

To:

Members of Scrutiny Committee

(Councillors P H Murphy (Chairman), N Thwaites (Vice Chairman), I Aldridge, R Clifford, G S Dowding, B Maitland-Walker, J Parbrook, P Pilkington and R Woods)

Members of Cabinet

(Councillor A Trollope-Bellew (Leader), M Chilcott (Deputy Leader), M Dewdney, A Hadley, C Morgan, S J Pugsley, K H Turner, D J Westcott)

Our Ref Democratic Services

Contact Marcus Prouse mprouse@westsomerset.gov.uk

Date 07 June 2017

**THE PRESS AND PUBLIC ARE WELCOME TO ATTEND THE MEETING
THIS DOCUMENT CAN BE MADE AVAILABLE IN LARGE PRINT, BRAILLE, TAPE FORMAT
OR IN OTHER LANGUAGES ON REQUEST**

Dear Councillor

I hereby give you notice to attend the following meeting:

SCRUTINY COMMITTEE

Date: Thursday 15 June 2017

Time: 3.30 pm

Venue: Council Chamber, Council Offices, Williton

Please note that this meeting may be recorded. At the start of the meeting the Chairman will confirm if all or part of the meeting is being recorded.

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during the recording will be retained in accordance with the Council's policy.

Therefore unless you advise otherwise, by entering the Council Chamber and speaking during Public Participation you are consenting to being recorded and to the possible use of the sound recording for access via the website or for training purposes. If you have any queries regarding this please contact Committee Services on 01643 703704.

Yours sincerely



BRUCE LANG
Proper Officer

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.

SCRUTINY COMMITTEE

Meeting to be held on Thursday 15 June 2017 at 3.30 pm

Council Chamber, Williton

AGENDA

1. Apologies for Absence

2. Minutes

Minutes of the Scrutiny Committee held on 20 April 2017, 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. Notes of Key Cabinet Decisions/Action Points

To review the Key Cabinet Decisions/Action Points from the Cabinet Meeting held on 17 May 2017 – **SEE ATTACHED.**

6. Cabinet Forward Plan

To review the latest Cabinet Forward Plan for the months of July onwards, published on 19 May 2017 – **SEE ATTACHED.**

7. Chairman's Announcements

An opportunity to update the Committee on any matters of interest or matters arising.

8. Quarter Four 2016/17 Performance Report

To consider Report No. WSC 56/17 to be presented by Councillor Trollope-Bellew – **SEE ATTACHED.**

The purpose of the report is to provide Members with key performance management data up to the end of quarter four 2016/17, to assist in monitoring the Council's performance.

9. Revenue and Capital Outturn 2016/17

To consider Report No. WSC 57/17 to be presented by Councillor Chilcott – **SEE ATTACHED.**

The purpose of the report is to provide Members with details of the Council's financial outturn position for both revenue and capital budgets, together with information regarding end of year reserve balances, for the financial year 2016/17.

10. Initial Medium Term Financial Plan 2018/19

To consider Report No. WSC 58/17 to be presented by Councillor Chilcott – **SEE ATTACHED.**

The purpose of the report is to present Councillors with the proposed Medium Term Financial Strategy for 2018/19 onwards, including an updated set of estimates and assumptions contained with the initial draft of the Council's Medium Term Financial Plan.

11. Scrutiny Committee Work Plan

To receive items and review the Scrutiny Committee Work plan for 2017/18. - **SEE ATTACHED.**

COUNCILLORS ARE REMINDED TO CHECK THEIR POST TRAYS

The Council's Vision:

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

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.

SCRUTINY COMMITTEE

Minutes of the Meeting held on 20th April 2017 at 3.30 pm

Present:

Councillor P H MurphyChairman
Councillor N ThwaitesVice-Chairman

Councillor I Aldridge
Councillor G S Dowding
Councillor J Parbrook

Councillor R Clifford
Councillor B Maitland-Walker
Councillor R Woods

Members in Attendance:

Councillor M Chilcott
Councillor K H Turner
Councillor P Pilkington

Councillor M Dewdney
Councillor A Trollope-Bellew

Officers in Attendance:

Assistant Director - Operational Delivery (C Hall)
Assistant Director - Corporate Services (P Carter)
Corporate Strategy and Performance Officer (R Doyle)
Democratic Services Officer - Scrutiny (M Prouse)
Democratic Services Officer (C Rendell)

SC 78 Apology for Absence

An apology was received from Councillor K Mills.

SC 79 Minutes

(Minutes of the Meeting of the Scrutiny Committee held on 16 February 2017 – circulated with the Agenda.)

RESOLVED that the Minutes of the Scrutiny Committee held on 16 February 2017 be confirmed as a correct record.

SC 80 Declarations of Interest

WEST SOMERSET COUNCIL
Scrutiny Committee 20.04.17

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.	Description of Interest	Personal or Prejudicial or Disclosable Pecuniary	Action Taken
Cllr I Aldridge	All items	Williton	Personal	Spoke and voted
Cllr B Maitland-Walker	All items	Carhampton	Personal	Spoke and voted
Cllr P Murphy	All items	Watchet	Personal	Spoke and voted
Cllr J Parbrook	All items	Minehead	Personal	Spoke and voted
Cllr N Thwaites	All items	Dulverton	Personal	Spoke and voted
Cllr A Trollope-Bellew	All items	Crowcombe	Personal	Spoke
Cllr K Turner	All items	Brompton Ralph	Personal	Spoke

The following Members declared additional interests:-

Name	Minute No.	Description of Interest
Cllr I Aldridge	SC87	Elected Governor on the Health Trust Board
Cllr M Chilcott	SC88	West Somerset Council Representative on the West Somerset Opportunity Area Board

SC 81 Public Participation

Agenda Item 9 Public Toilet Transfers.

Councillor John Irven, a Member of Watchet Town Council (WTC), spoke in relation to the transfer of the toilets located in Watchet. He had previously spoken at the Scrutiny meeting on the matter and referred to a letter of complaint that had been submitted by WTC to West Somerset Council (WSC). He reported that although progress had been made, some problems had occurred.

Councillor Irven believed that WTC had professionally delivered everything that had been requested by WSC to prepare for the transfer of the toilets. However, due to staffing and procedural issues within WSC, the transfer had not run smoothly. WTC had requested a copy of the risk assessment as part of the transfer conditions, but were told that this had never been carried out due to the results being predetermined as low risk.

However, WSC then requested that WTC complete a full risk assessment which was carried out by their designated Emergency Health and Safety advisor and was deemed inadequate. A fire assessment had also been completed unnecessarily. There were also operational faults that had been reported to WSC prior to the transfer but these had not been rectified in time.

In summary, WTC did not feel that WSC had adequately planned or were resourced to implement the transfer and consequently failed in elements of their duty of care. Councillor Irven requested that Scrutiny assessed the issues to prevent them occurring in the future.

The Chairman thanked Councillor Irven for his comments which would be noted.

SC 82 Cabinet Key Decisions and Actions

(Copy of the Cabinet Key Decisions published 1 March 2017, circulated at the meeting)

RESOLVED that the Cabinet Key Decisions published on 1 March 2017, be noted.

SC 83 Cabinet Forward Plan

(Copy of the Cabinet Forward Plan published 31 March 2017, circulated at the meeting)

RESOLVED that the Cabinet Forward Plan published on 31 March 2017, be noted.

SC 84 Chairman's Announcements

The Chairman expressed his gratitude to the Committee Members for their attendance and participation over the past year and looked forward to working together in the new Municipal Year.

SC 85 West Somerset Council Draft Corporate Plan

The report WSC 43/17 was presented by Councillor Trollope-Bellew.

The purpose of the report was to introduce the draft Corporate Plan for 2017/2018.

The Corporate Plan flowed from the Council's four year strategy which covered the period 1 April 2016 to 31 March 2020. The 2017/2018 Corporate Plan would be the second year of this strategy.

The Plan described the actions that would be taken throughout the year to ensure the Council's strategic objectives were achieved for the people and place of West Somerset and set out how its progress would be monitored and measured.

The Plan was a key component of the corporate planning and performance management framework.

Not much had changed apart from Theme Four and this was due to the Transformation and Accommodation Projects.

During discussion, the following points were raised:-

- Members requested several amendments to the wording of the Plan. *The Corporate Strategy and Performance Officer would amend the wording and send out a revised copy of The Plan.*

- Members queried whether an electoral review would go ahead if the Secretary of State refused the submission made by Taunton Deane Borough Council (TDBC) and WSC to create a new Council?
No, unless the Boundary Commission or WSC requested a review.

RESOLVED that the Scrutiny Committee supported the adoption of the Corporate Plan for 2017/2018.

SC 86 **Public Toilet Transfers**

The report WSC 44/17 was presented by Councillors M Chilcott and M Dewdney.

The purpose of the report was to update the Committee following the deadline for the transfers, which had passed on 31 March 2017 and the expiration of the public toilet budget.

Of the thirteen toilets which were originally covered by the Full Council decision, eight had been transferred.

All of the toilets that had not been transferred were closed, with the exception of Porlock Central, which had remained open for the duration of its notice period.

The transfer process had been time consuming for officers, Members, Community Groups and the Town and Parish Councils. The scale of work involved had been delivered within the time constraints set by the budget approval process, but a number of difficulties had been identified along the journey of negotiation that had prevented a smooth delivery.

Officers had delivered the transfers alongside their normal business. This had been a particular pressure within the Asset Management Team where a large number of other projects were also underway. The lessons learnt from these transfers had been to improve pre-decision consultation, to define the resources and fund these and to consider a contingency fund.

During discussion, the following points were raised:-

- Members of Cabinet expressed their concern that correspondence between Williton Parish Council (WPC) and WSC had been included in the agenda due to the nature of the document and the ongoing negotiations between the two Councils. An amendment to the wording of paragraph 4.6 of the report was therefore requested.
The Assistant Director for Operational Delivery apologised for the contents of the report that made reference to WPC.
- Members were hopeful that the dialogue was still open with WPC due to the need for the toilets in the village.
- Members requested confirmation of how many toilets had now been transferred?
Nine had been transferred in total now. An additional transfer had been made since the report was written.

- Clarification was requested on what was happening with the toilets that had not been transferred.
- The Portfolio Holder for Environment advised the Committee of all the repair works that had been carried out in preparation of the transfers.
- A comment was made that WSC had asked some of the smaller Parish Councils to take on a big responsibility with regard to the toilet transfers which they were currently not resourced for. It was recommended that they were thanked for the work involved.
- The Chairman had tabled several questions at the Full Council meeting which was held on 22 March 2017, prior to the transfer deadline. This included works at WTC and queried the closure of the toilets in Watchet. The response to these questions was not received until 7 April 2017, a week after the deadline date and subsequently meant that the toilets were closed for that time, which caused inconvenience to the members of the public who had visited the town.
The Leader of the Council explained that the late response was because a decision was needed from Cabinet and that meeting had not been held until 5 April 2017.

RESOLVED that:-

- 1) The contents of the report were noted.
- 2) The Scrutiny Committee supported the negotiated position with Minehead Town Council to fund a new facility should the land at Quay Street, Minehead, which included the current toilets, be sold.

SC 87 **Proposals for Improving the Health Scrutiny Engagement Process in West Somerset**

The report WSC 45/17 was presented by the Democratic Services Officer – Scrutiny.

The report made reference to the attendance of the South West Ambulance Trust, the Somerset Clinical Commissioning Group and the Somerset Partnership NHS Trust at the Scrutiny Committee in 2016. With the recent publication of the Somerset Sustainability and Transformation Plan (STP), there was a desire from Members to explore further the possibilities to be engaged with, and to ensure, that the Council's Health and Wellbeing responsibilities were discharged in the most beneficial way for local people.

It was recognised that the area of West Somerset faced many challenges in the current environment which related to health and healthcare and that this unique perspective would benefit from a permanent presence on the upper tier health body. The representative would report back to the Scrutiny Committee.

This would be shared with the other four District and Borough Councils so that their interest would be gauged and for a co-opted Member from their respective Scrutiny Committees to be placed on the upper tier health body. The possibility

of a Joint Letter being issued by the five Districts and Borough, could possibly add more impact to the proposal.

It was suggested that a Task and Finish Group was set up to scope out and to consult on policies and proposals that would benefit the local area's health and wellbeing aims.

During discussion, the following points were raised:-

- Members queried what would be gained from having a co-opted Member on the health body when they could attend the meetings as a member of the public when local issues were due to be discussed.
- Background information on the STP was given by Councillor Aldridge.
- Concern was raised about the health services in the area and it would be positive to have a local representative to attend the meetings because West Somerset needed a champion to support the local area. However, it would be recommended that the representative always checked the agenda of the meetings because West Somerset was not always listed to be discussed.
- The Portfolio Holder for Housing, Health and Wellbeing raised concerns that health and wellbeing training days had been organised by TDBC and WSC but attendance had been very low.
- Members requested that demography was added to recommendation four as many of the residents in the area were elderly and alone and that rurality was not the only difficulty.

RESOLVED that:-

- 1) The proposal to place a co-opted Member of the West Somerset Scrutiny Committee on The Scrutiny for Policies, Adults and Health Committee at Somerset County Council be endorsed.
- 2) Somerset County Council be approached following the engagement with Somerset's other four District and Borough Authorities to gauge interest and the possibility looked into of the creation of a more impactful Joint Letter.
- 3) The creation of a Task and Finish Group be endorsed to look at the Challenges of Health and Wellbeing in the West Somerset District, taking the document at Appendix A as a reference point in defining the scope of potential topics to consider what would be appropriate for a District Authority.
- 4) Consider these and other appropriate ways to engage in the consultation phase of the Sustainability and Transformation Plan proposed by the Health Authorities to ensure that the challenges apparent in the West Somerset Area such as Rurality and Demography were taken into account.

The report WSC 46/17 was presented by the Democratic Services Officer – Scrutiny.

The purpose of the report was to update the Members of the Scrutiny Committee on the work of the Task and Finish Group that was established by the Committee in 2014 to look into the matter of secondary education in West Somerset.

Following on from the findings of the Government's Social Mobility and Child Poverty Commission Report in 2016 which showed that West Somerset was a 'coldspot' and was ranked 324th out of 324 Authorities in the country for social mobility, this piece of work was intended to further report on the issues of education in the region, at a time of ongoing change for a large number of Schools in the District.

This was a 'for information' report which was designed to help inform Members of the current situation, encouraged a 'joined up' approach on education in the Council and fed into the work of the Economic Development Team and the West Somerset Opportunity Area (WSOA).

During discussion, the following points were raised:-

- Concern was raised that rurality was a problem. The main upper school had the largest catchment area in the country.
- Members queried whether funding had already been granted by the WSOA.
The Government had awarded funding based on the Social Mobility Index. Extra funding to help with social mobility had to be applied for and the Members were reminded that this covered from birth to sixteen years of age and was for all education and apprenticeships.
- The Portfolio Holder for Resources and Central Support gave information on apprenticeships. However, unfortunately the opportunities available in West Somerset were limited.
- A Member gave information from the Office for National Statistics which informed the Committee on the movement of the population and reported that there was a high level of people who had moved to the Taunton area. Concern was raised that funding would be given to Taunton and not West Somerset. Scrutiny should be involved in how the WSOA funding was spent.
- Concern was raised on the inequality of opportunity for young people in West Somerset.

RESOLVED that the report be noted.

SC 89 **Scrutiny Committee Work Plan**

RESOLVED that the Scrutiny Forward Plan published on 12 April 2017 be noted.

The meeting closed at 5.26pm.

