independent Remuneration Panel.

14. Review of Financial Regulations

To consider Report No. WSC 14/14, to be presented by Councillor K V Kravis, Lead Member for Resources and Central Support – **SEE ATTACHED**.

The purpose of the report is for Council to approve the changes to Financial Regulations.

15. Treasury Management Update – 30 September 2013

To consider Report No. WSC 18/14 to be presented by Councillor K V Kravis, Lead Member for Resources and Central Support – **SEE ATTACHED**.

The purpose of the report is to update full Council on the Treasury Management position as at 30 September 2013.

16. Minutes and Notes for Information

Notes and minutes relating to this item can be found on the Council's website using the following links:

- Draft notes of the Exmoor Panel held on 7 November 2013
<http://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Exmoor-Area-Panel/Exmoor-Area-Panel---7-November-2013.aspx>

COUNCILLORS ARE REMINDED TO CHECK THEIR POST TRAYS

The Council's Corporate Priorities:

- Local Democracy:
Securing local democracy and accountability in West Somerset, based in West Somerset, elected by the people of West Somerset and responsible to the people of West Somerset.
- New Nuclear Development at Hinkley Point
Maximising opportunities for West Somerset communities and businesses to benefit from the development whilst protecting local communities and the environment.

The Council's Core Values:

- Integrity
- Respect
- Fairness
- Trust

RISK SCORING MATRIX

Report writers score risks in reports uses the scoring matrix below

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
Impact							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

- Mitigating actions for high ('High' or above) scoring risks are to be reflected in Service Plans, managed by the Group Manager and implemented by Service Lead Officers;
- Lower scoring risks will either be accepted with no mitigating actions or included in work plans with appropriate mitigating actions that are managed by Service Lead Officers.

WEST SOMERSET COUNCIL**Minutes of the Meeting held on 20 November 2013 at 4.30 pm****in the Council Chamber, Williton****Present:**

Councillor G S Dowding Chairman
Councillor A F Knight..... Vice-Chairman

Councillor M J Chilcott	Councillor M O A Dewdney
Councillor J Freeman	Councillor S Y Goss
Councillor P N Grierson	Councillor A P Hadley
Councillor B Heywood	Councillor K V Kravis
Councillor R P Lillis	Councillor E May
Councillor I R Melhuish	Councillor K M Mills
Councillor C Morgan	Councillor P H Murphy
Councillor S J Pugsley	Councillor D D Ross
Councillor K J Ross	Councillor D J Sanders
Councillor L W Smith	Councillor M A Smith
Councillor T Taylor	Councillor A H Trollope-Bellew
Councillor K H Turner	Councillor D J Westcott

Officers in Attendance:

Chief Executive (P James)
Corporate Director (B Lang)
Interim Executive Director (A Dyer)
Section 151 Officer (S Campbell)
Corporate Manager, Housing, Welfare & Economy (I Timms)
Planning Manager (A Goodchild)
Major Projects Manager (J Holbrook)
Principal Benefits Officer (P Lamb)
Climate Change and Community Liaison Manager (A Lamplough)
Economic Regeneration and Tourism Manager (C Matthews)
Meeting Administrator (K Kowalewska)

Also in Attendance:

Ali Sanderson, Home-Start (West Somerset)
Councillor Anne Fraser, Portfolio Holder Business Strategy, Sedgemoor District Council
Doug Bamsey, Corporate Director, Sedgemoor District Council

C82 Apologies for Absence

An apology for absence was received from Councillor H J W Davies.

C83 Minutes

RESOLVED that the Minutes of the Meeting of Council held on 23 October 2013 be approved.

C84 Declarations of Interest

Members present at the meeting declared the following personal interests in their capacity as a Member of a County, Parish or Town Council:

Name	Minute No.	Member of	Action Taken
Cllr S Y Goss	All	Stogursey	Spoke and voted
Cllr P N Grierson	All	Minehead	Spoke and voted
Cllr P H Murphy	All	Watchet	Spoke and voted
Cllr K J Ross	All	Dulverton	Spoke and voted
Cllr L W Smith	All	Minehead	Spoke and voted
Cllr K H Turner	All	Brendon Hills	Spoke and voted
Cllr D J Westcott	All	Watchet	Spoke and voted

In addition, the following interests were declared:

Name	Minute No.	Description of Interest	Personal or Prejudicial	Action Taken
Cllr E May	C93	Is a member of the Phoenix Centre, Watchet	Personal	Spoke and voted
Cllr D J Sanders	C95	His wife is the Minehead Town Council Clerk responsible for finance	Personal	Spoke and voted

C85 Public Participation

Sam Westmacott, a resident of Watchet, spoke in relation to Agenda Item 11 – East Wharf Watchet – Future Development. On behalf of the community of Watchet she commended the Leader of Council on the work carried out in trying to draw the situation concerning the East Wharf to a satisfactory conclusion. She raised comments concerning the fact that the terms of the lease had been written by West Somerset Council. She stated that the Council needed to decide what it planned to do with the Urban Splash proposals, and that the agreements with the Marina Operator and Urban Splash should work together. She raised concerns that the Council could fall foul of European Law as a result of the changes to the scope of the contract, and that the possible legal implications of this should be carefully checked.

C86 **Home-Start**

Ali Sanderson, the Manager of Home-Start (West Somerset) gave a presentation on the work of the local family support charity. She advised that Home-Start was a voluntary organisation offering support, friendship and practical help to families at home with children under seven helping to prevent family crisis and breakdown.

There was a Home-Start office in Minehead and volunteers spent most of their time out in the communities of West Somerset – in total there were 65 local volunteers. She explained the vast services and support which were provided to families.

She reported that there were currently 338 schemes across the UK, however no central funding was obtained and Home-Start had to raise its entire budget themselves. West Somerset Council's contribution of £3,000 helped the organisation to apply and successfully be awarded £183,000 (over five years) from the Big Lottery funding – this amount represented one third of their budget. She further explained the different ways in which money was raised and hoped that the Council would continue supporting Home-Start (West Somerset).

RESOLVED that the presentation be noted and the presenter be thanked for her time.

C87 **Chairman's Announcements**

24 October 2013	Civic Awards Ceremony by Somerset County Council for services to the community – 5 people from West Somerset won awards and 2 local people won policing awards at a separate ceremony
30 October 2013	Vincent Woods' 20 th Anniversary Vespers Mass
5 November 2013	Timberscombe Mini Bus Lottery Grant Application
7 November 2013	Somerset Community Foundation Celebration Evening at Pennard House
10 November 2013	Royal British Legion services in Stogumber and Minehead
11 November 2013	Burma Star Commemorations
18 November 2013	Pupil Parliament in the West Somerset Council Chamber

C88 **Request for Allocation of Section 106 Funding – Fit to Work - Hinkley**

(Report No. WSC 142/13, circulated with the Agenda.)

The purpose of the report was to outline proposals by Sedgemoor District Council to use their proportion of the fit to work funding contribution provided as an element of the Skills and Training part of the Hinkley Point C site preparation works Section 106 agreement and in line with the

requirements of the Section 106 agreement to seek the approval of West Somerset Council for this allocation.

The Chairman introduced and welcomed Councillor Anne Fraser and Doug Bamsey from Sedgemoor District Council.

The Lead Member for Resources and Central Support presented the report and advised that the Fit to Work fund, totalling £60,000, had been split equally between West Somerset Council (WSC) and Sedgemoor District Council (SDC) as it was evident that there was a lot of commonality in the needs of both districts to prepare themselves for the Hinkley project. Council had received and approved West Somerset's proposal at its meeting on 18 September 2013.

The Lead Member proposed the recommendation in the report which was seconded by Councillor M O A Dewdney.

The following comments were made:

- It was pleasing to note that the pre-employment mapping undertaken by WSC has had such a positive impact on the Sedgemoor projects.
- SDC was congratulated for providing an excellent example of how a small amount of money could be made to go a long way and the amount of individuals who would benefit was staggering.
- The format of the budget proposal was very clear and informative.
- WSC was looking forward to the continued working relationship with SDC on all matters Hinkley and although they were very welcome to attend future meetings where Section 106 funding would be discussed, it was entirely up to the SDC Councillors and Officers as to whether they wished to do so.

Councillor Fraser thanked the Councillors for their comments which would be conveyed back to Sedgemoor and she stated she also was looking forward to working with West Somerset Council.

RESOLVED that the proposed use of the £30,000 Fit to Work funding by Sedgemoor District Council, as described in appendix A to the report, be agreed.

C89 **Localism Act 2011 – Review of Members' Code of Conduct and Arrangements for Dealing with Complaints**

(Report No. WSC 134/13, circulated with the Agenda.)

The purpose of the report was for the Council to review the Members' Code of Conduct and the arrangements for handling complaints that have been operating since 1 July 2012.

The Lead Member for Executive Support and Democracy presented the report and went on to propose the recommendations in the report which were duly seconded by Councillor E May.

RESOLVED (1) that the existing West Somerset Council Member Code of Conduct be amended, as follows:

- a) To replace the existing definitions of the seven principles of public life in Appendix 1 by the wording set out in Appendix A to the report; and
- b) By the inclusion of being a member of a national park authority as being an additional exception under Clause 2.9 (1) (a) relating to prejudicial interests.

RESOLVED (2) that the Council continue with the existing arrangements for dealing with complaints in relation to allegations of breaches of Code of Conduct for district, town and parish councils in West Somerset, with the one amendment that the target for completing the initial assessment part of the process be amended to 'as soon as is practicable and normally within two calendar months of receipt of a complaint', subject to the process as a whole being kept under regular review.

RESOLVED (3) that in order to support the process referred to in resolution (2) above, the appointments of Louise Somerville Williams as the Council's Independent Person and Mike Hillman as the reserve Independent Person be extended for a further period to run from 1 October 2013 to 31 May 2015.

C90 2014/15 Council Tax Rebate Scheme

(Report No. WSC 133/13, circulated with the Agenda.)

The purpose of the report was to advise Council of the proposed 2014/15 Council Tax Rebate Scheme for West Somerset.

The Lead Member for Community and Customer presented the report advising that it was proposed not to change the current scheme for 2014/15. He drew Members' attention to the fact that the scheme was currently 3.85% under budget which would cover any increase in claim take up. He also drew attention to the Equalities Impact Assessment which revealed the fact that the levels of average debt for employed claims was significantly higher for all profiles than either non-working or pension age cases. In light of this further work would be undertaken in the coming year to see if any adjustments would need to be made to the Scheme for 2015/16.

He proposed the recommendations which were duly seconded by Councillor K H Turner.

An amendment was proposed by Councillor P H Murphy and seconded by Councillor D D Ross to include an additional recommendation, to read “Council note that the Equalities Impact Assessment expresses concern that the level of average debt for those employed is significantly higher for all profiles that either non-working or pension age claims. It resolves to consult on a revision to the scheme for 2015/16 which would increase the support for claims in work. Council believes it is important to incentivise work and encourage people to remain in employment.”.

A lengthy debate ensued on the amendment, and the following points were raised:

- The issue had been debated by the Scrutiny Committee, discussions had been held with the Principal Benefits Officer about redesigning the Scheme and assurance was provided that consideration would be given to the matter.
- The causes for concern were stressed upon in relation to the earnings disregard and the fact that West Somerset had the second lowest wage levels amongst neighbouring authorities.
- Members were pleased to have a commitment from the portfolio holder that the matter would be looked at, however it was important to emphasise the aim to incentivise work and encourage people to remain in employment in the form of a resolution.
- Following a query, the Principal Benefits Officer explained that everybody in receipt of benefit and all those liable for council tax would have to be consulted on a revision to the Scheme for 2015/16, and the most cost effective time to do so would be during the annual billing stage.

On being put to the vote the amendment was LOST.

RESOLVED (1) that the recommendation from Cabinet that no change be made to the 2013/14 Council Tax Rebate Scheme be agreed and adopted for use in 2014/15.

RESOLVED (2) that in adopting this scheme the detailed Equality Impact Assessment, as set out in Appendix A to the report, be noted.

C91 Non Domestic Rates – Discretionary Relief Scheme

(Report No. WSC 139/13, circulated with the Agenda. The Rural Settlements List 2014/15 was circulated at the Meeting.)

The purpose of the report was to seek approval of a Discretionary Rate Relief Scheme to operate for a 12 month period from 1 April 2014. Also, to approve the associated Rural Settlement List in respect of the same period.

The Lead Member for Resources and Central Support presented the item and advised that discretionary rate relief was always vulnerable in the annual budget setting process. However, because it affected and benefitted so many businesses, charities, clubs etc. right across West Somerset, it was felt very important to try to continue to provide the scheme. The scheme was maintained and reviewed on an annual basis and she reported that there was one proposed addition to the current scheme relating to New Builds Empty Property Relief.

The Lead Member proposed the recommendations in the report which were duly seconded by Councillor S J Pugsley.

RESOLVED (1) that the current 'Discretionary Rate Relief Scheme', as amended, be approved with immediate effect, to include an additional type of relief as detailed in Appendix A, Addendum 1 to the report.

RESOLVED (2) that the current scheme, as amended, be extended for a further twelve months, commencing 1 April 2014 and terminating on 31 March 2015.

RESOLVED (3) that a report on the future of the Council's Discretionary Rate Relief Scheme in 2015/16 be drafted for presentation to Council during the autumn of 2014.

RESOLVED (4) that the rural settlements list for 2014/15, as listed in Appendix B to the report, and circulated as Appendix C at the meeting be agreed.

C92 Review of Decision Making Process – Market Street Toilets, Watchet

(Report No. WSC 148/13, circulated with the Agenda.)

The purpose of the report was to enable Council, at the request of the Scrutiny Committee, to review the decision making process in regard to the operation of the Market Street toilets in Watchet for the 2013/14 financial year.

The Lead Member for Regeneration and Economic Growth introduced the item and the Monitoring Officer presented the report reporting that the two areas of concern raised by Scrutiny related to the clarity of the decision taken and whether keeping the toilets open resulted in any Council overspend. He then explained his conclusions and drew Members' attention to paragraphs 5.14 to 5.16 of the report. He confirmed that there was some lack of clarity in the reporting back of the matter, however, there was no financial detriment to the Council in this particular circumstance.

Councillor K M Mills proposed the recommendations in the report which were seconded by Councillor D J Sanders.

During the discussion of this item Members raised concerns on the estimated cost of continuing to operate the Market Street car park toilet and the possibility of renegotiating the contract with Veolia was raised as a lesson learnt. The Monitoring Officer was complimented on the production and clarity of the report.

The Lead Member for Resources and Central Support stated that WSC should be proud of its work in developing a process of talking to parish/town councils and communities to try and keep toilets open, and the lesson to be learnt was in finding a way to match this creative and flexible thinking with the democratic process.

The point was also made by Councillor P H Murphy that this was a good example of partnership working between Watchet Town Council and WSC to keep two sets of toilets open in Watchet which set a good precedent for other parishes who were interesting in looking after community facilities.

RESOLVED (1) that the contents of the report be noted.

RESOLVED (2) that Council considered the lessons learnt from the process that was followed to improve the Council's decision making processes in the future.

Note: With the agreement of the Chairman this item was brought forward on the Agenda.

C93 East Wharf Watchet – Future Development

(Report No. WSC 140/13, circulated with the Agenda.)

The purpose of the report was to update Members on the results of negotiations with the Marina Operator (MO) and Urban Splash (US) as the developer concerning the future use/development of the East Wharf Watchet.

The report was presented in great detail by the Leader of Council who reported that the issue regarding the East Wharf had been ongoing for a long time due to problems with the terms of the Lease as the Council could not develop the site without the agreement from the MO. Negotiations had recently been held with the MO who indicated that he would like to demolish the existing cargo shed in order to build commercial units, and the Leader advised that if there was a surplus on the rental of the units this would be used to help produce a viable marina as it was evident that there was a need for enterprising operations to help put money back into the marina. The Leader reported that it was very difficult to terminate the lease and the accumulation of mud in the marina was also an issue. He went on to explain the scenario of what would happen if the Council did nothing - for example the MO could enforce the Lease; the situation could remain the same with no marina investment, and there was also a possibility that the MO could insist on 35 car parking spaces in Harbour Road and another 18 spaces elsewhere in Watchet, as stated in

the lease. The Leader recommended that the current status quo was not the right option to take.

He further explained that Urban Splash wanted to develop the southern end of the East Wharf and following talks with the MO, US had proposed to develop a scheme of thirty one- and two-bedroom dwellings with commercial facilities. He informed that the Conditional Development Agreement with US would end on 31 March 2014.

Problems highlighted that needed to be addressed included:

- investigate whether the containers which were currently being used for the storage of art work could be relocated;
- work was needed to be done to overcome the certain amount of lack of trust around the issue of the marina which had recently been expressed; and
- the legal agreements and a renegotiation of the lease – the new terms of the lease would need to be much stronger and clearer.

He concluded by drawing Members' attention to the two options for consideration contained in the report and to the number of consultation meetings which had recently taken place.

The Leader proposed the recommendations in the report which were seconded by Councillor M O A Dewdney.

A lengthy debate ensued and the following specific issues were raised:

- Concerns pertaining to car parking and permits, and if certain areas were to be fenced off for exclusive MO use, assurance was sought as to whether there would still be parking provision for the disabled and for the local community who use the Phoenix Centre in Watchet.
- Could a stipulation be enforced that the shed be demolished and rebuilt within a 12 month time frame?
- Concerns with the extension of the agreement with Urban Splash.
- Watchet residents were mainly concerned with the parking situation in Harbour Road and if the recommendations were approved half of it would be protected and would remain open for public use.
- The redevelopment of the cargo shed would give vital employment benefits to Watchet.
- A lot of respect was expressed to the Officers and Councillors who had been involved in the negotiations with the MO.
- Watchet boat owners were concerned at the lack of an overall plan and to the commitment to the project from the parties concerned.
- Any scheme going forward should guarantee a place for the Contains Art project as they were a terrific asset.
- Lack of affordable housing element and no dredging plan in the scheme.
- Members should see this as being the best step forward to date and plans to improve the commercial vitality of the marina were urgently needed.

- East Wharf should be an asset for the employment potential of Watchet and the district providing community benefit and it was felt that the community aspect in the project was not catered for.
- Not supportive of the Council handing over the cargo shed to another developer for them to benefit from the income.
- The issues raised by the member of the public concerning European law and retendering would be investigated

The Interim Executive Director responded to the comments made and reported that there were still further negotiations to be had with US and the MO about the commercial and technical considerations and any additional clauses to the lease. In terms of the car parking, the configuration of how parking spaces would effectively be fenced off in Harbour Road would be subject to discussions with the Phoenix Centre and the disabled spaces would also have to be taken into account. He confirmed that the Contains Art lease was temporary and if the recommendations were approved, further negotiations would be entered into to see if there was any way to provide an alternative location.

The Planning Manager advised that recommendation 3.1 of the report would be a decision taken by the Council as landowner for the demolition of the existing building. The Planning Committee would consider the application and their decision would be based on the merits of the proposal.

In light of concerns that recommendation 3.1 of the report was not clear as to what the MO would do following the demolition of the cargo shed and further clarification was required, an amendment was proposed by Councillor K H Turner and seconded by Councillor M O A Dewdney, to add to the end of recommendation 3.1 “..and construct appropriate replacement new buildings providing employment opportunities subject to the appropriate planning consents being forthcoming.”

On being put to the vote the amendment to recommendation 3.1 was CARRIED.

This then became the new substantive motion and the recommendations contained in the report were put to the vote separately and were CARRIED.

RESOLVED (1) that the outline development of the East Wharf, as shown in Appendix A to the report, be approved in principle, including permission for the Marina Operator, at no cost to the Council, to demolish the existing cargo shed and construct appropriate replacement new buildings providing employment opportunities subject to the appropriate planning consents being forthcoming.

RESOLVED (2) that the principle of granting the Marina Operator the exclusive use of 20 car parking spaces in Harbour Road car park plus 15 permits to park a car free of charge in any of the car parks in Watchet be approved.

RESOLVED (3) that following further negotiations a report be presented to Council that includes details of any new/supplementary leases (including conditions and financial considerations) plus any proposed amendments to the existing Marina lease. If a joint agreement on necessary details cannot be reached the report to Council should include proposals for the implementation of option two referred to in paragraph 5.6.2 of the report.

RESOLVED (4) the break clause in the Conditional Development Agreement with Urban Splash not be invoked at the current time.

C94 **Corporate Plan 2014-16 – Refreshing the Priorities**

(Report No. WSC 150/13, circulated prior to the Meeting.)

The purpose of the report was to enable the Council to review the corporate priorities in the Corporate Plan for 2014-16.

The Leader of Council presented the report and proposed the recommendation in the report which was duly seconded by Councillor K V Kravis.

RESOLVED that the corporate priorities and refreshed objectives as laid out in Appendix A to the report be approved and subsequently reflected in a redrafted Corporate Plan for 2014-16.

C95 **MTFP – Council Tax Support Grant to Parishes**

(Report No. WSC 145/13, circulated with the Agenda.)

The purpose of the report was to report back from Scrutiny Committee who considered the level of Council Tax Support Grant to be allocated to parishes.

The Lead Member for Resources and Central Support presented the item and reported that this year central government had removed the specific funding support to parishes to help mitigate the impacts of the Council Tax Support Reforms. As a result of this a decision as to whether to continue to help parish and town councils and how much money to pass on to them was required. A further consideration to take into account was whether this amount should reflect the Council's change in financial circumstances to take into account the decrease in income.

She drew Members' attention to the options which were considered and debated by the Scrutiny Committee and advised that the preferred option reflected the drop in the Council's income and it was a clear and transparent way of fairly treating the parish/town councils.

She proposed the recommendation in the report which was duly seconded by Councillor K J Ross.

RESOLVED that the amount of Council Tax Support Grant passed on to parishes be reduced by the percentage reduction in the Council's Start Up Funding as assessed by DCLG and as recommended by the Scrutiny Committee.

C96 The Collection Fund – Estimate of Surpluses and Deficiencies 2013-14

(Report No. WSC 144/13, circulated with the Agenda.)

The purpose of the report was for Council to determine an estimate of the surplus or deficiency on the Collection Fund as at 31 March 2014.

The Lead Member for Resources and Central Support presented the item and proposed the recommendation in the report which was duly seconded by Councillor K J Ross.

RESOLVED that an estimated surplus of £340,000 on the Collection Fund at 31 March 2014 be declared.

C97 Review of the Siting Process for a Geological Disposal Facility (GDF)

(Report No. WSC 153/13, circulated with the Agenda.)

The Department of Energy and Climate Change (DECC), Welsh Government and the Northern Ireland Department of the Environment are reviewing the "Managing Radioactive Waste Safely (MRWS) siting process for a Geological Disposal Facility". Geological disposal involves isolating radioactive waste deep inside an underground facility constructed in a suitable rock formation at a depth of between 200 metres and 1000 metres underground.

The report was presented by the Lead Member for Environment – Hinkley who advised that the consultation was concerned with the process for the siting of a GDF and as a district hosting a nuclear plant it was important that the Council got involved in shaping the consultation. He pointed out that he was opposed to the terminology and would like the Council to adopt the word 'repository' or 'storage' instead of disposal.

The Lead Member then proposed the recommendation in the report which was seconded by Councillor D J Sanders.

On consideration of the report the following points were made:

- The disposal of nuclear waste was a complete misnomer.
- The district's geology and infrastructure was not suitable to host a repository and the Major Projects Team should provide an answer to questions 4 and 8 of the consultation document.
- Health issues had not been commented on and it should be noted that there was no provision for independent health monitoring.

The Planning Manager concurred that the area was unsuitable from a geological perspective. He explained that the consultation had been carried out by DECC and as the Council was the host local authority for a nuclear power station it was important to be involved and interested in the process. He also provided an update on the Council's membership on the Nuclear Legacy Advisory Forum (NuLeAF).

RESOLVED that it be agreed to provide a response to the consultation focussing specifically on the following issues:

- Public consultation
- Decision making process
- The siting process being incorporated into the Nationally Significant Infrastructure Project (NSIP) process; and
- Community Benefits

C98 **Standards Advisory Committee**

(Minutes of the Standards Advisory Committee held on 24 September 2013, circulated with the Agenda.)

RESOLVED that the Minutes of the Standards Advisory Committee held on 24 September 2013 be adopted.

C99 **Timetable of Meetings 2014/15**

(Timetable of Meetings for the 2014/15 Municipal Year, circulated with the Agenda.)

The purpose of the report was to agree a timetable of meetings for the 2014/2015 Municipal Year.

During the discussion of this item one amendment to change the start time of the Scrutiny Committee from 3.30pm to 2pm was proposed and seconded.

RESOLVED that, subject to the one amendment identified at the meeting, the 2014/15 timetable be approved.

C100 **Minutes and Notes for Information**

(Notes and minutes relating to this item, circulated via the Council's website.)

RESOLVED that the draft notes of the Dunster Area Panel held on 14 October 2013 be noted.

The meeting closed at 7.32 pm.

Report Number: WSC 15/14
Presented by: Cllr Keith Turner
Author of the Report: Heather Crockford – Housing Enabler
Contact Details:
 Tel. No. Direct Line 01984 635297
 Email: hcrockford@westsomerset.gov.uk

Report to a Meeting of: Full Council
To be Held on: 22nd January 2013
Date Entered on Executive Forward Plan 5th December 2013
Or Agreement for Urgency Granted:

LOW COST HOME OWNERSHIP SCHEME

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to outline to Members the proposed amendment to the Council's Low Cost Home Ownership Policy, in particular how it relates to the sale of properties at Clanville Grange in Minehead and the circumstances that have led to these proposals being made.

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 Corporate Priority: Local Democracy - Objective 2: Maximise the funding opportunities from Central Government:

Key Task 2.1: Enable and support new housing schemes to increase housing availability within West Somerset

Key Task 2.2: Facilitate the delivery of 80 affordable homes within the West Somerset area by 31 March 2013

3. RECOMMENDATIONS

- 3.1 Cabinet recommend that accepts the proposed changes to the Low Cost Home Ownership scheme as detailed in Section 5 of this report.

4. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
At present, the Council owns three properties at Clanville Grange which are not mortgageable due to the fact there is a Deed of Pre-emption securing their affordability in perpetuity. This places an ongoing financial liability on the Council and puts its reputation at risk	4	4	16

<i>By adopting the recommended changes to the sales mechanism contained within this report, the properties will be mortgageable</i>	1	2	2
There is a risk that other owners of homes purchased from the Council under the scheme will find they are unable to sell them on should the Council not exercise its right to purchase under the Deed of Pre-emption.	4	4	16
<i>By adopting the recommended changes to the sales mechanism contained within this report, the properties will be mortgageable</i>	1	2	2

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before the mitigation measures have been actioned and after they have.

5. BACKGROUND INFORMATION

- 5.1 West Somerset Council first introduced its Low Cost Home Ownership Scheme to specifically deal with the sale of properties secured under Planning Obligations at Clanville Grange in Minehead. However, since 2005, the Policy has been used as a basis by the Council and private developers to deliver in excess of 90 affordable homes for purchase by local people.
- 5.2 Low cost home ownership has always been a niche market in so far as mortgage availability was concerned and the Council's scheme was developed to be reviewable in order to change with prevailing conditions. Over the last four years a number of changes have been made to the Policy to reduce length of local connection, amend definitions and increase the income of eligible households, all to meet the needs of mortgage lenders.
- 5.3 Back in 2005 when the scheme was designed, the Council created a scheme which would meet the needs of those local people who aspired to purchase a home, but who didn't have large deposits and were only earning around the average income. In order to do this, the scheme was capable of having varying discounts applied to each sale to meet the needs of the purchaser.
- 5.4 The mechanism by which this was made possible was a Deed of Pre-emption which meant that the Council could step in and buy the property back whenever it came onto the market; in fact, the Deed went as far as to impose a legal requirement for the Council to do so on first sale. Specific consent was obtained from the Secretary of State to lengthen the amount of time the Deed of Pre-emption remained with the property (21 years rather than 5) and which allowed the Council to sell the properties at a discount higher than it is within its existing powers to do so (35%).
- 5.5 There remains no shortage of prospective purchasers for low cost home options throughout the District; however, it has become impossible to obtain a mortgage offer on any of the affected properties at Clanville Grange due to the existence of the Deed of Pre-emption.
- 5.6 Legal advice has been taken regarding an alternative mechanism for selling properties at Clanville and consideration has been given as to whether there is scope for altering it without having to revert back to the Secretary of State.
- 5.7 Taking into account the advice received, it is recommended that, without have to seek any further consent, the Council amends its Low Cost Home Ownership Policy to securing

affordability via a Covenant and Legal Charge rather than a Deed of Pre-emption. In effect this would bring the properties at Clanville Grange into line with all other Low Cost Home Ownership products currently operating within the District.