NOTES OF KEY DECISIONS

Note: The details given below are for information and internal use only and are not the formal record of the meeting

AGENDA ITEM	DECISION	CONTACT LEAD OFFICER
Forward Plan (Agenda Item 5)	Agreed that the Forward Plan for the month of July 2017 be approved.	Assistant Chief Executive
Cabinet Appointments to Outside Bodies (Agenda Item 6)	Agreed that the representatives detailed in the report be appointed.	Assistant Chief Executive
Corporate Plan 2017/18 (Agenda Item 7)	Agreed that it be recommended to Council to adopt the Corporate Plan for 2017/18.	Corporate Strategy and Performance Officer
Endorsement of Somerset Growth Plan (Agenda Item 8)	Agreed (1) that the content of the Somerset Growth Plan be noted. Agreed (2) that any additional comments made on the document be sent back by the Assistant Director Ian Timms to Somerset County Council in advance of its final adoption. Agreed (3) that, subject to any comments raised, the adoption of the Somerset Growth Plan by the Somerset Growth Board be supported.	Assistant Director Business Development
Proposed Changes to Business Rates Relief Policy (Agenda Item 9)	Agreed (1) that the use of the Council's local discount powers from 1 April 2017 be supported to: a) grant 100% Rural Rate Relief to eligible ratepayers; b) grant a local discount of £1,500 a year for Local Newspapers; c) introduce the Supporting Small Businesses Relief Scheme from 1 April 2017; d) introduce the Business Rate Relief Scheme for Pubs from 1 April 2017. Agreed (2) that the proposed updates to the Council's Business Rates Relief Policy for 2017/18 shown in Appendix 1 to the report be supported. Agreed (3) that it be noted the Government has announced funding over four years from 2017-18 for English billing authorities to provide discretionary transitional support for businesses facing significant increases in their business rates bills following the revaluation. Introduction of discretionary transitional support will require Member approval and a report will follow after the Government have provided more information and consultation between West Somerset Council and the major preceptors has taken place.	Revenues and Benefits Services Manager
HPC S106 DCO – Skills and Training Contribution (Agenda Item 10)	Agreed (1) that the proposals detailed in paragraph 4.4 of the report be agreed. Agreed (2) that it be recommended to Council to approve the drawdown of £30,000 from the HPC DCO Skills and Training contribution to support a variety of skills related activity with the intention to support and grow economic development in West Somerset and to maximise opportunities associated with the HPC project.	Senior Economic Development Officer

For a record of the reasons for the decision; details of any alternative options considered and rejected by the decision-making body at the meeting at which the decision was made; a record of any conflict of interest relating to the matter decided which is declared by any member of the decision-making body which made the decision; and in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service, please use the attached link below, to the Council's website where the minutes and relevant reports can be viewed:

<http://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Cabinet-Meetings/Cabinet---17-May-2017>

Date: 18 May 2017

Weekly version of Cabinet Forward Plan published on 19 May 2017

Forward Plan Ref / Date proposed decision published in Forward Plan	Date when decision due to be taken and by whom	Details of the proposed decision	Does the decision contain any exempt information requiring a resolution for it to be considered in private and what are the reasons for this?	Contact Officer for any representations to be made ahead of the proposed decision
FP/17/7/01 02/08/2016	21 July 2017 By Leader of Council	Title: Corporate Performance Report Quarter 4 Decision: to provide Members with an update on progress in delivering corporate priorities and performance of council services	No exempt / confidential information anticipated	Richard Doyle, Corporate Strategy and Performance Officer 01823 356309
FP/17/7/02 02/08/2016	21 July 2017 By Lead Member Resources & Central Support	Title: Financial Monitoring Report Quarter 4 Decision: to provide Members with details of the Council's financial outturn position in 2017/18 for both revenue and capital budgets, together with information relating to end of year reserve balances	No exempt / confidential information anticipated	Jo Nacey, Financial Services Manager / Deputy S151 01823 356537
FP/17/7/03 02/08/2016	21 July 2017 By Lead Member for Energy Infrastructure	Title: Hinkley Point Decision: to consider key issues relating to Hinkley Point	No exempt / confidential information anticipated	Andrew Goodchild, Assistant Director Energy Infrastructure 01984 635245
FP/17/7/04 19/10/2016	21 July 2017 By Lead Member Resources & Central Support	Title: Allocation of Hinkley Point C Community Impact Mitigation Funding Decision: to present the recommendations of the HPC Planning Obligations Board for the allocation of monies from the CIM Fund	No exempt / confidential information anticipated	Lisa Redston, CIM Fund Manager 01984 635218
FP/17/7/05 19/08/2016	21 July 2017 By Lead Member Resources & Central Support	Title: Allocation of Section 106 funds held Decision: to make proposals for the allocation of monies secured through planning obligations to individual schemes, and to update members with the current funding position	No exempt / confidential information anticipated	Tim Burton, Assistant Director Planning and Environment 01823 358403
FP/17/7/06 26/01/2017	21 July 2017 By Lead Member	Title: West Somerset Opportunity Area Decision: to update Members on the West	No exempt / confidential information anticipated	Corinne Matthews, Economic Regeneration and Tourism Manager

Forward Plan Ref / Date proposed decision published in Forward Plan	Date when decision due to be taken and by whom	Details of the proposed decision	Does the decision contain any exempt information requiring a resolution for it to be considered in private and what are the reasons for this?	Contact Officer for any representations to be made ahead of the proposed decision
	Regeneration and Economic Development	Somerset Opportunity Area		01984 635287
FP/17/7/07 19/10/2016	21 July 2017 By Lead Member Resources & Central Support	Title: Initial Medium Term Financial Plan 2018/19 to 2022/23 Decision: to present the updated Medium Term Financial Plan and suggested outline approach to 2018/19 budget setting	No exempt / confidential information anticipated	Jo Nacey, Financial Services Manager / Deputy S151 01823 356537
FP/17/7/08 19/05/2017	21 July 2017 By Lead Member Housing, Health and Wellbeing	Title: Seaward Way – Development Proposals Decision: to recommend to Council to approve the proposals on the future investment and development of Seaward Way, Minehead	Contains information that could release confidential information relating to the financial or business affairs of any particular person (including the authority holding that information)	Tom Gillham, Assistant Director Asset Development Projects 07585 306981
FP/17/9/02 19/10/2016	6 September 2017 By Lead Member for Energy Infrastructure	Title: Hinkley Point Decision: to consider key issues relating to Hinkley Point	No exempt / confidential information anticipated	Andrew Goodchild, Assistant Director Energy Infrastructure 01984 635245
FP/17/11/02 19/01/2017	1 November 2017 By Lead Member Resources & Central Support	Title: Allocation of Section 106 funds held Decision: to make proposals for the allocation of monies secured through planning obligations to individual schemes, and to update members with the current funding position	No exempt / confidential information anticipated	Tim Burton, Assistant Director Planning and Environment 01823 358403
FP/17/11/03 19/01/2017	1 November 2017 By Lead Member Resources & Central Support	Title: Allocation of Hinkley Point C Community Impact Mitigation Funding Decision: to present the recommendations of the HPC Planning Obligations Board for the allocation of monies from the CIM Fund	No exempt / confidential information anticipated	Lisa Redston, CIM Fund Manager 01984 635218
FP/17/11/04	1 November 2017	Title: Hinkley Point	No exempt / confidential information anticipated	Andrew Goodchild, Assistant Director Energy Infrastructure

Forward Plan Ref / Date proposed decision published in Forward Plan	Date when decision due to be taken and by whom	Details of the proposed decision	Does the decision contain any exempt information requiring a resolution for it to be considered in private and what are the reasons for this?	Contact Officer for any representations to be made ahead of the proposed decision
19/01/2017	By Lead Member for Energy Infrastructure	Decision: to consider key issues relating to Hinkley Point		01984 635245
FP/17/11/05 04/06/2015	1 November 2017 By Lead Member Resources & Central Support	Title: Review of Financial Regulations [FR2] Decision: to recommend to Council to approve updated Financial Regulations	No exempt / confidential information anticipated	Paul Fitzgerald, Assistant Director Resources 01823 358680
FP/17/11/06 26/04/2017	1 November 2017 By Lead Member for Community and Customer	Title: Review of the Council Tax Rebate Scheme for 2018/19 Decision: to review the Council Tax Rebate Scheme 2018/19 for recommendation to Council	No exempt / confidential information anticipated	Heather Tiso, Revenues and Benefits Manager 01823 356541
FP/17/11/06 19/04/2017	30 November 2017 By Lead Member Resources & Central Support	Title: Medium Term Financial Plan Update and Initial Budget Options Decision: to present the updated Medium Term Financial Plan position and consider initial budget options for 2018/19 budget setting	No exempt / confidential information anticipated	Jo Nacey, Financial Services Manager / Deputy S151 01823 356537
FP/17/11/07 19/04/2017	30 November 2017 By Lead Member Resources & Central Support	Title: Fees and charges 2018/19 Decision: To recommend proposed fees and charges to Full Council for approval	No exempt / confidential information anticipated	Jo Nacey, Financial Services Manager / Deputy S151 01823 356537
FP/17/11/08 19/04/2017	30 November 2017 By Lead Member Resources & Central Support	Title: Review of Earmarked Reserves Decision: to consider review undertaken to ensure earmarked reserves continue to be required for their intended purpose and to return any surplus reserves to general balances	No exempt / confidential information anticipated	Jo Nacey, Financial Services Manager / Deputy S151 01823 356537
FP/18/1/01 19/01/2017	3 January 2018 By Leader of Council	Title: Corporate Performance Report 2017-18 Quarter 2 Decision: to provide Members with an update on	No exempt / confidential information anticipated	Richard Doyle, Corporate Strategy and Performance Officer 01823 356309

Forward Plan Ref / Date proposed decision published in Forward Plan	Date when decision due to be taken and by whom	Details of the proposed decision	Does the decision contain any exempt information requiring a resolution for it to be considered in private and what are the reasons for this?	Contact Officer for any representations to be made ahead of the proposed decision
		progress in delivering corporate priorities and performance of council services		
FP/18/1/02 19/01/2017	3 January 2018 By Lead Member Resources & Central Support	Title: Budget Monitoring Report Quarter 2 Decision: to provide Members with details of the Council's expected financial outturn position in 2017/18 for both revenue and capital budgets, together with information relating to predicted end of year reserve balances	No exempt / confidential information anticipated	Jo Nacey, Financial Services Manager / Deputy S151 01823 356537
FP/18/1/03 19/01/2017	3 January 2018 By Lead Member Resources & Central Support	Title: Allocation of Section 106 funds held Decision: to make proposals for the allocation of monies secured through planning obligations to individual schemes, and to update members with the current funding position	No exempt / confidential information anticipated	Tim Burton, Assistant Director Planning and Environment 01823 358403
FP/18/1/05 19/01/2017	3 January 2018 By Lead Member for Energy Infrastructure	Title: Hinkley Point Decision: to consider key issues relating to Hinkley Point	No exempt / confidential information anticipated	Andrew Goodchild, Assistant Director Energy Infrastructure 01984 635245
FP/18/2/01 19/04/2017	7 February 2018 By Lead Member Resources & Central Support	Title: Draft Annual Budget and Council Tax Setting 2018/19 Decision: to provide Members with all the information required for Council to approve the revenue budget and council tax requirement for 2018/19 for recommendation to Council	No exempt / confidential information anticipated	Jo Nacey, Financial Services Manager / Deputy S151 01823 356537
FP/18/2/02 19/04/2017	7 February 2018 By Lead Member Resources & Central Support	Title: Draft Capital Programme 2018/19 Decision: to present the draft Capital Programme 2018/19 for recommendation to Council	No exempt / confidential information anticipated	Jo Nacey, Financial Services Manager / Deputy S151 01823 356537

Forward Plan Ref / Date proposed decision published in Forward Plan	Date when decision due to be taken and by whom	Details of the proposed decision	Does the decision contain any exempt information requiring a resolution for it to be considered in private and what are the reasons for this?	Contact Officer for any representations to be made ahead of the proposed decision
FP/18/2/03 19/04/2017	7 February 2018 By Lead Member Resources & Central Support	Title: Treasury Management Strategy 2018/19 Decision: to present the draft Treasury Management Strategy 2018/19, including the Annual Investment Strategy, Minimum Revenue Provision Policy and Prudential Indicators, for recommendation to Council	No exempt / confidential information anticipated	Jo Nacey, Financial Services Manager / Deputy S151 01823 356537
FP/18/2/04 19/04/2017	7 February 2018 By Lead Member for Energy Infrastructure	Title: Hinkley Point Decision: to consider key issues relating to Hinkley Point	No exempt / confidential information anticipated	Andrew Goodchild, Assistant Director Energy Infrastructure 01984 635245
FP/18/3/01 19/04/2017	7 March 2018 By Lead Member Resources & Central Support	Title: Allocation of Section 106 funds held Decision: to make proposals for the allocation of monies secured through planning obligations to individual schemes, and to update members with the current funding position	No exempt / confidential information anticipated	Tim Burton, Assistant Director Planning and Environment 01823 358403
FP/18/3/02 19/04/2017	7 March 2018 By Lead Member for Energy Infrastructure	Title: Hinkley Point Decision: to consider key issues relating to Hinkley Point	No exempt / confidential information anticipated	Andrew Goodchild, Assistant Director Energy Infrastructure 01984 635245
FP/18/3/03 19/04/2017	7 March 2018 By Lead Member Resources & Central Support	Title: Allocation of Hinkley Point C Community Impact Mitigation Funding Decision: to present the recommendations of the HPC Planning Obligations Board for the allocation of monies from the CIM Fund	No exempt / confidential information anticipated	Lisa Redston, CIM Fund Manager 01984 635218

Note (1) – Items in bold type are regular cyclical items.

Note (2) – All Consultation Implications are referred to in individual reports.

The Cabinet comprises the following: Councillors A H Trollope-Bellew, M Chilcott, M Dewdney, A Hadley, C Morgan S J Pugsley, K H Turner and D J Westcott.

The Scrutiny Committee comprises: Councillors P H Murphy, N Thwaites, R Clifford, G S Dowding, B Maitland-Walker, J Parbrook, R Woods, I Aldridge and P Pilkington.

Report Number: WSC 56/17

West Somerset District Council

Scrutiny – 15th June 2017

Quarter 4 2016/17 Performance Report

This matter is the responsibility of The Leader of the Council, Cllr Anthony Trollope-Bellew

Report Author: Richard Doyle, Corporate Strategy & Performance Officer

1 Purpose of the Report

- 1.1 This report provides Members with key performance management data up to the end of Quarter 4 2016/17, to assist in monitoring the Council's performance.

2 Recommendations

- 2.1 It is recommended that:-

- Scrutiny review the Council's performance and highlight any areas of particular concern;

3 Risk Assessment

Risk Matrix




Description	Likelihood	Impact	Overall
The key risk is that the Council fails to manage its performance and use the subsequent information to inform decisions and produce improved services for customers.	Likely (4)	Major (4)	High (16)
The mitigation for this will be the continued strong leadership from Lead Members and JMT to ensure that performance management remains a priority.	Unlikely (2)	Major (4)	Medium (8)

4 Background and Full details of the Report




- 4.1 Regularly monitoring our performance is a key element of the Council's Performance Management Framework.
- 4.2 There are **29** individual measures which are reported within the Corporate Scorecard.

- 4.3 The WSC Corporate Scorecard at Appendix A contains details of the Quarter 4 2016/17 position against the Council's key corporate indicators. It should be stressed that this information is at **31st March 2017**.
- 4.4 Each action/measure is given a coloured status to provide the reader with a quick visual way of identifying whether it is on track or whether there might be some issues with performance or delivery or an action.
- 4.5 The key used is provided below:

KEY:

	Planned actions are on course or achieved		Some uncertainty in meeting planned actions		Planned actions are significantly off course
	Performance Indicators are on target		Some concern that performance indicators may not achieve target. <15% variance		Significant concern that Performance indicators may not achieve target. > 15% variance

- 4.6 The table below provides an overview of the reported indicators within the Corporate Scorecard.

GREEN 	AMBER 	RED 	NO LONGER REQUIRED	NOT AVAILABLE	TOTAL
17	4	4	1	3	29

Please refer to **Appendix A** for full details of each of the reported measures.

4.7 Further detail is provided concerning the red measures below:

Reference	Description	Measure	Comments
KPI 5	Average processing times for new Housing Benefit claims	22 days or lower (Revised targets to be set for 2017/18)	End of Q1 = 41.9 days End of Q2 = 36.81 days End of Q3 = 32.42 days Result for 2016/17 = 31.82 days
KPI 6	Average processing times for changes in circumstances (lower is better).	9 days or lower (Revised targets to be set for 2017/18)	End of Q1 = 13.48 days End of Q2 = 14.37 days End of Q3 = 12.44 days Result for 2016/17 = 9.93 days
HC4.5	Disabled facilities grants - Average time to complete DFG process once allocated by SWPSHP Measures the time from allocating the case until the work has been completed	Target - 24 Weeks (as per the Home Improvement Agency's target)	Q1 - 41 weeks (4 cases) Q2 - 34 weeks (10 cases) Q3 - 40 weeks (23 cases) Q4 - 37 weeks (5 cases completed Q4). 2 cases were allocated in 2015 and 3 were in 2016. The 2015 cases under the old contract continue to affect performance. If the 2015 cases were excluded, the time would be down to 33 weeks.
TH2	Skill level within the workforce (NVQ Level 2, 3 & 4)	WS target - Levels 3 & 4 better than national average	West Somerset level 3 = 49.8% UK average = 55.8% West Somerset level 4 = 29.3% UK average = 37.1% This figures are for West Somerset only and includes qualifications equivalent to NVQ Level 3 & 4 (A-Level/HNC etc)

5 Links to Corporate Aims / Priorities

- 5.1 This KPIs within this report support progress against the Council's key priorities in relation to place, people and an being an efficient and modern Council.

6 Finance / Resource Implications

- 6.1 The scorecard references some financial performance measures, a separate more detailed financial performance report for the quarter is listed as a separate item on this agenda.

7 Legal Implications

- 7.1 There are no legal implications associated with this report.

8 Environmental Impact Implications

- 8.1 There are no direct environmental impact implications associated with this report although the scorecard includes measures relating to fly-tipping.

9 Safeguarding and/or Community Safety Implications

- 9.1 There are no safeguarding and /or community safety implications associated with this report.

10 Equality and Diversity Implications

- 10.1 There are no equality and diversity implications associated with this report.

11 Social Value Implications

- 11.1 There are no Social Value implications associated with this report.

12 Partnership Implications

- 12.1 A number of corporate aims and objectives reported within the corporate scorecard are delivered in partnership with other organisations, in particular through shared services arrangements with Taunton Deane Borough Council. .

13 Health and Wellbeing Implications

- 13.1 There are no direct health and wellbeing implications associated with this report although the corporate scorecard includes measures relating to disabled facilities grants which enable residents to live independently, for example.

14 Asset Management Implications

- 14.1 There are no direct asset management implications associated with this report.

15 Consultation Implications

- 15.1 The performance scorecard has been reviewed by JMT at the performance review day held on **19th May 2017**. This performance report will be published on the Council's website for public scrutiny and information.

Democratic Path:

- **Scrutiny - Yes**
- **Cabinet – Yes**
- **Full Council – No**

Reporting Frequency: 6 Monthly.

List of Appendices (delete if not applicable)

Appendix A	Corporate Scorecard
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Contact Officers

Name	Richard Doyle
Direct Dial	01823 218743
Email	r.doyle@tauntondeane.gov.uk

Reference	Directorate	AD	Council	Is this a Core Scorecard Measure?	Description	Measure	Previous Year Performance	Q1 (RAG)	Q2 (RAG)	Q3 (RAG)	Q4 (RAG)	Comments
HC4.13	Director Housing & Community	Simon Lewis	WSC	Yes				GREEN	GREEN	GREEN	GREEN	Q1 - Homeless Applications = 12 Homeless Acceptances = 5 (42%) Q2 - (As at month 5) Homeless Applications = 9 Homeless Acceptances = 0 (0%) Q3 - Homeless Applications = 18 Homeless Acceptances = 8 (44%) Q4 - Homeless Applications = 14 Homeless Acceptances = 6 (43%) total for the year is 53 applications with 19 acceptances
HC4.5	Director Housing & Community	Simon Lewis	WSC	Yes	Number of Households making a homeless application (lower is better and reflects improved prevention) and percent accepted where we have a duty. KPI 45	Target = 65 or fewer for the year	63 applications	RED	RED	RED	RED	Q1 - 41 weeks (4 cases) Q2 - (As at month 5) 34 weeks (10 cases) - The picture continues to improve as the 2015 cases are falling out of the system. As at month 5 Q3 - 40 weeks (23cases) - The timescale has increased due to 11 cases allocated in 2015 reflecting on performances, when there were issues with management of the Home Improvement Contract. Rigid management and monitoring of the caseload since Jan 2016 has seen vast improvement. All 9 2016 cases have averaged 27 weeks. Q4 - 37 weeks (5 cases completed Q4). 2 cases were allocated in 2015 and 3 were in 2016. The 2015 cases under the old contract continue to affect performance. If the 2015 cases were excluded, the time would be down to 33 weeks.
KPI 90A	Director of Growth	Tim Burton	WSC	Yes		Target - 24 Weeks (as per the Home Improvement Agency's target)	New measure introduced from Q3 Q3 - 23 weeks Q4 - 22 weeks	GREEN	GREEN	AMBER	GREEN	Q1 = 100% 1 application determined, 0 of which were within 13 weeks and 1 within an agreed extension of time. Q2 = 66.7% 3 applications determined, 0 of which were within 13 weeks and 2 within an agreed extension of time. Q3 = 0% 1 application determined which was out of time - overall performance for the year is 60% Q4 = 100% 1 applications determined, 0 of which were within 13 weeks and 1 within an agreed extension of time. Year = 66.7%
KPI 90B	Director of Growth	Tim Burton	WSC	Yes	% major planning applications determined within 13 weeks (or within agreed extension of time)	60%		GREEN	GREEN	GREEN	AMBER	Q1 = 66.7% 22 applications determined, 18 of which were within 8 weeks and 3 within an agreed extension of time Q2 = 72.2% 18 applications determined, 5 of which were within 8 weeks and 8 within an agreed extension of time. Q3 = 82.6% 23 applications determined, 12 of which were within 8 weeks and 7 within an agreed extension of time. Q4 = 56.5% 23 applications determined, 4 of which were within 8 weeks and 9 within an agreed extension of time. Although quarterly performance was below target, the overall yearly performance is still met. Year = 64.0%
KPI 90C	Director of Growth	Tim Burton	WSC	Yes	% minor planning applications determined within 8 weeks or an agreed extension of time.	65%		GREEN	GREEN	GREEN	GREEN	Q1 = 100% 46 applications determined, 41 of which were within 8 weeks and 5 within an agreed extension of time. Q2 = 92.0% 50 applications determined, 39 of which were within 8 weeks and 7 within an agreed extension of time. Q3 = 95.3% 43 applications determined, 37 of which were within 8 weeks and 4 within an agreed extension of time. Q4 = 94.6% 59 applications determined, 43 of which were within 8 weeks and 10 within an agreed extension of time. Year = 76.7%
KPI 160	Director Operations	Richard Sealy	WSC	Yes	% of other planning applications determined within 8 weeks or an agreed extension of time.	80%		AMBER	GREEN	GREEN	GREEN	Q1 = 86.4% Q1 = 2.09 days per FTE/ predicted 6.4 days per annum Q2 = 3.45 days per FTE/ predicted 6.9 days per annum Q3 = 5.02 days per FTE/ predicted 6.7 days per annum Q4 = 6.57 days per FTE = 6.57 per annum.
KPI 5	Director Operations	Paul Fitzgerald	WSC	Yes	Number of days sickness per FTE	Average of 8 days or lower per FTE	8.86 days	RED	RED	RED	RED	End of Q1 = 41.9 days End of August = 30.81 days End of Q3 = 32.42 days Result for 2016/17 = 31.82 days
KPI 6	Director Operations	Paul Fitzgerald	WSC	Yes	Average processing times for new HB and CTR claims	22 days or lower	28.51 days	RED	RED	RED	RED	End of Q1 = 13.48 days End of August = 14.37 days End of Q3 = 12.44 days Result for 2016/17 = 8.93 days
KPI 10	Director Operations	Paul Fitzgerald	WSC	Yes	Average processing times for changes in circumstances (lower is better)	9 days or lower	8.15 days	GREEN	GREEN	GREEN	GREEN	End of Q1 = 35.21% End of Aug 16 = 63.07% End of Q3 = 89.33% result for 2016/17 = 97.91%
KPI 12	Director Operations	Paul Fitzgerald	WSC	Yes	% Council Tax collected	97.5% by 31st March	97.44%	GREEN	GREEN	GREEN	GREEN	End of Q1 = 93.43% End of Aug 16 = 50.23% End of Q3 = 84.58% Result for 2016/17 = 99.04%
KPI 103	Director Operations	Chris Hall	WSC	Yes	% Business Rates collected	98% or more by 31st March	98.99%	GREEN	Not Available	GREEN	GREEN	Q1 = 100% completed Q2 = not received Q3 = 100% completed Q4 = 95%
KPI 88	Director Operations	Chris Hall	WSC	Yes	Street Cleansing % service requests actioned within 5 working days	85% target		GREEN	Not Available	GREEN	GREEN	Q1 = 95% Q2 = 94% Q3 = 95% Q4 = 96%
KPI 25	Director Operations	Richard Sealy	WSC	Yes	Waste & Recycling Fly-tipping: % removed within 48 hrs	75%		AMBER	GREEN	GREEN	AMBER	Q1 = 100% completed Q2 = not received Q3 = 97% completed Q4 = 100%
KPI 123	Director Operations	Richard Sealy	WSC	Yes	Customer Access Abandoned in queue call rate %	Target - <8%		RED	RED	RED	GREEN	Abandoned rate is 10.06% average for 1st Quarter. Abandoned rate is 8.32% average for 2nd Quarter. Abandoned rate is 7.3% average for 3rd Quarter. Abandoned rate is 9.06% average for 4th Quarter. 8.65% average for the year
					Customer Complaints	95% of complaints responded to with 20 working days		RED	RED	RED	GREEN	Q1 = 80% 15 complaints received in Q1. 12 responded to within time and closed. Q2 (Jul/Aug only) = 69.23% 13 complaints received in Q2 9 responded to within time and closed. Q3 (4 months) = 92.85% 14 complaints received in Q3. 13 responded to within time and closed. Q4 = 100% 3 complaints received in Q4 3 responded to within time and closed.

Report Number: WSC 57/17

West Somerset Council

Scrutiny Committee – 15 June 2017

Revenue and Capital Outturn 2016/17

This matter is the responsibility of Councillor Chilcott, Lead Member Resources and Central Services

Report Author: Jo Nacey, Financial Services Manager

1 Executive Summary

- 1.1 The purpose of this report is to provide Members with details of the Council's financial outturn position for both revenue and capital budgets, together with information regarding end of year reserve balances, for the financial year 2016/17.
- 1.2 Controlling and monitoring financial performance against the agreed budget is an important part of the Council's performance management framework.
- 1.3 The Revenue Outturn position for 2016/17 is a net underspend of £270,890. It is recommended below that a proportion of this is allocated in 2017/18: (i) £100,000 to mitigate increased budget risk in respect of business rates and (ii) £70,000 to provide additional funds to support invest to save initiatives. This would leave £100,890 of the net underspend within general reserves as a contingency to cover unforeseen unavoidable and essential costs arising in future that cannot be addressed within the annual budget.
- 1.4 The General Reserves position for 2016/17 shows a closing balance of £867,776 including the net underspend for the year. If members approve the proposed allocations in 1.3 above this would reduce to £697,776 compared to the current recommended minimum reserves balance of £600,000.
- 1.5 The Earmarked Reserves balance is £2,882,998 at the end of March. This comprises reserves held for specific spending plans and contingencies such as allocated funding for transformation, business rates volatility, specific grants and contributions committed or ring-fenced for spending in future years, and so on.
- 1.6 The General Fund Capital Programme Outturn position for 2016/17 is a net overspend of just £250 against the approved programme, with £1,666,979 being spent during the year and £3,911,185 of the approved Programme planned to be spent in future years.

2 Recommendations

- 2.1 That Scrutiny notes the Council’s reported General Fund Revenue Budget underspend of £270,890 for the financial year 2016/17, which takes into account proposed earmarked reserve transfers including budget carry forwards.
- 2.2 That Scrutiny supports a recommendation to allocate £170,000 from the 2016/17 underspend as follows:
- a) £100,000 to the Business Rates Smoothing Reserve to mitigate budget risk for reductions in business rates funding;
 - b) £70,000 to the Sustainability Fund earmarked reserve to help fund opportunities such as “invest to save” plans to support the financial sustainability of the Council.
- 2.3 That Scrutiny supports a recommendation to Cabinet and Council to approve the net Earmarked Reserve transfers as set out in **Table 4** and **Appendix B** of this report, including recommended Budget Carry Forward of 2016/17 underspends for specific service costs in 2017/18 totalling £247,189.
- 2.4 That Scrutiny supports a recommendation to Cabinet and Council to approve the proposed Capital Programme Budget Carry Forwards totalling £1,788,064 for general schemes to be funded using capital receipts, capital grant and S106 contributions (as set out in **Appendix D** of this report).
- 2.5 That Scrutiny supports a recommendation to Cabinet and Council to approve the proposed Capital Programme Budget Carry Forwards totalling £2,123,121 for Hinkley S106-funded schemes (as set out in **Appendix D** of this report).
- 2.6 That Scrutiny notes the residual net overspend of £250 in relation to the Capital Programme for general schemes in 2016/17.

3 Risk Assessment (if appropriate)

Risk Matrix

Description	Likelihood	Impact	Overall
That the Authority overspends against the approved budget	2	4	8
<i>Regular budget monitoring reports are produced and managers actively manage the budgets under their responsibility</i>	1	4	4

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%

4 Background and Full details of the Report

- 4.1 Members have received financial performance information during the year, with reports submitted to Scrutiny and Cabinet in line with the agreed reporting arrangements. In line with agreed changes to reporting frequency the formal reporting to Members was updated to include reporting mid-year and at year end. This report provides details of the position at the end of the financial year, and enables Members to compare mid-year forecast with the actual outturn (end of year) position. It also describes how the year end position impacts on the important objective for achieving financial sustainability.
- 4.2 Effective financial management forms an important part of the Council's overall performance management framework. It is also vital that the Council maintains strong financial management and control in the face of continuing and unprecedented financial pressures as funding for council services is squeezed, and our community continues to face up to the effects of wider economic

pressures.

- 4.3 The Outturn figures in this report are provisional (pending end of year audit) and have been used as part of the completion of the Unaudited Statement of Accounts, which will be approved by the S151 Officer. Should the External Auditor identify any changes to the Accounts these will be reported to the Audit Committee in September 2017.

Revenue Budget Outturn 2016/17 and Reserves

- 4.4 The Council has reported an overall net underspend of £270,890. The forecast outturn as at Q2 (April to August 2016) was a projected net underspend of £117,280.
- 4.5 Below is a table showing the main variances between Q2 and the final outturn position.

Table 1 – Main Differences between Q2 and Outturn Variances 2016/17

	Q2 £000	Change £000	Q4 £000
Member Services	0	-28	-28
Revenues and Benefits	-60	-0	-60
Council Tax Admin	0	-26	-26
Building control	0	-47	-47
Parking – Off Street	-46	17	-29
Interest and Other Income	-18	-18	-36
Development Control	22	-4	18
Housing	-15	-16	-31
Roughmoor Depot and Enterprise Centre	0	-20	-20
Other	0	-13	-13
TOTAL – over / (under) spend	(117)	(154)	(271)

- 4.6 The main changes since the Q2 report are explained below:
- **Member Services:** Underspend on budgeted Members Allowances and general expenses, due to some combined roles meaning responsibility allowances not taken. Some councillors also did not claim their entitlement.
 - **Benefits:** There is additional income of £60,088 in Housing Benefits arising from additional funding totalling £23,235 provided for Benefits by Government for various welfare reforms, additional Housing Benefit administration grant of £23,854, and £13,000 estimated savings through staff vacancies.
 - **Council Tax Admin:** Additional court costs income from the Collection Fund at year end and income from the Council Tax Business Case total £61,023. £20,024 transferred as a carry forward for revenues staff on fixed term contracts for the Council Tax additional income business case.
 - **Parking Services:** Car parking income received exceeded original budget

- estimates, reflecting usage of the facilities provided.
- **Supported Accommodation:** The Council included a contingency budget of £31k for anticipated housing benefit costs as rental costs for supported accommodation was being reviewed under 'Pathway for Adults' (P4A). This matter appears to have been resolved through provision of P4A support through social housing – with TDBC and Knightstone Housing – meaning full HB costs can be recovered through Subsidy. There was overspend of £16,000 related to major maintenance needed in two temporary accommodation units.
 - **Roughmoor Depot and Enterprise Centre:** Additional income received (£11,000), and reduced running costs (£9,000) lead to overall underspend for this cost centre.
 - **Interest and Other Income:** Higher than budgeted investment income received mainly due to cash balances remaining higher than forecast in the budget estimates.