- 5.8 Rather than a procedure which is resource intensive in both financial and staff time terms, the Council's input will be simplified to the following:
- Procedures for re-sales will be as defined within Transfer Documents and these should be checked by the sellers Solicitor at the time of re-sale. The following points will, however, act as general guidance
 - The owner of the property wishing to sell should obtain two independent valuations for the property from Estate Agents of their choice
 - Copies of both valuations should be sent to the Housing Enabler at West Somerset Council who will calculate an average valuation and apply the relevant discount for the individual property concerned. The Enabler will then notify the seller as to the maximum sales figure
 - The Enabler will liaise with the seller to ascertain if they wish their property to be advertised on the South West Home web-site. If they do, arrangements will be made to take external photographs of the property and will place the advert
 - Unless they wish to sell the property privately, the seller should appoint an Estate Agent to handle the sale of the property
 - When a purchaser has been found for the property, the Solicitor acting on behalf of the seller will contact the Enabler during the legal process to ascertain if the property has been sold within the correct procedure.
 - The Enabler will check that the proposed purchaser is eligible to proceed and has the required Local Connection. A standard Certificate will then be issued to the Solicitor confirming that West Somerset Council is happy for the property to be sold
- 5.9 Under the proposed mechanism, the Council will be able to determine the amount of discount applied to the property (up to a maximum of 35%) and a 25% discount is recommended. The Council will also retain control over the eligibility criteria (income and local connection) for prospective purchasers through its low cost home ownership policy.

6. FINANCIAL/RESOURCE IMPLICATIONS

- 6.1 At the present time, there are three properties (all two bedroom flats) in the ownership of the Council. The following table gives an idea as to the amount the property was purchased for and how much it could be sold on for if the new mechanism is adopted

Property Number	Purchased for	Assumed current Open Market Value	25% Discount applied
7 Clanville	£92,362	£145,000	£108,750
15 Clanville	£96,000	£145,000	£108,750
21 Clanville	£92,500	£145,000	£108,750

- 6.2 Financial implications for the properties not currently under the ownership of the Council will be advised as soon as the appropriate legal advice for implementing any changes is received.

- 6.3 Following discussion at Cabinet on 8th January further consideration has been given to the sale of the properties on the open market. This option could open up the possibility of ring-fencing any proceeds from the sale for the re-provision of affordable housing elsewhere.
- 6.4 At the present time, any sale of the properties on the open market would be a breach of Planning Condition. The Planning Condition would require a variation and Barratt Homes, as developer and signatory to the Section 106 Agreement would need to give their consent.
- 6.5 In addition, it is estimated that it would cost circa £145,000 to build a similar property elsewhere. It would therefore take the sale of between three and four properties (after sales costs) to simply provide like for like without taking into account other factors such as land costs.
- 6.6 For these reasons, the options raised at Cabinet are not considered financially or legally viable.

7. SECTION 151 OFFICER COMMENTS

- 7.1 It is important that this policy is revised to ensure that the Council is not left with un-saleable assets.

8. EQUALITY & DIVERSITY IMPLICATIONS

Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

- 8.1 The Audit Commission Inspection recommends that the Council should maximise all opportunities to monitor and measure responses and outcomes against diversity criteria to help plan future housing provision in a way that reflects the needs of all groups within the community. All actions should be in compliance with the Human Rights Act.

9. CRIME AND DISORDER IMPLICATIONS

- 9.1 All housing developments should be designed to minimise the potential for crime and disorder. If the recommendations in this report are not accepted, the result could be that some homes designed to be sold under the scheme will remain empty for potentially long periods of time. This will make the scheme susceptible to crime and disorder issues.

10. CONSULTATION IMPLICATIONS

- 10.1 The proposed changes were discussed at Housing PAG on 10th December. No changes have been made to this report as a result.

11. ASSET MANAGEMENT IMPLICATIONS

- 11.1 At present, the Council owns three properties at Clanville Grange. Adopting a changed sales mechanism will allow the properties to be sold, removing any ongoing Asset Management responsibility.

12. ENVIRONMENTAL IMPACT IMPLICATIONS

12.1 None

13. LEGAL IMPLICATIONS

13.1 Legal advice has been sought on the proposed changes to the sales mechanism affecting the sale of properties at Clanville Grange and the Council will be acting within existing powers if it accepts the recommendations contained within this report.

13.2 Disposing of the properties currently within the Council's ownership will take priority, however legal advice has also been sought on the implementation of the scheme for properties not currently within the Council's ownership.

13.3 It is proposed that the Council writes to all of the owners offering to amend their current arrangements. This would involve the Council formally releasing the Deed of Pre-emption for each unit and simultaneously imposing a new Deed of Covenant securing the new restriction. If the owners are unwilling to agree to this, the Council cannot force them to do so.

Report Number: WSC 16/14
Presented by: Cllr Keith Turner, Housing Portfolio Holder
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Report to a Meeting of: Council
To be Held on: 22 January 2014
Date Entered on Executive Forward Plan Or Agreement for Urgency Granted: 5 December 2013

SOMERSET STRATEGIC HOUSING FRAMEWORK & WEST SOMERSET ACTION PLAN

1. PURPOSE OF REPORT

The purpose of this report is to outline to Members the proposed Somerset Strategic Housing Framework 2013 – 2016.

2. CONTRIBUTION TO CORPORATE PRIORITIES

The Strategic Housing Framework is directly related to the delivery of the WSC Corporate Plan. The comprehensive Action Plan has aligned the housing related priorities and tasks of the Corporate and Service plans, along with those of other joint strategies, and has adopted existing corporate progress and performance measures.

Corporate Priority: Local Democracy - Objective 2: Maximise the funding opportunities from Central Government:

- Key Task 2.1: Enable and support new housing schemes to increase housing availability within West Somerset
- Key Task 2.2: Facilitate the delivery of 80 affordable homes within the West Somerset area by 31 March 2013

Corporate Priority: New Nuclear Development at Hinkley Point – Objective 5: The availability of housing supply within West Somerset is increased to mitigate the extra demands linked to Hinkley Point workers.

- Key Task 5.1: Using the Hinkley Point Housing Fund to provide 100 additional bedspaces in the West Somerset area by 31 March 2014
- Key Task 5.2: To work with landlords and owners of empty properties to return 55 back into use across West Somerset with priority on the eastern area parishes
- Key Task 5.3: To work with landlords and owners to bring 400 properties up to the Decent Homes Standard making them available for use across the West Somerset area

3. RECOMMENDATIONS

It is recommended that:

- 1) Cabinet recommend that Council adopt the Somerset Strategic Housing Framework.
- 2) Council note that Cabinet endorsed the principles of the West Somerset Action Plan, which supports the Somerset Strategic Housing Framework, and which will be submitted to a future Council meeting following further consultation.

4. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
Lack of focus on housing in West Somerset due to lack of up-to-date Housing Strategy and Action Plan	4	4	16
<i>Adopt Strategic Housing Strategy and WS Action Plan</i>	2	4	8
Lack of focus on housing in West Somerset due to loss of knowledge and experience of dedicated WSC officers because of organisational changes.	3	4	12
<i>Dedicated WSC officers are retained</i>	1	2	2
Lack of resources or priority from partner organisations in delivery of relevant actions	3	3	9
<i>Ongoing engagement with partners via range of partnership groupings eg Affordable Housing Group, Health & Wellbeing Board</i>	2	3	6

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before the mitigation measures have been actioned and after they have.

5. BACKGROUND INFORMATION

The Somerset Strategic Housing Framework 2013 – 2016 was commissioned by the Somerset Strategic Housing Partnership. It sets out a new sub-regional housing strategy framework for Somerset to be complemented by individual District Action Plans. This framework approach enables each partner to identify specific actions to be implemented within individual local authority areas supported by the overarching common key areas of focus identified within this strategic framework.

The document is intended to:

- Provide a framework for the future of housing in Somerset and identify sub-regional priorities;
- Show the crucial roles played by partnerships in delivering and improving housing and housing services in the sub-region and
- Illustrate the linkages between this framework and other key national and sub-regional policies and strategies

The Framework has identified three priorities as the key issues for the sub-region:

- **Priority 1:** To increase the supply of affordable housing to support economic growth and development
- **Priority 2:** To make the best use of Somerset's existing housing stock
- **Priority 3:** To meet the housing and accommodation related support needs of Somerset's most vulnerable and least resilient residents by working in partnership.

Each of these priorities are supported by a number of Key Areas of Focus.

The West Somerset Action Plan supports the Key Areas of Focus with local key issues and actions to deliver the overall priorities. The Action Plan attempts to align the housing-related corporate priorities with those of other relevant partnership Strategies to make sure they all work together and outcomes are delivered effectively. At Cabinet on 8 January 2014, members endorsed the principles of the West Somerset Action Plan and noted that further enhancements to delivery may be made prior to submission to Council for adoption, following consultation with our partners on the West Somerset Affordable Housing Group.

6. **FINANCIAL IMPLICATIONS**

There will be no financial implications as a result of the recommendations in this report being accepted.

7. **SECTION 151 OFFICER COMMENTS**

The S151 officer has read the report and has no comment to make.

8. **EQUALITY & DIVERSITY IMPLICATIONS**

Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

The Strategic Housing Framework and Action Plan comply with recommendations that the Council should maximise all opportunities to monitor and measure responses and outcomes against diversity criteria to help plan future housing provision in a way that reflects the needs of all groups within the community. All actions should be in compliance with the Human Rights Act.

9. **CRIME AND DISORDER IMPLICATIONS**

All housing developments should be designed to minimise the potential for crime and disorder. If the recommendations in this report are not accepted, the result could be that some homes designed to be sold under the scheme will remain empty for potentially long periods of time. This will make the scheme susceptible to crime and disorder issues.

10. **CONSULTATION IMPLICATIONS**

A number of key organisations attended a consultation workshop to help develop the Somerset Strategic Housing Framework.

The Report for Council takes account of issues raised by Cabinet on 8 January 2014.

The Report for Council takes account of issues raised by the Housing and Environmental Health Policy Action Group on 10th December 2013.

Following Housing and Environmental Health PAG, the Framework and revised Action Plan was circulated to Affordable Housing Group partners for comment. More time has been requested for Consultees to have more involvement in delivery of the Action Plan which will be submitted to a future Council.

11. **ASSET MANAGEMENT IMPLICATIONS**

None

12. **ENVIRONMENTAL IMPACT IMPLICATIONS**

None

13. **LEGAL IMPLICATIONS**

None



Somerset Strategic Housing Partnership

Strategic Housing Framework 2013 – 2016

V2
March 2013

Document Approval

Group	Date
Project Team (SSHG)	March 2013

Version Control

Version	Author	Review	Reason For Issue	Date
0.1	Anne Harland		Initial draft for discussion by project team	6.9.12
0.2	Anne Harland		Following comments and discussion at SSHG 13/9/12	3.11.12
1.0	Anne Harland		Following further comments from SSHG	30.11.12
1.1	Anne Harland		Following comments from Penny Guppy	10.12.12
1.2	Anne Harland		Following comments from Sally McCarthy/Colin McDonald	14.2.13
2.	Anne Harland		Following discussions at SSHG 22.2.13	

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Forward

To be inserted when document is finalised and to be signed off by SSHP

1. Executive Summary

1.1 Our Vision

The Strategic Housing Vision for Somerset strives to:

- Provide the opportunity for people to live in decent, warm and affordable homes, where communities are sustainable and built on partnership working with shared responsibilities.
- Work in partnership to deliver efficient housing services.
- Respond to change and maximise opportunities to improve the health and wellbeing of people living and working in Somerset.
- Ensure that current and future housing is sustainable by developing housing that is affordable, reducing homelessness and improving access to services for vulnerable adults.

1.2 Our Priorities

The three priorities listed below have been identified as the key issues for the sub-region. More information on these issues can be found in the section called – Our Priorities.

Priority 1	<p>To increase the supply of affordable housing to support economic growth and development.</p> <p>Key Areas of Focus</p> <ul style="list-style-type: none"> ➤ Effective use of planning ➤ Increasing supply of land for affordable housing ➤ Identifying need effectively ➤ Identifying more creative ways of delivering affordable homes ➤ Sustainable developments ➤ Continue to maximise New Homes Bonus ➤ Co-ordination of partnership working with partner landlords such as housing associations
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Priority 2	<p>To make best use of the of sub-region’s existing housing stock.</p> <p>Key Areas of Focus</p> <ul style="list-style-type: none"> ➤ To ensure that Homefinder Somerset continues to deliver mobility and choice of housing options to those wishing to access affordable housing in Somerset. ➤ Ensure that those already in social housing have mobility
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	<p>when they need it through the promotion and facilitation of mutual exchange wherever possible.</p> <ul style="list-style-type: none"> ➤ Bringing homes up to the decent homes standard wherever possible. ➤ Bring empty homes back into use and utilise them for those in housing need. ➤ Maximise works to improve energy efficiency and thermal comfort ➤ Combat deprivation by ensuring the diversification of the tenure mix within existing and new developments. ➤ Implementing co-ordinated approaches to small scale adaptations and repairs to enable people to remain in their homes.
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<p>Priority 3</p>	<p>To meet the housing and accommodation related support needs of the sub-region's most vulnerable and least resilient residents.</p> <p>Key Areas of Focus</p> <ul style="list-style-type: none"> ➤ Support the delivery of the priorities within the Somerset Health and Wellbeing Strategy ➤ Support the priorities within the Housing, Health, Care and Support Strategy for Older People in Somerset ➤ Support the delivery of the priorities of the Somerset Homelessness Strategy ➤ Support the delivery of the key outcomes from the Somerset Youth Housing Strategy ➤ Deliver the pitch requirements as set out in the GTAA 2011
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Our framework and the key areas of focus with it, is focused on:

- Building on existing partnerships to develop shared approaches to the issues we face and ensuring that the links between housing and health are maintained and developed further.
- Addressing sub-regional challenges in ways that are appropriate to each locality and the specific housing issues that are faced in those areas.
- Wherever possible we shall continue to work together on shared issues, developing joint strategies and policies and finding common solutions where appropriate, where separate approaches are required we shall endeavour to make these as consistent as possible whilst respecting local circumstances.

Please note that this is a living document that may be affected by both local and national potential policy changes arising as a result of elections or changes to funding etc. Much of the data within the evidence base is taken from the Somerset Joint Strategic Needs Assessment (JSNA) as at September 2012. As the JSNA becomes updated with 2011 census information the document may be refreshed if the update JSNA data shows significant changes in overall trends identified within this framework document.

The framework approach will enable each partner to identify specific actions that will be implemented within individual local authority areas supported by the overarching common key areas of focus identified within this strategic framework.

2. Introduction

2.1 This document sets out a new sub -regional housing strategy framework for Somerset. It describes how the strategy has been created and is intended to:

- Provide a framework for the future of housing in Somerset and identify sub-regional priorities;
- Show the crucial roles played by partnerships in delivering and improving housing and housing services in the sub-region and;
- Illustrate the linkages between this framework and other key national and sub-regional policies and strategies.

2.2 The document is structured in the following way:

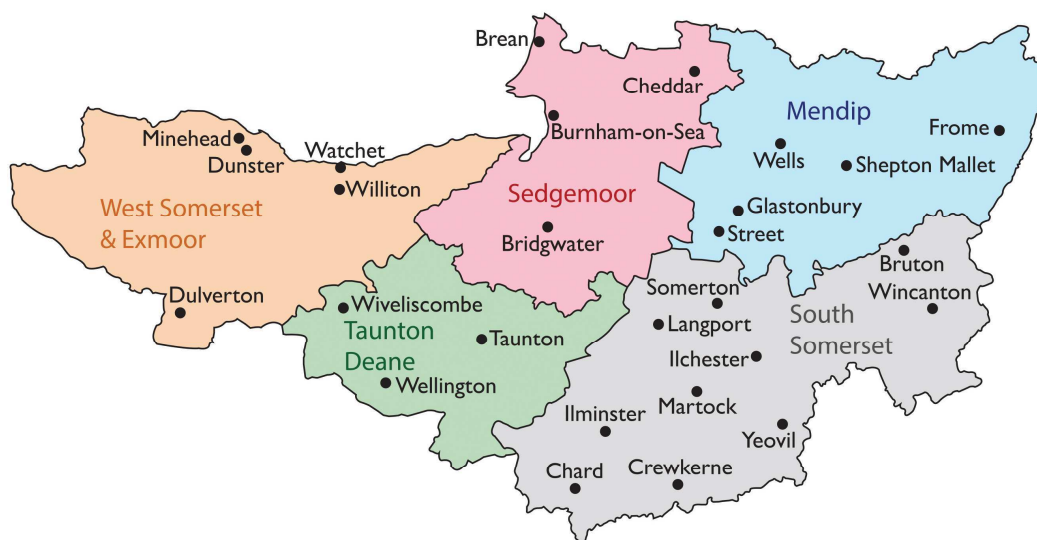
Section A The Evidence Base for the Strategic Framework

Section B The Strategic response to that evidence

Section C The priorities and key areas of focus for the Somerset Housing Partnership authorities.

2.3 For the purposes of this strategic framework document the area of Somerset comprises the following local authorities within the boundaries of Somerset County Council:

- Mendip District Council
- Sedgemoor District Council
- South Somerset District Council
- Taunton Deane Borough Council
- West Somerset Council



- 2.4 The authorities in the sub-region, social landlords¹ and other key partners have a long and successful history of working together to develop and improve housing services and standards. This partnership working pre-dates the current government's emphasis on strategic, cross-border, multi-discipline partnerships and has been delivered through the Somerset Strategic Housing Partnership (SSHP).
- 2.5 The SSHP was formed in 2004 to bring together key stakeholders from all housing and related fields (including health and social care) to:
- Share ideas and experience and work towards a greater understanding of the housing needs and aspirations of the sub-region's diverse population;
 - Raise awareness of the issues affecting the sub-region and lobby for additional funding;
 - Work together to improve the standards of new and existing housing within the sub-region; and
 - Ensure the provision of appropriate, affordable homes, in the right locations, for future generations.

The partnership comprises the five housing authorities, Somerset County Council and NHS Somerset and reports into the shadow Somerset Health and Wellbeing Board.

- 2.6 This partnership has already delivered a number of key Somerset wide projects:
- Homefinder Somerset Choice Based Lettings scheme
 - Overarching Somerset Vision for Strategic Housing
 - Skills mapping exercise to establish where the strengths and weaknesses lie within the partnership.
 - Financial inclusion framework
 - Youth Housing Strategy
 - A foundation document for the Housing, Health, Care and Support Strategy for Older People
 - A multi-agency approach to the Gypsy & Traveller Accommodation Assessment (GTAA)
 - Somerset Tenancy Strategy (in conjunction with key social landlords within the Homefinder Somerset partnership)
 - Somerset Homelessness Strategy (in preparation)
 - Cost and Performance Analysis project for housing authority partners

¹ Social landlords are Registered Providers (RPs), independent housing organisations registered with the Homes & Communities Agency under the Housing Act 1996. Most are housing associations, but there are also trusts, co-operatives and companies.

- 2.7 The partnership is also currently jointly reviewing the Homefinder Somerset Common Allocations Policy in light of the recent allocations guidance from government, in particular the requirement to ensure that the needs of those leaving the armed forces are recognised within the policy. This review is being carried out with our Homefinder Somerset social landlord partners.
- 2.8 We recognise that working together to produce a Housing Strategy Framework for the partnership will provide our partners with a clear approach of what our priorities are across the sub-region. However this is not a ‘one size fits all’ approach: different localities require different approaches and different solutions. Our framework will allow each partner to fulfil their own duties and priorities in addressing housing needs, within the boundaries of the common principles set out within the framework document.
- 2.9 We also recognise that housing and health are intrinsically linked and want this framework to tie together these two important areas of service delivery even though they are delivered by different public bodies. The shadow Health and Wellbeing Board will further this relationship. The recent government Homelessness Strategy – Making every contact count re-inforces this approach by specifically stating that local housing authorities should be working together with colleagues in health to ensure the integration of housing and health services. There will be a legal duty to do so within the draft Care and Support bill which mirrors the existing legal requirement on the local NHS to ensure the integration of services and equality of access for all.²
- 2.10 We are in a time of unprecedented change with the government reducing public spending, implementing major changes to welfare benefits (in particular Housing Benefit) and ending permanent social housing tenancies for most new tenants. Changes to the allocation of social housing and to the homelessness legislation (in terms of discharge of duty into private sector accommodation) have also been made³. Whilst the detail of some of these proposals has yet to be finalised by government⁴ there is a consensus that they will have a significant impact on homelessness and homelessness/housing options services. At the same time, the economic outlook remains uncertain and local authorities are facing unprecedented cuts in funding and consequentially to service provision – both factors are likely to add to the pressures on housing options services and make the focus and role of strategic housing all the more vital.
- 2.11 This framework document has been produced by a project team consisting of all the strategic housing leads from the housing authorities and representatives from the NHS and Somerset County Council.

² <http://www.communities.gov.uk/documents/housing/pdf/2200459.pdf> paragraph 37 page 16

³ Allocation of accommodation: Guidance for local housing authorities in England <http://www.communities.gov.uk/documents/housing/pdf/2171391.pdf> and Part 7 s148/149 of Localism Act 2011 <http://www.legislation.gov.uk/ukpga/2011/20/part/7/chapter/1/crossheading/homelessness/enacted>

⁴ Homelessness (Suitability of Accommodation) (England) Order 2012 – Consultation <http://www.communities.gov.uk/documents/housing/pdf/21513539.pdf>

- 2.12 Please note that this is a living document that may be affected by both local and national potential policy changes arising as a result of elections or changes to funding etc.
- 2.13 The framework approach will enable each partner to identify specific actions that will be implemented within individual local authority areas supported by the overarching common key areas of focus identified within this strategic framework.

Section A - Strategic Housing Framework – Evidence Base

3. The National Context

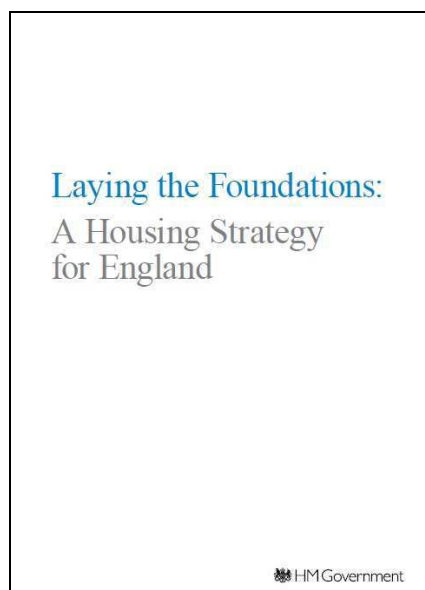
3.1 There are a number of key legislative, strategic and evidence issues that set the scene for this framework. These have been broadly grouped as follows:

- Government Housing Strategy
- Key strategic housing issues
- Homelessness
- Affordable Housing
- Planning Policy

Laying the Foundations – A Housing Strategy for England November 2011⁵

3.2 This national strategy for housing in England set out the government's key areas of action to ensure a thriving, active but stable housing market is in place that offers choice, flexibility and affordable housing given how critical this is to our economic and social wellbeing. The strategy sets out a package of measures and reforms to:

- Support the delivery of new homes and support aspiration
- Support choice and quality for tenants
- Promote better quality homes, places and housing support
- Tackle empty homes



In drawing up our strategic framework we have taken account of these measures within our priorities.

Key Strategic Housing Issues

3.3 The following are key strategic housing issues that our framework takes account of:

⁵ <http://www.communities.gov.uk/documents/housing/pdf/2033676.pdf> Nov 2011

- Housing Act 2004⁶ which created the housing, health and safety rating system for dwellings, the licensing of Houses in Multiple Occupation (HMO) empty dwelling management orders, tenancy deposits and the assessment of accommodation of Gypsy and Travellers
- Living, Working Countryside – The Taylor Review of Rural Economy and Affordable Housing 2008⁷ which stated that large scale migration to rural areas has pushed house prices significantly above the national average whilst those working in rural areas earn substantially less than their urban counterparts. It reinforces the need to create better job opportunities for those living in rural areas whilst providing affordable housing for them if rural areas are not to become exclusive enclaves of the wealthy and retired
- Delivering Lifetime Homes, Lifetime Neighbourhoods – A National Strategy for an Ageing Society (2008)⁸ set out the priorities for older people:
 - that they will have housing that supports healthy, active and independent living in welcoming communities (lifetime homes standards)
 - housing, neighbourhoods and communities will become more inclusive, attractive and sustainable for an ageing population
 - more mainstream and specialist homes of the right type and location for older people
- The Community Infrastructure Levy⁹ enabling local authorities to place a charge on new developments within the area that can then deliver additional funding which can be used to deliver a wide range of infrastructure projects that support growth and benefit the local economy. This levy effectively replaces the planning obligation process that was previously in place
- Building Better Lives – Getting the Best from Strategic Housing¹⁰ (2009). This Audit Commission report focuses on the need to think of housing more broadly as a vehicle to combat poverty, ill health, educational under-achievement and promote strong and safe communities. The report states that council's should look not only at new builds but in improving the standard of existing housing stock for the benefit of all
- The Energy Act 2011¹¹ introduces both the 'Green Deal' and the requirement that private sector residential landlords allow tenants requests to undertake energy efficiency improvements (from April 2016) and that all private

⁶ <http://www.legislation.gov.uk/ukpga/2004/34/contents>

⁷ <http://www.communities.gov.uk/publications/planningandbuilding/livingworkingcountryside>

⁸ <http://www.communities.gov.uk/documents/housing/pdf/deliveringlifetimehomes.pdf>

⁹ <http://www.communities.gov.uk/planningandbuilding/planningsystem/communityinfrastructurelevy/>

¹⁰ <http://www.audit-commission.gov.uk/nationalstudies/localgov/buildingbetterlives/Pages/buildingbetterlives.aspx>

¹¹ http://www.decc.gov.uk/en/content/cms/legislation/energy_act2011/energy_act2011.aspx

residential properties will be at the minimum EPC rating of E by 2018. The 'Green Deal' itself creates a new financing framework to enable the provision of fixed improvements to the energy efficiency of households and non-domestic properties, funded by a charge on energy bills that avoids the need for consumers to pay upfront costs

- The General Power of Competence provide by the Localism Act 2011.¹² That allows local authorities to:
 - carry out any lawful activity
 - undertake any lawful works
 - operate any lawful business; and
 - enter into any lawful transaction

This will provide local authorities with the freedom to work together to improve services and drive down costs, working creatively to meet local needs.

Homelessness

3.4 The Homelessness Act 2002 places a duty on local authorities to:

- provide free advice and information about homelessness and preventing homelessness to everyone in their district
- assist eligible individuals and families who are homeless or threatened with homelessness, and in priority need
- produce a homelessness strategy that sets out the way in which authorities will prevent homelessness in their areas

3.5 The local housing authority partners are working together to create their second Somerset wide homelessness strategy for Somerset. This strategy sets out the partnership's response to the current national challenges generated by:

- Welfare benefit reforms, as set out below:

Table 1: Changes to Housing Benefit, Local Housing Allowance and Council Tax Benefit

○	Up-rating and increasing the non-dependent rate from April 2011 is likely to place pressure on households with adult children still living at home who cannot contribute towards household expenses
○	Capping the Local Housing Allowance (LHA) is likely to make applicants for private sector letting less attractive to landlords. In

¹² The DCLG brought the GPC into force with effect from 18 February 2012 by means of the *Localism Act 2011 (Commencement No.3) Order 2012*.¹⁷ <http://www.legislation.gov.uk/uksi/2012/411/contents/made>

addition the change to the way in which LHA is uprated (from a market led percentile to an index) will lead to further disparity between the level of LHA and actual market rents in the private sector.