4.7 Table 2 below provides a summary the revenue budget and outturn for the year.

Table 2 – Summary Revenue Outturn 2016/17

	Original Budget £	Revised Budget £	Predicted Outturn £	Variance £
Corporate	344,870	544,350	515,893	-28,457
Operations	3,395,234	3,158,418	2,960,346	-198,072
Housing and Communities	637,410	518,567	491,978	-26,589
Growth and Development	350,883	459,825	477,693	17,868
Somerset Rivers Authority	23,728	23,728	23,728	0
Subtotal - Net Service Costs	4,752,125	4,704,888	4,469,638	-235,250
Capital Financing	0	0	0	0
Interest costs and income	-2,000	-2,000	-37,640	-35,640
Subtotal – Net Costs	4,750,125	4,702,888	4,431,998	-270,890
Transfers to/ from Earmarked Reserves	-2,318,016	-2,160,879	-2,160,879	0
Transfers to/from General Reserves	-216,456	-326,356	-326,356	0
NET BUDGET AND EXPENDITURE	2,215,653	2,215,653	1,944,763	-270,890
Business Rates Funding	-1,420,937	-1,420,937	-1,420,937	0
Revenue Support Grant	-550,320	-550,320	-550,320	0
New Homes Bonus	-761,060	-761,060	-761,060	0
Rural Services Grant	-212,433	-212,433	-212,433	
Council Tax	-1,986,166	-1,986,166	-1,986,166	0
Collection Fund Deficit - Business Rates	2,729,063	2,729,063	2,729,063	0
Collection Fund Surplus - Council Tax	-13,800	-13,800	-13,800	0

	Original Budget £	Revised Budget £	Predicted Outturn £	Variance £
TOTAL FUNDING	-2,215,653	-2,215,653	-2,215,653	0
NET UNDER(-)/OVERSPEND FOR THE YEAR	0	0	-270,890	-270,890

- 4.8 Further analysis and commentary on the main variances reported for the year as a whole is provided in **Appendix A**. The net underspend automatically transfers to General Fund Reserves as part of the financial year end process.

General Fund Reserves

- 4.9 The following table summarises the movement on the General Reserves Balance during the year and the end of year position.

Table 3 – General Reserves Balance 31 March 2017

	£
Balance Brought Forward 1 April 2016	1,073,242
2016/17 Budget: Transfer to JMASS Reserve	-166,456
2016/17 Budget: Transfer to Planning Service Reserve	-50,000
Supplementary Budget – North Hill Maintenance	-150,000
Supplementary Budget – Transformation Business Case	-106,000
Supplementary Budget – Street Cleaning Contract	-3,900
Current Budgeted Balance	596,886
2016/17 Outturn Variance	270,890
Balance 31 March 2017	867,776
Proposed transfer to Business Rates Smoothing Reserve (recommendation 2.2a)	-100,000
Proposed transfer to Sustainability Fund (recommendation 2.2b)	-70,000
Projected Balance	697,776
Recommended Minimum Balance	600,000

- 4.10 The balance on 31 March 2017 (subject to audit) is £867,776. This is £267,776 above the recommended balance of £600,000. As the table shows the recommended allocations included within this report will reduce the balance to £697,776.
- 4.11 In view of the Council's future financial position the strong advice is maintain reserves above the recommended minimum, to provide some resilience for unforeseen essential and unavoidable costs that may arise.

Earmarked Reserves

- 4.12 Earmarked Reserves are amounts that have been set aside for specific purposes from existing resources, where the expenditure is expected to be incurred in future

years. The table below provides a summary of the movement in earmarked reserve balances during 2016/17 financial year, highlighting that earmarked reserve balances have decreased by £1,499,372 to a total of £2,882,998 at 31 March 2017.

Table 4 – Earmarked Reserves Balance 31 March 2017

	Actual £
Balance Brought Forward 1 April 2016	4,382,370
Transfers From Earmarked Reserves in 2016/17	-4,039,878
Transfers To Earmarked Reserves in 2016/17	2,540,506
Balance Carried Forward 31 March 2017	2,882,998

- 4.13 The following paragraphs provide explanation for the larger items included within the earmarked reserves balances. Further detail for all earmarked reserves is provided in **Appendix B**.
- 4.14 **Business Rates Smoothing Reserve:** The balance in the reserve on 31 March 2017 is £305,144. The balance brought forward of £3,388,863 was required to fund the Council's 40% share of the Business Rates Collection Fund Deficit reported for 2014/15 and forecast for 2015/16. The balance on this reserve is currently low in relation to the risk in Business Rates volatility.
- 4.15 **Housing Options:** Remainder of the homelessness prevention grant received as part of the Revenue Support Grant in 2014/15 and the remainder of the Mortgage Rescue Grant.
- 4.16 **Joint Management and Shared Services:** Funding to support residual transformation costs under JMASS phase 1.
- 4.17 **Planning Policy Reserve:** We have received a significant amount of grant from DCLG to support the West Somerset Local Plan preparation through to examination and beyond to adoption.
- 4.18 **Asset Management and Compliance:** Monies have been set aside following the compliance survey which was undertaken during the year which identified significant work to be carried out.
- 4.19 **Transformation and Creating a New Council:** Monies have been set aside in line with the approved Transformation Business Case which includes transforming services and ways of working and also work required to implement a new council replacing West Somerset and Taunton Deane councils should we receive permission from the Secretary of State.
- 4.20 **Strategic Housing Market Area Assessment:** This is DCLG funding which will support plans for more affordable housing in West Somerset.
- 4.21 **Budget Carry Forwards For Specific Services:** Funds have been transferred to

earmarked reserves in respect of requests to carry forward budget underspends to support service costs in 2017/18 due to timing of spend across financial years and to delivery ongoing service delivery plans.

5 Business Rates Retention

- 5.1 The Business Rates Retention (BRR) funding system is proving to be both challenging and volatile, with the Council facing significant risks particularly in respect of appeals against rateable values by rate payers. The required accounting arrangements also result in some ‘timing differences’ which can skew the funding position across financial years.

General Fund Retained Business Rates Funding

- 5.2 The Council’s share of business rates funding is directly linked to the total amount of business rates due and collected in the area. The amounts credited to the General Fund Revenue Budget in 2016/17 are based on business rates yield and BRR figures from different sources – a combination of the 2016/17 NNDR1 (Original Budget Estimate) and the 2016/17 NNDR3 (End of Year position):

Business Rates Funding Timing Differences

In Year Funding based on NNDR1 Original Budget Estimates (fixed amount for the year based on budget):

- | |
|---|
| <ul style="list-style-type: none">• 40% Standard Share of BR Income• Tariff to Government• Share of Previous Year’s Collection Fund Surplus/Deficit |
|---|

In Year Funding based on NNDR3 actual amounts due for the year (variable amount for the year based on actuals):

- | |
|---|
| <ul style="list-style-type: none">• Section 31 Grant (Government-funded Reliefs/ Discounts)• Levy Payment to Government• Safety Net Receipt from Government |
|---|

- 5.3 At the end of the financial year there will be a Surplus or Deficit on the Business Rates Collection Fund, and this sum will be distributed in future years based on Standard Shares – so 40% for West Somerset Council.
- 5.4 The following table summarises the net position in respect of retained business rates funding for the Council in 2016/17 based on required accounting entries.

Table 5 – Business Rates Funding Outturn for West Somerset Council

	Budget 2016/17 £	Actual 2016/17 £
40% Share of Business Rates Income	4,365,929	4,365,929
Tariff to Government (fixed amount)	-3,061,669	-3,061,669
Section 31 Grant Funding for enhanced Small Business Rates Relief / Flooding Relief/Retail Reliefs	317,155	346,210
Amount Retained By West Somerset Council For Renewable Energy rates	50,000	29,394
50% Levy Payment to Government	-250,479	-753,466
Subtotal	1,420,936	926,398
Use Business Rates Smoothing Reserve for in year funding shortfall	0	494,538
Previous Year's Collection Fund Deficit	-2,729,063	-2,729,063
Previous Year Deficit Funded By Business Rates Smoothing Reserve	2,729,063	2,729,063
Total Retained Business Rates Funding 2016/17	1,420,936	1,420,936

- 5.5 As has been previously reported, the introduction of the Business Rates Retention system has introduced new financial risks for the Council. The Council's share of business rates funding is directly linked to the total amount of business rates due and collected in the area. Although the total retained funding accounted for in 2016/17 is above previous forecasts, this is skewed by the timing differences in the required accounting. These timing differences – mainly for the increased levy – has been mitigated using the Smoothing Reserve.
- 5.6 The Council will need to pay additional funds into the Smoothing Reserve (current balance £305k) if we wish to safely address the risk relating to Business Rates volatility, particularly as Hinkley accounts for a major proportion of the Council's Business Rates funding. It would be prudent to increase this reserve to c£1.6m in the coming years to remain safe.

6 Hinkley-Funded Projects

- 6.1 As at 31 March 2017 West Somerset Council has received £17.95m in funding from EDF as part of the planning agreement to mitigate the construction of Hinkley Point C.
- 6.2 Of this total, the largest contributions received have been in respect of the Community Impact Mitigation Fund (£7.424m), Housing (£4.004m) and a contribution towards the cost of officers dealing with the work generated by this agreement (£2.778m).
- 6.3 During 2016/17, the Council approved a number of capital and revenue funded schemes. The main capital schemes supported include the following:
- Improvements to Stogursey Village Hall

- Funding for part of the Brean Down Way cyclepath
- Improvements at the YMCA Beach Hotel for a kitchen theatre
- Funding for the 2nd stage of the Steam Coast Trail between Blue Anchor and Washford

- 6.4 The main revenue schemes supported in 2016/17 include the following:
- A series of tourism promotion and marketing campaigns
 - Funding for the delivery of business support and training, supply chain support and technical training, delivering local skills and enterprise, supporting strategic partnerships and inward investments, investing in local economic initiatives and delivering customer service training
 - Funding for the creation and support of 2 additional Employment Hubs in Stogursey and Dulverton to support the 3 already in place in Williton, Watchet and Minehead/Alcombe
 - Continuing support to the Tourist Information Centres in both West Somerset and Sedgemoor.
- 6.5 For information, West Somerset Council received a total £3,544,029 from EDF in 2016/17 from both the SPW and the DCO agreement. We received £1,937,220 from the SPW agreement for the 2nd anniversary of Phase 2. Prior to the DCO transition date, we received payments in advance to fill in the funding gap. We received the transition date payment as well as other payments due (2nd Anniversary of the DCO Commencement date and the 5th anniversary of SPW Phase 1).
- 6.6 EDF Energy made their long awaited Final Investment Decision in September 2016. This 'locks' in a series of payments to the Council over the next 9 years. The majority of the payments will be made over the next 4 years as the development and workforce builds up towards the peak of construction in around 2020/21.
- 6.7 Some changes to the structure of the Energy Infrastructure Team were made in April 2016 however, the funding of this team continues to be met from the s106 agreement contributions rather than the WSC General Fund base budget.
- 6.8 Full details of spend against funding can be found in **Appendix C** to the report. A detailed annual review related to Hinkley is underway and will be reported in August. The information in this report is intended only to give a financial position statement.

7 Capital Programme Budget Outturn 2016/17

- 7.1 The final Capital Programme budget for 2016/17 for General Schemes was £2,437,154, with actual spend incurred during the year of £650,335 on these schemes, funded through a combination of capital receipts plus grant funding received for disabled facilities grants and Section 106 agreements. Budget carry forward is requested to complete approved schemes in the Programme totalling £1,788,064 with an actual overspend reported of £1,245 against the approved

budget.

- 7.2 The key areas of spend included: Disabled Facilities Grants (£244,040) and the Steam Coast Trail (£293,543).
- 7.3 During 2016/17 a number of Capital Budget allocations were approved for schemes funded through Hinkley S106 contributions, totalling £3,140,760. The costs for these schemes is expected to be incurred over more than one year, with £1,016,645 actually spent during 2016/17 and £2,123,121 carried forward to complete the approved schemes in subsequent years, leading to an underspend of £994 against the approved budget.
- 7.4 The key areas of spend included: Westfield Church (£101,900), Onion Collective (£191,237), Cannington Village Hall (£179,619) and Doniford Road Housing Scheme (£379,069).
- 7.5 The following table summarises the position for both general schemes and Hinkley funded programmes:

Table 6 – Summary Capital Programme Outturn 2016/17

	General Schemes £	Hinkley Funded Schemes £	Total £
Capital Budget including carry forward	1,910,733	1,282,629	3,193,362
Supplementary Budget Approvals	526,421	1,858,131	2,384,552
Revised Capital Budget 2016/17	2,437,154	3,140,760	5,577,914
Actual Spend in 2016/17	650,335	1,016,645	1,666,980
Carry Forwards	1,788,064	2,123,121	3,911,185
Total Outturn Plus Planned Spend	2,438,399	3,139,766	5,578,165
Net (Overspend) / Underspend	(1,245)	994	(251)

- 7.6 A scheme by scheme analysis summary of the 2016/17 Outturn is set out in **Appendix D**. The net overspend arises from a number of small variances against approved schemes.
- 7.7 There has been no increase in the underlying capital borrowing requirement during the year.

Capital Receipts Reserve

- 7.8 The uncommitted General Fund capital funding balance is £1.047m taking into account the current Capital Programme requires funding of £897,215 from the Useable Capital Receipts Reserve and the proposed 2017/18 Capital Programme requires funding of £12,500. The 2017/18 Budget also includes the continuation of the three year plan to fund capital debt repayment from capital receipts rather than through an MRP charge to the Revenue Budget.

Table 7 – Useable Capital Receipts Reserve Balance 31 March 2017

	Actual £
Balance Brought Forward 1 April 2016	2,229,638
Capital Receipts income in 2016/17	155,488
Capital Receipts Used in 2016/17 to support capital spend	-31,712
Capital Receipts used in 2016/17 to repay capital debt	-143,100
Balance Carried Forward 31 March 2017	2,210,314
Proposed Funding of Carry Forwards from 2016/17	-1,007,215
2017/18 Approved Capital Programme (Appendix E)	-12,500
Use of Capital Receipts for debt repayment in 2017/18	-143,100
Flexible use of capital receipts for Transformation revenue costs	-111,488
Uncommitted Balance	936,011

- 7.9 Capital receipts income during the year has come from the sale of road sweepers and ex-public toilet building in Dunster. Of these receipts, £111,488 has been ring-fenced for the approved transformation business case under the approved flexible use of capital receipts (total target is £163,000), and £44,000 has been committed as part of the Sustainability Capital Fund within the capital carry forwards included in this report.
- 7.10 For information, details of the approved 2017/18 Capital Programme are set out in **Appendix E** of this report.

Capital Debt Position

- 7.11 The total amount of capital debt held by the Council is represented by the Capital Financing Requirement (CFR). The total CFR on 31 March 2017 is £5,489,600.

Table 8 – Capital Financing Requirement (CFR)

	2016/17 Actual £	2017/18 Estimate £	2018/19 Estimate £
External borrowing	0	0	3,250,000
Internal borrowing	5,489,600	5,346,500	5,203,400
CFR Balance Brought Forward:	5,489,600	5,346,500	8,453,400
Additional borrowing required (SWP Loan)	0	3,500,000	0
External Loan Repayment	0	-250,000	-500,000
Repayment of internal borrowing using capital receipts in lieu of MRP	-143,100	-143,100	-143,100
External borrowing	0	3,250,000	2,750,000
Internal borrowing	5,346,500	5,203,400	5,060,300
CFR Balance Carried Forward:	5,346,500	8,453,400	7,810,300

8 Links to Corporate Aims / Priorities

- 8.1 The financial performance of the Council underpins the delivery of corporate priorities and therefore all Corporate Aims.

9 Finance / Resource Implications

- 9.1 Contained within the body of the report.

10 Legal Implications

- 10.1 The report focusses on the council's performance against the agreed budget therefore no comments have been sought from SHAPE Legal advisors.

11 Environmental Impact, Safeguarding and/or Community Safety, Equality and Diversity, Social Value, Partnership, Health and Wellbeing, Asset Management, and Consultation Implications

- 11.1 None for the purpose of this report.

12 Scrutiny Comments / Recommendation(s)

- 12.1 Scrutiny comments and recommendations are invited at this meeting.

Democratic Path:

- **Scrutiny – 15 June 2017**
- **Cabinet – 21 July 2017**
- **Full Council – 2 August 2017**

Reporting Frequency: Twice-yearly

List of Appendices

Appendix A	Summary of Revenue Variances 2016/17
Appendix B	Summary of Proposed Earmarked Reserves 2016/17
Appendix C	Hinkley Funding Position 2016/17
Appendix D	Capital Programme Outturn 2016/17
Appendix E	Capital Programme 2017/18

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SUMMARY OF REVENUE VARIANCES TO REVISED BUDGET 2016/17

Group and Detail	Q2 Forecast Variance £	Q4 Actual Variance £	Comments
Corporate			
Member Services		-28,457	Underspend on budgeted Members Allowances and general expenses.
Group Total	0	-28,457	
Operations			
Housing Benefit	-60,088	-60,088	There is additional income of £60,088 in Housing Benefits arising from additional funding totalling £23,235 provided for Benefits by Government for various welfare reforms, additional Housing Benefit administration grant of £23,854, and £13,000 estimated savings through staff vacancies.
Council Tax Admin	0	-25,999	Additional court costs income from the Collection Fund at year end and income from the Council Tax Business Case total £61,023. £35,024 transferred to reserve to finance staff on fixed term contracts for the Council Tax additional income business case.
Supported Accommodation	-31,000	-31,000	The Council included a contingency budget of £31k for anticipated housing benefit costs as rental costs for supported accommodation was being reviewed under 'Pathway for Adults' (P4A). This matter appears to have been resolved through provision of P4A support through social housing – with TDBC and Knightstone Housing – meaning full HB costs can be recovered through Subsidy
Building Control	0	-46,745	There has been a reduced cost in operating the building control service as a result of the creation of the partnership.
Parking – Off Street	-46,035	-28,767	Additional car parking income received.
Other minor variances		-5,473	
Group Total	-137,260	-198,072	

<i>Housing and Communities</i>			
Temporary Accommodation Costs	16,000	0	The projected Housing Support overspend of £16,000 in Q2 related to major maintenance needed in two temporary accommodation units, was funded by underspends in the rest of the service.
Roughmoor Depot and Enterprise Centre	0	-20,230	Additional income received
Other minor variances		-6,359	
Group Total	16,000	-26,589	
<i>Growth and Development</i>			
Development Control	21,843	17,868	The reduction in Development Control income is due to reduced demand and the need for resources to be concentrated on mandatory functions and not on pre-application advice.
Group Total	21,843	17,868	
<i>Other Variances</i>			
Interest and other income	-18,000	-35,640	Additional investment income received.
Total Underspend (-) / Overspend for the Year	-117,280	-270,890	

SUMMARY OF PROPOSED EARMARKED RESERVES AS AT 31 MARCH 2017

Earmarked Reserve Account	1 April Balance £	Transfers In	Transfers Out	Transfers Between Accounts	31 March Balance £	Comments
Transformation and Creating a New Council	0	762,000	-5,287		756,713	Funding required primarily to implement the approved Transformation Business Case and also to create a new council replacing West Somerset and Taunton Deane councils.
JMASS Reserve	302,324	270,406	-533,260		39,470	Funding to support transformation costs under JMASS.
Strategic Housing Market Area Assessment	1,000	574,760			575,760	DCLG funding for community land fund to support bringing forward affordable housing within West Somerset.
Business Rates Retention Smoothing Account	3,388,863	139,882	-3,223,601		305,144	The balance brought forward of £3,388,863 was required to fund the Council's 40% share of the Business Rates Collection Fund Deficit reported for 2014/15 and forecast for 2015/16. This reflects the impact of total £7.18m refund for Hinkley B. It has also been used to offset the increased levy cost in 2016/17.
Asset Management and Compliance	148,436	85,780	-20,700		213,516	Asset maintenance compliance works to be completed.
Planning Policy Reserve	20,925	223,222	-48,940		195,207	Monies set aside and to be drawn down to cover additional costs arising and relating to the West Somerset Local Plan preparation through to examination and beyond to adoption.
Sustainability Fund	67,698		-26,998		40,700	Earmarked for initiatives such as "invest to save" plans that have a positive impact upon the underlying financial sustainability of the Council's budget.
Budget Carry Forwards For Specific Services	41,690	247,189	-41,690		247,189	Budgets carried forward to reflect timing of planned spend across financial years and support ongoing service delivery requirements.

Earmarked Reserve Account	1 April Balance £	Transfers In	Transfers Out	Transfers Between Accounts	31 March Balance £	Comments
Contingency to underwrite delivery of 2017/18 savings	0	48,000			48,000	Funding to underwrite the 2017/18 savings and mitigate any adverse impact on the General Reserve balance
Community Safety	15,260	10,000	-11,727		13,533	External funding specifically earmarked for community safety initiatives.
District Election	0	8,550	0		8,550	Funds to meet the costs of Elections
Other Election Reserve	19,436		-5,900		13,536	Funds to meet the additional costs of Individual Electoral Registration.
Revenues and Benefits Reserve	89,565	12,749	-29,565		72,749	Monies set aside to provide service resilience and to fund planned software upgrade needed for CTS Scheme developments.
Finance Reserve	24,000	20,840			44,840	Monies set aside to provide service resilience.
SWP Vehicles	0	33,617			33,617	Cover the cost of the sale of the old vehicle fleet
WS Employment Hub	0	21,293			21,293	Business Development grant to create an Employment Hub
Agile Working	0	20,000			20,000	Investment in technology to implement transformation changes and better enabling of agile working
Members' Technology	0	20,000			20,000	Funding to invest in updating members technology that complements the implementation of transformation of ways of working
Planning Reserve	20,000				20,000	Monies set aside to fund specialist technical advice for major planning applications. E.g. Landscape visual impact assessments, retail studies etc.
Cuckoo Meadow Reserve	10,010	16,820	-10,010		16,820	Lottery monies earmarked to be used in future years.

Earmarked Reserve Account	1 April Balance £	Transfers In	Transfers Out	Transfers Between Accounts	31 March Balance £	Comments
Steam Coast Trail Reserve	23,218	8,505			31,723	Monies received to date set aside in respect of the West Somerset Council is working with Friends of the Steam Coast Trail and Sustrans to deliver the Steam Coast Trail Project - a vision of safe cycling routes linking Minehead and Williton.
Housing Options	46,660		-3,040		43,620	Balance of Homeless Prevention funding plus remainder of Mortgage Rescue Grant.
Training Reserve	14,560		-4,560		10,000	Monies set aside to meet future training needs across the organisation.
Morrison's Footpath	6,000				6,000	Earmarked to part-fund the footpath upgrade.
Community Right to Challenge	5,000				5,000	Government Grant set aside to support the administration of applications under regulations.
Assets of Community Value	10,000				10,000	Government Grant set aside to support the administration of applications under regulations.
Minehead Harbour Dredging Reserve	5,500				5,500	Monies set aside to fund works in future years.
Online DHP Reserve	5,375				5,375	Online Software Requirement for Revenues and Benefits.
Dulverton Mill Leat	12,195				12,195	Monies set aside to fund works required.
Licensing Staff Reserve	8,091	4,700			12,791	Monies set aside to fund extra resource within West Somerset Council.
Car Parking Reserve	10,000				10,000	Monies set aside in respect of maintenance and signage.
Watchet Harbour Dredging	7,000				7,000	Used to fund additional dredging.
Environmental Health Reserve	4,081				4,081	Destitute Burial Reserve.

Earmarked Reserve Account	1 April Balance £	Transfers In	Transfers Out	Transfers Between Accounts	31 March Balance £	Comments
Business Development Reserve	14,287		-8,610		5,677	Funding for initiatives to support small businesses.
Inspire	3,391				3,391	Earmarked for costs under the Inspire Directive.
CCTV	1,565				1,565	Monies set aside to fund the purchase of a new CCTV camera.
Water Bathing Signs	1,266				1,266	Environmental grant specifically earmarked.
Customer Service Equipment Reserve	666				666	Specialised Chair Required (Health and Safety).
Minehead Events	396				396	Mary Portas grant – specifically earmarked.
Minehead Town Centre Signage	115				115	Contribution from Minehead Chamber of Trade and Morrison s106 to fund the signs.
Capital Financing Reserve	46,000		-46,000		0	Underspend on Revenue Contribution to Capital Outlay (RCCO) earmarked to fund slippage on capital programme.
Our Place	10,934		-10,934		0	Contribution for the Our Place project.
Transparency Code	8,100		-8,100		0	Earmarked to meet the cost of complying with the Transparency Code.
Somerset Growth Board	957		-957		0	Growth Board core costs.
Totals	4,394,564	2,528,313	-4,039,879	0	2,882,998	

Hinkley Point S106 EDF Funding Position as at 31st March 2017

	FUNDS BALANCE HELD					BUDGET APPROVALS			APPROVED NOT YET SPENT		
	Funding Received	Capital Spend to Date	Revenue Spend to Date	Total Spend to Date	Current Balance	Capital Approval	Revenue Approval	Total Approval	Capital Approved Balance	Revenue Approved Balance	Total Approved Balance
Housing Strategy	4,004,053	761,619	2,821,600	3,583,219	420,834	766,550	3,162,311	3,928,861	4,931	340,711	345,642
Community Impact Mitigation	7,424,395	1,293,895	111,779	1,405,674	6,018,721	2,480,915	154,405	2,635,320	1,187,020	42,626	1,229,646
Stogursey CIM	533,632	0	2,088	2,088	531,544	200,000	2,088	202,088	200,000	0	200,000
Ecology	250,000	0	0	0	250,000	0	0	0	0	0	0
Economic Development (SPW)	130,641	0	83,186	83,186	47,455	0	130,641	130,641	0	47,455	47,455
Economic Development (DCO)	321,022	0	200	200	320,822	0	159,792	159,792	0	159,592	159,592
Air Quality	15,432	0	0	0	15,432	0	0	0	0	0	0
Health	20,000	0	0	0	20,000	0	20,000	20,000	0	20,000	20,000
Landscape Art	80,000	0	80,000	80,000	0	0	80,000	80,000	0	0	0
Land Management	127,789	0	31,691	31,691	96,098	0	127,000	127,000	0	95,309	95,309
Leisure	266,816	0	71,667	71,667	195,149	0	259,000	259,000	0	187,333	187,333
Stogursey Leisure	533,632	0	24,040	24,040	509,592	400,000	24,532	424,532	400,000	492	400,492
Community Outreach (SPW)	15,198	0	-11,609	-11,609	26,807	0	-10,199	-10,199	0	1,410	1,410
Community Outreach (DCO)	64,204	0	0	0	64,204	0	0	0	0	0	0
Fit to Work Programme	30,396	0	12,056	12,056	18,340	0	30,000	30,000	0	17,944	17,944
Tourism Marketing (SPW)	342,312	0	187,600	187,600	154,712	0	342,311	342,311	0	154,711	154,711
Tourism Marketing (DCO)	213,056	0	0	0	213,056	0	0	0	0	0	0
Tourist Information Centre (SPW)	210,699	0	160,507	160,507	50,192	0	210,699	210,699	0	50,192	50,192
Tourist Information Centre (DCO)	42,611	0	0	0	42,611	0	10,350	10,350	0	10,350	10,350
Stolford Fund	81,631	0	81,631	81,631	0	0	81,631	81,631	0	0	0
Hinkley Officers	2,777,506	0	2,298,164	2,298,164	479,342	0	2,769,506	2,769,506	0	471,342	471,342
Technical Support	465,078	0	135,532	135,532	329,546	0	465,077	465,077	0	329,545	329,545
TOTALS	17,950,103	2,055,514	6,090,132	8,145,646	9,804,457	3,847,465	8,019,144	11,866,609	1,791,951	1,929,012	3,720,963

Hinkley S106 Funded Capital Schemes

Scheme	Previous Year Approval	Previous Year Spend	Carry Forward	In Year Approval	Current Budget	Actual Spend in Year	Total Spend to Date	Funding Remaining	Total Approval
<u>Housing Strategy</u>									
Former Withcutter	80,000	-	80,000	4,000	84,000	84,000	84,000	-	84,000
Living Over the Shop	204,750	204,750	-	-	-	-	204,750	-	204,750
Monmouth Street	302,236	-	302,236	(302,236)	-	-	-	-	-
Old Croft Housing Scheme	56,000	56,000	-	-	-	-	56,000	-	56,000
Prospect House YMCA	37,800	37,800	-	-	-	-	37,800	-	37,800
Doniford Road, Watchet	-	-	-	384,000	384,000	379,069	379,069	4,931	384,000
	680,786	298,550	382,236	85,764	468,000	463,069	761,619	4,931	766,550
<u>Community Impact Mitigation</u>									
Williton Bowling Club	13,000	13,000	-	-	-	-	13,000	-	13,000
Kilve Cricket Club	22,000	-	22,000	-	22,000	22,000	22,000	-	22,000
Williton Pavilion	250,000	-	250,000	-	250,000	-	-	250,000	250,000
Onion Collective	243,119	51,883	191,236	-	191,236	191,236	243,119	-	243,119
Watchet War Memorial Recreation Ground	7,500	7,500	-	-	-	-	7,500	-	7,500
Tropiquaria - Primate Relocation	40,000	40,000	-	-	-	-	40,000	-	40,000
Tropiquaria - Play Area	37,350	37,350	-	-	-	-	37,350	-	37,350
Burgage Road Play Area	90,373	89,919	454	(454)	-	-	89,919	-	89,919
Stogursey Victory Hall	-	-	-	400,000	400,000	-	-	400,000	400,000
Beach Hotel Kitchen Theatre	-	-	-	12,500	12,500	9,500	9,500	3,000	12,500
Westfield Street Café	110,000	-	110,000	-	110,000	101,900	101,900	8,100	110,000
North Petherton Playing Field Trust	46,000	46,000	-	-	-	-	46,000	-	46,000
Coronation Park Enhancement	200,000	188,500	11,500	-	11,500	11,500	200,000	-	200,000
South Bridgwater & North Petherton Mitigation	-	-	-	344,850	344,850	-	-	344,850	344,850
Bridwater Town Centre Support	-	-	-	116,070	116,070	-	-	116,070	116,070
SYCSA	9,600	9,600	-	-	-	-	9,600	-	9,600
Wembdon Village Hall	250,000	250,000	-	-	-	-	250,000	-	250,000
Cannington Village Hall	186,186	6,567	179,619	-	179,619	179,619	186,186	-	186,186
Otterhampton Play Area	-	-	-	37,820	37,820	37,820	37,820	-	37,820
Brean Down Way Project	-	-	-	65,000	65,000	-	-	65,000	65,000
	1,505,128	740,319	764,809	975,786	1,740,595	553,575	1,293,894	1,187,020	2,480,914

Stogursey CIM

Stogursey Victory Hall

-	-	-	200,000	200,000	-	-	200,000	200,000
-	-	-	200,000	200,000	-	-	200,000	200,000

Stogursey Leisure

Stogursey Victory Hall

-	-	-	400,000	400,000	-	-	400,000	400,000
-	-	-	400,000	400,000	-	-	400,000	400,000

CAPITAL TOTAL

2,185,914	1,038,869	1,147,045	1,661,550	2,808,595	1,016,644	2,055,513	1,791,951	3,847,464
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Hinkley S106 Funded Revenue Schemes