- **Capping the total benefits** to a household at no more than the national average wage is likely to impact on larger families and any reduction in benefit will be removed via a reduction in housing benefit.
- **Limiting payments for people under 35** to the shared room rate (up from 25), will make it harder for single people under 35 to afford private rented accommodation if they rely on housing benefits.
- **Limiting Housing Benefit entitlements** for working age people in the social housing sector deemed to be under occupying their homes could increase arrears for those tenants that are under occupying their properties.
- **Up-rating LHA in line with Consumer Price Index (CPI)** instead of Retail Price Index (RPI) will impact on the number of private sector homes available for rent in terms of affordability.
- **The move towards a Universal Credit** will end housing benefit payments being made directly to landlords, making benefit claimants potentially less attractive as tenants and making it harder for socially excluded applicants to gain private sector tenancies. In addition universal credit will be paid monthly which may lead some claimants into budget difficulties.
- **Abolishing Council Tax Benefit** leaving local authorities to develop their own local discount schemes (protection for pensioners has been guaranteed) determining the amount of support that the most vulnerable need to meet their council tax bills within the constraints of local budgets. This could impact on the same group that are affected by other benefit changes and in the worst case drive people into homelessness and expensive temporary accommodation. The five Somerset districts are working on a separate schemes for council tax benefit.

- The Government's vision to end rough sleeping: No Second Night Out (July 2011) ¹³ places a clear emphasis on single homeless people who are not in

¹³ <http://www.communities.gov.uk/documents/housing/pdf/1939099.pdf>

‘priority need’¹⁴ who are living on the streets or are in insecure accommodation such as hostels or shelters. Local authorities are now required to provide count statistics or robust estimates for the numbers of rough sleepers in their areas. Rough sleeping in England is on the increase with latest government figures showing a 23% rise from autumn 2010 to autumn 2011 figures¹⁵

- Changes to the way homeless duty can be discharged. Local authorities can now fully discharge their duty to secure accommodation by arranging an offer of suitable accommodation in the private rented sector (for a period of 12 months), without requiring the applicant’s agreement. Where applicants become homeless again within two years, the duty will be retained by the original authority¹⁶
- Making every contact count: A joint approach to preventing homelessness (2012)¹⁷ sets ten local challenges for housing authorities to ensure that every contact local agencies make with vulnerable people and families really counts to ensure that we prevent households, regardless of household make up, from reaching a crisis point where they are faced with homelessness

3.6 The Government has introduced a Troubled Families programme to address those families that have serious problems including parents not working and children not in school, and has the potential to cause youth crime and anti-social behaviour. A lot of time and money is spent by local service providers routinely responding to these problems. Previous government research has highlighted that 2 per cent of families suffer significant multiple problems that in turn make them more likely to place demands on local services, such as health, social care and criminal justice. In England this equates to 120,000 families.¹⁸

3.7 As part of the Troubled Families programme, the Government, alongside local authorities, wants to change the way that these families are worked with by:

- joining up local services
- dealing with each family's problems as a whole rather than individually
- appointing a single key worker to get to grips with their problems and work intensively to help them change for the long term

The Government will contribute up to £4,000 per family towards the cost of successfully intervening with eligible families across England. In Somerset this

¹⁴ Priority need categories as set out within the homelessness legislation

¹⁵ <http://www.communities.gov.uk/documents/statistics/pdf/20936571.pdf> Rough Sleeping England Autumn 2011

¹⁶ [http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted part7](http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted%20part7), chapter 1 section 148/149

¹⁷ <http://www.communities.gov.uk/documents/housing/pdf/2200459.pdf>

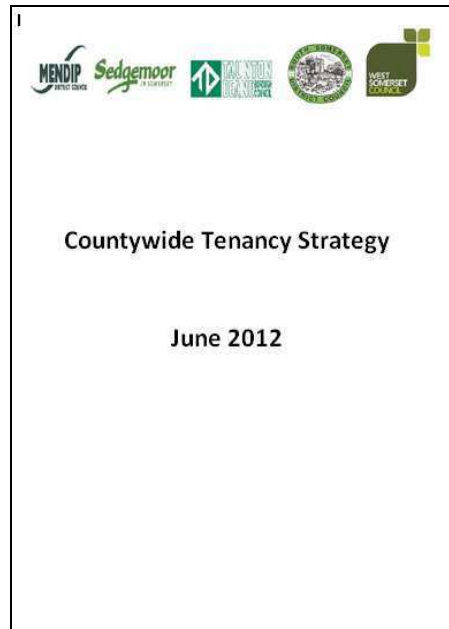
¹⁸ <http://www.communities.gov.uk/communities/troubledfamilies/>

programme is being co-ordinated by Somerset County Council working with the local housing authorities.

Affordable Housing

3.8 There are a number of legislative, strategic and policy changes that are affecting the provision and use of affordable homes nationally:

- The Localism Act 2011 enacted changes that mean that tenancies for life for new social housing tenants have been replaced by the facility to offer fixed term (with a usual minimum of 5 years) flexible tenancies, renewable depending on household circumstances¹⁹. Impacts may include reduced turnover in social housing, reduced demand for new social housing tenancies (not least because rents on new build and possibly re-lets will increase to up to 80% of market rents) and challenges to community sustainment. On the other hand, the narrower gap between social and market rents may, as the Government hopes, start to change perceptions about the acceptability of the private sector as a long term housing solution. The Somerset Tenancy Strategy (jointly drawn up by the five local housing authorities together with social landlord partners) sets out the approach that the housing authorities wish landlords to take on:
 - the types of tenancy that social landlords grant
 - the circumstances in which they grant a tenancy of a particular type
 - where they grant fixed term tenancies, the length of the term, and also the circumstances in which such a tenancy can be ended;²⁰
 - the requirement for a review of the tenancy six months prior to any termination date for the tenancy (allowing local authorities and landlords more time to provide housing options advice)



- The New Homes Bonus²¹ from government provides additional funding or a 'bonus' for new homes by match funding the additional council tax raised for

¹⁹ http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted_part7 chapter 2 section 154 onwards

²⁰ <https://www.homefindersomerset.co.uk/Data/ASPPages/1/106.aspx>

²¹ <http://www.communities.gov.uk/housing/housingsupply/newhomesbonus/>

new homes and empty properties brought back into use, with an additional amount for affordable homes, for the following six years. The 2012-13 allocations include the first affordable homes premium whereby the development of each additional affordable home attracts an enhancement of a flat rate £350 per annum.

- The Localism Act 2011 has provided local housing authorities with a number of new freedoms with regard to the way in which they manage their housing register.²² In addition the revised guidance on allocations from government²³ provides for additional priority to be given to key groups, such as service and ex-service personnel. As mentioned earlier, the Homefinder Somerset partnership is currently discussing the best way to implement these changes within the current allocations policy.
- The new Affordable Homes Programme (2011-2015) aims to increase the supply of affordable homes (an additional 170,000 homes within the period) with the majority of these homes being provided at the new affordable rent level.^{24 25} Social landlords are also able to convert existing social rented stock to the new affordable rent. This change will increase rents for prospective tenants and also impacts on social landlords in terms of pressures upon them to deliver the financial requirements of the new funding model. A recent National Audit Office report (July 2012) has highlighted that the majority of the new homes are due for delivery in the final year of the programme and some providers are expressing concerns that they may not be able to charge the rent levels needed to make the programme financially viable.²⁶
- Increasing the discounts available for Right to Buy (RTB) and preserved RTB to enable more tenants to purchase their homes. The Government has also made a commitment to ensure that the receipts of every home sold under the RTB scheme are used to fund a replacement on a one for one basis, with a new home for affordable rent.²⁷

Planning Policy

- 3.9 With the abolition of centrally-determined targets for new homes (both private and affordable), the existing Regional Spatial Strategies no longer apply, replaced by locally-determined plans. This is likely to lead to some uncertainty in the market and a possible hiatus in new house building in the short to medium term particularly given the overall economic climate.

²² <http://www.legislation.gov.uk/ukpga/2011/20/part/7/chapter/1/crossheading/allocation/enacted>

²³ <http://www.communities.gov.uk/documents/housing/pdf/2171391.pdf>

²⁴ Affordable rent in this context meaning up to 80% of prevailing market rent.

²⁵ <http://www.homesandcommunities.co.uk/affordable-homes>

²⁶ National Audit Office – Affordable Homes Programme Report

<http://www.nao.org.uk/idoc.ashx?docId=bbc6f7f9-588f-45c8-b529-e43734bbf2b6&version=-1>

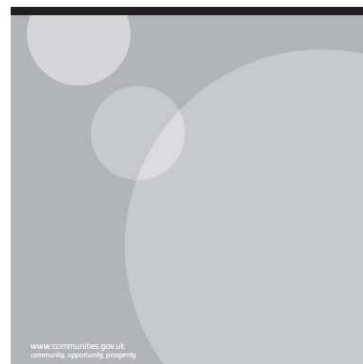
²⁷ <http://www.communities.gov.uk/housing/homeownership/righttobuy/>

3.10

The National Planning Policy Framework²⁸ (March 2012) sets out the Government's planning policy for England. This is a framework within which local people and councils can produce their own distinctive local and neighbourhood plans which reflect the needs and priorities of the community.



National Planning Policy Framework



- 3.11 These neighbourhood planning provisions²⁹ within the Localism Act 2011 empower communities to shape the development and growth of a local area through the production of a neighbourhood development plan, a neighbourhood development order or a Community Right to Build Order. This will provide local people with a genuine opportunity to influence the future of where they live.
- 3.12 Whilst the requirement for planning permission to build new Houses of Multiple Occupations (HMO) has been reversed³⁰ by this government local authorities can still make an Article 4 Direction³¹ to ensure that specific geographical areas do require planning permission for new HMOs. Given the changes to welfare benefits for under35s and the need for more shared housing, planning changes to implement Article 4 Directions will need to be fully reviewed for their impact on the housing market.
- 3.13 Following on from a commitment made in *Laying the Foundations, A Housing Strategy for England* to tackle the problem of households earning high incomes who continue to occupy subsidised housing, the Government has issued a consultation document on introducing a 'Pay to Stay' scheme³² whereby landlords could charge a higher rent to tenants on high incomes who want to stay in their social homes.

²⁸ <http://www.communities.gov.uk/publications/planningandbuilding/nppf>

²⁹ <http://www.legislation.gov.uk/ukxi/2012/637/contents/made>

³⁰ <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1759707.pdf>

³¹ <http://www.communities.gov.uk/documents/planningandbuilding/pdf/2160020.pdf>

³² <http://www.communities.gov.uk/documents/housing/pdf/2160581.pdf>

- 3.14 In addition the Government has also introduced consultation that would help landlords reduce the prevalence of tenancy fraud within the social housing stock³³. This includes measures that would greatly increase both the deterrent to tenants to commit fraud and landlords' ability to detect and prosecute those who do. It would also extend local authorities' powers of prosecution, allow for restitutionary payments to be made to landlords and remove the loopholes that allow those abusing their tenancies to retain them.
- 3.15 The national context within which this framework is set provides its own challenges for the local housing authority partners when addressing the priorities – however there are also more local issues set out in section 4 that we need to take account of.

4. Background and The Local Strategic Framework

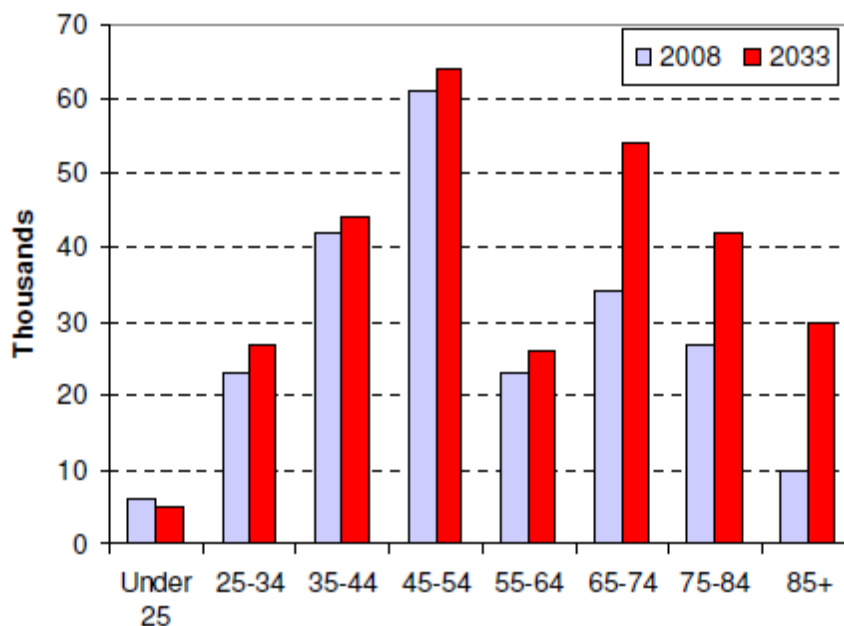
Demography

- 4.1 It is estimated that around 530,200 people live in Somerset. Outside of Somerset's main towns, the county is characterised by a dispersed pattern of settlement and a relatively low population density and migration. Somerset has fewer 20 to 29 years old than would be typical. This is thought to be due to young people leaving the county to attend university or for employment (please see the internal migration section for further information). 21% of Somerset's population is aged 65 or over. This figure increases to 30% in West Somerset.
- 4.2 Somerset's non-white British population is estimated to have more than doubled in the last nine years from 3% in 2001 to 7% in 2009. This is a much larger increase than seen regionally and nationally. The largest non-White British group is the "White Other" category, associated with an influx of migrant workers and their families from the A8 states of Eastern Europe after 2004. In Somerset's schools the five most common first languages after English have remained the same over the last three years, with Polish the most common followed by Portuguese, Bengali, Malayalam and Tagalog/Filipino.
- 4.3 In 2033, the Somerset population is projected to be 619,400, an increase of 18% from 2008. The largest increase is projected to be in Somerset's older population in particular the 90+ population, which will increase by 267% from 5,100 in 2008 to 18,700 in 2033. By 2030 there are projected to be around 70,000 people over 65 living alone in Somerset, most of whom will be over 75. This will pose significant challenges for health, housing and social care. The largest increase in terms of household types will be in single person households.

Table 2 Projected change in households by age, Somerset³⁴

³³³³ <http://www.communities.gov.uk/documents/housing/pdf/2064044.pdf>

³⁴ Source JSNA Somerset April 2011 Section 6 Housing



- 4.4 One in four people live in one of Somerset's three largest towns: Taunton (58,200 people, 11% of the population), Yeovil (41,800 people, 8% of the population) and Bridgwater (35,200 people, 7% of the population). At district level population density is highest in Taunton Deane with 238 people per km² compared to 48 people per km² in West Somerset.³⁵

Economy and Employment

- 4.5 Our framework should influence those who have a greater direct impact on the local economy and its employment levels such as the Local Enterprise Partnership (LEP).³⁶ LEPs are led by local authorities and businesses across natural economic areas. They are intended to provide the vision, knowledge and strategic leadership needed to drive sustainable private sector growth and job creation in local areas. The Heart of the South West LEP covers Devon and Somerset and has shown that we have significant economic issues to overcome.

Table 3 Economic Overview of heart Of South West LEP³⁷

	Heart of South West LEP Area	National Average
Productivity		
Output per worker	£32,000	£45,000 (UK)
% premises not receiving 2 Mbps	17.00%	11.00%
Number of people per square kilometre	162	398 (England)

³⁵ All population data taken from JSNA Section 2

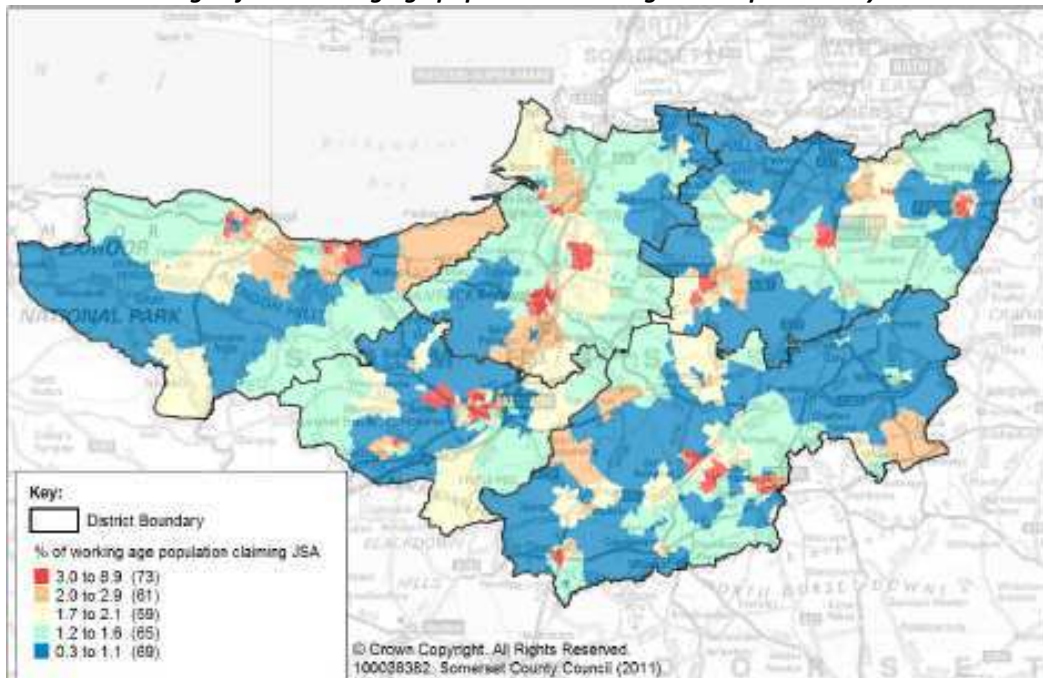
³⁶ <http://www.heartofswlep.co.uk/home>

³⁷ <http://www.heartofswlep.co.uk/vital-statistics>

Earnings		
Weekly Wages	£355.40	£405.70 (England)
Gross disposable household income	£13,520	£14,890 (UK)

- 4.6 Whilst the overall rate of unemployment in the area is below the national average³⁸ there are large variations within the Somerset area in the numbers of people claiming Job Seekers Allowance (JSA) from a high of 8.9% in Bridgwater Fairfax to 0.3% in Ruishton and Creech.

Table 4 Percentage of the working age population claiming JSA in April 2011 by LSOA³⁹



- 4.7 Youth unemployment is a particular concern, with Sedgemoor having the highest level of youth (18 to 24) unemployment (7.4%) and West Somerset the lowest (4.5%).

Table 5 Percentage of JSA claimants by age band (April 2011)⁴⁰

³⁸ In April 2011, 1.2% of Somerset's working age population were claiming JSA, compared to 2.6% regionally and 3.7% nationally. Source JSNA April 2011 Section 3

³⁹ Source Somerset JSNA April 2011 Section 3

⁴⁰ Source JSNA Section 3

	18 to 24 (%)	25 to 49 (%)	50 to 64 (%)
Mendip	6.4	2.3	1.2
Sedgemoor	7.4	3.0	1.4
South Somerset	4.8	1.8	1.0
Taunton Deane	5.6	2.3	1.1
West Somerset	4.5	2.4	1.1
Somerset	5.8	2.3	1.1

Deprivation

4.8 The Joint Strategic Needs Assessment for Somerset (JSNA) has used the Index of Multiple Deprivation (IMD)²² to measure deprivation at local levels. The IMD ranks each Lower Layer Super Output Area (LSOA) in England using 38 indicators split into seven domains:

- income
- employment
- health deprivation and disability
- education, skills and training
- barriers to housing and services
- crime
- living environment

4.9 There are 327 LSOAs within Somerset, 14 of which fall within the 20% most deprived nationally. These 14 LSOAs contain approximately 21,200 people and can be found in Taunton, Bridgwater, Highbridge, Williton, Shepton Mallet and Yeovil.

4.10 Comparing the IMD 2010 with the 2007 version shows that in some of the 'most' deprived areas of Somerset deprivation has increased:

- five of the 14 most deprived LSOAs also fall into the 10% most deprived nationally, three more than in 2007. Together, these five LSOAs represent around 7,700 people
- two of the 14 most deprived LSOAs also fall within the 5% most deprived nationally; there were no LSOAs in this category in 2007. These LSOAs are in Bridgwater Sydenham (1,600 people) and in Taunton Halcon (1,700 people)

4.11 Barriers to housing and services are the most prevalent form of deprivation within Somerset. Eighty-seven out of 327 LSOAs in Somerset fall into the 20% most deprived nationally, affecting 147,900 people.

Affordability

4.12 The ratio of house price to earnings is greater in all the Somerset housing authorities than the national average. The ratio is particularly high in West Somerset where, even in an economic downturn, house prices at the market entry levels are almost nine times the average earnings figure. This makes it almost impossible for most

people to get onto the property ladder or move into the area for employment.⁴¹ In the South West region there has been a 21% increase in the number of households that are housed in the private rented sector in the last 14 years.

Table 6 Trends in Tenure – South West Region⁴²

Tenure type	Owner Occupiers	Social rented	Private sector rented
1997	72.6%	15%	12.4%
2010/11	70.9%	12.7%	15%
%change	-2.3%	-15.3%	+21%

- 4.13 Outside of the London, the South East and East Anglia, the South West region has the highest private sector rents (as at 2010).⁴³
- 4.14 Within Somerset (as at 2010) 86% of the available stock was in the private rented sector with almost half of all housing association stock being in South Somerset, largely due to the transfer of all council housing stock.⁴⁴

Housing Demand

- 4.15 The number of people on the Homefinder Somerset housing register has doubled between 2000 and 2010 compared with increases of approximately 60% in the South West and England in general.⁴⁵ Housing supply remains an issue. On average we are able to house between 12.5% and 16.8% of applicants on the housing register⁴⁶ in any given year.

Empty Homes

- 4.16 In 2010-11 there were 7,837 empty homes in Somerset with almost 90% of these in the private sector and 36% of them being empty for more than 6 months.

Table 7 Empty homes data for Somerset 2011-12 – Source Empty Homes Agency Ltd⁴⁷

Local Authority/Borough	Total Dwellings	Total Empty	% Empty	Short Term Empty	Local Councils	Housing Associations	Other Public Bodies	Private Owners	Long Term Empty
Mendip	49,197	1,403	2.85%	918	-	77	-	1,326	485
Sedgemoor	52,025	1,643	3.16%	1,173	52	30	-	1,561	470
South Somerset	73,853	2,588	3.50%	1,572	-	109	-	2,479	1,016
Taunton Deane	49,930	1,596	3.20%	1,167	32	62	-	1,502	429
West Somerset	17,563	545	3.10%	336	-	12	4	529	209
Total	242,568	7,775	0	5,166	84	290	4	7,397	2,609

⁴¹ Joint Strategic Needs Assessment <http://www.sine.org.uk/EasySiteWeb/GatewayLink.aspx?allId=50761> section 6 page 2

⁴² English Housing Survey – Household Table FT1111 (S135a) <http://www.communities.gov.uk/documents/statistics/xls/2176166.xls>

⁴³ http://www.housing.org.uk/pdf/HomeTruths2011_England.pdf

⁴⁴ Joint Strategic Needs Assessment <http://www.sine.org.uk/EasySiteWeb/GatewayLink.aspx?allId=50761> section 6 para 6.3

⁴⁵ Ibid para 6.7

⁴⁶ Based on Homefinder Somerset accepted offer and housing register data for 2009-10, 2010-11 and 2011-12

⁴⁷ Empty Homes Agency 2011-12 statistics <http://www.emptyhomes.com/wp-content/uploads/2013/01/Empty-Homes-Stats-2011-2012-Complete.xls>

This is a wasted resource that can be brought back into use to help combat the shortage of housing.

- 4.17 The sub-region's rural communities not only suffer from a lack of affordable homes, but the sustainability of existing communities is at risk due to increasing pressure on transport, schools, shops, healthcare and other services.

Rough Sleepers

- 4.18 Whilst rough sleeper data has to be provided to the Government annually, the Avon and Somerset Rough Sleepers Steering Group (being led by Mendip District Council) is collecting data monthly (not all authorities collect monthly) as follows:

Table 8 Extract from Rough Sleeper Figures – Avon & Somerset Rough Sleepers Steering Group

Local Authority Area	Nov-	Dec-	Jan-	Feb-	Mar-	Apr-	May-
Mendip		21	*	*	*	*	*
Taunton Deane	25	27	22	17	22	22	24
Sedgemoor	10	5	*	*	*	*	*
South Somerset	6	10	8	9	9	8	9
West Somerset	*	*	*	*	*	*	*
Totals	41	53	30	26	31	30	33

* denotes data not currently monitored in LA district on monthly basis

- 4.19 The number of rough sleepers in Taunton Deane and Mendip, and to an extent in South Somerset were high and the figures in Taunton Deane show a marked increase from where they were in 2010 and were the highest in the South West (apart from the unitary authority of Cornwall) in autumn 2011.⁴⁸ More recently in South Somerset the introduction of specialist outreach workers has seen a massive decline in rough sleeping in that area.

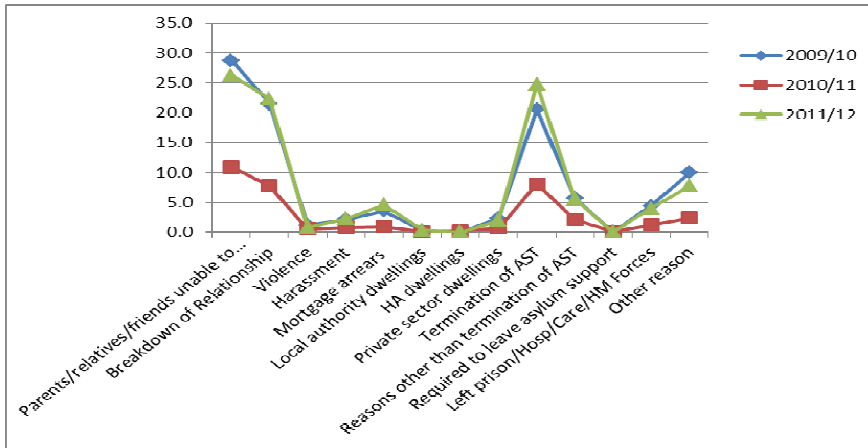
Homelessness

- 4.20 While the causes of homelessness across the sub-region are complex, P1E statistics show that (in 2011/12) termination of an assured shorthold tenancy, and eviction from the family home (through parental eviction or relationship breakdown) are the major causes of homelessness in the sub-region. This has been the case for the last three years, and whilst 2010/11 saw a reduction, the figures show acceptances have returned to 2009/10 levels with the reasons for homelessness remaining static across all 3 years.

Table 9 Acceptances by Reason (shown as a percentage) 2009/10 to 2011/12 for the sub-region– Source P1E Returns

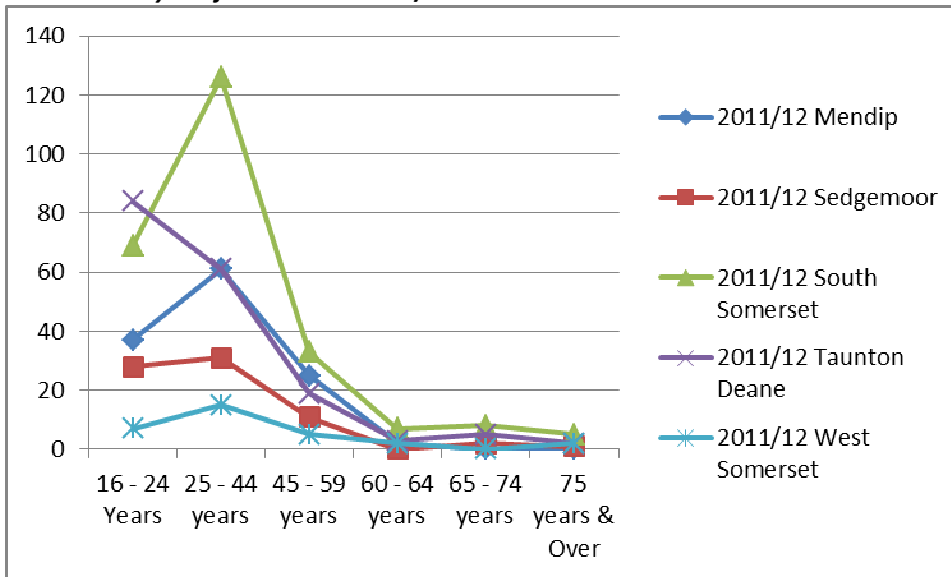
⁴⁸ Rough Sleeping England Autumn 2011 Data Tables

<http://www.communities.gov.uk/documents/statistics/xls/20936651.xls>



4.21 Looking at 2011/12 homeless acceptances by age breakdown the majority of acceptances are from those under 45 years old.