Scheme	Previous Year Approval	Previous Year Spend	Carry Forward	In Year Approval	Current Budget	Actual Spend in Year	Total Spend to Date	Funding Remaining	Total Approval
<u>Housing Strategy</u>									
Somerset Homelet	20,790	17,054	3,736	-	3,736	-	17,054	3,736	20,790
Flexible Rent Support	107,100	73,500	33,600	-	33,600	3,429	76,929	30,171	107,100
Furniture Packages	31,500	21,000	10,500	-	10,500	-	21,000	10,500	31,500
Tenant Ready Scheme	47,250	46,500	750	-	750	-	46,500	750	47,250
Sustainable Management Service	168,000	165,000	3,000	(16,500)	(13,500)	(16,500)	148,500	3,000	151,500
Homes Moves Plus	60,000	60,000	-	-	-	-	60,000	-	60,000
Minor Improvement Fund	147,000	147,000	-	-	-	-	147,000	-	147,000
Rent a Room Scheme	126,000	126,000	-	-	-	-	126,000	-	126,000
Empty Homes Grant	194,250	194,250	-	-	-	-	194,250	-	194,250
Empty Homes Loan	110,250	110,250	-	-	-	-	110,250	-	110,250
First Time Buyer Loans	105,000	102,500	2,500	(2,500)	-	-	102,500	-	102,500
Landlord Accreditation	10,500	10,500	-	-	-	-	10,500	-	10,500
Bridgwater Credit Union	-	-	-	10,600	10,600	10,600	10,600	-	10,600
Somerset Homelet 2	-	-	-	9,054	9,054	-	-	-	9,054
Sustainable Letting Scheme	-	-	-	42,000	42,000	-	-	-	42,000
Empty Homes/LOTS	-	-	-	94,500	94,500	-	-	-	94,500
DIY Empty Homes Grant	-	-	-	21,000	21,000	-	-	-	21,000
Minor Improvement Fund	-	-	-	5,250	5,250	-	-	-	5,250
Ldoging Schemes	-	-	-	42,000	42,000	-	-	-	42,000
Homes Moves Plus	-	-	-	63,000	63,000	-	-	-	63,000
Tenant Ready Scheme	-	-	-	15,750	15,750	-	-	-	15,750
Transferred to Sedgemoor DC	-	-	-	1,750,517	1,750,517	1,750,517	1,750,517	-	1,750,517
	1,127,640	1,073,554	54,086	284,154	2,088,757	1,748,046	2,821,600	48,157	3,162,311

Community Impact Mitigation

Student Employer Mentoring Project	18,295	18,295	-	-	-	-	18,295	-	18,295
Victoria Park Community Centre	14,524	6,308	8,216	-	8,216	4108	10,416	4,108	14,524
Sydenham Together	60,000	10,000	50,000	-	50,000	40000	50,000	10,000	60,000
West Somerset Employment Hub Network	-	-	-	57,036	57,036	28518	28,518	28,518	57,036
Small Schemes (Under £1k)	2,550	2,550	-	2,000	2,000	2000	4,550	-	4,550

	95,369	37,153	58,216	59,036	117,252	74,626	111,779	42,626	154,405
Stogursey CIM									
Stogursey Earplug Scheme	2,640	2,088	552	(552)	-		2,088	-	2,088
	2,640	2,088	552	(552)	-	-	2,088	-	2,088
Economic Development - SPW									
Building a Business Database	15,000	8,256	6,744	-	6,744	4,544	12,800	2,200	15,000
Food & Drink Sector	4,000	4,000	-	-	-	-	4,000	-	4,000
Business Mentoring	10,000	3,216	6,784	-	6,784	1,000	4,216	5,784	10,000
Tourism & Hospitality Sector	15,000	13,500	1,500	-	1,500		13,500	1,500	15,000
Town/Village Centre Support	20,000	14,946	5,054	-	5,054	962	15,908	4,092	20,000
Supply Chain Enhancement	20,470	5,000	15,470	-	15,470	6,762	11,762	8,708	20,470
Small Business & Enterprise Support	26,171	5,000	21,171	-	21,171	11,000	16,000	10,171	26,171
Local Economic Initiatives Support	20,000	-	20,000	-	20,000	5,000	5,000	15,000	20,000
	130,641	53,918	76,723	-	76,723	29,268	83,186	47,455	130,641
Economic Development - DCO									
Business Support & Tourism	-	-	-	30,000	30,000	0	-	30,000	30,000
Supply Chain Support	-	-	-	24,000	24,000	0	-	24,000	24,000
Deliver Local Skills	-	-	-	30,000	30,000	0	-	30,000	30,000
Raising Profile - West Somerset	-	-	-	10,000	10,000	200	200	9,800	10,000
Expansion & Relocation	-	-	-	10,000	10,000	0	-	10,000	10,000
Influential - W Somerset	-	-	-	20,000	20,000	0	-	20,000	20,000
Local Economic Initiatives	-	-	-	20,792	20,792	0	-	20,792	20,792
Customer Service Training	-	-	-	15,000	15,000	0	-	15,000	15,000
	-	-	-	159,792	159,792	200	200	159,592	159,792
Health									
Task & Finish Group	20,000	-	20,000	-	20,000	-	-	20,000	20,000
	20,000	-	20,000	-	20,000	-	-	20,000	20,000
Landscape Art									
Artlife	77,000	77,000	-	3,000	3,000	3,000	80,000	-	80,000
	77,000	77,000	-	3,000	3,000	3,000	80,000	-	80,000
Land Management									
LMSS General	-	38	(38)	-	(38)	-	38	(38)	-
Conservation Grazing Skills	6,000	-	6,000	-	6,000	-	-	6,000	6,000

Landscape Tree Management	6,000	-	6,000	-	6,000	-	-	6,000	6,000
Building Resilience	15,500	-	15,500	-	15,500	3,000	3,000	12,500	15,500
Historic Hedges	2,500	-	2,500	-	2,500	2,500	2,500	-	2,500
Orchards	6,000	-	6,000	-	6,000	2,500	2,500	3,500	6,000
Species Identification & Monitoring	6,000	-	6,000	-	6,000	-	-	6,000	6,000
Land Management Skills	15,000	4,500	10,500	-	10,500	10,500	15,000	-	15,000
Landscape Skills Flexible Dev Grant	20,000	-	20,000	-	20,000	8,653	8,653	11,347	20,000
Project Enabling Match Funding Budget	50,000	-	50,000	-	50,000	-	-	50,000	50,000
	127,000	4,538	122,462	-	122,462	27,153	31,691	95,309	127,000

West Somerset Leisure

1610 Outreach Work	2,500	-	2,500	-	2,500	-	-	2,500	2,500
Age UK - Watchet Exercise Class for Elderly	9,500	-	9,500	-	9,500	-	-	9,500	9,500
Carhampton Rec - New Showers	10,000	-	10,000	-	10,000	5,000	5,000	5,000	10,000
Dunster Marsh Playing Field - Multi Use Game Area	10,000	-	10,000	-	10,000	-	-	10,000	10,000
Minehead EYE Extreme Sport Instructor	2,500	-	2,500	(2,500)	-	-	-	-	-
Minehead Golf Club Indoor Training Facilities	5,000	-	5,000	-	5,000	-	-	5,000	5,000
Minehead Tennis Club Floodlights	5,000	-	5,000	-	5,000	5,000	5,000	-	5,000
Alcombe Activity Area & Green Gym	12,500	-	12,500	-	12,500	-	-	12,500	12,500
Watchet Bowling Club	50,500	-	50,500	-	50,500	-	-	50,500	50,500
Watchet PT & ABC Boxing Club	20,000	-	20,000	-	20,000	-	-	20,000	20,000
Williton Football Club Youth Team Equipment	1,500	-	1,500	(1,500)	-	-	-	-	-
Williton Pavilion & MUGA Project	70,000	-	70,000	-	70,000	-	-	70,000	70,000
YMCA - Minehead Silver Gym	50,000	50,000	-	-	-	-	50,000	-	50,000
Steam Coast Trail Feasibility Studies	4,000	1,917	2,083	-	2,083	-	1,917	2,083	4,000
Leisure Consultancy	10,000	9,750	250	-	250	-	9,750	250	10,000
	263,000	61,667	201,333	(4,000)	197,333	10,000	71,667	187,333	259,000

Stogursey Leisure

Victory Hall Feasibility Study	24,532	18,475	6,057	-	6,057	5,565	24,040	492	24,532
	24,532	18,475	6,057	-	6,057	5,565	24,040	492	24,532

Community Outreach

Access to Employment	3,400	2,266	1,134	-	1,134	-	2,266	1,134	3,400
Job & Career Fair	600	325	275	-	275	-	325	275	600
Currach Project	500	500	-	-	-	-	500	-	500
Our Place Project	5,000	5,000	-	-	-	-	5,000	-	5,000
Sea Angling Community Learning Project	500	500	-	-	-	-	500	-	500
Our Place Project	-	-	-	(20,199)	(20,199)	(20,199)	(20,199)	-	(20,199)

	10,000	8,591	1,409	(20,199)	(18,790)	(20,199)	(11,608)	1,409	(10,199)
<u>Fit to Work Programme</u>									
Pathway to Employment	1,000	283	717	-	717	40	323	677	1,000
Community Learning	5,250	4,600	650	-	650	-	4,600	650	5,250
Intensive Support	16,750	5,600	11,150	-	11,150	-	5,600	11,150	16,750
Digital Skill Project	2,000	-	2,000	-	2,000	-	-	2,000	2,000
Upskilling Flexibility	3,000	1,400	1,600	-	1,600	-	1,400	1,600	3,000
Business Start-up	2,000	132	1,868	-	1,868	-	132	1,868	2,000
	30,000	12,015	17,985	-	17,985	40	12,055	17,945	30,000
<u>Tourism Marketing (SPW)</u>									
Visitor & Mon Survey	40,000	11,470	28,530	-	28,530	10,885	22,355	17,645	40,000
Watchet HTAP	5,000	3,044	1,956	-	1,956	1,956	5,000	-	5,000
PR & Social Media Support	20,000	5,000	15,000	-	15,000	10,000	15,000	5,000	20,000
Marketing Plan Activity	65,385	5,693	59,692	-	59,692	34,696	40,389	24,996	65,385
Industry Body Capacity Building	20,000	20,000	-	-	-	-	20,000	-	20,000
Business Support Tourism & Hospitality	20,000	18,423	1,577	-	1,577	756	19,179	821	20,000
P2 - Public Relations	-	-	-	20,000	20,000	-	-	20,000	20,000
P2 - Visitor Travel	-	-	-	25,000	25,000	17,023	17,023	7,977	25,000
P2 - Monitoring	-	-	-	6,926	6,926	1,795	1,795	5,131	6,926
P2 - Products & Tools	-	-	-	25,000	25,000	13,517	13,517	11,483	25,000
P2 - Marketing & Advertising	-	-	-	45,000	45,000	-	-	45,000	45,000
P2 - Industry & Growth	-	-	-	30,000	30,000	6,253	6,253	23,747	30,000
P2 - Local Delivery	-	-	-	20,000	20,000	-	-	20,000	20,000
	170,385	63,630	106,755	171,926	278,681	96,881	160,511	181,800	342,311
<u>Tourist Information Centre (SPW)</u>									
Minehead Information Centre	72,000	72,000	-	12,000	12,000	12,000	84,000	-	84,000
Porlock Visitor Centre	15,600	15,600	-	4,000	4,000	4,000	19,600	-	19,600
Watchet Tourist Office	3,500	3,500	-	7,500	7,500	7,500	11,000	-	11,000
Contribution to Sedgemoor District Council	35,000	35,000	-	23,000	23,000	23,000	58,000	-	58,000
Contribution to Somerset County Council	25,000	15,000	10,000	-	10,000	-	15,000	10,000	25,000
Tourist Information Centre - WSC	-	-	-	13,099	13,099	-	-	13,099	13,099
	151,100	141,100	10,000	59,599	69,599	46,500	187,600	23,099	210,699
<u>Tourist Information Centre (DCO)</u>									
Tourist Information Centre - WSC	-	-	-	10,351	10,351	-	-	10,351	10,351
	-	-	-	10,351	10,351	-	-	10,351	10,351

Dedicated Staff Resourcing

Stolford Fund	81,631	-	81,631	-	81,631	81,631	81,631	-	81,631
	81,631	-	81,631	-	81,631	81,631	81,631	-	81,631

Dedicated Staff Resourcing

Staff Cost (DCO)	-	-	-	881,949	881,949	410,606	410,606	471,343	881,949
Technical Support	103,730	68,518	35,212	361,348	396,560	67,014	135,532	329,546	465,078
Staff Cost (SPW)	1,887,558	1,887,558	-	-	-	-	1,887,558	-	1,887,558
	1,991,288	1,956,076	35,212	1,243,297	1,278,509	477,620	2,433,696	800,889	3,234,585

REVENUE TOTAL	4,302,226	3,509,805	792,421	1,966,404	4,509,342	2,580,331	6,090,136	1,636,457	8,019,147
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Scheme	Original Budget	Carry Forward	Supplement Estimates	Transfers	Revised Budget	Actual Spend	Variance Against Budget	Proposed Carry	Proposed Funding Of Carry Forward Requests					Total Funding Of Carry Forward Requests
	2016-17	2015-16	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	Capital Receipts	Grants	RCCO	marked Rese	S106	£
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
GENERAL FUND														
General Schemes														
Offsite Backup Facility	15,000	0			15,000	0	(15,000)	15,000	15,000					15,000
Exford Public Conveniences		9,000			9,000	9,000	0	0						0
Wheddon Cross Public Conveniences		12,000			12,000	0	(12,000)	12,000			12,000			12,000
Superfast Broadband		240,000			240,000	0	(240,000)	240,000	240,000					240,000
JMASS ICT Transformation		267,710		6,870	274,580		(274,580)	274,580	267,710					267,710
Single IT Platform Revenues		6,867	3	(6,870)	0		0	0	6,870					6,870
IT Hardware Replacement	2,500				2,500	2,143	(357)	357	357					357
Disabled Facilities Grants	358,000	153,134	(4)		511,130	244,040	(267,090)	267,090		267,090				267,090
Decent Homes		15,911	(1)		15,910	0	(15,910)	15,910		15,910				15,910
Stair Lift Recycling		760			760	0	(760)	760		760				760
7 The Esplanade, Watchet		15,000			15,000	0	(15,000)	15,000			15,000			15,000
East Wharf Contingent Disposal Costs		64,684	8,996		73,680	7,069	(66,611)	66,611	66,611					66,611
Harbours - Pre Cast Concrete Columns (Watchet)		18,870	(18,870)		0		0	0						0
Harbours - Pile Bracket Fixings (Watchet)		8,430	(8,430)		0		0	0						0
Harbours - Replacement Ladder (Watchet)		3,000	(3,000)		0		0	0						0
Steam Cost Trail		502,824	(4)		502,820	293,543	(209,277)	209,277		209,277				209,277
Cuckoo Meadow		2,948	2		2,950	(510)	(3,460)	3,460		3,460				3,460
Seaward Way Housing Land		26,500			26,500	12,700	(13,800)	13,800	13,800					13,800
Transformation			196,000		196,000		(196,000)	196,000	110,000			86,000		196,000
CASA Project			83,000		83,000		(83,000)	83,000	83,000					83,000
Capital Sustainability Fund			64,500		64,500		(64,500)	64,500	64,500					64,500
Clanville Grange Low Cost Housing Scheme		0	128,000		128,000		(128,000)	128,000	128,000					128,000
IS Annual Projects		20,270			20,270		(20,270)	20,270	11,367		8,903			20,270
Church Street Public Conveniences					0	800	800	0						0
Sub-total - General Schemes	375,500	1,367,908	450,192		2,193,600	568,785	(1,624,815)	1,625,615	1,007,215	496,497	35,903	86,000	0	1,625,615
S106-Funded General Schemes														
Williton Pavilion	0	149,500			149,500	21,291	(128,209)	128,209					128,209	128,209
Huish Champflower Village Hall	0	10,000			10,000	0	(10,000)	10,000					10,000	10,000
Land Upgrade - Marshfield Road	0	7,825	5		7,830	7,825	(5)	0					0	0
Redesign Play Space	0	0	16,984		16,984	16,984	0	0					0	0
Footpath Lighting Enhancement	0	0	47,000		47,000	35,000	(12,000)	12,000					12,000	12,000
Minehead Heritage Trail	0	0	0		0	450	450	0					0	0
Dunster Parish Council - Multi Use Games Area	0	0	12,240		12,240	0	(12,240)	12,240					12,240	12,240
Sub-total - S106 Schemes	0	167,325	76,229		243,554	81,550	(162,004)	162,449	0	0	0	0	162,449	162,449
General Fund Programme Total	375,500	1,535,233	526,421		2,437,154	650,335	(1,786,819)	1,788,064	1,007,215	496,497	35,903	86,000	162,449	1,788,064

2016/17 CAPITAL PROGRAMME AS AT 31st March 2017

APPENDIX D

Scheme	Original Budget	Carry Forward	Supplement	Transfers	Revised Budget	Actual Spend	Variance	Proposed	Proposed Funding Of Carry Forward Requests					Total Funding Of
	2016-17	2015-16	2016-17	2016-17	2016-17	2016-17	Against Budget	Carry 2016-17	Capital Receipts	Grants	RCCO	marked Rese	S106	Carry Forward Requests
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Hinkley-Funded Schemes														
Burgage Road Play Area, Stogursey (CMF)	0	454	(4)		450	0	(450)	0					0	0
Kilve Cricket Club	0	22,000			22,000	22,000	0	0					0	0
Williton Pavilion	0	250,000			250,000	0	(250,000)	250,000					250,000	250,000
Westfield United Church (CMF)	0	110,000			110,000	101,900	(8,100)	8,100					8,100	8,100
Onion Collective	0	191,236	4		191,240	191,237	(3)	0					0	0
Coronation Park Enhancement	0	11,500			11,500	11,500	0	0					0	0
Cannington Village Hall	0	179,619	1		179,620	179,619	(1)	0					0	0
Former Withycutter	0	80,000	4,000		84,000	84,000	0	0					0	0
Otterhampton Play Area	0	37,820			37,820	37,820	0	0					0	0
Stogursey Victory Hall	0	400,000			400,000	0	(400,000)	400,000					400,000	400,000
S BW & NP Mitigation	0	0	344,850		344,850	0	(344,850)	344,850					344,850	344,850
BW TC Support Scheme	0	0	116,070		116,070	0	(116,070)	116,070					116,070	116,070
Brean Down Way Project	0	0	65,000		65,000	0	(65,000)	65,000					65,000	65,000
Beach Hotel Kitchen	0	0	12,500		12,500	9,500	(3,000)	3,000					3,000	3,000
Doniford Road, Watchet	0	0	384,000		384,000	379,069	(4,931)	4,391					4,391	4,391
Stogursey Victory Hall (Leisure)	0	0	400,000		400,000	0	(400,000)	400,000					400,000	400,000
Stogursey Victory Hall (CIM)	0	0	200,000		200,000	0	(200,000)	200,000					200,000	200,000
Steam Coast Trail	0	0	331,710		331,710	0	(331,710)	331,710					331,710	331,710
Hinkley Fund Programme Total	0	1,282,629	1,858,131		3,140,760	1,016,645	(2,124,115)	2,123,121	0	0	0	0	2,123,121	2,123,121
TOTAL CAPITAL PROGRAMME ALL SCHEMES	375,500	2,817,862	2,384,552		5,577,914	1,666,979	(3,910,935)	3,911,185	1,007,215	496,497	35,903	86,000	2,285,570	3,911,185

1 2017/18 Capital Programme

Table 1 – Capital Programme 2017/18

Scheme	Priority	Cost £	Funding			
			Capital Receipts £	Capital Grants £	Borrowing £	Total £
ICT Infrastructure	1	10,000	10,000			10,000
ICT Hardware	1	2,500	2,500			2,500
DFGs	2	360,000		360,000		360,000
SWP Loan	4	3,500,000			3,500,000	3,500,000
Total		3,872,500	12,500	360,000	3,500,000	3,872,500

Capital Schemes Explained

- 1.1 **ICT Infrastructure £10,000:** This relates to the installation of essential software upgrades such as for Oracle, environmental health and cash receipting systems. There is a risk that without these updates the software would become unsupported and therefore leave the Authority at unacceptable risk.
- 1.2 **ICT Hardware Contingency £2,500:** There is a standing annual bid for replacement of computers and laptops and generally dealing with hardware issues. In light of the financial constraints the Authority has, it has been suggested that this bid be replaced with a contingency, ie in case of need, and this is considered to be safe albeit there is some level of risk.
- 1.4 **Disabled Facility Grants (Private Sector) £360,000:** The Council has a statutory duty to provide grants to enable the adaptation of homes to help meet the needs of disabled residents. The grants are means-tested and, subject to confirmation of the grant to be received from Somerset County Council's Better Care Fund, it is anticipated the Council will receive £360,000, providing the necessary funding to make this scheme affordable.
- 1.5 **SWP Loan £3,500,000:** As set out in a separate report, the capital programme includes a proposed loan of £3,500,000 to the Somerset Waste Partnership. The loan will be accounted for as capital expenditure and is therefore included in the recommended capital programme.

Report Number: WSC 58/17

West Somerset Council

Scrutiny Committee – 15 June 2017

Initial Medium Term Financial Plan 2018/19

This matter is the responsibility of Cabinet Member Councillor Chilcott

Report Author: Paul Fitzgerald, Assistant Director Strategic Finance and S151 Officer

1 Executive Summary / Purpose of the Report

- 1.1 The purpose of this report is to present Councillors with the proposed Medium Term Financial Strategy (MTFS) for 2018/19 onwards, including an updated set of estimates and assumptions contained with the initial draft of the Council's Medium Term Financial Plan (MTFP).
- 1.2 The MTFS provides the Council's plan for balancing the budget over the medium term including the approach to managing costs and optimising / forecasting the funding that will be available to support spending on services. The MTFP contains the financial forecasts that underpins the strategy.
- 1.3 In February 2017, despite balancing the budget for 2017/18, the Council had a forecast budget gap – the difference between forecast net spending requirement and forecast funding available – of £785,000 in 2018/19 rising to £1.2m by financial year 2021/22. This is despite all the actions taken by the Council to balance the books in response to funding reductions in previous years.
- 1.4 Since the Council approved the 2017/18 Budget there has been a significant change to our business rates retained funding estimates. The 2017/18 Finance Settlement was determined by Government using the first draft results of the 2017 Revaluation of Rateable Values (RV) undertaken by the Government's Valuation Office Agency (VOA). This included a huge increase from £8m to £29.48m in the RV for Hinkley B power station. We were concerned that the new RV would inevitably lead to an appeal and had to plan for the strong probability that it would be reduced by including a large provision for a potential refund in the 2017/18 budget estimates. Senior councillors and officers lobbied the Government, VOA and EDF to seek an urgent resolution given the significant uncertainty this created in our financial planning.
- 1.5 In March 2017 the VOA announced an updated 2017 RV for Hinkley B – agreed

between the VOA and EDF – significantly lower than the draft, at £20.72m. At the same time the 2010 RV was increased from £8m to £9.68m. Although the agreed RV of £20.72m is lower than the Draft RV it is higher than we had planned for and this enables us to increase our business rates retention estimates with greater confidence. This report therefore contains proposals for Members to agree a Revised Budget for 2017/18 in light of this updated information and to note updated forecasts within the MTFP.

- 1.6 Despite the improvement in our funding estimates there are ongoing budget risks and the MTFS includes a recommended strategy for protecting the Council's underlying financial viability in case of future reductions in business rates funding.

2 Recommendations

- 2.1 Scrutiny notes the revised estimates, and in particular the ongoing risks and uncertainty, within the Medium Term Financial Plan and supports the proposed financial strategy that seeks to deliver a balanced budget prior to the formation of a new council.

- 2.2 Scrutiny supports a recommendation to Cabinet and Council to approve a Revised Budget for 2017/18 with the following changes:

- a) Revise the Collection Fund Business Rates Surplus/Deficit budget from a deficit of £223,546 to a surplus of £480,635 – a net increase in funding of £704,181.
- b) A transfer to the Business Rates Smoothing Reserve of £704,181 to mitigate budget risk from business rates funding volatility.
- c) Revise the 2017/18 Business Rates Retention estimates by an additional £30,700 in respect of S31 Grant, with a related transfer to General Reserves.

- 2.3 Scrutiny supports a recommendation to Cabinet and Council to agree in principle a further transfer to the Business Rates Smoothing Reserve in 2018/19 to mitigate the increased budget risk in respect of business rates funding volatility as reflected in the updated MTFP estimates.

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
The Council fails to agree and deliver a sustainable Medium Term Financial Plan for the next five years.	Likely 4	Cata- strophic 5	Very High 20

Description	Likelihood	Impact	Overall
<i>The Council is progressing a Transformation business case which aims to deliver significant budget savings, and has jointly with Taunton Deane submitted a request to the Secretary of State to create a new council covering both areas. Other savings plans will need to be developed through the annual budget process.</i>	Possible 3	Major 4	Medium 12
Business rates retention funding reduces significantly through appeals and other changes	Possible 3	Catastrophic 5	High 15
<i>The Council maintains adequate funds within the Business Rates Smoothing Reserve to mitigate a sharp decline in funding for up to two years, providing time to respond with low probability of emergency measures.</i>	Possible 3	Major 4	Medium 12

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%

4 Medium Term Financial Strategy

- 4.1 The financial history of West Somerset Council has been well documented and is widely understood. The Council has made good progress over recent years in meeting the challenge of 'balancing the books'. Importantly, Councillors recognise and understand that more has to be done as the financial challenges ahead are considerable.
- 4.2 Phase 1 of the Council's partnership with Taunton Deane Borough Council has contributed to the delivery of savings through efficiency in the management and staff structures.
- 4.3 Following the mandate from Councillors in January 2016, a business case has been developed to provide options for Phase 2 of this partnership and in September 2016 the Council determined agreed to implement Option 2 – to jointly transform the way services are delivered and to submit an application to the Secretary of State seeking approval to form a new single Council to replace both Taunton Deane and West Somerset councils. This application has been submitted and we await the Secretary of State's decision.
- 4.4 This refresh of the Medium Term Financial Plan at this stage is important in providing a realistic and up to date assessment of the Council's financial forecasts to underpin the important decisions to be taken in respect of the business case and other potential options needed to secure ongoing financial sustainability. 2017/18 has seen – for the first time under the Business Rates Retention regime – the implementation of the periodic revaluation of business Rateable Values.
- 4.5 In February 2017, despite balancing the budget for 2017/18, the Council had a forecast budget gap – the difference between forecast net spending requirement and forecast funding available – of £785,000 in 2018/19 rising to £1.2m by financial year 2021/22. This is despite all the actions taken by the Council to balance the budget in response to funding reductions in previous years.
- 4.6 Since the Council approved the 2017/18 Budget there has been a significant change to our business rates retained funding estimates. The 2017/18 Finance Settlement was determined by Government using the first draft results of the 2017 Revaluation of Rateable Values (RV) undertaken by the Government's Valuation Office Agency (VOA). This included a huge increase from £8m to £29.48m in the RV for Hinkley B power station. We were concerned that the new RV would inevitably lead to an appeal and had to plan for the strong probability that it would be reduced by including a large provision for a potential refund in the 2017/18 budget estimates. Senior councillors and officers lobbied the Government, VOA and EDF to seek an urgent resolution given the significant uncertainty this created in our financial planning.
- 4.7 In March 2017 the VOA announced an updated 2017 RV for Hinkley B – agreed between the VOA and EDF – significantly lower than the draft, at £20.72m. At the

same time the 2010 RV was increased from £8m to £9.68m. Although the agreed RV of £20.72m is lower than the Draft RV it is higher than we had planned for and this enables us to increase our business rates retention estimates with greater confidence. This report therefore contains proposals for Members to agree a Revised Budget for 2017/18 in light of this updated information and to note updated forecasts within the MTFP.

- 4.8 The MTFS considers financial issues that the Council will face during the five year period covered within this document. The ultimate aim of this plan is to provide short and medium term guidance for officers and Members, highlighting the budgetary issues which need to be addressed in order to deliver a sustainable financial position over the next five years. If the Secretary of State approves the creation of a new Council this is likely to be within the first 2-3 years of the plan, and it is appropriate to plan within this context.
- 4.9 The budget process starts in June/July and culminates in the Council setting its annual budget and council tax requirement in February – allowing time for the bills to be sent out ready for collection from 1 April. A summary of the budget timetable is set out below.

June / July	Previous financial year outturn report issued Initial MTFS and MTFP estimates prepared
August to October	Update detailed budget estimates Develop budget options and proposals Update MTFP forecasts Develop capital budget requirements
November	Updated MTFP and Budget Gap to Scrutiny and Cabinet Fees and Charges to Scrutiny and Cabinet Budget Options to Scrutiny and Cabinet
December	Fees and Charges set by Council
January	Draft Revenue Budget to Scrutiny Draft Capital Budget to Scrutiny Draft Treasury and Investment Strategy to Scrutiny
February	Cabinet proposes final Budget and Council Tax Council approve Budget and Council Tax

Four Year Funding Settlement, Efficiency Strategy and Flexible Use of Capital Receipts

- 4.10 In October 2016 the Council accepted the Government’s offer of a four year funding settlement for the period 2016/17 to 2019/20. Whilst the inherent reduction in funding is not a “good deal” this approach gives greater certainty for financial planning and provides greater confidence over measures needed to balance the budget over the medium term, and reduces risk that funding would be less than the amounts included in the offer.
- 4.11 The funding streams within scope of the settlement are the Revenue Support Grant

(RSG) and Rural Services Delivery Grant (RSDG). In addition, tariffs and top-ups in 2017/18, 2018/19 and 2019/20 will not be altered for reasons related to the relative needs of local authorities, and in the final year may be subject to the implementation of 100% business rates retention. The settlement will see general grant funding reduce from £880k in 2015/16 to just £6k in 2019/20.

- 4.12 The Council produced an Efficiency Strategy – a pre-requisite for accepting the offer – and will keep this under review. The Council plans to achieve efficiency savings largely through transformation of services.
- 4.13 The Efficiency Strategy also includes plans for the flexible use of capital receipts to fund revenue costs of projects designed to deliver ongoing revenue savings. The Council aims to generate £163k capital receipts income that will contribute to the overall funding of transformation during the period 2016/17 to 2018/19.

Strategy for Business Rates Retention (also known as Non Domestic Rates)

- 4.14 Through the Funding Settlement the Government has set a funding “baseline”. Under the current Business Rates Retention (BRR) system, the Council will retain a proportion of business rates that exceed this baseline. The most prudent approach to budgeting for BRR is to set retained income at the safety net level as this is the guaranteed minimum level of income for any authority. However this could understate income and require more budget savings from services than may ultimately be required. The strategy is therefore to budget based on a reasonable forecast of BRR income each year taking into account appropriate assumptions and risks. The main risks are revaluation, economic growth, and appeals.
- 4.15 The forecasts in February reflected initial estimates for the impact of the 2017 Revaluation. Whilst this national process is expected to ‘fiscally neutral’ overall, this will not be the case for individual authorities and the government aims to minimise changes to the impact on individual funding through adjustments to the Tariff. The updated MTFP reflects our best estimates at this stage of the ongoing tariff adjustments, which will be confirmed in the 2018/19 Settlement.
- 4.16 To help protect against funding volatility the Council sets aside a specific Business Rates Smoothing earmarked reserve, to provide a contingency for estimation differences and accounting timing differences for elements of the BRR system.

Business Rates Retention Revised Estimates for 2017/18

- 4.17 Since the Council approved the 2017/18 Budget there has been a significant change to our business rates retained funding estimates. The 2017/18 Finance Settlement was determined by Government using the first draft results of the 2017 Revaluation of Rateable Values (RV) undertaken by the Government’s Valuation Office Agency (VOA). This included a huge increase from £8m to £29.48m in the RV for Hinkley B power station. We were concerned that the new RV would inevitably lead to an appeal and had to plan for the strong probability that it would be reduced by including a large provision for a potential refund in the 2017/18

budget estimates. Senior councillors and officers lobbied the Government, VOA and EDF to seek an urgent resolution given the significant uncertainty this created in our financial planning.

- 4.18 In March 2017 the VOA announced an updated 2017 RV for Hinkley B – agreed between the VOA and EDF – significantly lower than the draft, at £20.72m. At the same time the 2010 RV was increased from £8m to £9.68m. Although the agreed RV of £20.72m is lower than the Draft RV it is higher than we had planned for and this enables us to increase our business rates retention estimates with greater confidence. This report therefore contains proposals for Members to agree a Revised Budget for 2017/18 in light of this updated information and to note updated forecasts within the MTFP.
- 4.19 The Council agreed with DCLG that, in view of the major impact these changes would have, we could revise our business rates. It was essential we were able to do this before 1 April 2017 otherwise we would be locked in to a new Business Rates Tariff cost of £6m plus per year and below the safety net for the foreseeable future as we planned to make prudent provisions for a large appeal and refund.
- 4.20 The tables below summarise the impact on the total business rates income forecasts and our shares of this funding under Business Rates Retention.