Table 10 Analysis of P1E returns 2011/12 – Source P1E Returns



4.22 The upward trend in single person households⁴⁹ coupled with private sector rents at record high levels⁵⁰ will potentially increase the number of households who apply for local authority assistance with their housing. It will therefore be key that we make the most of the resources that we have in delivering housing options services.

Proposed Development of Hinkley Point Power Station

4.23 All of the Somerset authorities will in some way be impacted by the proposed development of the Hinkley Point C nuclear power station (if full planning permission is granted) The housing markets in the Sedgemoor, West Somerset and Taunton

⁴⁹ Joint Somerset Needs Assessment 2011 Section 6.2
<http://www.sine.org.uk/EasySiteWeb/GatewayLink.aspx?allid=50761>

⁵⁰ Research undertaken by LSL property Services July 2012 <http://www.bbc.co.uk/news/business-19288208>

Deane housing authority areas will be most dramatically affected by this development.

- 4.24 EDF Energy's workforce assumptions regarding the scale of temporary workforce are that the lifetime of the project is likely to require some 26,600 full time equivalent (FTE) workers across the lifetime of the build project with a peak of 5,600 FTE on site by 2016. Of this number it is agreed that an estimated 34% could be home-based leaving 66% (approximately 3,700 workers) requiring accommodation in the local area. The analysis undertaken by EDF includes geographic areas represented by a ninety minute travel zone to Hinkley Point and includes Sedgemoor, West Somerset, Mendip and Taunton Deane.⁵¹ We also believe that there is potential for South Somerset to be affected because parts of the South Somerset area are within the ninety minute drive time as identified in EDF documentation.
- 4.25 This development (if it goes ahead) will have a significant impact on the availability of private sector accommodation and may well increase homeless applications as private sector tenants are given notice by landlords wishing to let their properties to EDF workers.
- 4.26 All the Somerset housing authorities aim to make best use of existing resources to try to ensure that there is a sufficient supply and range (in terms of property size) of decent accommodation to meet demand. Any development such as Hinkley Point needs to be considered in the context of local needs in order to avoid exacerbating pressures on the provision of housing.
- 4.27 In 2008 the Strategic Housing Market Assessment highlighted data from 2006 to show a demand in the private rented sector from households aged under 30 years old. More recent data from Homefinder Somerset supports this finding although there are still high levels of demand from the 30s to 40s age bracket. This heightens concern that the demand from Hinkley workers for accommodation will have a particular impact on the under 40s who are reliant on low cost accommodation in the affected areas.⁵² This will place additional demands on private sector accommodation in the affected areas which will impact on the ability of local housing authorities to place/discharge homeless applicants into private sector accommodation.

Affordable Housing

- 4.28 The key driver for entering the affordable housing⁵³ market is the fact that other forms of tenure are unaffordable (home ownership and private renting). In areas where incomes are low relative to the market price of homes, there is pressure to provide more homes which those on lower incomes, including benefits, can afford. Without these homes, many people, especially the very old, very young and the

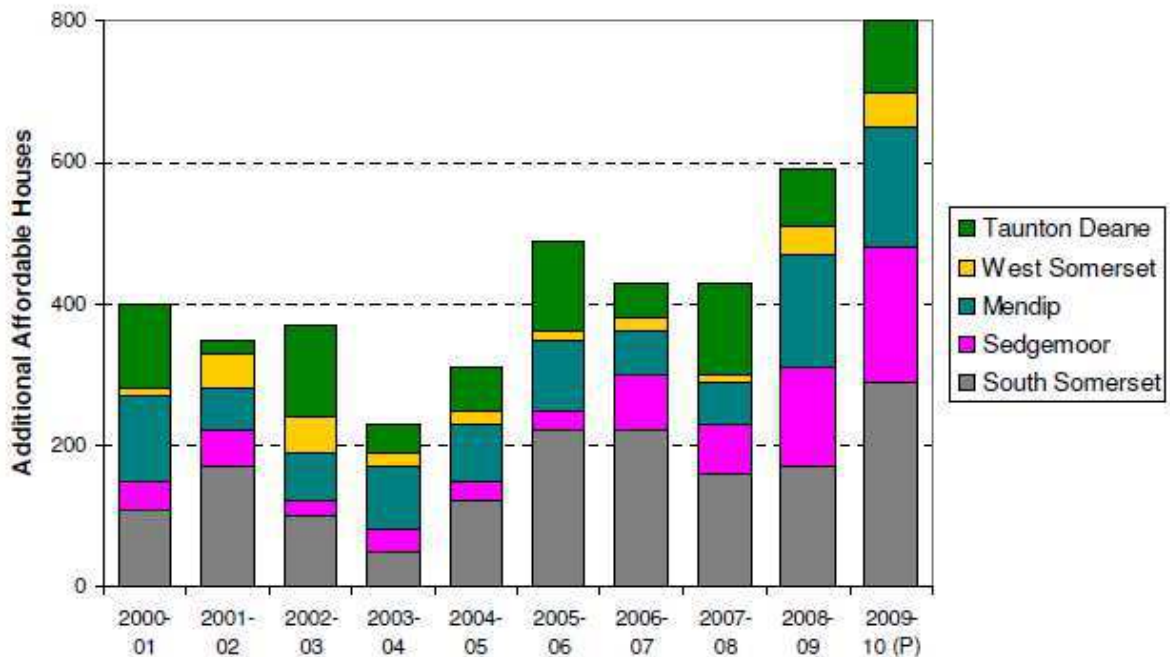
⁵¹ EDF Energy Proposed Development at Hinkley Point Accommodation Strategy

⁵² EDF (2011) Draft Accommodation Strategy

⁵³ 'Affordable housing' is a term used to describe housing made available for people who cannot otherwise afford housing available on the open market.

vulnerable, will be forced to move out of the area or into situations that could adversely affect their health and wellbeing. The past few years have seen an increase in additional social, intermediate and low cost home ownership housing. Mendip, Sedgemoor and South Somerset housing authorities have provided more new properties than at any time in the past decade..⁵⁴ Social rental units have comprised the majority of these additional homes but the proportion that is intermediate housing⁵⁵ has increased from 10% ten years ago to 30% as at April 2011.

Table 11 - Trends in additional affordable dwellings provided by local authority⁵⁶



(P) denotes Provisional figures

Source: Homes & Communities Agency/ Local Authorities

- 4.29 The 2008 Strategic Housing Market Assessments covering Taunton, South Somerset, Sedgemoor and West Somerset and Mendip (part of the West of England Housing Market Assessment) indicate that demand for affordable housing is set to outstrip supply and the subsequent economic downturn is likely to widen that supply gap.
- 4.30 In Mendip, the total net annual need for affordable housing between 2009 and 2021 was forecast to be 271 social and 54 intermediate homes, but based on existing policies, only 37 per year were predicted to be supplied, creating an ever increasing gap.⁵⁷
- 4.31 The Taylor report 'Living Working Countryside' (2008)⁵⁸ identified the issue of the supply gap that exists in rural areas. Nationally 90% of existing rural residents wish

⁵⁴ JSNA Section 6

⁵⁵ Intermediate renting is the intention of renting property at a subsidised rent from a housing association. It is higher than a social rent but below that found in the prevailing market.

⁵⁶ Source JSNA section 6

⁵⁷ Source JSNA section 6

⁵⁸ <http://www.communities.gov.uk/documents/planningandbuilding/pdf/livingworkingcountryside.pdf>

to stay in rural areas whilst 50% of urban residents wish to move to rural areas. This creates excess demand consequentially raising market prices beyond the economic reach of rural residents. This is shown by the number of second homes in the area. Research in 2009 showed that almost 6% of West Somerset's homes are second homes, placing this area tenth out of all rural and coastal authorities.⁵⁹

Gypsy and Traveller Accommodation

- 4.32 Councils across Somerset jointly commissioned the Gypsy and Traveller Accommodation Assessment (GTAA) from De Montfort University to assess the need for residential and transit pitches for the gypsy and travelling community in the county, as required by national policy. This work highlighted the following needs.

Table 12 Summary of requirements highlighted in Somerset GTAA Jan 2011

Pitch requirement across Somerset
The report outlines a need for 131 additional pitches across the study area between 2010 and 2015. The detail and stratification by district is provided in chapter six.
An estimated 64 further pitches will be required by 2020.
Transit provision is needed for around 100 caravans by 2015 across Somerset. The detail and stratification by district is provided in chapter six.
At least 4 Showmen's yards needed by 2015 ¹

Summary of pitch requirement by district

	Pitches 2010 - 2015	Pitches 2015 - 2020	Transit Pitches
Mendip	69	24	80
Sedgemoor	24	10	5
South Somerset	10	8	10
Taunton Deane	25	19	5
West Somerset	2	3	0
	131²	64	100

⁶⁰See footnote for details of 1 & 2 references above

- 4.33 The number of gypsy and traveller caravans is counted twice a year. The most recent published total for Somerset is 503 (January 2011). This is very slightly down year-on-year but higher than two years ago. Currently, Mendip has more than any other district and with Taunton Deane, accounts for more than two in three caravans counted in the whole county.

⁵⁹ JSNA section 6 housing page 9

⁶⁰ ¹Only one Showmen's survey was achieved in the sample, so this need relates solely to the identified need for the one family surveyed. ²Due to rounding of figures during calculation (see table 6.2 in the main report) there is a difference of 1 between rows and columns in the main set of figures for 2010 – 2015 between the study area as a whole and the total of all districts. The collective calculation for the county results in a figure of 131; but when distributed by district the total is 130.

- 4.34 Just over half of all gypsy and traveller pitches currently in Somerset are private, the vast majority (92%) with permanent planning permission and almost one in four pitches are socially rented. The remainder are on other sites, either owned or not by the gypsies themselves. Of those on other sites, three in four are what is classed as 'tolerated'. This proportion has increased considerably since 2009 when a substantial majority were 'not tolerated'.⁶¹

Older People

- 4.35 Many older people want to live independently in their own home for as long as possible. The 'Housing and Older People Study, Taunton and South Somerset Housing Market Areas' (Fordham Research, 2010) reports that few older people (aged 55 and over) plan for future housing needs and it is only unexpected events or sudden deterioration in health that necessitates moving to specialist accommodation. However, when asked why they didn't plan ahead, a major factor was not knowing the options open to them and the precautions they should take to prepare. Almost one in four older person households, equivalent to around 12,000 in Somerset, said they had one or more age-related problems with their home.⁶²
- 4.36 The most commonly required adaptations to help older people manage in their homes, were a downstairs toilet and handrails. However, only half those who needed adaptations actually had them. This is partly the result of not knowing how to arrange for adaptations to be made to their homes and believing the adaptations needed are unaffordable. As with overall housing need in Somerset, Fordham calculated that over the next five years there would be an unmet need for almost 100 extra units per year of affordable specialised accommodation for older people across the two Housing Market Areas, which cover all districts apart from Mendip. There was a preference for sheltered housing with a live-in warden, the traditional form of warden provision, although the current trend is towards 'community wardens'.

House Conditions

- 4.37 Housing Stock Projections by the Building Research Establishment (BRE, 2007)⁶³ estimated that more than two in five of all private sector stock in Somerset (excluding Mendip) would fail to meet the national Decent Homes Standard (DHS)⁶⁴. The proportion ranged from 41% in Sedgemoor to 55% in West Somerset.⁶⁵
- 4.38 The 2006 Housing Strategy Statistical Appendix25 also showed that West Somerset had a relatively high proportion of 'unfit' dwellings, indicating that this particularly rural district faces a notable issue in terms of private housing condition. The BRE report (2007) also pointed out that half of households categorised as 'vulnerable' lived in non-decent homes, with little variation across the districts. All local

⁶¹ Source JSNA section 6 Housing

⁶² Source JSNA section 6 Housing

⁶³ <http://www.bre.co.uk>

⁶⁴ Taunton and South Somerset Housing Market Assessment

⁶⁵ Source JSNA Section 6 page 36

authorities have improvement programmes. In 2009-10, 1,027 dwellings were improved with relation to the DHS, the vast majority benefiting (what are termed as) 'vulnerable' groups. In particular, 497 dwellings which were improved benefited pensioners and 511 benefited families with children. The DHS also affects local authority stock. At 1st April 2010, 1,867 Local Authority dwellings were designated 'non decent' while 455 had received work to prevent non-decency in 2009-10.⁶⁶

Fuel Poverty

- 4.39 Of all the English regions the South West has the highest proportions of dwellings with Energy Efficiency Ratings (EER) F and G⁶⁷ (22.2%) and of those with a Category 1 Excess Cold Hazard (18.1%)⁶⁸ There is a clear link between poor energy efficiency (and consequential fuel poverty⁶⁹) and excess cold hazard which in turn affects the health of residents.
- 4.40 The 2010 Housing Strategy Statistical Appendix⁷⁰ estimates there are around 31,000 dwellings in Somerset with Category 1 hazards and this total excludes private dwellings in Taunton Deane for which no data was available. Based on the dwellings for which data are available, the proportion for the county is 16%, below the regional average, but above the national average of 12%. The proportions are particularly high in south and west Somerset. The latter district also stands out as having a relatively low average Standard Assessment procedure (SAP) rating on which the EERs are based and is the only district within Somerset with a SAP rating below the national average.
- 4.41 South Somerset's average SAP rating is relatively high, but it also has a high proportion of dwellings with a SAP rating below 35, indicating a wide range across the district. Over 400 private sector dwellings with Category 1 Hazards in Somerset were made free of hazards as a direct result of local authority action in 2009-10.
- 4.42 A statistically positive relationship between low thermal efficiency of housing and excess winter deaths (EWD) and the considerable number of EWDs attributable to cardio-vascular disease (CVD) and respiratory diseases has been shown to exist.⁷¹ Cold housing can impact on health in various ways. For instance, children living in cold homes are more than twice as likely to suffer from a variety of respiratory problems, including asthma, than those living in warm homes. It is clear that fuel poverty/cold housing can impact a variety of health outcomes and affect different groups of people, including those that may be asset rich but revenue poor.

⁶⁶ Ibid

⁶⁷ Energy efficiency ratings have a scale from A (the most efficient) to G (the least efficient)

⁶⁸ The Health Costs of Cold Dwellings CIEH

http://www.foe.co.uk/resource/reports/warm_homes_nhs_costs.pdf

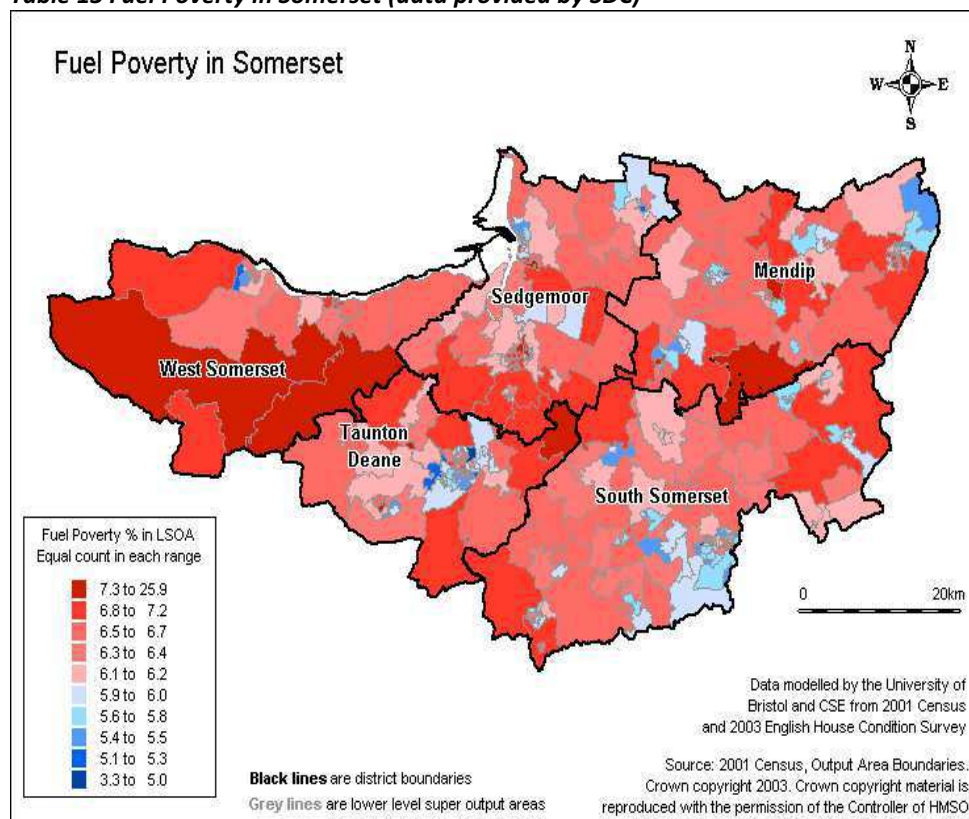
⁶⁹ Fuel poverty is defined as having to spend 10% or more of a household's net income to heat their home to an adequate standard of warmth (usually 21 degrees centigrade for the main living area and 18 degrees for the other occupied rooms.

⁷⁰ <http://www.communities.gov.uk/publications/corporate/statistics/lahousing200910>

⁷¹ <http://www.instituteofhealthequity.org/projects/the-health-impacts-of-cold-homes-and-fuel-poverty/the-health-impacts-of-cold-homes-and-fuel-poverty-full-report.pdf>

- 4.43 Mental health is negatively affected by fuel poverty and cold housing for all age groups. In particular, more than one in four adolescents living in cold housing are at risk of multiple mental health problems compared to one in twenty adolescents who have always lived in warm housing. Cold housing also increases the level of minor illnesses such as colds and flu and exacerbates existing conditions such as arthritis and rheumatism, which can have a greater impact on the morbidity and mortality of older people who are more likely to have pre-existing conditions.
- 4.44 The level of fuel poverty in Somerset is shown graphically in table 13 below.

Table 13 Fuel Poverty in Somerset (data provided by SDC)



Community Safety

- 4.45 The 2008 Place Survey⁷² found that 92% of people in Somerset felt very safe or safe outside in their local area during the day. This figure fell to 62% after dark. Women, under 25s, people with a limiting disability and those in social housing were the most likely to feel unsafe. The 2010 Community Safety Strategic Assessment identified four key community safety priorities for Somerset in 2011:

- reducing anti-social behaviour (ASB), crime and re-offending

⁷² 2008 Place Survey <http://www.sine.org.uk/publications/place-survey/>

- road safety
- protection of vulnerable groups
- substance misuse

The Local Strategic context

- 4.46 All tiers of government within Somerset have a commitment to working together to deliver positive housing outcomes for the people of Somerset. The Somerset local housing authorities, together with the County Council and local NHS have a long and successful history of working together with those from the third sector to respond to the issues facing the housing sector.
- 4.47 We recognise the importance of working together to ensure a positive and vibrant housing market exists within Somerset.
- 4.48 This Housing Strategy Framework takes account of the following local strategy documents in its priorities for action:
- Draft Somerset Health and Wellbeing Strategy
 - Strategic Housing Market Assessments
 - Somerset Homeless Strategy (in production)
 - Somerset Youth Housing Strategy & Action Plan 2012 -2015⁷³
 - Housing, Health, Care and Support Strategy for older People in Somerset⁷⁴
 - Avon and Somerset Rough Sleepers Steering Group Action Plan 2012⁷⁵
 - Gypsy and Traveller Accommodation Assessment (GTAA) 2011⁷⁶
 - Somerset Financial inclusion Strategy 2011-2013⁷⁷
 - Somerset Tenancy Strategy 2012⁷⁸
 - Somerset Sustainable Community Strategy 2008-2026⁷⁹
 - Local Development Framework
 - Somerset Dementia Strategy (2010⁸⁰)
 - Somerset Extra Care Housing Strategic Review (2008)⁸¹
- 4.49 This integrated approach together with a focus on building more affordable homes, bringing empty properties back into use (targeted at those on the housing register), improving the availability of private rented sector accommodation, and making the

⁷³ <http://www.tauntondeane.gov.uk/irj/go/km/docs/CouncilDocuments/TDBC/Documents/Housing/Somerset%20Youth%20Housing%20Strategy%202012-2015.pdf>

⁷⁴ www.sine.org.uk/EasySiteWeb/GatewayLink.aspx?allId=50614

⁷⁵ Avon & Somerset Rough Sleepers Steering Group is made up of all 5 Somerset local housing authorities together with North Somerset Council, Bath & North East Somerset Council and Bristol City Council.

⁷⁶ <http://www.dmu.ac.uk/documents/business-and-law-documents/research/cchr/somersetgtaafinalreport14jan2011.pdf>

⁷⁷ http://www.moneymatterssomerset.org.uk/downloads/Somerset_Financial_Inclusion_Strategy.pdf

⁷⁸ <https://www.homefindersomerset.co.uk/Data/ASPPages/1/106.aspx>

⁷⁹ <http://www.somersetstrategicpartnership.org.uk/community/>

⁸⁰ <http://www.sine.org.uk/EasysiteWeb/getresource.axd?AssetID=50618&type=Full&servicetype=Attachment>

⁸¹ <http://www.sine.org.uk/EasysiteWeb/getresource.axd?AssetID=50697&type=Full&servicetype=Attachment>

best use of existing stock (through adaptation or improvement works) provides the context within which each of the local housing authorities can set out their own specific actions to address the priorities set out within this framework document.

Section B - Strategic Response to the Evidence Base

5. Our Response to the Evidence Base

5.1 We have developed three key priorities to address the evidence and issues arising. The context for each priority is set out within the detail of this section. Wherever possible we shall continue to work together on shared issues, developing joint strategies and policies and finding common solutions where appropriate, Where separate approaches are required we shall endeavour to make these as consistent as possible whilst respecting local circumstances.

5.2 ***Priority 1 - To increase the supply of affordable housing to support economic growth and development.***

5.2.1 This priority links the requirement to deliver the right quantity of housing in the right mix of tenures to meet the local need in a sustainable way, whilst enabling people's aspirations to access housing they can afford in areas that they want to live in.

Priority 1 Issues and Barriers to Progress

5.2.2 **Affordability.** As mentioned previously (see the earlier section on Affordability) affordability is a key issue. House prices in the sub-region have risen rapidly in recent years and are now well out of affordable range for most residents. Increasing energy prices and other basic household costs have intensified the affordability problem and obtaining a mortgage can be difficult given the size of deposit required

5.2.3 **Economic Viability.** Much affordable housing is delivered through planning obligations where a developer of a proposed housing scheme is expected to deliver a proportion as affordable under section 106 of the Town and Country Planning Act 1990 (a 's106 Agreement'). The Government has recently consulted on the potential for developers to challenge affordable housing obligations expected under existing s106 Agreements where these are considered to render the overall scheme unviable.⁸² This is symptomatic of the wider issues within the general economy. To quote the former Housing Minister, Grant Shapps, "...lenders aren't lending, buyers aren't buying and builders aren't building..."⁸³. As peoples' ability to purchase has dwindled, especially first time buyers, largely due to a dearth of available mortgages, the appetite of volume house builders for speculative building has also dwindled. Even where full planning permission is in place and the legally binding s106 Agreement sets out the expected level of affordable housing – this does not guarantee delivery in such adverse economic circumstances

5.2.4 **Economy and Employment.** The lack of affordable housing impacts on all age groups but particularly on the young. Demographically Somerset has fewer 20 to 29 year olds in comparison to national figures, possibly due to young people leaving the county for education or employment opportunities. In addition there is a net

⁸² <https://www.gov.uk/government/consultations/renegotiation-of-section-106-planning-obligations>

⁸³ <http://www.reallymoving.com/property-news/new-scheme-for-first-time-buyers-announced-by-uk-g>

emigration of young adults (16 to 24) from Somerset again thought to be due to a lack of employment opportunities and attendant issues with obtaining housing. Those young adults that remain in Somerset face difficult prospects in terms of employment. Both regionally and nationally, youth unemployment is of particular concern. In Somerset, 5.8% of 18 to 24 year olds claim JSA compared to 2.3% of 25 to 49 year olds and 1.1% of 50 to 64 year olds. Sedgemoor has the highest level of youth unemployment in the county at 7.4%, and West Somerset has the lowest at 4.5%.

- 5.2.5 Almost 3 million people aged 20 to 34 were living with their parents in 2011, a 20% increase on the number in 1997. As well as rising house prices young people are experiencing higher education costs, increasing rents and a credit squeeze. It is anticipated that by 2020 3.7 million 20 to 34 year olds will be living with their parents. Around 1.5 million more young people will be pushed towards the private rented sector in 2020 reflecting the growing problems of accessing home ownership and the social rented sector.⁸⁴
- 5.2.6 **Social Inclusion.** There are pockets of deprivation throughout the sub-region and there is evidence that improving access to housing and employment increases the existing tenure mix and encourages social inclusion and community cohesion by breaking up pockets of deprivation. We must ensure that new affordable housing is of the right size and type and in the right place to support regeneration initiatives, economic growth, reducing worklessness and encouraging a more balanced tenure mix, particularly in our most deprived neighbourhoods.

⁸⁴ Housing options and solutions for young people in 2020 – Joseph Rowntree Foundation
<http://www.irf.org.uk/publications/housing-options-solutions-young-people>

5.2.7 **Maximising New Homes Bonus.** The allocations for 2012-13 are shown in the table below and include the premium payments for affordable homes (£350 per property). For 2012-13 the local housing authority partners have brought £404,600 of additional funding to the sub-region.

Table 14 New Homes Bonus Figures Source CLG⁸⁵

Local Authority	Current housing stock	Net change in stock	Affordable housing supply	Affordability ratio	Year 1 allocations (£): inc empty homes, inc AH premium	Year 2 allocations (£): inc empty homes, inc AH premium	Total payment in year 2012-13 (Year 1 plus Year 2)
Mendip	48709	427	113	7.85	504,175	492,609	996,784
Sedgemoor	51150	661	323	7.42	624,174	772,746	1,396,920
South Somerset	73175	680	468	8.02	601,146	790,317	1,391,463
Taunton Deane	49429	510	238	7.59	391,980	647,745	1,039,725
West Somerset	17466	135	14	8.92	91,342	147,213	238,556
	239929	2413	1156		2,212,817	2,850,631	5,063,448
Affordable Homes Bonus			£404600				

5.2.8 **Enabling Housing Development.** It is the role of each strategic housing authority to co-ordinate the development programme of partner landlords such as housing associations in order to optimise the outcomes, making best use of each development opportunity as it arises. To achieve this four of the districts have developed key partnerships using similar selection criteria and continuous assessment.

Priority 1 – Key Areas of Focus

5.2.9 The key areas of focus for the delivery of this priority are as follows:

- effective use of planning
- increasing supply of land for affordable housing
- identifying need effectively
- identifying more creative ways of delivering affordable homes
- sustainable developments
- continue to maximise New Homes Bonus
- co-ordination of partnership working with partner landlords such as housing associations

⁸⁵ <http://www.communities.gov.uk/documents/housing/xls/2079136.xls>

5.3 **Priority 2- To Make the best use of the sub-region's existing housing stock.**

This priority will both raise the quality and sustainability of existing housing stock (via energy efficiency and decent homes works) as well as bringing back into use that stock which is currently not used (empty homes).

Priority 2 Issues and Barriers to Progress

- 5.3.1 **Decent Homes Standard.** Large investments have been made in the sub-regions social housing stock to achieve the Decent Homes Standard (DHS) but this work is not yet complete. There is a strong correlation between unsatisfactory housing conditions and households in economic and social disadvantage. Elderly and vulnerable private sector households are over-represented in non-decent housing. There are limited resources available for private sector housing renewal but increasing decency levels in the private rented sector and among vulnerable owner-occupiers who may be capital rich but revenue poor, will be key.
- 5.3.2 **Energy Efficiency and Thermal Comfort.** The Home Energy Conservation Act 1995 introduced a national target for local authorities to reduce carbon dioxide emissions and improve domestic energy efficiency by 30% by the year 2010. Effective insulation and efficient heating is an important element of the DHS and one of the main reasons that social housing fails the standard is thermal inefficiency. There are clear links between homes that have poor thermal efficiency and health, with issues such as cold and damp having a direct impact on occupants' health and quality of life as previously stated.
- 5.3.3 Improving energy efficiency is also beneficial in terms of the environment, helping to conserve precious resources and lower carbon dioxide emissions. As noted in Priority One, environmental sustainability is a key consideration, not just in terms of the impact of new developments but also in terms of improving the energy efficiency and long-term sustainability of existing homes.
- 5.3.4 **Empty homes.** Empty properties are a wasted resource that could be brought back into use to increase the supply of housing; preferably, affordable housing. We would hope to link incentives provided to owners to bring these properties back into use to the fact that the homes are used to house those on the housing register.
- 5.3.5 **Loss of social housing stock.** Social housing stock continues to be depleted through the Right to Buy (RTB)/ Preserved Right to Buy (PRTB), though tenants buying their homes in this way often have no other means of accessing home ownership. The RTB and PRTB have a particularly significant impact in villages and rural areas, where family homes are often at a premium, in very desirable locations and have a high resale value. Although the receipts from these sales can be used to fund the building of replacement social housing, more often than not the opportunity to do does not exist in rural areas.

5.3.6 **Welfare reforms.** The changes to welfare benefits, in particular housing benefit and the reduction in rates if tenants are under occupying their property will place additional demands on the existing social housing stock that is available. Existing tenants may be looking to move to smaller properties (which are in the highest demand) at a time when other pressures are also squeezing the availability of that stock. The use of mutual exchange within the Homefinder Somerset area will need to be encouraged across landlords and within landlord stock to aid social mobility and address underoccupation.

Priority 2 – Key Areas of Focus

5.3.7 The key areas of focus for the delivery of this priority are as follows:

- to ensure that Homefinder Somerset continues to deliver mobility and choice of housing options to those wishing to access affordable housing in Somerset
- ensure that those already in social housing have mobility when they need it through the promotion and facilitation of mutual exchange wherever possible
- bringing homes up to the decent homes standard wherever possible
- bring empty homes back into use and utilise them for those in housing need
- maximise works to improve energy efficiency and thermal comfort
- Combat deprivation by ensuring the diversification of the tenure mix within existing and new developments
- Implementing co-ordinated approaches to small scale adaptations and repairs to enable people to remain in their homes

5.4 *Priority 3- To meet the housing and accommodation related support needs of the sub-region's most vulnerable residents.*

5.4.1 This priority focuses on the requirement to ensure that vulnerable people (older people, gypsy and traveller groups, those with disabilities, including learning disabilities, and socially excluded applicants) can access suitable accommodation and support options and are aware of what help is available.

Priority 3 Issues and Barriers to Progress

5.4.2 **Older people.** The projected increase in the number of older people living in the sub-region will have a major impact on the type of housing and related services demanded and the way those services are provided. A large proportion of older people are owner-occupiers and research shows that the vast majority want to stay in their own homes and retain their independence for as long as possible. This necessitates moving away from institutionalised models of care, in favour of enabling independent living through the provision of appropriate support mechanisms.

- 5.4.3 Changing demographics and health outcomes mean that there is a much greater diversity of need within older age groups than ever before and the ability to ensure that everyone can enjoy an active lifestyle for as long as possible depends on the availability of an appropriate range of housing and support services. The *Code for Sustainable Home*⁸⁶ emphasises the importance of building to Lifetime Homes Standards and encourages developers and housing providers to build homes that can be easily adapted to meet people's changing needs, particularly in later life.
- 5.4.4 **Homeless people.** Preventing homelessness is a key priority for the sub-region. The Somerset Homelessness Strategy sets out the key priorities for the local housing authorities in preventing and dealing with homelessness (including rough sleeping). The major challenge will be addressing the population 'bulge' that could occur if the Hinkley power station development goes ahead – placing an additional squeeze on available social and private sector housing.
- 5.4.5 **Young people.** Young people are over-represented among homeless presentations in the sub-region and a lack of suitable temporary housing makes it difficult to accommodate them, particularly those individuals with complex support needs. Similarly, there is a lack of accommodation with relevant support for adults leaving prison and young people leaving care. The Youth Housing Strategy was developed to address this issue. It sets out four priorities for youth housing in Somerset. The key development arising from the strategy is the Pathway to Independence (known as P2I) project which aimed to develop a pathway through which early intervention services can be provided to young adults seeking housing related support services.⁸⁷ The strategy also set out the importance of prevention services to ensure that wherever possible young adults remained (where safe and possible) in the family home.
- 5.4.6 **Disabled/Vulnerable people.** Although new social housing must conform to Lifetime Homes Standards, the vast majority of the existing housing stock in the sub-region was not designed to accommodate people with physical or learning disabilities and installing aids and adaptations is expensive. A lack of move-on accommodation means that disabled and vulnerable individuals can be effectively trapped in supported accommodation, which is not suitable for long-term occupancy and can actually prevent them from progressing to independent living. It also means that others in need of supported accommodation are unable to access it, due to 'bed-blocking' caused by the lack of move on units. A Pathway for the Socially Excluded (known as the pathway for adults or P4A) has been developed by Somerset County Council which aims to provide support for these groups. The way these services are commissioned will need to be integrated into the way in which districts deliver their own housing services.

⁸⁶ <http://www.communities.gov.uk/planningandbuilding/sustainability/codesustainablehomes/>

⁸⁷ <http://www.tauntondeane.gov.uk/irj/go/km/docs/CouncilDocuments/TDBC/Documents/Housing/Somerset%20Youth%20Housing%20Strategy%202012-2015.pdf> Priority 1 and Appendix 1

5.4.7 **Gypsies and Travellers.** The GTAA has set out the provision that we need to make to provide for the gypsy and traveller community in the future. However we also need to ensure that there are adequate services in place where pitches are provided. These pitches must be sustainable places to live, with good access to services (such as health and education) for those living there. It is possible that future estimates of pitch requirements are an underestimate given possible concealed need.

Priority 3 – Key Areas of Focus

5.4.8 The key areas of focus for the delivery of this priority are as follows:

- support the delivery of the priorities within the Somerset Health and Wellbeing Strategy
- support the priorities within the Housing, Health, Care and Support Strategy for Older People in Somerset
- support the delivery of the priorities of the Somerset Homelessness Strategy
- support the delivery of the key outcomes from the Somerset Youth Housing Strategy
- deliver the pitch requirements as set out in the GTAA 2011

6. Strategic Priorities and Key Areas of Focus

6.1 The three priorities are in no particular order. Listed below, they have been identified as the key issues for Somerset.

Priority 1	<p>To increase the supply of affordable housing⁸⁸ to support economic growth and development.</p> <p>Key Areas of Focus</p> <ul style="list-style-type: none"> ➤ Work towards addressing blockages to delivery ➤ Effective use of planning ➤ Increasing supply of land for affordable housing ➤ Identifying need effectively ➤ Identifying more creative ways of delivering affordable homes ➤ Sustainable developments ➤ Endeavour to maximise benefits for housing supply through the New Homes Bonus ➤ Continued co-ordination of partnership working with partner landlords such as housing associations ➤ Deliver the pitch requirements as set out in the GTAA 2013
Priority 2	<p>To make best use of Somerset's existing housing stock.</p> <p>Key Areas of Focus</p> <ul style="list-style-type: none"> ➤ To ensure that Homefinder Somerset continues to deliver mobility and choice of housing options to those wishing to access affordable housing in Somerset. ➤ Ensure that those already in social housing have mobility when they need it through the promotion and facilitation of mutual exchange wherever possible. ➤ Bringing homes, across all tenures, up to the Decent Homes Standard wherever possible. ➤ Bring empty homes back into use and utilise them for those in housing need. ➤ Maximise works to improve energy efficiency and thermal comfort ➤ Combat deprivation by ensuring the diversification of the tenure mix within existing and new developments. ➤ Implementing co-ordinated approaches to small scale

⁸⁸ As defined within the National Planning Policy Framework Annex 2
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf

	<p>adaptations and repairs to enable people to remain in their homes.</p> <ul style="list-style-type: none"> ➤
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<p>Priority 3</p>	<p>To meet the housing and accommodation related support needs of the sub-region's most vulnerable residents by working in partnership.</p> <p>Key Areas of Focus</p> <ul style="list-style-type: none"> ➤ Support the delivery of the priorities within the Somerset Health and Wellbeing Strategy – e.g. develop effective information and advice ➤ Refresh and implement financial inclusion strategy. ➤ Support the priorities within the Housing, Health, Care and Support Strategy for Older People Somerset e.g. review extra care housing and support housing. Understand how the personalisation agenda in social care will affect housing service delivery ➤ Eg ➤ Support the delivery of the priorities of the Somerset Homelessness Strategy – including the delivery of the Pathway for Adults (P4A) ➤ Support the delivery of the key outcomes from the Somerset Youth Housing Strategy – e.g. the implementation of the P21 pathway ➤ Revise the GTAA – and deliver the pitch requirements as set out in the GTAA 2013
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Wherever possible we shall continue to work together on shared issues, developing joint strategies and policies and finding common solutions where appropriate, Where separate approaches are required we shall endeavour to make these as consistent as possible whilst respecting local circumstances

7. Moving Forward

- 7.1 This strategic framework will build on the achievements we have already made and provides a focus for continued action that supports the creation of balanced, sustainable communities, where all residents can achieve independent living in good quality, affordable homes that are appropriate to their needs. It actively supports other local and sub-regional strategies and provides the impetus to further develop existing partnerships and expand on the good practice and innovation that already exists in the sub-region.
- 7.2 Wherever possible we shall continue to work together on shared issues, developing joint strategies and policies and finding common solutions where appropriate, Where separate approaches are required we shall endeavour to make these as consistent as possible whilst respecting local circumstances
- 7.3 We do not expect future progress to be easy. The resources available to us and our partners in the housing sector already fall far short of meeting the demands placed upon them and the 'credit crunch', the weakening in the UK housing market and falling employment levels will present additional challenges in an already testing environment. The mis-match between the resources available to us and the levels of need existing in the sub-region means that we cannot realistically hope to deal with all the issues identified; we must therefore ensure that we generate the maximum benefit from the resources that we do have at our disposal.
- 7.4 Each local housing authority will produce its own detailed housing strategy action plan that will be based on a pragmatic view of what can be achieved, taking into account their anticipated resources and the priorities we have identified through the research that has informed this document together with local priorities.
- 7.5 We will review our priorities on a regular basis and will continue to develop new and innovative solutions for housing in the sub-region, that will allow us to respond more quickly to the most pressing needs and to compete more effectively for resources in the fast-changing and complex environment in which we work.

Appendix 1 – Organisations involved in consultation workshop that helped to align priorities with key areas of focus

South Somerset District Council – Private Sector Housing, Planning Policy, Strategic Housing, Housing & Welfare Services, Assistant Director, Enabling
Sedgemoor District Council – Corporate Director, Private Sector Housing Manager (also covers Taunton Deane Borough Council and West Somerset Council), Strategic Housing, Lead on Gypsy & Travellers
Taunton Deane Borough Council – Strategic Housing, Housing Options, Enabling, Planning Policy, Housing Services
Mendip District Council – Corporate Manager (Built Environment), Strategic Housing, Private Sector Housing, Enabling,
West Somerset Council – Strategic Housing, EDF project, Enabling, Planning Policy
SCC – Commissioning Adults & Health, Commissioning for Older People, Social Services (Adult), Commissioning Officer (learning Disabilities),
SHAL Housing
Magna West Somerset
NHS - Director of Clinical Commissioning
Yarlington Housing Group - Director of Customer and Community Services
Homebuy Manager South West Homes
South West Seniors Network for West Somerset
Taunton CAB
Barnabas Housing - Director
SCC - Commissioning Officer Pathway for Adults
Knightstone Housing - Director of Development
Somerset - Planning Policy
Homes in Sedgemoor - Director
NHS Somerset
Hastoe - Regional Head of Development
Aster Living Project Manager -
CAB Mendip Manager
Sedgemoor CAB - Housing Caseworker

Report Number: WSC 9/14

Presented by: Councillor S Pugsley, Lead Member for Executive Support and Democracy

Author of the Report: Bruce Lang

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Report to a Meeting of: Council

To be Held on: 22 January 2014

Date Entered on Executive Forward Plan Or Agreement for Urgency Granted: n/a

HONORARY ALDERMEN

1. PURPOSE OF REPORT

- 1.1 To provide Council with the opportunity to review the current policy for conferring the title of Honorary Aldermen on former Members, which has been in place since May 2000.

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 This issue does not directly relate to the current corporate priorities.

3. RECOMMENDATIONS

- 3.1 That the Council review the current policy for conferring the title of Honorary Aldermen of former Members which has been in place since 17 May 2000.

4. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
Not applicable			

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before the mitigation measures have been actioned and after they have.

5. BACKGROUND INFORMATION

- 5.1 Section 249 (1) of the Local Government Act 1972 states: "that a principle council may, by resolution pass by not less than two thirds of the members voting thereon, at a meeting of the Council especially convened for the purpose with notice of the object, confer the title of Honorary Aldermen on persons who have, in the opinion of the Council, rendered eminent

services to the Council as past members of the Council but who are not then members of the Council.”

5.2 The Council has adopted the practice of conferring the title of Honorary Aldermen on former members by virtue of a decision taken at full Council 17 May 2000. A copy of the report upon which that decision was based is attached at Appendix A to this report.

5.3 The last such award under this practice was made in October 2002 and the issue was discussed in principle at a meeting of the Corporate Policy Advisory Group on 13 August 2013.

5.4 Given the timescales involved, it was considered prudent to provide Council with the opportunity to review the current policy in principle. It can be noted that the current guidance adopted by this Council lists the criteria for demonstrating “eminent services” to:-

16 normal years as a District Councillor, or
past Chairman of Council, or
any other special circumstances that merit recognition in the opinion of the Council.

5.5 The Council is therefore invited to review the principle of the current process with a view to either:

- a) Endorsing the continuation of the current process in accordance with Appendix A; or
- b) Endorsing the continuation of the current process making certain details amendments;
or
- c) That the process for conferring the title of Honorary Aldermen for past members of West Somerset Council be discontinued.

6. FINANCIAL/RESOURCE IMPLICATIONS

6.1 To date the current process has been operated using a “light touch” to minimise costs. The main cost would relate to provision of a lapel pendant if this was agreed as the way forward and would also be some staff resource time in undertaking the administrative side of the process. In the event of it being decided to continue with the process, the intention would be for any nominations to be considered at a short special meeting convened immediately before a scheduled Council meeting to minimise incurring additional financial and member/officer time implications.

7. SECTION 151 OFFICER COMMENTS

7.1 None in respect of this report as there are no significant financial resource implications.

8. EQUALITY & DIVERSITY IMPLICATIONS

Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

8.1 There are no direct implications associated with the recommendations in this report.

9. CRIME AND DISORDER IMPLICATIONS

9.1 There are no direct implications associated with the recommendations in this report.

10. CONSULTATION IMPLICATIONS

10.1 The Corporate Policy Advisory Group discussed this matter in principle at its meeting in August 2013 and had no adverse comments to make in regard to the current process.

11. ASSET MANAGEMENT IMPLICATIONS

11.1 There are no direct implications associated with the recommendations in this report.

12. ENVIRONMENTAL IMPACT IMPLICATIONS

10.1 There are no direct implications associated with the recommendations in this report.

13. LEGAL IMPLICATIONS

13.1 Section 249 (1) of the Local Government Act 1972 provides a discretionary power for the principle Council to confer the title of Honorary Aldermen on past Members of that Council.

SC 5/00Report of the Chief Executive
to the Council Meeting on
17th May, 2000APPOINTMENT OF HONORARY ALDERMEN**1. PURPOSE OF REPORT**

- 1.1. The purpose of the report is to recommend to Council the adoption of a system for appointing Honorary Aldermen.

2. RECOMMENDATION

- 2.1. Cabinet recommends to Council that the office of Honorary Aldermen be introduced.

3. BACKGROUND

- 3.1. The Aldermanic system was one of the traditional features of English Local Government prior to 1974 where Councillors elected Aldermen to serve for a six year term as full voting members of the local authority. Although the ancient office had to go, Section 249 of the Local Government Act 1972 also created the new title of "Honorary Aldermen" which can be conferred by a District Council "on persons who have, in the opinion of the Council rendered eminent service to the Council as past members of the Council, but who are not members of the Council".

A typical definition of 'eminent service' includes -

- 16 or more years as a District Councillor; or
- Past Chairman of Council; or
- Any other special circumstances that merit recognition in the opinion of the Council.

Apart from the honour of being appointed Honorary Aldermen, those in receipt of the award could receive -

- copies of Full Council papers (being entitled to attend, but not speak or vote); and
- invitations to attend and take part in Civic Functions.

4. SYSTEM OF APPOINTMENT

- 4.1. A resolution to grant Honorary Aldermen status to an individual must be decided at a special meeting of the full Council specially convened for that purpose. The resolution must be passed by not less than two thirds of the Members voting at that special meeting.

5. FINANCIAL IMPLICATIONS

- 5.1. If such a system were adopted, it would be appropriate to provide a lapel pendant which could be worn on civic occasions. The one off cost of preparing a new stamping appliance which will be needed to make the pendants could be met from the Civic Hospitality Fund at a cost of £265 (plus VAT). Individual hard gold plated sterling silver would cost in the region of £60 each (plus VAT).

6. RECOMMENDATION

- 6.1. Cabinet recommends to Council that the office of Honorary Aldermen be introduced.

TIM HOWES
Chief Executive

8 May 2000

List of Background Papers

There are no background papers to this report.

Officer Contact

For any further information please contact Wendy Bass (Direct Dial: 01984 635263).

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Report Number: WSC 17/14
Presented by: Councillor Dave Westcott
Author of the Report: Peter Hughes
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Report to a Meeting of: Full Council
To be Held on: 22nd January 2014
Date Entered on Executive Forward Plan N/A
Or Agreement for Urgency Granted:

PROPOSAL TO EXTEND PUBLIC PLACE DESIGNATION ORDERS IN MINEHEAD

1. PURPOSE OF REPORT

- 1.1 To seek approval from Council to commence the process to designate certain geographic areas in Minehead as Public Place Designation Zones, in accordance with the Police and Criminal Justice Act, 2001 and the Local Authorities (Alcohol Consumption in Designated Public Places) Regulations 2007.

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 This does not directly contribute to our corporate priorities but the making of such designation orders is a statutory function of the authority and also complies with our statutory obligations under Section 17 of the Crime and Disorder Act.

3. RECOMMENDATIONS

- 3.1 That Council approve the commencement of the statutory processes to extend the areas in Minehead where public place designations apply.

4. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
None identified			

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before the mitigation measures have been actioned and after they have.

5. BACKGROUND INFORMATION

- 5.1 This authority has, in previous years, implemented public place designation orders in respect of various locations in Minehead, Watchet and Williton. These orders have provided Police and PCSO's with additional powers to address, successfully, anti-social and disorderly behaviour associated with alcohol consumption in these locations. These are discretionary powers which enable Police Officers and PCSO's to:
- request people frequenting a designated area not to drink in that place
 - and/or to surrender alcohol containers if the Officer reasonably believes that the person is, has been, or intends to consume alcohol in that place.
- 5.2 A person commits an arrestable offence if they fail to comply with any such request.
- 5.3 These orders do not represent a ban on the consumption of alcohol in the designated zones and it is perfectly lawful for people to consume alcohol in these areas providing their behaviour is not deemed to be anti-social or disorderly.
- 5.4 Recently, the Police have requested that the zones in Minehead and Alcombe are extended to include the highway and pavements at:
- The Avenue
 - The Parade
 - Wellington Square
 - The locale of the shops in Alcombe (from the junction with Elm Grove to the junction with Marshfield Road).
- 5.5 Although not specifically requested by the Police it is also recommended that the area of the beach above the mean low water mark extending from the harbour eastwards to the groyne in front of the Butlins resort that forms the eastern boundary of the beach is also made subject of designation.

6. FINANCIAL/RESOURCE IMPLICATIONS

- 6.1 There is a requirement for public consultation both prior to the making of any designation orders and, subsequently, to advise the public of the geographic extent of any orders. This includes a requirement for public notices to be placed in local newspapers. There is also a requirement to display signs notifying the public of the existence of designation zones. Both of these statutory requirements will incur a cost. These costs, up to maximum of £250, will be met by the anti-social behaviour panel resulting in no costs to the authority excepting Officer time.

7. SECTION 151 OFFICER COMMENTS

- 7.1 Nil

8. EQUALITY & DIVERSITY IMPLICATIONS

- 8.1 These proposed designation zones will not adversely impact upon any particular sections of the community.

9. CRIME AND DISORDER IMPLICATIONS

- 9.1 Public Place Designation Zones are supported by the Police as providing an additional measure to address anti-social behaviour and disorder that is associated with alcohol consumption.

10. CONSULTATION IMPLICATIONS

- 10.1 Public Place Designation Zones are supported by the Police as providing an additional measure to address anti-social behaviour and disorder that is associated with alcohol consumption.

11. ASSET MANAGEMENT IMPLICATIONS

- 11.1 There are no asset management issues.

12. ENVIRONMENTAL IMPACT IMPLICATIONS

- 12.1 Nil

13. LEGAL IMPLICATIONS

- 13.1 The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as amended require that the power to make any such order shall not be the responsibility of an authority's executive.

Report Number: WSC 13/14
Presented by: Cllr C Morgan
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Report to a Meeting of: Council
To be Held on: 22nd January 2014
Date Entered on Executive Forward Plan 6th January 2014
Or Agreement for Urgency Granted:

CONSULTATION RESPONSE TO NDA/MAGNOX ON THE PREFERRED OPTION FOR THE LOCATION OF INTERIM STORAGE OF INTERMEDIATE LEVEL WASTE (ILW) PACKAGES AND TREATMENT OF FUEL ELEMENT DEBRIS (FED) AT HINKLEY POINT A

1. PURPOSE OF REPORT

- 1.1 This report sets out the Council's proposed response to the Nuclear Decommissioning Authority's (NDA's) current 'Stage B' consultation on their Preferred Options for Intermediate Level Waste (ILW) storage and Fuel Element Debris (FED) Treatment Facilities. The deadline for responses is 31st January 2014.

NDA has published a paper titled "*Optimising the number and location of facilities on Magnox Ltd and EDF Energy Sites and FED treatment (dissolution) facilities in Magnox Limited – Preferred Option for comment (November 2013)*". It is important that West Somerset Council continues to respond to these consultations as it includes proposals for Hinkley Point A and the possible transfer of Fuel Element Debris (FED) from Oldbury to be treated at Hinkley Point A.

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 There are no priorities, objective and key tasks that directly relate to these issues within the Corporate Plan 2013/16 although this subject does align itself with the corporate objectives of new nuclear development at Hinkley Point. This objective states that West Somerset Council (WSC) should be protecting local communities and the environment.

3. RECOMMENDATIONS

3.1 Following discussion at the Councils Corporate PAG and CMT meeting, it is recommended that Council agree to provide a response to the consultation focussing specifically on the following issues:

- Public consultation – WSC has previously raised considerable concerns with the NDA/Magnox about the amount of time and limited scope of the consultations that have taken place within the District. Objections to the previous consultation in June 2013 and several offers for the Council to provide additional input have not been taken up or prompted substantive improvements in the engagement/consultation process.
- That WSC, in accordance with its planning guidance and given the potential effects on the tourism economy, objects to the principle of FED from Oldbury being treated and potentially stored at Hinkley Point A for an indeterminate period when there remains uncertainty regarding the role of a Geological Disposal Facility (GDF) storing ILW from the UK. It is currently unclear how the secondary products of treatment of FED from Oldbury would be considered under the proposed preferred options.
- That WSC reiterates its previous request (made in June 2013) that WSC are involved in all discussions and consulted at all stages of the development of the NDA's strategy for ILW storage options for ILW storage options for England and Wales and proposals relating to treating FED at Magnox sites.
- WSC shares SCC concerns about the cumulative impacts of development associated with Hinkley Point – especially when factoring in the delay in development of HPC. Magnox state that (p19 of the Preferred Option paper) the additional vehicles movements at HPA would occur several years after the expected peak (around 2016) in HPC construction traffic. However, given that HPC construction has not yet begun, it can be assumed that these timeframes will change and so the adverse cumulative impacts need to be carefully assessed and mitigated to acceptable levels. In particular this will relate to detailed consideration of plans for the proposed construction of the FED treatment facility and proposed movement of FED from Oldbury.
- WSC understands the need for ILW storage at Hinkley Point, until such time as alternative treatment or disposal options become available, noting that permission has been granted by Somerset County Council for ILW storage at HPA (SCC Application Reference: 3/32/04/009). WSC supports the conclusion that this on-site storage facility should not store any waste imported from other sites, aligning with a condition placed on previous planning decision by SCC (linked with extant permission 3/32/04/009), which states that: *“There shall be no radioactive waste imported from outside Hinkley ‘A’ site; and only the waste (currently classed as Intermediate Level radioactive waste) that is in situ within the Hinkley ‘A’ site shall be stored on site”*. In 2012 agreement was reached between the applicant and SCC to vary conditions of the extant permission at HPA (SCC Application Reference: 3/32/12/030) linked with the design of the building. The condition relating to the importation of ILW waste remained unchanged. As the ILW store project moves forward, it is important to ensure clarity in communication on the

relationship between the store and the evolving GDF process, not least to ensure the host community of the ILW store is aware that the local storage of ILW does not in effect become permanent.

The NDA/Magnox consultation closes on the 31th January 2013 and a response will be submitted online.

4. **RISK ASSESSMENT (IF APPLICABLE)**

Risk Matrix

Description	Likelihood	Impact	Overall
That decisions are taken which involve storage and treatment proposals at Hinkley Point which are not influenced by the Council as far as possible	4	3	12
<i>That the Council responds to consultation requests and becomes actively involved in discussions to try and influence the NDA's strategy on ILW storage options moving forward</i>	2	3	6

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before the mitigation measures have been actioned and after they have.

5. **BACKGROUND INFORMATION**

5.1 The Nuclear Decommissioning Authority (NDA) is a non-departmental public body created through the Energy Act 2004. They are a strategic authority that owns 19 sites and the associated civil nuclear liabilities and assets of the public sector, previously under the control of United Kingdom Atomic Energy Authority (UKAEA) and British Nuclear Fuels plc (BNFL). They are responsible for:

- Decommissioning and cleaning up these civil nuclear facilities;
- Ensuring that all the waste products, both radioactive and non-radioactive are safely managed;
- Implementing Government policy on the long-term management of nuclear waste;
- Developing UK-wide nuclear Low Level Waste (LLW) strategy and plans;
- Scrutinising decommissioning plans of the eight existing nuclear power stations of EDF Energy; and
- Advising Department of Energy and Climate Change (DECC) on the quality of operator's decommissioning plans and associated cost estimates for new nuclear power stations.

A Stage A paper was published in May 2013 and included a list of eight options for the storage of Intermediate Level Waste (ILW) and nine options for the treatment of Fuel Element Debris (FED) waste – both included options for waste to be brought to Hinkley Point A from elsewhere in the Country. More than 50 responses were received (including those from WSC) to this stage of consultation.

A Stage B paper has been published (November) by NDA/Magnox which outlines their preferred options and they are seeking comments until 31st January 2014.

Following public feedback, NDA/Magnox have stated that if the NDA decide to proceed, work would begin on preparing to apply for the relevant planning permission and regulatory consents later this year. In relation to any proposals at Hinkley Point A these consents would be predominately be determined and led by Somerset County Council and the Environment Agency. West Somerset Council would be a consultee for these consents.

Intermediate Level Waste (ILW) and Fuel Element Debris (FED)

ILW is radioactive waste with radioactivity levels exceeding the upper boundaries for Low Level Waste (LLW). The major components of ILW include metals and Magnox sludges, organic materials, cement and graphite. The chemical and physical forms of ILW vary from large solid waste items that are relatively chemically inert to wet sludges which could be chemically reactive and heavily contaminated. ILW arises from:

- Reactor operation;
- Decommissioning;
- Spent fuel reprocessing;
- Research facilities; and
- Historic ILW in legacy storage.

Fuel Element Debris (FED) consists of the splitters or lugs (fins that optimise in-reactor fuel element cooling during generation) removed from Magnox fuel elements. The fuel casing, including the splitters/lugs used in Magnox reactors is a magnesium alloy. Although the specific alloy is non-oxidising (from which Magnox reactors derive their name), magnesium is inherently a reactive metal. FED is treated with acid (dissolution) which is then managed alongside other ILW wastes.

The Preferred Option for Hinkley Point A:

The NDA has made a commitment to consider the possibilities to reduce the overall costs, environmental impacts and timescales of decommissioning by consolidating Intermediate Level Waste (ILW) management to a few Magnox locations.

A Fuel Element Debris (FED) plant would be constructed for processing the FED from Hinkley Point A. The plant, which does not yet have planning approval, would operate for a period of approximately 5 years (with associated deliveries of acid and other consumables). NDA/Magnox are currently proposing that this plant would be operated for a further 2.5 years to process FED from Oldbury, which would be delivered using approximately 70 lorries in total (in addition there would be a small number of lorries per week delivering acid and other consumables over the 2.5 year period).

An interim Intermediate Level Waste (ILW) storage facility to store waste from Hinkley Point A until removal to a Geological 'Disposal' Facility would also be constructed over approximately a one year period.

It should be noted that at this stage no proposal is made regarding the storage location of the secondary treatment wastes which would be generated at Hinkley Point A by treatment of the Oldbury FED. In part this is because there is uncertainty regarding the number of ILW packages which would be created.

Whilst appreciating the justifications that NDA/Magnox have put forward in relation to the consolidation of facilities and subsequent reduction in costs, the principal concern is that it is proposed to import FED waste (approximately 144 tonnes) from Oldbury to be treated by dissolution at Hinkley Point A. There is currently no clear proposal as to where these secondary treatment wastes would be stored.

Matters for consideration

It is considered appropriate for this Council to provide a response due to the Council previously providing a response to the Stage A consultation in the summer and that the proposal put forward would be located within the district.

Somerset County Council will also be providing a response to this consultation as waste and mineral planning authority for the area.

The consultation document invites views and comments on the proposal for ILW storage and FED treatment at Hinkley Point A.

The Council does not have a Council-wide policy on the storage of ILW waste at Hinkley Point A or the treatment of waste. The Council has not needed to form a view on the prospect of waste from elsewhere in the Country being sorted or treated at Hinkley Point before these consultations began this year. However, as part of the Councils work on the Hinkley Point C project the Council adopted a Supplementary Planning Document for Hinkley Point C in October 2011 and this SPD set out the Councils approach to Nuclear Waste Storage for Hinkley Point C.

The SPD states that “all necessary steps are taken to ensure that absolutely no waste from other nuclear establishments is stored at HPC”.

Whilst noting that this SPD makes specific reference to HPC, it provides a good indication of the Council’s approach to waste stored and/or treated at Hinkley Point A or B from elsewhere in the Country. The approach is set out in full below:

“The HPC project promoter shall consider and evaluate all potential effects of the radioactive waste aspects of the HPC project and review the mitigation proposals and compensation that would be necessary to mitigate impact on local communities. The HPC project promoter should seek to align strategies for the management of radioactive waste with any local guidance set out in the forthcoming Somerset Waste Core Strategy and ensure that:

- *All practical measures are taken to minimise any adverse effects of the interim nuclear waste proposals and appropriate mitigation measures are identified.*
- *That mitigation and compensation are agreed with the authorities that will address and mitigate against any perceived and actual detrimental effects of radioactive waste storage proposals.*
- *Appropriate measures are set out for the long term decommissioning and site restoration proposals for any interim waste storage facility and these are set out clearly in a DCO application.*

- *That all necessary steps are taken to ensure that absolutely no waste from other nuclear establishments is stored on site at Hinkley Point C.*

The last bullet point set out in the approach to the storage of nuclear waste, which was added in specifically by Members of West Somerset Council before the SPD was adopted, is very clear on waste to be stored as a result of Hinkley Point C and provides a good indication of the Councils approach to waste treated and potentially stored from Oldbury.

6. FINANCIAL/RESOURCE IMPLICATIONS

- 6.1 There are no financial or resource implications associated with this proposal, other than for additional officer time spent monitoring progress of the NDA's work on this issue and the potential need for further Member consideration and involvement later in the process.

Should NDA's preferred option go ahead, which would ultimately lead to the submission of one or more planning applications to Somerset County Council, it is likely that additional input would be required from West Somerset Council.

7. SECTION 151 OFFICER COMMENTS

- 7.1 Any comments to be reported verbally.

8. EQUALITY & DIVERSITY IMPLICATIONS

Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

- 8.1 No issues associated with this report have been identified.

9. CRIME AND DISORDER IMPLICATIONS

- 9.1 There are no direct implications associated with this report.

10. CONSULTATION IMPLICATIONS

- 10.1 This consultation is being led jointly by the NDA and Magnox.

The consultation document was published on the 14th November 2013 and the period for providing a response ends on the 31st January 2014.

As part of its involvement with the process, the Council issued a letter to Parish Councils on the 19th November making them aware of the NDA consultation. The letter provided details of the consultation (and relevant links to the NDA website).

The letter informed Parish Councils that comments should be sent directly to the NDA, however WSC would welcome any views from the Town and Parish Councils, in advance of this Full Council meeting. WSC are keen to ensure that the response is reflective of the views of the whole community.

At the time of writing (13th January), WSC had received 3 responses from Parish Council raising issues that have been incorporated into this response.

Any further responses or additional issues raised will be reported verbally to the meeting.

11. ASSET MANAGEMENT IMPLICATIONS

11.1 There are no asset management implications associated with this report.

12. ENVIRONMENTAL IMPACT IMPLICATIONS

12.1 Following public feedback, if the NDA decides to proceed work will potentially begin later this year to prepare for implementation. This will include applying for relevant planning permission and regulatory consents. Any movement of waste would not begin for a number of years.

13. LEGAL IMPLICATIONS

13.1 There are no direct legal implications associated with this report.

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Report Number: WSC 1/14

Presented by: Cllr D Westcott, Lead Member for Community and Customer

Author of the Report: Bruce Lang

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Report to a Meeting of: Council

To be Held on: 22 January 2014

Date Entered on Executive Forward Plan Or Agreement for Urgency Granted: n/a

LOCALISM ACT 2011 – REVIEW OF COMMUNITY RIGHT TO CHALLENGE AND ASSETS OF COMMUNITY VALUE

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to enable the Council to review the processes set up in relation to the Community Right to Challenge and Bid relating to Assets of Community Value that were bought into force arising out of the Localism Act 2011.

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 The Localism Act 2011 requires the Council to put in place processes to ensure that it fulfils its obligations to give the community the opportunity to challenge the running of services and bid for assets of community value.

3. RECOMMENDATIONS

- 3.1 That the Council notes the progress and experience to date in relation to community right to challenge and bids relating to assets of community value.
- 3.2 That the Council support the continuation of the processes currently in place with officers being authorised to implement any further refinements in the light of experience.

4. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
The Council fails to meet its obligations in respect of the community right to challenge and community right to bid requirements under the Localism Act 2011	Possible (3)	Major (4)	Medium (12)

<i>To monitor the existing processes and make any subsequent revisions in the light of experience to ensure that the Council fulfils its obligations in respect of these provisions arising from the Localism Act 2011</i>	Rare (1)	Major (4)	Low (4)
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The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before the mitigation measures have been actioned and after they have.

5. **BACKGROUND INFORMATION**

5.1 The Community Right to Challenge

5.1.1 At the meeting of the Council held on 24 October 2012 the process was agreed to enable the Council to meet its obligations in regard to the community right to challenge as set out in Part 5 of the Localism Act 2011 which came into force on 27 June 2012. This enables charities, social enterprises, a trust which is established for charitable purposes, a parish or, in relation to a local authority, two or more employees of that authority and other groups to express an interest in running a service that is either being provided by or on behalf of the local authority.

5.1.2 The process enabled expressions of interest to be made to the Council between 1 March and 30 April 2013 and then at the same time each year thereafter as it was considered that by providing an annual window of opportunity this would be the most practical way of providing the community right to challenge opportunity.

5.1.3 Appropriate information was made available on the Council's website and no expressions of interest were received during the period stated.

5.1.4 It is therefore not possible to comment on how the process has worked as to date it has not been tested although this may of course change in the next available window in 2014.

5.2 Community Right to Bid – Assets of Community Value

5.2.1 At the meeting of the Council held on 24 October 2012 the Council agreed processes to ensure that the obligations under Part 5 of the Localism Act 2011 relating to the community right to bid could be met. This aspect of the Act allows parish and community councils and local voluntary and community organisations to nominate local land or buildings to be included in a list of community assets maintained by local authorities. There are several phases to this process. The first phase relates to the receipt of a completed nomination form which is initially considered by the Corporate Management Team (with at least one senior officer excluded so that he/she can deal with any review should that subsequently occur). The Corporate Management Team then make a recommendation to Cabinet who then determine whether or not to accept a nomination to be placed on the list of community assets. This part of the process is expected to be undertaken within eight weeks. There is then a right of appeal by the owner of the asset in question (this is not applicable if the asset is owned by a local authority) which the Council is also expected to process within eight weeks.

5.2.2 If the asset is accepted to be of community value and at some point in the future the owner decides to dispose of it, then the community is notified and has a six week period in which to decide whether to submit to purchase and run the asset. If the community decides not to submit a bid then the asset owner is free to dispose of it on the open market. If the community confirms that it does wish to submit a bid it then has a six month moratorium in which to develop its bid to the asset owner. If a bid is not received or accepted within the six month period then the asset owner is free to dispose of the asset on the open market for

a further period of twelve months, at the end of which time (if no sale has been achieved) the whole process begins again. The final stage of the process relates to the possibility that an owner of a community asset may seek compensation from the local authority if they consider that they have suffered a financial loss as a result of the process. The asset remains on the list for a period of five years.

- 5.2.3 In comparison with the community right to challenge, there has been considerable interest and activity in regard to the community right to bid – 26 applications having been received in total to date covering 23 assets. A summary of those applications and what subsequently occurred is attached at Appendix A to this report.
- 5.2.4 The one change to the processes that was made during this initial period related to the review arrangements. Originally such reviews were to be undertaken by the whole Scrutiny Committee although it subsequently transpired that the regulations in this respect were specific and required the review to be undertaken by a “senior officer”, therefore what now happens is that a member of CMT who was not involved in the initial recommendation stage to Cabinet is required to make a decision on any such review in consultation with a panel consisting of three members from the Scrutiny Committee. To date, this part of the process has worked well.
- 5.2.5 It can be seen from Appendix A that in the majority of cases the listings were accepted, three listings challenged on review, two of which were upheld and one being rejected.
- 5.2.6 The Notley Arms at Monksilver went one stage further to appeal to an independent tribunal but that was dismissed.
- 5.2.7 Only the Minehead Old Hospital site became the subject of being put up for sale. Following the six month moratorium no expression of interest was received and therefore the twelve month moratorium is currently being applied to run until August 2014.
- 5.2.8 All the applications have been dealt with within the required timescale with the exception of Silk Mills whose decision was determined in two days over the six weeks requirement; nevertheless there were particular issues in this instance due to a change of ownership at a relatively late stage in the process.
- 5.2.9 The financial implications of the process involve the possibility of the Council being liable for up to £20,000 compensation during a twelve month period and this is being covered by a figure of £20,000 being included in the annual budget to provide for this eventuality. The Council is also required to pay a land registry fee of in the region of £50 in respect of each asset that is listed. To date these costs have been covered by a special new burdens fund made available to all local authorities to cover obligations placed on them by new legislation. The processes put in place by the Council were quite extensive (compared to many other local authorities) particularly in regard to being open and transparent and involving Member engagement. Indeed some processes were put in place in response to Members’ wishes, such as in the internal review process, provision has been made for local ward members to make written or oral submissions at the review hearing.
- 5.2.10 Subject to the views of Members, it would appear that these processes are working well and that the direct involvement of Members has assisted a greater understanding of the process which has particularly been of benefit to local town and parish councils who initially may not have fully appreciated what was involved and how best to make use of this new opportunity.
- 5.2.11 Internally rather than the process being left to be the responsibility of one officer, the responsibility has been shared to cover a range of staff by making valuable inputs including administration, technical advice and liaison with the public/customers. This has involved meeting with owners and nominees which has enhanced understanding and improved

communication and awareness of the process. The Council's website and Community Matters have also been well utilised to raise awareness and provide valuable relevant information. In addition, soon after the processes were implemented, all the Area Panels received a detailed briefing of what was involved.

- 5.2.12 In conclusion, Council is recommended to note the progress to date and support the continuation of the processes in place on the basis that they be kept under review and any further revisions be made in the light of experience.

6. FINANCIAL/RESOURCE IMPLICATIONS

- 6.1 The initial development and establishment of the necessary processes did involve a considerable amount of officer time; nevertheless now that the processes have settled down, in day to day terms, the tasks have been absorbed by a number of members of staff seamlessly.
- 6.2 The specific financial implications are now covered by the sum of £20,000 being included in the Council's estimates on an annual basis to cover any potential compensation claims and the relatively modest costs relating to land registry charges are being covered by the additional burden element of the Council's annual revenue support grant.

7. SECTION 151 OFFICER COMMENTS

- 7.1 The Council has an obligation to fulfil its duties under these particular provisions of the Localism Act 2011. The staff capacity implications are currently well managed and the very significant financial risk relating to possible successful claims for compensation is covered by the appropriate provision in the Medium Term Financial Plan.

8. EQUALITY & DIVERSITY IMPLICATIONS

Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

- 8.1 The Community Right to Challenge policy objectives encourages a greater diversity of service provision as it provides for the ability for voluntary and community sector bodies to compete to run services.
- 8.2 The Assets of Community Value policy offers greater opportunity for community involvement in the consideration of community assets, potentially leading to increased community benefit. The policy has the potential to achieve greater community wellbeing and cohesion when communities come together to designate and bid to take over an asset.
- 8.3 The Council will help support groups and communities who need the most assistance to take advantage of these community rights.

9. CRIME AND DISORDER IMPLICATIONS

- 9.1 None in respect of this report.

10. CONSULTATION IMPLICATIONS

- 10.1 None in respect of this report but all reasonable steps are being taken to ensure that the wider community is aware of the processes involved in relation to these matters.

11. ASSET MANAGEMENT IMPLICATIONS

- 11.1 There are a number of Council owned assets that are included on the approved list of assets of community value and this could have implications for any future proposals to dispose and/or redevelop current Council assets.

12. ENVIRONMENTAL IMPACT IMPLICATIONS

- 12.1 None in respect of this report.

13. LEGAL IMPLICATIONS

- 13.1 The processes put in place and being reviewed in this report relate to duties and obligations placed upon the Council under the provisions of the Localism Act 2011.

West Somerset Assets of Community Value Summary 2013/14⁹⁵

Reference	Nominator Body Name	Nameprop	Duplicate nomination	Nomination withdrawn	Listed	Non-Listing	Review	Appeal	For sale	Eol received
ACV001	Monksilver Action Group (MAGNA)	Notley Arms	Yes							
ACV002	Monksilver Parish Council	Notley Arms			Yes		Yes	Yes	Yes	No
ACV003	Shurton & Stogursey Community Hub Organisation	Shurton Inn	Yes							
ACV004	Stogursey Parish Council	Shurton Inn			Yes					
ACV005	Minehead Development Trust	Minehead Old Hospital			Yes		Yes	Yes	Yes	Yes
ACV006	Stogursey Parish Council (withdrawn)	1 High Street		Yes						
ACV007	Stogursey Parish Council (withdrawn)	Corner Shop		Yes						
ACV008	Stogursey Parish Council (withdrawn)	The Post Office 16 High Street		Yes						
ACV009	Stogursey Parish Council (withdrawn)	Greyhound Pub		Yes						
ACV010	Stogursey Parish Council (withdrawn)	Stogursey Motors		Yes						
ACV011	Silk Mill Action group	Silk Mill Site				Yes	Yes			
ACV012	Dulverton Town Council	Exmoor House Car Park			Yes					
ACV013	Dulverton Town Council	Guildhall Car Park			Yes					
ACV014	Dulverton Town Council	Lions Stable Car Park			95 Yes					

ACV015	Dulverton Town Council	Public Toilets (TA22 9EW)			Yes					
ACV016	Watchet Library friends	Watchet Library & pebble mosaic			Yes					
ACV017	Timberscombe Parish Council	Timberscombe John Arlott Playground			Yes					
ACV018	Bicknoller Parish Council	The Bicknoller Inn			Yes					
ACV019	Bicknoller Inn Supporters Group	The Bicknoller Inn	Yes							
ACV020	Minehead Town Council	Summerland Place Public Conveniences			Yes					
ACV021	Minehead Town Council	Quay West Public Conveniences			Yes					
ACV022	Dunster Parish Council	Church Street Public Conveniences			Yes					
ACV023	Porlock Parish Council	Central Car Park. High Bank Porlock			Yes					
ACV024	Porlock Parish Council	Central toilets. High Bank Porlock			Yes					
ACV025	Porlock Parish Council	Doverhay Car Park. Doverhay Porlock			Yes					
ACV026	Porlock Parish Council	Doverhay toilets. Doverhay Porlock			Yes					
Totals			3	5	17	1	3	2	2	1

26 nominations received 3 duplications = 23 assets in total for listing ⁹⁷

5 withdrawn by applicant

1 not valid

18 listed assets put forward for listing include:

6 public conveniences

1 playground

3 pubs

1 closed hospital

5 car parks

1 library

Reviews:

2 listings were challenged

1 Upheld

Notley Arms

1 Rejected

Silk Mills site

Delisted

Appeal:

1 Struck off

Notley Arms

Moratorium:

Minehead Old

1 Hospital

6 month moratorium ended on 19.8.13. No Expression of Interest received in that period.

Minehead Old

1 Hospital

Until August 2014 for owner.

Timescales:

1 Silk Mills

Outside timescales (6 wks + 2 days) due to change in ownership

All others dealt with within the required timescales.

Report Number: WSC 7/14
Presented by: Cllr T Taylor, Leader of Council
Author of the Report: Bruce Lang, Assistant Chief Executive
Contact Details:

Tel. No. Direct Line 01984 635200
Email: bdlang@westsomerset.gov.uk

Report to a Meeting of: Council
To be Held on: 22 January 2014

Date Entered on Executive Forward Plan n/a
Or Agreement for Urgency Granted:

ARRANGEMENTS FOR INDEPENDENT REMUNERATION PANEL AND REVIEW OF WEST SOMERSET COUNCIL MEMBERS' ALLOWANCE SCHEME

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to enable the Council to agree an approach in regard to reviewing the current West Somerset Council Members' Allowance Scheme and to agree to extend the appointment of the existing West Somerset Council Member on the Joint Independent Remuneration Panel.

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 The proper consideration of Members' allowances forms part of the requirements to sustain democracy in West Somerset.

3. RECOMMENDATIONS

- 3.1 In the light of the views of the received from the Independent Remuneration Panel for Somerset County Council and West Somerset Council, that:
- (a) West Somerset Council Members' Allowance Scheme is frozen for the 2014/15 financial year and until the Panel meets after the 2015 election and brings recommendations to full Council;
 - (b) The current arrangements in respect of allowances paid to the Chairman and Vice-Chairman of Council should also continue to be frozen in line with the time frame in (a) above;
 - (b) a fundamental review of the existing Members' Allowance Scheme is undertaken by the Panel in late 2014/early 2015 to re-establish key principles using benchmarking information to enable a principles report coming to full Council in early 2015 before the May election; such scheme to include the payment of any additional allowances as considered appropriate to the posts of Chairman and Vice-Chairman of Council; and
 - (c) the West Somerset Members' Allowance Scheme is then reviewed in June 2015 to take account of the district council election outcomes for consideration and adoption at full Council in July 2015 being backdated as necessary.

- 3.2 That Robert Govier the existing West Somerset representative on the Joint Independent Remuneration Panel for Somerset County Council and West Somerset Council be reappointed for a further period of three years with effect from 13 December 2013.

4. **RISK ASSESSMENT (IF APPLICABLE)**

Risk Matrix

Description	Likelihood	Impact	Overall
That the current Members' Allowance Scheme is not updated and falls out of line with national trends	Low 4	Major 4	High 16
<i>To take into account the Independent Panel's recommendations and put in place arrangements for reviewing the current scheme on an agreed timeline</i>	Rare 1	Major 4	Low 4

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before the mitigation measures have been actioned and after they have.

5. **BACKGROUND INFORMATION**

- 5.1 At the meeting of full Council held on 21 November 2012 it was agreed that in the light of the current challenging financial circumstances, the current Members' Allowance Scheme for West Somerset Council be frozen for a further twelve months and thereby apply until May 2014.
- 5.2 It was also agreed to approve the establishment of a Joint Independent Remuneration Panel for Somerset County Council and West Somerset consisting of six members, at least one of which must be a member appointed by West Somerset Council according to the Council's own appointment process.
- 5.3 Given that the May 2014 deadline is approaching, the Joint Panel considered the issue of arrangements for reviewing the Members' Allowance Scheme for West Somerset Council at its meeting held on 13 January 2014.
- 5.4 The Panel were aware that the next District Council elections are due to be held in May 2015 and that any such review should ideally be timed to align with this timetable. It was also noted that currently, the allowances payable to the Chairman and Vice-Chairman of Council had been set outside of the main Members Allowances Scheme and any review would be an opportunity to address this anomaly
- 5.5 In the light of the views of the Independent Panel it is therefore recommended as follows:
- that the West Somerset Council scheme is frozen for the 2014/15 financial year until the Panel meets after the 2015 election and brings recommendations to Council;
 - the current arrangements in respect of allowances paid to the Chairman and Vice-Chairman of Council should also continue to be frozen in line with the time frame in (a) above
 - a fundamental review of the scheme is undertaken by the Panel in late 2014 and early 2015 to re-establish key principles using benchmarking information which will enable a principles report to be presented to full Council in early 2015 before the May election; such scheme to include the payment of any additional allowances as considered appropriate to the posts of Chairman and Vice-Chairman of Council and

- (d) the scheme is then reviewed in June 2015 to take account the District Council election outcomes with a new scheme being submitted for formal adoption by full Council in July 2015 and backdated as necessary to May 2015.

5.6 From an administrative perspective, as mentioned earlier in the report, at least member of the Joint Panel must be appointed by West Somerset Council. The existing West Somerset Council appointee, Robert Govier, has completed his initial three year term of office in December 2013. Members may serve a maximum of two consecutive three year terms of office and Robert is prepared to serve for another three years and it is therefore duly recommended that he be reappointed as West Somerset Council's representative on the Joint Panel for a further three year period with effect from 13 December 2013.

6. FINANCIAL/RESOURCE IMPLICATIONS

6.1 If recommendation 3.1 is adopted, then the financial implications will be neutral as the current Members' Allowance Scheme will remain unaltered for a further twelve month period.

7. SECTION 151 OFFICER COMMENTS

7.1 If the proposal to freeze allowances is approved then this will mean that there is no additional pressure on the budget at a time of reduced government funding.

8. EQUALITY & DIVERSITY IMPLICATIONS

Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

8.1 None in respect of this report.

9. CRIME AND DISORDER IMPLICATIONS

9.1 None in respect of this report.

10. CONSULTATION IMPLICATIONS

10.1 The recommendations set out under 3.1 of the report reflect proposals from the Joint Independent Remuneration Panel.

11. ASSET MANAGEMENT IMPLICATIONS

11.1 None in respect of this report.

12. ENVIRONMENTAL IMPACT IMPLICATIONS

12.1 None in respect of this report.

13. LEGAL IMPLICATIONS

- 13.1 Each Council has a duty to establish an Independent Remuneration Panel to advise on their scheme of Members' allowances and to take account of their recommendations and this report has been prepared to ensure that the Council complies with the relevant legal provisions as set out in the Local Authorities (Members' Allowances) (Regulations 2003) as amended.

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Report Number: WSC 14/14
Presented by: Cllr K V Kravis, Lead Member for Resources
Author of the Report: Sharon Campbell
Contact Details:
Tel. No. Direct Line 01984 635253
Email: scampbell@westsomerset.gov.uk
Report to a Meeting of: Council
To be Held on: 22nd January 2014
Date Entered on Executive Forward Plan Or Agreement for Urgency Granted: 23rd November 2012

REVIEW OF FINANCIAL REGULATIONS

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is for Council to approve the changes to Financial Regulations attached as Appendix A

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 None, this is a statutory obligation.

3. RECOMMENDATIONS

- 3.1 That Cabinet recommends to Council the changes to the Financial Regulations as attached at Appendix A

4. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
Risk – Financial mismanagement as a result of unclear or out of date regulations	Unlikely (2)	Major (4)	Medium (8)
<i>Mitigation – Annual review of regulations to ensure they are up to date and clear for use, including publication of approved regulations on the internet</i>	Low (1)	Negligible (2)	Low (2)

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before the mitigation measures have been actioned and after they have.

5. BACKGROUND INFORMATION

- 5.1. Financial Regulations are part of the Council's Constitution and therefore any changes to them have to be approved by Full Council.

The document was last updated in June 2011 and the document is reviewed on an annual basis to ensure it is relevant and consistent with activity at the council.

The Section 151 Officer has undertaken a review of the document with a view to recommending the updated Financial Regulations for approval by Cabinet and Full Council.

This year, the changes are of a housekeeping nature in order to update references to officer and committee titles.

6. FINANCIAL/RESOURCE IMPLICATIONS

- 6.1 Contained within the body of the report.

7. SECTION 151 OFFICER COMMENTS

- 7.1 Contained within the body of the report.

8. EQUALITY & DIVERSITY IMPLICATIONS

Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

9. CRIME AND DISORDER IMPLICATIONS

- 9.1 None directly in this report.

10. CONSULTATION IMPLICATIONS

- 10.1 None directly in this report.

11. ASSET MANAGEMENT IMPLICATIONS

- 11.1 None directly in this report.

12. ENVIRONMENTAL IMPACT IMPLICATIONS

- 12.1 None directly in the report.

13. LEGAL IMPLICATIONS

- 13.1 Financial Regulations form a part of the council's constitution; any changes to them need to be approved by Full Council.

West Somerset District Council Financial Regulations

Issue details	
Title:	Financial Regulations
Issue and version number:	1.24
Officer	Sharon Campbell
Authorisation Level:	Corporate Management Team/Scrutiny Committee/Cabinet/Full Council
Authorisation Date:	July 2011
Review date:	November 2013

Financial Procedure Rules

FINANCIAL REGULATIONS

Introduction

1. All Local authorities are established under legislation that confers rights, powers and duties upon them and their officers.
2. Financial Regulations are a direct result of those statutory duties and ensure compliance with statutory requirements, accounting and auditing standards and codes of practice, which are established by the professional accounting bodies.
3. These financial regulations will apply to all staff employed by the Council (including consultants) and Members.
4. ~~Where the term Corporate Manager is used this should apply equally to The Chief Executive / Directors.~~ Please refer to the latest key personnel list to identify staff such as the Section 151 Officer. ~~The term Corporate Manager should be viewed as any post that reports directly to The Chief Executive / Directors even if the job title does not include the phrase Corporate Manager. Where the term Director is used this should apply also to Assistant Directors.~~
- 5.4. Any failure to comply with Financial Regulations or associated Codes of Practice could result in appropriate disciplinary action being taken.
- 6.5. These definitions are intended to provide all staff and consultants with a clear indication of the financial framework within which this Council works.

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GENERAL

F.R.1 GENERAL

1. The Section 151 Officer shall have overall responsibility for the management of the Council's finances, but will consult with the Chief Executive and Lead member for Resources and Central Support concerning financial policy and/or any matter which will affect the overall finances of the Council. Detailed reports will be submitted to the ~~Corporate~~ Joint Management Team, the Cabinet and the Council, and, as appropriate, to Audit Committee or Scrutiny Committee under the Council's Constitution.
2. The Section 151 Officer exercises the statutory duties in relation to the financial administration and stewardship of the District Council. This statutory responsibility cannot be overridden.

The statutory duties arise from –

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government and Housing Act 1989
- The Accounting and Audit Regulations 1996
- The Accounts and Audit (England) Regulations 2011~~03~~ and are underpinned by case law.

The Section 151 Officer is responsible for –

- The proper administration of the Council's financial affairs
- Setting and monitoring compliance with financial management standards
- Advising on the corporate financial position and the key controls necessary to secure sound financial management
- Preparing the medium term financial plan which incorporates the annual revenue budget and the capital investment programme
- Advising the council on the requirements to be observed in the setting of the revenue budget and the fixing of the precept and Treasury management
- Acceptance of Grant Conditions. Pursuant to Section 151 of the Local Government Act 1972, the responsible financial officer will have the power to enter into binding financial agreements including, but not limited to, applying for grants or making claims and accepting conditional or non-conditional grants and committing the Council to repay grants in the event that the terms and conditions are not met.

The Section 151 Officer shall review these Regulations annually.

3. References in these Regulations to ~~Corporate Managers~~Directors shall apply equally to all full members of the Council's' Corporate Joint Management Team.
4. All reports submitted to the Council, the Cabinet or Committees will be subject to comment on the financial aspects by the Section 151 Officer.
5. These Financial Regulations are created to facilitate and ensure proper control of the Council's finances, accounts, income, expenditure and

assets. Adherence to and compliance with these Financial Regulations is a duty and responsibility of all staff employed by the Council.

6. The Financial Regulations ensure compliance with statutory requirements, accounting and auditing standards and codes of practice, which are established by the professional accounting bodies and shall apply to all staff employed by the Council, including consultants.

ACCOUNTING ARRANGEMENTS

F.R.2 ACCOUNTING ARRANGEMENTS

1. All accounts of the Council shall be compiled under the direction of the Section 151 Officer and all systems of accounting shall be subject to approval by the Section 151 Officer, statutory requirements and relevant codes of practice.
2. The Section 151 Officer shall arrange: -
 - (i) Whenever possible for the separation of duties so that staff dealing with the receipt of income shall not be involved with the creation of debits in respect of that income and/or decisions regarding the write off of such sums.
 - (ii) For all financial claims, subsidies and claims on external bodies, etc. to be prepared and submitted within prescribed periods and their receipt verified. All such claims shall be certified by the Section 151 Officer.

F.R.3 BUDGETARY PROCEDURES

1. The Council's Section 151 Officer will submit a three-year medium term financial plan annually, for comment by Scrutiny and approval by the Cabinet and Council.
2. The Section 151 Officer, in conjunction with appropriate ~~Corporate Managers and~~ Directors, shall prepare annual estimates of income and expenditure for both capital and revenue for each service area. All estimates shall be presented to The Cabinet prior to approval by Council.
3. The Section 151 Officer shall report to The Cabinet if any estimate of expenditure at cost centre level will be significantly exceeded or estimate of income will be significantly unrealised, subject to approved virements. All ~~Corporate Managers~~ Directors are required to provide comments on quarterly reports on their budget areas, as requested by the Section 151 Officer, for submission to ~~Corporate Joint~~ Management Team, Scrutiny Committee and Cabinet.
4. All requests for supplementary estimates, shall be submitted to the Cabinet by the Section 151 Officer for recommendation to Council.
5. Subject to the provisions of F.R.5e below, ~~Corporate Managers~~ Directors may, with the approval of the Deputy Section 151 Officer, vire up to £10,000 within any budget head under their control. A number of virements under £10,000 cannot be aggregated to increase a budget by more than £10,000.
6. Requests for virement –

- in excess of £10,000 must be approved by The Cabinet
 - any request to vire from income budgets to expenditure budgets must be approved by The Cabinet.
 - in excess of £25,000 must be approved by Council (after Cabinet consideration).
7. No virement will be permitted from specific approved resource bids, approved carry forwards, salary budgets and associated budget lines, insurances, central support charges or capital charges.
 8. If a revenue budget does not exist and a virement cannot be identified, a new budget may be created but only if supported by the Section 151 Officer.
 9. The Section 151 Officer shall report to The Cabinet such financial *matters* as may be considered necessary, or as may be required.
 10. All carry forwards of under-spends must be approved by Council. Carry forwards must be £5,000 or greater. Requests for carry forward of budgets should be identified whilst revising budget estimates in December each year. Requests after this date will not be considered unless exceptional circumstances can be demonstrated.
 11. The Head of Paid Service, Monitoring Officer and ~~Corporate ManagersDirectors~~, in consultation with the relevant portfolio holder, have delegated authority from Cabinet to alter staffing within Services, where no redundancies are proposed, as long as this remains within existing salary budget provision.
 12. When submitting structures for consideration all structures should be shown at the anticipated cost for the current year, the anticipated costs for the next full financial year and also at the maximum of grade to enable comparisons.

F.R.4 RECHARGE OF PROFESSIONAL SERVICES

1. The Section 151 Officer shall, within overall budgetary arrangements, make provision for the recharging of the costs of central services to the appropriate cost centres.
2. Each ~~Corporate ManagerDirector~~ shall be responsible for maintaining adequate detailed records as required by the Section 151 Officer in order that actual expenditure may be regularly and accurately recharged to clients' cost centres within specified deadlines.

F.R.5 CAPITAL EXPENDITURE

1. The Council shall have full regard to The Prudential Code for Capital Finance in Local Authorities.
2. Prudential indicators will be produced at least six monthly and reported to Council via The Cabinet.
3. The Council shall, during each financial year, approve a programme of capital expenditure.

4. Whenever it is proposed to embark upon one of the schemes identified in the capital programme, the ~~Corporate Manager~~Director concerned shall complete a capital submission document and copies of the Business Case and Project Plan for consideration by the ~~Corporate Joint~~ Management Team. This also applies to schemes that are not directly funded by West Somerset Council.
5. Every proposed capital scheme shall be evaluated and prioritised by the ~~Corporate Joint~~ Management Team and submitted to the Cabinet to enable a prudent and sustainable capital programme to be approved. New Schemes may only be added to the programme with the approval of the Council.
6. If, during the progress of the scheme, it becomes apparent that the estimates originally submitted are likely to be materially varied (in excess of 10% or £10,000 whichever is the greater) either up or down, the ~~Corporate Manager~~ Director shall report and explain the facts as soon as possible to The Cabinet.
7. The duties of a ~~Corporate Manager~~Director under this Regulation may be exercised by any architect, engineer or surveyor engaged by the Council as a consultant where circumstances require it.

F.R.6 MANAGEMENT OF CONTRACTS (See also Contract Standing Orders)

1. The Section 151 Officer will be responsible for maintaining a register of contractual payments. The register will demonstrate the current financial position for those contracts of a staged payment nature (generally involving construction). All contracts must be recorded in this Register, including those for goods and services, and use of consultants.
2. Contract Payment Certificates will be prepared by the ~~Corporate Manager~~Director nominated in the contract. All externally prepared certificates will be passed to the appropriate Client Manager for certification. Payment will be made through the Section 151 Officer on receipt of authorised certificates.
3. The Final Certificate for staged payments will not be issued until a Final Account (see contract conditions) has been verified by the ~~Corporate Manager~~Director and presented to the Section 151 Officer for payment.
4. Where Liquidated/Ascertained Damages are imposed on the contractor for failure to complete the contract within the stipulated time-scales (including authorised extension), the relevant Contract Administrator will inform the Section 151 Officer in writing of the sum to be deducted.
5. On receipt of the confirmed Final Account sum for contracts over £100,000, the ~~Corporate Manager~~Director will report the agreed outcome to The Cabinet.
6. Claims submitted relating to matters outside the terms of any existing contract shall be referred to –
 - (i) The ~~relevant Corporate Manager Assistant Chief Executive and Monitoring Officer in charge of Legal Services~~ for legal liabilities, and

(ii) The Section 151 Officer for financial matters.

Appropriate ~~Corporate Managers~~Directors will be consulted before any settlement is reached.

Every contract over £50,000 should also include as a minimum the following requirements: -

1. An overseeing project team, consisting of appropriate and/or relevant Councillors and Officers, and possibly co-opted and appropriately qualified member(s) of the public, is established from the outset of a project to monitor and oversee the project and make reports to Council. This would include the appointment of any Employer's Agent and the terms of payment of the Employer's Agent and terms for any overrun of the project, together with the tender process and appointment of contractor(s).
2. That the specification prior to the tender process is clearly identified to ensure cost certainty to the contract.
3. That clear and documented delegations of authority are given to employed staff involved in the management of future projects.
4. That staff who are to be involved in the management of projects are to have received the necessary project management training.
5. That all staff involved in the delivery of key projects be adequately supported.
6. That the Council ensures there is adequate monitoring and reporting of the management of projects to both Officers and Members.
7. That the Council is represented at all Project Team meetings. No meetings of the Project Team will take place where there is no representative of the Council present.
8. That for all future projects, of whatever size, the Council is able to provide fully supportive minutes and actions to support the decision making process.
9. That the Council ensures that all relevant records, appropriately cross-referenced, are made available to ensure full compliance and demonstrate a clear audit trail using its own records.
10. There is a clear 'sign off' by Officers to the relevant member body, fully minuted, so ensuring that Councillors are part of the process of delivering within their Delegation of Authority levels.
11. That the thresholds of delegation referred to in Financial Regulation FR6 'Management of Contracts' are reviewed as part of the annual review of Financial Regulations.

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ORDERING OF GOODS AND SERVICES

F.R.7 ORDERING OF GOODS AND SERVICES

1. Orders shall be issued for all goods and services to be supplied to the Council, except for utility services, small value purchases made from petty cash accounts and any other exceptions as may be approved by the Section 151 Officer. Please also refer to FR6 Management of Contracts and Contracts Standing Orders for orders of more than £10,000.
2. Orders shall be placed using the Council's purchase order system.
3. Orders shall not be issued for goods and services unless the cost is covered by an approved budget or other financial provision. A minimum of three written competitive quotations must be obtained for goods and services estimated to exceed a cost of £10,000, excluding VAT. For goods and services estimated to exceed a cost of £50,000 excluding VAT (but less than the EU thresholds) tenders should be invited in accordance with contract standing orders. For goods and services estimated to exceed EU thresholds reference should be made to contract standing orders. Occasionally there may be reasons for seeking exceptions to these rules. For exemptions for orders over £10,000 see Contract Standing Orders.
4. Details of quantities, prices and discounts must be recorded. All verbal orders must be confirmed in writing.
5. Orders are to be approved by a ~~Corporate Manager~~Director, or authorised signatory on their behalf. These signatures must be in full - not in the form of initials.
6. Orders for the provision of services, *which are subject to Contract Standing Orders*, shall not be issued until or unless the provider has been appropriately verified and accredited for insurance purposes.

F.R.8 FINANCIAL AGREEMENTS FOR SERVICES (see also Contracts Procedures Rules)

1. All written agreements with a committed value exceeding £10,000 but below £50,000 entered into with external organisations will be subject to conditions detailed under F.R.7 Ordering Goods & Services.
2. Arrangements for agreements constituting "contracts" in excess of £50,000 are dealt with in Contracts Procedure Rules.
3. The ~~relevant Corporate Manager in charge of Legal Services~~Assistant Chief Executive and Monitoring Officer will invite the Section 151 Officer to confirm the acceptability of any financial provisions prior to his formal approval of the terms of the agreements. In the event that this is the same person, a ~~second Corporate Manager, the Monitoring Officer~~Director or Head of Paid Service will provide this role.

F.R.9 EMPLOYMENT OF CONSULTANTS

1. Any appointment of consultants must be in accordance FR7 and Contract Standing Orders section 10.5.

2. No consultant shall make any decision on whether to award a contract or who a contract shall be awarded to. The authorised officer shall ensure that the consultant's performance is monitored.

F.R.10 INFORMATION TECHNOLOGY

1. All hardware and external software purchases, and all items relating to voice/data communications must be made through the ~~Corporate Manager~~ Director responsible for Information Technology, who shall report to the ~~Corporate Joint~~ Management Team upon any requests that appear to be of a non-corporate nature.
2. When developing a new system, or making significant variations to an existing system the system manager should advise the following Officers -
 - (i) the Officer responsible for Data Protection, and
 - (ii) the ~~Corporate Manager~~ Director responsible for Internal Audit prior to reliance on the new/updated system.

PAYMENTS FOR GOODS

F.R.11 PETTY CASH/PURCHASING CARD ACCOUNTS

1. The Section 151 Officer shall provide petty cash accounts or purchasing cards as considered necessary for the purpose of meeting small value expenses. Petty cash should only be used when no other payment method is possible.

Petty Cash –

- (i) Income received shall not be paid into petty cash accounts, but must be accounted for and paid to the Council as provided for in F.R.19.
- (ii) Payments to be limited to small value items under £25 and must ensure compliance with Best Value; each payment shall be supported by either an acceptable VAT receipt (as appropriate) or a receipted voucher. Failure to produce such a receipt may mean that reimbursement is not given.
- (iii) Staff travel expenses must not be reimbursed through petty cash; all such claims should be made through payroll
- ~~(iiiiv)~~ A different employee should certify the petty cash request to the employee that is receiving the cash (iv) Employees responsible for petty cash accounts shall, when requested but at least annually, supply the Section 151 Officer with a certificate showing the state of the account.
- (v) On leaving the employment of the Council, or otherwise ceasing to be responsible for a petty cash account, each employee shall be required to account to the Section 151 Officer for the current balance of the account. Transfers of cash in hand and relevant supporting documents to replacement employees shall be evidenced on every occasion.

F.R.12 PAYMENTS OF CREDITORS

1. The approved method of payment of creditors by the Council shall be by BACS, cheque or other instrument drawn on the Council's bank account by the Section 151 Officer or other nominated member of staff. The Council's preferred method of payment is BACS.

2. Certifying Officers are responsible for ensuring that –
 - (i) The expenditure has been properly incurred and is within the approved estimate provision,
 - (ii) The invoice complies with contract standing orders
 - (iii) The invoice is accurate,
 - (iv) Goods and Services have been received and
 - (v) The invoices has not previously been certified and paid and is properly payable by the Council.
3. Certifying Officers should not certify invoices for payments to relations or friends.
4. All certifications will be evidenced by personal signatures in full - initials will not be accepted.
5. Pro forma Invoices should state the appropriate Committee minute reference and date, or, if this is not available, then sufficient narrative.
6. Each ~~Corporate Manager~~Director will retain up to date specimen signatures of employees personally authorised by them to certify invoices. Copies of these lists must be passed to the Section 151 Officer.
7. Goods and services received should be signed (using a full signature) by a person other than the certifying officer. This person is signing to say that they are satisfied that the work, goods or services to which the invoice relates have been received, carried out, examined and approved.
8. ~~Corporate Managers~~Directors shall, by early April each year (exact date to be notified by the Section 151 officer each year), notify the Section 151 Officer in writing, of all outstanding invoices relating to the previous financial year.
9. When it is a condition of trade that payment accompanies an order, it will be the responsibility of the certifying officer to ensure that goods and services are received.
10. ~~Corporate Managers~~Directors are responsible for prompt submission of invoices (in the prescribed format) for payment to ensure compliance with BVPI8.
11. All invoices that have previously been in dispute should be marked as such in the special instructions box of the accompanying front sheet, including a brief description of the dispute.
12. All suppliers should be asked to quote on all invoices the name of the ordering section, the order number, the contract reference where applicable and the place where the work was done or the goods delivered.

BANKING ARRANGEMENTS

F.R.13 BANKING ARRANGEMENTS

1. Arrangements with the Council's bankers, including tendering for services shall be the responsibility of the Section 151 Officer, subject to procedures contained in F.R.6.

2. Cheques drawn on the Council's bank accounts shall bear the name of the Section 151 Officer and/or be signed manually by Officers nominated and included on the Council's mandate issued to the Council's bankers.
3. All cheques with a value of £10,000 or greater shall bear a manual second signature of an Officer approved by the Council.
4. All BACS release documents shall be authorised by an employee or member of staff nominated by the Section 151 Officer. All payments exceeding £10,000 shall be checked by this employee as part of this process.
5. Bank account reconciliation should be undertaken on a monthly basis.

SALARIES AND RELATED PAYMENTS

F.R.14 SALARIES AND RELATED PAYMENTS

1. The payment of all salaries, wages, compensation and other emoluments to employees, or former employees, and deductions there from shall be the responsibility of the relevant ~~Corporate Manager~~Director in charge of ~~Finance~~Payroll.
2. The appropriate ~~Corporate Manager~~Director shall notify the relevant ~~Corporate Manager~~Director in charge of ~~Finance~~Payroll as soon as possible, and in the form prescribed by him, of all matters affecting the payment of salaries, wages or emoluments and, in particular –
 - (i) appointments, resignations, dismissals, suspensions, secondments and transfers,
 - (ii) absences due to sickness and other reasons (excluding annual leave and flexitime),
 - (iii) information necessary to maintain records of service for superannuation, income tax, national insurance, etc.
3. The Chief Executive is required to maintain a record of the Council's approved establishment.
4. Appointment of all employees shall be made in accordance with the Regulations of the Council, approved establishments, grades and rates of pay. Grades shall be subject to the Council's Job Evaluation process. Payments for overtime to salaried staff must be made in accordance with the guidance notes issued to all ~~Corporate Managers~~Directors by the Chief Executive.
5. Overtime claims, in a form approved by the Section 151 Officer, shall be certified by, or on behalf of, a ~~Corporate Manager~~Director for all staff and submitted to the Section 151 Officer. The names of employees authorised to certify overtime claims, together with specimen signatures, shall be approved by the Section 151 Officer. Facsimile signatures are not permitted.

6. In applying conditions of service, ~~Corporate Managers~~Directors shall consult with the Chief Executive.

F.R.15 TRAVELLING, SUBSISTENCE AND OTHER ALLOWANCES – Members and Officers

1. Payments to eligible Members (including co-opted Members of the Council or its Committees) for allowances will be made by the relevant ~~Corporate Manager in charge of Finance~~Director in charge of payroll– Claims in respect of attendances, duly certified, should be submitted to the relevant Director in charge of payroll ~~Corporate Manager in charge of Finance~~ by the 10th day of the following month. The certifications shall mean that Members are entitled to the allowances and that no part of the sum claimed could have been, or will be, claimed from another source. Members are personally responsible for ensuring that their vehicle insurance cover includes journeys on behalf of the Council.
2. All claims for payment of employees' car allowances, subsistence or other related expenses shall be submitted, properly certified, to the relevant Director in charge of payroll ~~Corporate Manager in charge of Finance~~ for payment by the 10th day of the following month. All travelling, subsistence and other allowances, shall be paid through the Council's payroll system. 'Cash in hand' and other non-PAYE payments are not permitted under any circumstances.
3. Certification of expenses claims shall in all instances be made by the claimants' line manager, with the exception of the Head of Paid Service whose claim should be certified by the Section 151 Officer or Monitoring Officer. The names of employees authorised to certify the claims shall be sent to the relevant Director in charge of payroll ~~Corporate Manager in charge of Finance~~ by ~~Corporate Managers~~Directors together with specimen signatures. The certifications shall mean that claimants possess a valid driving licence and their vehicle insurance includes cover for business use.
4. Employees are required to provide proof of valid driving licence and insurance cover annually to the Section 151 Officer. Failure to do this will invalidate travel claims.
5. Claims submitted more than six months after the expenses have been incurred shall be paid only under extenuating circumstances, as approved by the ~~Corporate Manager~~Director and counter-signed by the Monitoring Officer or Head of Paid Service.

F.R.16 PAYMENTS TO/FROM EMPLOYEES.

1. Relocation costs for new employees will be paid by the Section 151 Officer in accordance with the approved scheme.
2. Payment of professional subscriptions, home telephones and essential user allowances must be approved by the Section 151 Officer, in accordance with approved schemes.
3. If an external qualification course has been arranged and the employee decides to 'drop-out', the employee will be liable for any course fees

incurred. It is the Line Manager's responsibility to inform the Personnel Officer if this situation arises.

4. Funding will normally be granted for the first attempt at an examination. Should the employee fail to be successful then additional costs must be met by the employee. When the employee is successful then the costs associated with that particular retaken examination will be reimbursed to the employee.
5. Study leave and/or financial assistance is granted on the condition that the employee agrees to remain within the Authority for a period of two years from the date on which the qualification is obtained or the date of study ceases. Employees leaving the Authority's service and failing to honour this obligation may be required to repay one twenty-fourth of the total grant for each remaining month of the two year period.
6. Employees attending approved courses are entitled to receive payment of -
 - the course fee
 - examination entry and/or exemption fee
 - student membership of a professional body where membership is a condition of entry to that body's examination
 - the cost of excess fares, i.e. the cost of travel to the course or on an educational visit less the cost of the normal home to office journey. If public transport is not used and employees choose to travel by car they will be paid a mileage allowance based on the lowest Essential User Mileage Rate
 - Accommodation costs when attending block release courses. Prior application should be made for this allowance via the Personnel Officer (Employee Development)
 - subsistence, by way of the payment of 'Tea Allowance' where the course finishes at 7.00pm or later and 'Lunch Allowance' in respect of educational visits and placements or examinations taken away from the normal college
 - the cost of course books (against the production of receipts) up to a maximum value as stated in the training and development policy for each academic year of the course
 - reasonable expenses, approved in advance by the **Corporate Manager/Director**, for the production of a thesis or project
7. Staff attending approved short courses will be reimbursed the following expenditure subject to the production of receipts/proof of purchase -
 - the course fee (where not paid directly by the Council)
 - the travelling expenses (public transport or mileage at the lowest Essential User Mileage Rate) incurred in travelling to and from the course
 - subsistence expenses actually incurred based on the Council's current rates
 - "out of pocket" expenses (as specified in 'car allowances and subsistence') per night for staff attending residential courses.

INTERNAL CONTROL, AUDIT, FRAUD AND IRREGULARITIES

FR.17 INTERNAL CONTROL

AUDIT FRAUD AND IRREGULARITIES

1. Internal control is the system of control devised by management to help ensure the Council's objectives are achieved in a manner which promotes economical, efficient and effective use of resources and that the council's assets and interests are safeguarded.
2. The Council's asset register will be maintained and regularly agreed to the council's estate to ensure that property, plant and equipment are correctly accounted for.
3. The Section 151 Officer is responsible for advising the ~~Corporate Managers~~Directors on effective systems of internal control. These arrangements need to ensure that all statutory and corporate requirements and other relevant statements of best practice are met. They should ensure that public funds are properly safeguarded and used economically and efficiently and in accordance with the statutory and other authorities that govern their use.
4. ~~Corporate Managers~~Directors are responsible for establishing, in line with that guidance, sound arrangements for planning, appraising, authorising and controlling operations in order to achieve continuous improvement, economy, efficiency and effectiveness in the use of resources in the delivery of their service and the achievement of their financial performance targets.

F.R.18 INTERNAL AUDIT

1. The ~~Chief Executive in charge of Audit~~Section 151 Officer shall ensure that a continuous internal audit service is provided to carry out examinations of accounting, financial and other operations of the Council, in accordance with the CIPFA Code of Practice.
2. The ~~Chief Executive in charge of Audit~~Section 151 Officer shall arrange for the provision of annual and strategic audit plans and consult with ~~Corporate~~Joint Management Team on their contents. These plans shall be reviewed at least six-monthly.
3. The Council's Section 151 Officer, Chief Executive ~~in charge of Audit~~ and/or Audit Manager, shall have authority to:
 - (i) Enter, at all reasonable times, on any Council premises or land,
 - (ii) Access all records, documents, and correspondence relating to any financial and other transactions of the Council,
 - (iii) Obtain explanations as necessary concerning any matter under examination, and
 - (iv) Require any employee of the Council to produce cash, stores or other Council property under their control or for which they are responsible.
4. Quarterly statements of activity shall be submitted to the Cabinet.

5. The Council's Section 151 Officer will sign off the annual audit plan and quarterly performance reports submitted by the Internal Audit Manager as provided by the South West Audit Partnership (SWAP).

F.R.19 FRAUD AND IRREGULARITIES

1. Where any employee has reason to believe an irregularity concerning Council property or transactions has occurred, they shall report the details in accordance with the Fraud Response Plan approved by the Council.

INCOME

F.R.20 INCOME

General

1. The collection of income due to the Council shall be under the supervision of the appropriate ~~Corporate Managers~~Directors, although the responsibility for its collection shall remain with the Section 151 Officer.

Setting of charges

2. Each ~~Corporate—Manager~~Director shall, at least annually, and in consultation with the Section 151 Officer, review all charges made by the Council falling within their area of responsibility. Approval for the reviewed charges should be obtained from the Finance Port-folio Holder and Section 151 Officer, for key income lines however recommendations should be submitted to The Cabinet for approval. The Section 151 Officer shall be consulted upon any proposal to introduce new charges. All charges will be automatically increased in accordance with inflation uplift as agreed by the Section 151 Officer, with appropriate rounding, unless the ~~Corporate~~ManagerDirector justifies an alternative.

Accounting systems for the issue of accounts for collection of income

3. Each ~~Corporate—Manager~~Director shall be responsible for ensuring accounts are issued in line with the Council's debt collection process promptly to recover income due, and that these debts are recorded in the Council's accounts. All accounts raised (for miscellaneous income) shall be through the Council's sundry debtor system and raised within 30 days of the 'tax point' or date that the service was provided.
4. Accounts shall not be raised for sums due below the de minimus level (currently £50).
5. No employee should raise invoices or make amendments on accounts for themselves, their family or close friends.
6. All sums collected shall be identified to the related account. Where there is uncertainty regarding which account is being settled, sums shall be credited to the oldest account in all cases.
7. Individual outstanding debts up to £5,000 may be written off by the Section 151 Officer. All sums, from all sources, exceeding— £5,000 must be submitted to the Cabinet for approval, including those considered by any panels appointed by the Council or by the Cabinet. Sums shall not be considered for write off until all reasonable avenues of collection have been

explored and collection proved unsuccessful. Evidence of such actions must be retained.

8. All debts over £100 credit noted/cancelled must be submitted, by the relevant ~~Corporate Manager~~Director, on a monthly basis to the Section 151 Officer for approval –
 - (i) All unallocated income shall be dealt with on a daily basis by either allocation to the correct account or refund, whichever is applicable.
 - (j) Reconciliation of subsidiary systems with the General Ledger should take place monthly (by the last working day of the following month) and be reported to the Section 151 Officer (or his/her nominated deputy).

Stationery

9. Each ~~Corporate Manager~~Director shall be responsible for the storage, supply and issue of all controlled stationery appropriate to their Service.

Collection of money by cash, cheques, credit/debit cards or similar

10. All remittances shall be recorded upon receipt and passed by the receiving officer to the Cash Office promptly. No deduction shall be made from such income except that which the Section 151 Officer specifically authorises in writing. Monies retained must be held securely, and in accordance with insurance requirements.
11. Each individual cheque banked must be identified separately.
12. Personal cheques must not be exchanged for cash held on behalf of the Council.

APPENDIX 'A'

13. As per (5) no employee should receive cash or other money for their own account or that of their family or close friends.
14. All transfers of Council's cash or cheques from one Officer to another shall be evidenced by the signature of the receiving Officer, in a manner approved by the Section 151 Officer.
15. Acknowledgements for money received on behalf of the Council shall not be given by any Officer except on an official receipt form or recorded on a cash register till located in Council premises. This regulation does not apply to legal documents prepared by the ~~relevant Corporate Manager in charge of Legal Services.~~Assistant Chief Executive and Monitoring Officer.
16. The ~~Corporate Manager with responsibility for the Cash Office~~Section 151 Officer shall be responsible for ensuring that monies received through the Cash Offices are deposited with the Council's Bank daily. Where the monies are collected by a third party, the liability of the ~~Corporate Manager with responsibility for the Cash Office~~Section 151 Officer shall be restricted to ensuring that monies are passed to an authorised representative and this transaction is signed as evidenced.

INSURANCES

F.R.21 INSURANCES

1. The Section 151 Officer shall effect all insurance cover, including appropriate officers and Members indemnities, investigate and negotiate all claims, in consultation with other Officers, when necessary, and renegotiate revised terms with insurers at appropriate intervals.
2. ~~Corporate Managers~~Directors shall give prompt notification, in writing, to the Section 151 Officer of all new risks, properties, vehicles or equipment which require to be insured and of any changes in circumstances which affect existing insurances. Similarly, the employee responsible for insurance administration shall immediately notify ~~Corporate Managers~~Directors of any changes to practice required or advised by the Council's Insurers.
3. ~~Corporate Managers~~Directors shall immediately notify the Section 151 Officer, in writing, of any loss, liability, damage or any other event likely to lead to a claim and inform the police if required to comply with insurance policy conditions.
4. All employees of the Council shall be included in a suitable fidelity guarantee policy.
5. The Section 151 Officer shall, at least every year, review all existing cover, in consultation with other ~~Corporate Managers~~Directors as appropriate.
6. ~~Corporate Managers~~Directors shall consult with both the Section 151 Officer and the ~~Corporate Manager in charge of Legal Services~~Assistant Chief Executive and Monitoring Officer concerning the terms of indemnities, which the Council is requested to provide. In the event that this is the same person, the Chief Executive will provide this role.
7. Corporate arrangements for the management of risk are under the direction of the ~~Corporate Manager responsible for risk and performance~~Assistant Director – Corporate Services. These arrangements to include a strategy, in accordance with the adopted Insurance and Risk Management Policy Statement, to continuously assess the Council's exposure to risk.
8. Members or employees of the Council who intend to travel abroad on official business must inform the Insurance Officer to ensure that the necessary insurance cover can be arranged.

TREASURY MANAGEMENT

F.R.22 TREASURY MANAGEMENT

1. The Council has adopted the key recommendations of the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").
2. Accordingly, this Authority will create and maintain, as the cornerstones for effective treasury management –

- a treasury management strategy statement (TMSS), stating the policies and objectives of its treasury management activities;
 - suitable treasury management practices (TMP), setting out the manner in which the organisation will manage and control those activities.
3. The Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in its TMPs.
 4. The Council delegates responsibility for the execution and administration of treasury management decisions to the Section 151 Officer, who will act in accordance with the Council's TMPS and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

APPENDIX 'A'

SECURITY

F.R.23 SECURITY

1. Each ~~Corporate Manager~~Director is responsible for maintaining proper security at all times or all premises, stocks, stores, furniture, equipment, cash records, etc. under their control.
2. ~~The Corporate Manager responsible for Information Technology Assistant Director – Corporate Services~~ is responsible for the security of voice and data communications.
3. Cash retentions, excluding recorded cheques, shall not exceed the insured maxima, except with the specific authority of the Section 151 Officer, in writing.
4. Keys to safes and similar receptacles must remain in the custody of the responsible employees at all times; the loss of any such keys must be reported to the Section 151 Officer immediately. ~~Corporate Managers~~Directors shall ensure that all keys, identity cards and any equipment, etc. issued to individual employees are recovered when they leave the Council's employment or obtain an alternative post in the Council (as appropriate).
5. The ~~Corporate Manager responsible for Human Resources~~Assistant Director – Corporate Services shall provide adequate facilities for the issue and reissue of identity cards

RECORDS MANAGEMENT

F.R.24 DATA PROTECTION

1. ~~Corporate Managers~~Directors shall notify the employee responsible for the Council's Data Protection of all changes, which are likely to affect the existing notification.

2. The employee responsible for the Council's Data Protection shall have access to all relevant documentation and receive sufficient information to enable the notification to be kept up-to-date and to fully satisfy the Principles prescribed in the legislation.
3. Each ~~Corporate Manager~~Director shall nominate a service representative to the employee responsible for the Council's Data Protection.

F.R.25 MAINTENANCE OF RECORDS

1. The Council's policy for the retention and disposal of all records and documents shall be in accordance with legislative requirements in respect of matters pertaining generally to contracts, employment, taxes, land and property as defined in the Council's retention policy.

HOUSING BENEFITS

F.R.26 HOUSING BENEFITS

1. The ~~Corporate Manager responsible for Benefits~~Assistant Director - Resources shall be responsible for the administration and processing of all claims for Housing Benefit, in accordance with the appropriate regulations. Reports demonstrating performance associated with fraud enquiries to be submitted, on a regular basis, to The Cabinet.
2. The ~~Corporate Manager responsible for Benefits~~Assistant Director - Resources shall ensure that the Section 151 Officer is supplied with all information necessary to support the submission of subsidy claims and other financial statements that may be required.
3. The ~~Corporate Manager responsible for Benefits~~Assistant Director - Resources shall ensure that secure arrangements exist to properly control the issue, custody and return of all Council cheques in respect of rent allowance payments in line with standards set by the Section 151 Officer. Cheques shall be drawn on a separate account for this purpose, and will be reconciled on a monthly basis by the Section 151 Officer.

BEST VALUE

F.R.27 BEST VALUE

1. The Chief Executive shall have overall responsibility for ensuring that all Regulations pertaining to Best Value are fully complied with.
2. A continuous review of service delivery will be undertaken by ~~Corporate Managers~~Directors to ensure compliance with the Best Value standards and principals.

F.R.28 WORKING IN PARTNERSHIP

1. The Council provides a distinctive leadership role for the community and is able to bring together the contributions of various participants/stakeholders by participating in various partnership/joint working arrangements; as a

result, it is able to achieve the promotion or improvement of the economic, social or environmental well being of its area.

2. The Cabinet is responsible for approving the operational framework for the Council's participation in all strategic partnerships/joint working arrangements with other local public, private, voluntary and community sector organisations; this includes the arrangements for delegation to officers and the detailed arrangements for the provision of both financial and physical resources by the Council.
3. In some cases, Lead Members are responsible for approving the operational framework of partnerships, joint working arrangements with other local public, private, voluntary and community sector organisations, which affect their portfolio areas.
4. The Head of Legal Services, Section 151 Officer and Corporate Managers are responsible for promoting and maintaining within all partnership/joint working arrangements the same high standards of conduct with regard to the legal, corporate governance and financial affairs which are detailed in these Financial Regulations and Financial Procedures and elsewhere, and which are applied throughout the Council. This includes the joint management arrangement with Taunton Deane Borough Council.

The Section 151 Officer is responsible for:

- (i) Advising ~~Corporate Managers~~Directors on the need for, and, if appropriate, for appraising and approving the relevant ~~Corporate Managers'~~Director's risk assessment of the proposal before any commitment is made for the Council to participate in a partnership or joint working arrangement or scheme; and
- (ii) Specifying the accounting and auditing arrangements to be adopted and approving arrangements, if the Council is to be the lead authority.

~~Corporate Managers~~Directors are responsible for:

- (i) Ensuring that before committing the Council's participation in a partnership or joint working arrangement or scheme, or before seeking the approval of the Cabinet to such participation, they consult with the Section 151 Officer on the need to prepare a risk assessment of the proposal, and if appropriate, obtaining his or her approval to it;
- (ii) Ensuring that the approval of the Cabinet is obtained before any negotiations are concluded where the Council's participation is of a material nature;
- (iii) Ensuring that all agreements and arrangements are properly documented, including details of the Council's financial and physical commitment to the arrangements which are to be in accordance with procedures specified by the Section 151 Officer;
- (iv) Observing the Council's standard of conduct for staff whilst having due regard to the partnership or joint working arrangement's governance framework;
- (v) Ensuring that the body or person maintaining the accounting and auditing arrangements do so to a standard acceptable by the Section 151 Officer in those cases where, under the approved arrangements, the Council is not to be the lead authority but the Council's participation is of a material nature; and

(vi) Providing appropriate information to the Section 151 officer to enable him or her to include relevant details in the Council's Statement of Accounts, and other financial statements and returns.

5. External Funding - The Section 151 Officer is responsible for providing specific guidance to ~~Corporate Managers~~Directors to enable them to account properly for funding receivable from external sources.
6. Work for Third Parties - The Section 151 Officer is responsible for providing specific guidance to ~~Corporate Managers~~Directors in respect of contractual arrangements for the provision of services to third parties or external bodies.

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Report Number: WSC 18/14
Presented by: Councillor K Kravis
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Report to a Meeting of: Full Council
To be Held on: 22nd January 2014
Date Entered on Executive Forward Plan Or Agreement for Urgency Granted: N/A

TREASURY MANAGEMENT UPDATE – 30TH SEPTEMBER 2013

1. PURPOSE OF REPORT

1.1 To update Full Council on the Treasury Management position as at 30th September 2013.

2. CONTRIBUTION TO CORPORATE PRIORITIES

2.1 None directly in relation to this report.

3. RECOMMENDATIONS

3.1 To note the Treasury Management position as at 30th September 2013.

4. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
The Council fails to maintain an adequate system of internal control	Unlikely (1)	Major (3)	Medium (1)
<i>The Council has in place suitable arrangements</i>			

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before the mitigation measures have been actioned and after they have.

5. BACKGROUND INFORMATION

5.1 On 27th March 2013 the Council approved the Treasury Management Strategy Statement, Minimum Revenue Policy and Annual Investment Strategy for 2013/14 in line with the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").

- 5.2 The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by committee before being recommended to the Council.
- 5.3 This scrutiny role is undertaken by the Audit Committee and the report was duly taken to the Audit Committee on 28th November 2012, where the committee noted the report.

6. FINANCIAL/RESOURCE IMPLICATIONS

- 6.1 As set out in the report.

7. SECTION 151 OFFICER COMMENTS

- 7.1 Performance to date is at 0.59%, compared to the benchmark of 0.36% and investment income is predicted to be £2,300 above the budget of £15,000 for the financial year 2013/14.

8. EQUALITY & DIVERSITY IMPLICATIONS

Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

- 8.1 None in respect of this report.

9. CRIME AND DISORDER IMPLICATIONS

- 9.1 None in respect of this report.

10. CONSULTATION IMPLICATIONS

- 10.1 None in respect of this report.

11. ASSET MANAGEMENT IMPLICATIONS

- 11.1 None in respect of this report.

12. ENVIRONMENTAL IMPACT IMPLICATIONS

- 12.1 None in respect of this report.

13. LEGAL IMPLICATIONS

- 13.1 None in respect of this report.

Treasury Management Update

Quarter Ended 30th September 2013

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly (TMSS, annual and midyear reports). This report therefore ensures this Council is implementing best practice in accordance with the Code.

1. Economic Background

- The quarter ended 30 September saw:
 - Indicators suggested that the economic recovery accelerated;
 - Household spending growth remained robust;
 - Inflation fell back towards the 2% target;
 - The Bank of England introduced state-contingent forward guidance;
 - 10-year gilt yields rose to 3% at their peak and the FTSE 100 fell slightly to 6460;
 - The Federal Reserve decided to maintain the monthly rate of its asset purchases.
- After strong growth of 0.7% in Q2, it appears that UK GDP is likely to have grown at an even faster pace in Q3. On the basis of past form, the CIPS/Markit business surveys for July and August point to quarterly growth of potentially over 1.0% in the third quarter of 2013. Similarly, the official data have continued to improve. Admittedly, industrial production was flat in July. But even if it held steady in the rest of the quarter, it would still be 0.9% higher in Q3 than in Q2. In addition, the service sector expanded by 0.2% m/m and the construction sector grew by 2.2% m/m in July after growth of 1.8% q/q in Q2.
- Consumer spending also continued to rise and may beat the increase seen in Q2. While the 1.1% monthly rise in retail sales in July was almost entirely offset by a 0.9% fall in August, the unusually warm weather in August is likely to have had a part to play in this. The retail surveys also painted a positive picture for household spending growth, with the Bank of England's Agents' Scores, BRC and CBI retail sales indicators showing stronger growth in Q3. And while growth in non-high street spending may have slowed, it probably remained robust. For example, although annual growth in new car registrations eased from the 24% rate seen in Q2, it was still a strong 15% in August.
- The run of good news on the labour market continued, with the ILO unemployment rate falling to 7.7% in July from 7.8% in June. Employment rose by 80,000 in the three months to July, supported by an even bigger rise in full-time employment. This meant that the

ratio of full-time to part-time workers continued to rise after it troughed last summer. The timelier claimant count measure of the unemployment rate also fell. Indeed, the cumulative fall in unemployment of 68,900 in July and August – the biggest two month fall since May and June 1997 – brought the claimant count unemployment rate down from 4.4% at the end of Q2 to 4.2% in August. Despite this, the headline (3 month average of the annual) rate of pay growth fell from 2.2% in June to just 1.1% in July. Excluding bonuses, earnings growth ticked up slightly to 1.1% y/y, but this remained well below the rate of CPI inflation at 2.7% in August, meaning real wages continued to fall.

- Meanwhile, the cost of new credit has continued to fall, perhaps in response to the extension of the Bank of England's Funding for Lending Scheme (FLS) earlier this year. The quoted interest rate on a 5-year fixed mortgage at a 75% loan-to-value ratio was 3.34% in August, 7 basis points lower than in June and 77 basis points lower than when the FLS was introduced in July 2012.
- Demand in the housing market continued to grow at a fast pace, supported by the FLS and the Government's Help to Buy scheme, which provide equity loans to credit-constrained borrowers. The RICS housing market survey reported that new buyer enquiries hit their highest level on record in August. Mortgage approvals for new house purchase rose to their highest level since February 2008 in August. Consequently, house prices continued to rise, with the Halifax and Nationwide measures recording 6.2% and 3.5% y/y rises in August, respectively. ONS data, though, shows that in real terms only London experienced year-on-year price rises in July. All other regions saw modest falls.
- The economic recovery may finally be feeding through to the public finances. Although the government registered a surprise deficit in July (a month that normally delivers a surplus), in August net borrowing was 'just' £13.2bn, compared to £14.4bn in August 2012.
- The new Governor of the Bank of England, Mark Carney, took office in July. Alongside the August Quarterly Inflation Report, the Bank introduced its new policy of forward guidance in which the Monetary Policy Committee (MPC) pledged not to raise official interest rates, or reduce the size of the asset purchase facility, until the ILO unemployment rate falls to 7%. At this point, the MPC would discuss whether or not to alter official policy. This guidance was subject to three 'knockouts' which, if breached, would invalidate the guidance. These are that the MPC forecasts inflation at or above 2.5% in 18-24 months' time, inflation expectations are no longer sufficiently well anchored or financial stability is threatened by the stance of monetary policy. On the MPC's current forecasts, the unemployment rate is most likely to reach 7% in late 2016.
- However, financial markets continued to price in increases in Bank Rate by mid-2015, with overnight index swap rates and gilt yields rising after the announcement of forward guidance. Members of the MPC subsequently appeared at the Treasury Select Committee and three gave further speeches to clarify the guidance, but there was little market impact. However, the Bank of England's surveys suggest the message may have got through to the public as the balance of people expecting interest rates to rise over the next 12 months fell from 29% in May to 24% in August.

- Meanwhile, CPI inflation fell from a 2013 peak of 2.9% in June to 2.7% in August. The fall was primarily the result of a drop in the contribution from petrol prices and a reduction in core inflation from 2.3% in June to 2% in August. CPI inflation looks likely to have edged down again in September, perhaps to about 2.5%, reflecting a further fading of both energy prices and core inflation.
- The big news in financial markets was that the Federal Reserve unexpectedly decided not to taper its asset purchases in September. In announcing its decision to maintain monthly purchases at \$85bn, the Fed explained that it wanted to “*await more evidence that [the economic recovery] will be sustained before adjusting the pace of its purchases.*” This came despite previous hints of tapering from the Fed and the fall in the unemployment rate in both July and August. It currently stands at 7.3%.
- Across the quarter as a whole, advanced economy bond markets sold off, suggesting the rise in UK gilt yields was not solely down to markets’ scepticism about domestic forward guidance. Gilt yields tracked US Treasury yields up, with ten-year gilts rising by around 60 basis points to reach 3% in early September for the first time since mid-2011. After the Fed’s decision not to taper, gilt yields fell back, although not enough to offset the previous rise. Ten-year gilts finished the quarter at 2.7%. Equity markets stayed relatively flat over the quarter. While the FTSE 100 rose from 6470 to 6620 over the first few weeks of June, the index closed the quarter at 6462.
- Meanwhile, Eurozone business surveys suggested that the economy continued to expand in Q3, albeit at a moderate pace. There was also a general election in Germany in which the incumbent Chancellor, Angela Merkel, performed better than expected by winning 41.5% of the vote. She is now likely to form a coalition, but it remains to be seen what form this will take.

2. Interest Rate Forecast

The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
5yr PWLB rate	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%
10yr PWLB rate	3.70%	3.70%	3.70%	3.80%	3.80%	3.90%	4.00%
25yr PWLB rate	4.40%	4.40%	4.40%	4.50%	4.50%	4.60%	4.70%
50yr PWLB rate	4.40%	4.40%	4.40%	4.50%	4.60%	4.70%	4.80%

Capita Asset Services undertook a review of its interest rate forecasts in late September as a result of an increase in confidence in economic recovery, chiefly in the US, but more recently, also in the UK and Eurozone. The latest forecast now includes a first increase in Bank Rate in quarter 3 of 2016 (previously quarter 4).

SUMMARY OUTLOOK

UK economy

After the previous Inflation Report included a somewhat encouraging shift towards optimism in terms of a marginal upgrading of growth forecasts, the August Inflation Report occurred in the midst of a welter of economic statistics which have left economists and forecasters speechless in terms of finding suitable words to describe a major simultaneous shift up in gear of the economy in all of the three sectors of services, manufacturing / industrial AND construction! It is therefore not surprising that the Report upgraded growth forecasts for 2013 from 1.2% to 1.4% and for 2014 from 1.7% to 2.5%. However, Bank Governor Mark Carney put this into perspective by describing this welcome increase as not yet being “escape velocity” to ensure we return to strong AND sustainable growth, after what has been the weakest recovery on record after a recession. So very encouraging - yes, but, still a long way to go! As for inflation, it was forecast to be little changed from the previous Report – falling back to 2% within two years and staying there during year three.

In addition to the stimulus provided by QE, the Funding for Lending Scheme (FLS), is aimed at encouraging banks to expand lending to small and medium size enterprises. The FLS certainly seems to be having a positive effect in terms of encouraging house purchases (though levels are still far below the pre-crisis level), and causing a significant increase in house prices – but only in London and the south east. FLS is also due to be bolstered by the second phase of Help to Buy aimed to support purchasing of second hand properties, which is now due to start in October.

Forward guidance caveats

The Bank of England also issued forward guidance with the Inflation Report which said that the Bank will not start to consider raising interest rates until the jobless rate (Labour Force Survey / ILO i.e. not the claimant count measure) has fallen to 7% or below. This would require the creation of about 750,000 jobs and was forecast to take three years. The UK unemployment rate currently stands at 2.5 million i.e. 7.7 % on the LFS / ILO measure. The Bank's guidance is subject to three provisos, mainly around inflation; breaching any of them would sever the link between interest rates and unemployment levels. This actually makes forecasting Bank Rate much more complex given the lack of available reliable forecasts by economists over a three year plus horizon. The Capita Asset Services view is that the recession since 2007 was notable for how unemployment did NOT rise to the levels that would normally be expected in a major recession. The latest Inflation Report noted that productivity has sunk to 2005 levels. We are, therefore, concerned that there has been a significant level of retention of labour, which will mean that a significant amount of GDP growth can be accommodated without a major reduction in unemployment.

In summary, our current views are centred around the following: -

UK

- Growth has been on an upward trend – 0.3% in Q1; 0.7% in Q2 and likely to be much stronger in Q3. The so called double dip recession at the beginning of 2012 was erased by the latest revision of statistics.
- Business surveys, consumer confidence, consumer borrowing and house prices are all on the up and may help to create a wide spread feel good factor. However, this is still a long way away from the UK getting back to sustainable strong growth.
- A fair proportion of UK GDP is dependent on overseas trade; the high correlation of UK growth to US and EU GDP growth means that the UK economy is still vulnerable to what happens in overseas markets.
- Consumer expenditure is likely to remain suppressed by inflation being higher than increases in average earnings i.e. disposable income will continue to be eroded.
- The coalition government is hampered in promoting growth by the need to tackle the budget deficit. However, the March Budget did contain measures to boost house building and the supply of mortgages, and brought forward, by one year to April 2014, the start of a £10,000 tax free allowance for incomes.
- There is little sign of a co-ordinated strategy for the private sector to finance a major expansion of infrastructure investment to boost UK growth.
- Government inspired measures to increase the supply of credit to small and medium enterprises (which are key to achieving stronger growth) by banks are not succeeding.
- Gilt yields remain vulnerable to pressures to rise, especially as they are powerfully influenced by US treasury yields and American investors have been spooked by Chairman Bernanke's comments on tapering QE. The Fed's reluctance to start tapering in September has, potentially, only delayed a trend for gilt yields to rise.

Eurozone

- Most Eurozone countries are now starting to see a return to growth after a prolonged recession. The prospects for growth, at least in the short term, have also improved. However, for some countries, austerity programmes could prove to be a self defeating spiral of falling demand, tax receipts, and GDP, leading to a rise, not fall, in debt to GDP ratios. Debt ratios in excess of 90% will cause market concern as beyond this level, the costs of servicing such debt becomes oppressive and growth inhibiting. This could, therefore, lead to an inevitable end game in the over the next few years of withdrawal from the Eurozone bloc in order to regain national control of a currency, government debt, monetary policy and, therefore, of setting national interest rates. The ECB's pledge to provide unlimited bond buying support for countries that request an official bailout means that market anxiety about these countries is likely to be subdued in the near term. However, the poor economic fundamentals and outlook for some economies could well mean that an eventual storm in financial markets has only been delayed, not cancelled.
- The ECB maintained its central policy rate at 0.5% in this quarter.
- Greece: after the agreement to a further major financial support package amounting to nearly €50bn in December 2012, it now looks almost certain that the country will need another, smaller, bailout package as progress has not been quick enough in rectifying the national finances.

- Spain: there is also increasing concern over the Spanish economy; the social cost and pain of a very high level of unemployment of 27%, similar to the level in Greece, could mean that both countries are approaching the limit of operating austerity programmes within democratic systems. Spain has, to date, resisted asking for an official national bailout, although it has received financial support to recapitalise its four largest banks.
- Italy: the general election created a highly unstable political situation where the two dominant parties initially formed an unlikely coalition due to the blocking power of the new upstart Five Star anti-austerity party which has 25% of seats and has refused to enter a coalition agreement with ANY party. There could therefore be volatility in Spanish and Italian bond yields over the next year, depending on political and economic developments.
- Germany: the general election in September returned Angela Merkel's party to power, but not with an overall majority. It will have to form a coalition, but with a new makeup, as the previous junior party was wiped out.
- Cyprus: the fallout from the bail out in March 2013 has done huge damage to the Cypriot economy and many commentators consider it is only a matter of time before another bailout will be needed – or exit from the Euro.
- The Eurozone remains particularly vulnerable to investor fears of contagion if one country gets into major difficulty.

US

- There has been a marked improvement in consumer, investor and business confidence this year.
- Unemployment has continued on a steady, but unspectacular decline to 7.3%, but is still a long way from the target rate of 6.5% for an increase in the Fed policy rate.
- The housing market has turned a corner, both in terms of rising prices and in increases in the volume of house sales. More householders are, therefore, escaping from negative equity.
- US equities have reached all- time highs.
- The package of tax increases and cuts in Government expenditure starting in 2013 does not appear to be having a major impact on depressing growth.
- GDP in Q1 was disappointingly downgraded from +2.4% to a sub- par +1.8% before rising to 2.5% in Q2.
- The shale gas revolution is providing some solid underpinning to the US economy by enhancing its international competitiveness through cheap costs of fuel.
- There has been a start to the repatriation of manufacturing production from China to the USA as Chinese labour costs have continued their inexorable rise and new forms of high tech production have made home based production more viable and flexible.

China

- Concerns that Chinese growth could be heading downwards have been allayed by recent stronger statistics. There are still concerns around an unbalanced economy which is heavily dependent on new investment expenditure, and for a potential bubble in the property sector to burst, as it did in Japan in the 1990s, with its consequent impact on the financial health of the banking sector.
- There are also increasing concerns around the potential size, and dubious creditworthiness, of some bank lending to local government organisations and major corporates. This primarily occurred during the government promoted expansion of credit,

which was aimed at protecting the overall rate of growth in the economy after the Lehman crisis.

Japan

- The initial euphoria generated by “Abenomics”, the huge QE operation instituted by the Japanese government to buy Japanese debt, has tempered as the follow through of measures to reform the financial system and introduce other economic reforms, appears to have stalled.

Our forward view

Economic forecasting remains difficult with so many external influences weighing on the UK. Major volatility in bond yields is likely during the remainder of 2013/14 as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, and safer bonds.

Near-term, there is some residual risk of further QE - if there is a dip in strong growth or if the MPC takes action to do more QE in order to reverse the rapid increase in market rates, especially in gilt yields and interest rates up to 10 years. This could cause shorter-dated gilt yields and PwLB rates over the next year or two to significantly undershoot the forecasts in the table below. The failure in the US, (at the time of writing), over passing a Federal budget for the new financial year starting on 1 October, and the expected tension over raising the debt ceiling in mid-October, could also see bond yields temporarily dip until any binding agreement is reached between the opposing Republican and Democrat sides. Conversely, the eventual start of tapering by the Fed could cause bond yields to rise.

The longer run trend is for gilt yields and PwLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in economic recovery is also likely to compound this effect as a continuation of recovery will further encourage investors to switch back from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently weighted to the upside after five months of robust good news on the economy. However, only time will tell just how long this period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

Downside risks currently include:

- The conflict in the UK between market expectations of how quickly unemployment will fall as opposed to the Bank of England’s forecasts
- Prolonged political disagreement over the US Federal Budget and raising the debt ceiling
- A return to weak economic growth in the US, UK and China causing major disappointment to investor and market expectations.
- The potential for a significant increase in negative reactions of populaces in Eurozone countries against austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- The Italian political situation is frail and unstable.

- Problems in other Eurozone heavily indebted countries (e.g. Cyprus and Portugal) which could also generate safe haven flows into UK gilts.
- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- Weak growth or recession in the UK's main trading partners - the EU and US, depressing economic recovery in the UK.
- Geopolitical risks e.g. Syria, Iran, North Korea, which could trigger safe haven flows back into bonds

The potential for upside risks to UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- A sharp upturn in investor confidence that sustainable robust world economic growth is firmly expected, causing a surge in the flow of funds out of bonds into equities.
- A reversal of Sterling's safe-haven status on a sustainable improvement in financial stresses in the Eurozone.
- Further downgrading by credit rating agencies of the creditworthiness and credit rating of UK Government debt, consequent upon repeated failure to achieve fiscal correction targets and sustained recovery of economic growth which could result in the ratio of total government debt to GDP to rise to levels that undermine investor confidence in the UK and UK debt.
- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.
- In the longer term – an earlier than currently expected reversal of QE in the UK; this could initially be implemented by allowing gilts held by the Bank to mature without reinvesting in new purchases, followed later by outright sale of gilts currently held.

3. Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2013/14, which includes the Annual Investment Strategy, was approved by the Council on 27th March 2013. It sets out the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield

The Council will also aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in higher rates in periods up to 6 months, with highly credit rated financial institutions, using our suggested creditworthiness approach, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Capita Asset Services.

Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 30th September 2013.

Investment rates available in the market have continued at historically low levels and have fallen further during the quarter as a result of the Funding for Lending Scheme. The average level of funds available for investment purposes during the quarter was **£4.176m**. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme. The Council holds no core cash balances for investment purposes (i.e. funds available for more than one year). As at 30th September actual investments totalled £3.116m and can be seen in Appendix 2.

The internally managed funds earned an average rate of return of 0.59%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.36%.

As illustrated, the Council outperformed the benchmark by 0.23%. The Council's budgeted investment return for 2013/14 is £15,000, and performance for the year is predicted to be £2,300 above the budget.

4. New Borrowing

No borrowing was undertaken during the first six months of the 2013-2014 financial year.

This Council has also not borrowed in advance of need during the half year ended 30th September 2013 and has no intention to borrow in advance in 2013/14.

5. Debt Rescheduling

No debt rescheduling was undertaken during the half year.

6. Compliance with Treasury and Prudential Limits

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved TMSS.

During the financial year to date the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices. The prudential and treasury Indicators are shown in Appendix 1.

7. Other

Hinkley Point - The large planning obligation settlement will significantly increase the level of cash balances managed by this Authority in-house. A further report will be brought to Members, which will set out a revised Investment Strategy to deal with this arrangement as and when it takes place.

APPENDIX 1: Prudential and Treasury Indicators as at 30th September 2013

Treasury Indicators	2013/14 Budget £'000	Quarter 2 Actual £'000
Authorised limit for external debt	10,000	10,000
Operational boundary for external debt	7,500	7,500
Gross external debt	3,500	3,500
Investments	150	3,116
Net borrowing	(3,350)	(384)
Maturity structure of fixed rate borrowing - upper and lower limits		
Under 12 months	3,500	3,500
Upper limit of fixed interest rates based on net debt		
	100%	100%
Upper limit of variable interest rates based on net debt		
	100%	100%
Upper limit for principal sums invested for over 364 days		
	NIL	NIL

Prudential Indicators	2013/14 Budget £'000	Quarter 2 Actual £'000
Capital expenditure	597	475
Capital Financing Requirement (CFR)	7,658	7,658
Annual change in CFR	NIL	NIL
In year borrowing requirement	NIL	NIL
Incremental impact of capital investment decisions:-		
a) Increase in council tax (band change) per annum.	NIL	NIL

APPENDIX 2: Investment Portfolio

Investments held as at 30th September 2013:

National Westminster Bank (SIBA)	£1,115,773	@	0.50%
Lloyds Bank (3 months fixed)	£1,000,000	@	0.70%
Lloyds Bank (6 months fixed)	£1,000,000	@	0.75%
Total	£3,115,773		