Original and Revised “NNDR1” Business Rates Income Estimates

	Original NNDR1 £	Updated Hinkley Impact £	Revised NNDR1 £
Gross Rates Payable by ratepayers	24,674,153	-4,082,160	20,591,993
Mandatory and Discretionary Reliefs	-2,319,785	-113,880	-2,433,655
Bad Debt Provision, Renewables, Collection Costs	-203,132	0	-203,132
Appeals Provision	-10,710,400	9,305,400	-1,405,000
Net Rating Income	11,440,836	5,109,360	16,550,196
WSC 40% Share	4,576,334	2,143,744	6,620,078

- 4.21 As a result of the VOA and EDF reaching agreement the level of uncertainty and risk in respect of appeals is considered to be reduced but not removed. EDF still have the right of appeal, e.g. if there is a “material change in circumstances”, however as the RV is agreed the VOA may not look favourably on any appeal submitted. The budgeted provision for appeals risk is based broadly on a 10% risk for Hinkley B and 5% for the rest.
- 4.22 It is therefore proposed to set a Revised BRR Budget for 2017/18 as follows:

Revised 2017/18 BRR Budget

	2017/18 Original £	Changes £	2017/18 Revised £
40% Standard Share of Business Rates Yield	4,576,334	2,043,744	6,620,078
Rates yield from renewable energy schemes	50,000	0	50,000
Tariff to Government	-6,058,369	0	-6,058,369
Levy Payment	0	0	0
Safety Net Income	2,162,420	-2,043,744	118,676
S31 Grant	384,030	30,700	414,730
Net Retained Business Rates Funding	1,114,415	30,700	1,145,115

- 4.23 The revised forecast is still below the Safety Net in 2017/18 due to the large Tariff amount in the year. This is a timing issue as our estimates indicate the Tariff is 'over-stated' by around £1.5m and this will be clawed back in 2018/19.
- 4.24 The main immediate funding impact is a relatively small increase in S31 grant, and it is recommended this extra £30,700 is transferred to General Reserves.
- 4.25 As well as changing the 2017/18 in year estimates the fact that the VOA have also increased the 2010 RV for Hinkley B means that we have collected significant additional business rates income at the end of 2016/17 financial year. We therefore revised our projected 2016/17 Collection Fund Surplus/Deficit forecast position at the end of March from a deficit of £223,546 to a surplus of £480,635 – a net increase in funding of £704,181.
- 4.26 Increasing our BRR Income budget as proposed results in a significant increase in budget risk in 2018/19 as there is a large difference between the budget and the safety net. The Council will need to fund any drop in BRR income down to the safety net from its own resources. This could be as much as £1.49m in a worst case scenario in 2018/19, therefore it is recommended to transfer the additional Collection Fund surplus of £704,181 into the Smoothing Reserve in 2017/18. This would increase the Smoothing Reserve balance to £1.009m. The MTFP therefore includes a proposal to set aside further funds in 2018/19 to ensure the budget risk is fully covered.
- 4.27 The table below provides a reconciliation of the changes to the BRR projections within the MTFP, the proposed transfers to reserves and the updated Budget Gap within the MTFP.

	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£
2017/18 Original Budget Gap Estimates (Feb 2017)	0	785,003	881,444	1,068,280	1,195,887
Increase in net BRR income and Tariff Estimates	-30,700	-1,516,001	-799,599	-814,261	-829,009
Transfer to General Reserves	30,700				
Collection Fund Surplus/Deficit	-704,181				
Transfer to Smoothing Reserve	704,181	861,600			
Revised Budget Gap	0	130,602	81,845	254,019	366,878

4.28 As well as the budget risk referred above there remains a high degree of uncertainty regarding the tariff adjustments to be applied in 2018/19 and 2019/20, hence the MTFP currently includes a large transfer to the Smoothing Reserve. This is a prudent approach to reduce the likelihood of large changes in the figures impacting on budget plans in the short term.

100% Business Rates Retention

4.29 In the Autumn Statement 2015 the Government confirmed its intention to allow local authorities (nationally) to keep 100% of business rates income by 2020. The system of tariffs and top ups is expected to remain in order to prevent significant redistribution of baseline funding between authorities. In addition it is anticipated that local authorities will take on additional responsibilities through this change (e.g. housing benefit and council tax support administration, homelessness prevention and so on). As well as additional responsibility, this direction in funding will see a further transfer of risk to local authorities. The options are still in development, with high level consultation undertaken in 2016 and further detailed technical consultation anticipated during 2017. We have anticipated 100% BRR being implemented in 2019/20, however it is unknown at this stage whether the calling of the 2017 General Election will impact on the timing of 100% retention.

4.30 The MTFP is forecast on the assumption that the move to 100% Retention – currently anticipated to be from 2019/20 – will have a neutral effect on our Net Budget. In practice this will not be known with certainty until the system is fully implemented and the transferred responsibilities are confirmed.

Strategy for New Homes Bonus

4.31 New Homes Bonus (NHB) grant was introduced in 2011/12 with annual grant funding for district councils provided based on a sum equivalent to 80% of the national average annual council tax for every new home once occupied. This sum was payable for six years with an additional bonus of £280 (80% of £350) for every affordable home occupied. The grant aims to incentivise the delivery of housing growth, and is not ring-fenced.

- 4.32 The funding method changed in 2017/18, with the number of years 'rewarded' reducing from six to four by 2018/19. In addition no grant is now received on the first 0.4% of growth in housing, measured as 'Band D equivalents'. This is as a result of funding being redirected to social care within the local government sector.
- 4.33 West Somerset Council's strategy is to allocate all of the NHB grant funding to support day to day service delivery as part of the annual budget. This approach is based on affordability as the Council needs this funding to avoid significant cuts to priority services.
- 4.34 The total grant received in 2017/18 is £545k. Within the MTFP the total grant is projected to reduce year on year, potentially falling as low as £100k by 2022.

Strategy for Council Tax

- 4.35 The setting of Council Tax is determined each year at Full Council. In 2016/17 and 2017/18 the Council has utilised the option given to shire districts of increasing Band D council tax by £5. Currently the Medium Term Financial Plan reflects an officers' financial planning assumption that Council Tax charges will increase by 1.99% each year from 2018/19. Information provided with the four year funding settlement indicates that, as a shire district, WSC will have the option to increase the Band D by £5 each year in 2018/19 and 2019/20 if Members are minded. This will be confirmed each year by the Secretary of State, usually alongside the Finance Settlement. Increasing Council Tax by £5 instead of 1.99% would increase funding by approximately £29k compared to current MTFP estimates.
- 4.36 The basic annual tax rate set by WSC for 2017/18 is £150.56. Total Council Tax income for WSC services in 2017/18 is £2.09m.
- 4.37 The Council has also decided to use additional precepting permissions to raise funds through Council Tax on behalf of the Somerset Rivers Authority since 2016/17. In 2017/18 the annual amount collected by WSC equates to a £1.76 Band D charge, and has raised £24k in additional Council Tax which is passported to the SRA. This helps to fund investment in the 20 Year Flood Action Plan that was developed following the severe flooding experienced in Somerset in early 2014. The intention is for the Government to establish primary legislation to allow the SRA to raise funds via a council tax precept in its own right.
- 4.38 The Cabinet will recommend future council tax rates in February each year.

Council Tax Support

- 4.39 Since 2013 local authorities have operated local Council Tax Support schemes, replacing the previous Council Tax Benefit system determined and funded by central Government. The WSC local policy attributes this as "Council Tax Rebate".
- 4.40 WSC reviews the scheme each year, and currently the policy requires working age claimants to pay at least 20% of the council tax liability with relevant household

income is assessed to determine the total amount of CTR discount given. Pension age claimants are protected and continue to be entitled to up to 100% discount in line with the previous CT Benefit system.

- 4.41 The current estimated costs of the scheme is £2,630k for 2017/18, with WSC liable for approximately 9.5% of this cost. The Council will consult on the 2018/19 CTR Scheme during the summer of 2017.

Strategy for Service Spending and Income

- 4.42 Service spending “base budgets” are normally taken from the previous year, and then adjusted to remove one-off items and add unavoidable inflation costs on pay, contracts and utilities. Assistant Directors then assist the Cabinet to propose budget prioritisation options to increase investment in services or apply savings in order to maintain costs at an affordable level. Prioritisation of options seeks to avoid disruption and reduction in highest priority front line services and prioritise efficiency savings.
- 4.43 A key driver for service cost efficiency now is the delivery of the transformation programme, which will add greater efficiency to the way we deliver services.
- 4.44 The Council reviews its fees and charges each year. The strategy applied to fees and charges is to seek to fully recover costs of services. The Council will also consider introducing new charges for discretionary services in line with corporate priorities, where this will also enable valued services to be delivered. In certain service areas such as licensing there are specific regulations which are followed that mean we aim to ‘break even’ on recoverable costs over a rolling period of 2-3 years, and any accrued surpluses or deficits are used to adjust fees and charges in subsequent years.
- 4.45 Proposed fees and charges are usually presented to Council for approval in December or January to set the rates to apply in the subsequent financial year. Clearly, it is important that decisions do not only consider inflationary increases but also assess supply and demand for the service and the fees charged within the competitive market. It is also important that officers and councillors fully consider all options in order to maximise income.
- 4.46 The council is also exploring further opportunities to generate income through commercial investment and other income generation initiatives. This will follow the principle of social enterprise as agreed in the Corporate Strategy, so that income and profit generated will be reinvested in important local services.

Strategy for Reserves and Balances

- 4.47 The Council maintains both General (unearmarked) Reserves and Earmarked Reserves.
- 4.48 General Reserves are retained to provide contingency funds to mitigate financial

risks and accumulated revenue surpluses that may be used to support one-off spending.

- 4.49 Earmarked Reserves are revenue funds that have been set aside for specific purposes to be spent in future years.
- 4.50 A regular review of financial risks is undertaken by the S151 Officer to assess the minimum adequate level of reserves, and the budget strategy and approach to ongoing financial management seeks to ensure General Reserves are maintained at or above the assessed minimum. As at February 2017 the adequate minimum General Reserves balance is £600k.
- 4.51 The Council aims to balance the budget each year without the need to use reserves, and will prioritise allocating any significant surplus balance to fund one-off costs rather than support day to day running costs of the Council's services. Having some flexibility in the reserves balance is important in view of the transformation programme, as this will require up-front investment, as well as to mitigate unplanned/unforeseen costs arising during the year.
- 4.52 The General Fund Reserves balance as at 1 April 2017 is £868k. Recommendations within the 2016/17 Outturn Report include allocating £100k to the Business Rates Smoothing Reserve and £70k to the Sustainability Reserve. In addition this report includes a proposal to transfer £30k to General Reserves as part of the Revised Budget. These changes will reduce the net balance to £728k, only £128k above the recommended minimum.
- 4.53 Earmarked Reserves balances total £2.883m as at 1 April 2017.
- 4.54 The recommended Revised Budget would add a further £704k to the Business Rates Smoothing Reserve (increasing its balance to £1.008m) which will increase total earmarked reserves as at to 1 April 2017 to £3.587m.

Capital Strategy

- 4.55 The current strategy for capital investment takes a low risk approach to general schemes. Funding is prioritised against available resources, and the Council has considered strategic use of affordable capital borrowing with a supporting business case.
- 4.56 As general capital resources are limited, a short term approach to annual capital bids from services is currently used, which are prioritised on the following criteria:
- 1) Business Continuity (corporate/organisational/health and safety)
 - 2) Statutory Service Investment (to get statutory minimum/contractual/continuity)
 - 3) Transformation
 - 4) Invest to Save
 - 5) Other

- 4.57 The Council considers a range of capital schemes in line with permitted use of Hinkley planning obligations funding – schemes are brought forwarded to councillors for consideration under existing governance arrangements for ‘Hinkley funds’.
- 4.58 It is proposed to review the Capital Strategy during 2017 to support the new Corporate Strategy and the Council’s plans for transformation, as well as the Asset Management Strategy currently being finalised.
- 4.59 The Council has also applied a short term strategy in recent years of utilising capital receipts to repay debt. As well as selling assets to reduce capital borrowing, this has also included using capital receipts in lieu of an annual “Minimum Revenue Provision” charge to the annual revenue budget between 2015/16 and 2017/18. Members have agreed in principle to extend this arrangement a further year in 2018/19 however it is proposed to review this in light of the revised budget position.

Treasury Strategy

- 4.60 The Council annually reviews its Treasury Management Strategy, Annual Investment Strategy and approach to servicing capital debt (“Minimum Revenue Provision”). The detailed strategies are reported separately to the MTFS and MTFP, but are clearly inter-linked with our approach to financial planning and effective use of resources.
- 4.61 The strategies reflect the ongoing challenging and uncertain economic times. The current economic outlook has several key treasury management implications:
- Investment returns are likely to remain relatively low during 2017/18 and in the medium term
 - Borrowing interest rates are currently attractive but are likely to remain low for some time
 - The timing of any borrowing will need to be monitored carefully; there will remain a cost of carry – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns.
- 4.62 This Strategy looks to reduce exposure to risk and volatility at this time of significant economic uncertainty by
- Considering security, liquidity and yield, in that order
 - Considering alternative assessments of credit strength
 - Spreading investments over a range of approved counterparties
 - Only investing for longer periods to gain higher rates of return where there are acceptable levels of counterparty risk.

5 Medium Term Financial Plan Summary

5.1 The following table sets out a summary of the council's latest forecasts of costs and funding, based on the recommended Revised Budget for 2017/18 and based on the current West Somerset Council position. A notional share of the anticipated additional savings deliverable by creating a new Council cover Taunton Deane and West Somerset (totalling more than £0.5m per year to the new Council) is not included.

5.2 When Council approved the original 2017/18 Budget in February the Budget Gap was estimated as follows:

Budget Gap Estimates as at February 2017

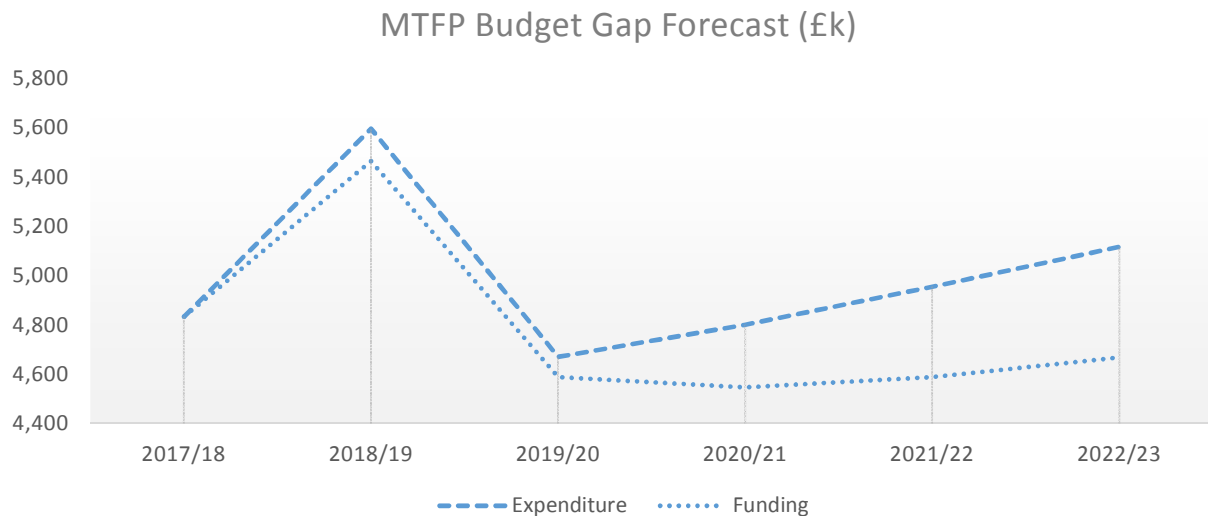
	2018/19	2019/20	2020/21	2021/22
	£	£	£	£
2017/18 Original Budget Gap Estimates	785,003	881,444	1,068,280	1,195,887

5.3 The estimated Budget Gap for 2017/18 is now £131,000 (rounded), rising to approximately £449,000 by 2022/23.

5.4 The future gap of £449,000 is equivalent to 9% of the projected budget requirement in 2022/23. Having delivered significant efficiency savings through JMASS and further transformation it will be a major challenge for the Council to address this scale of savings requirement and places significant risk against the affordability of local services.

MTFP Summary updated June 2017

	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Forecast Net Expenditure	4,563,761	4,735,111	4,671,195	4,801,980	4,956,228	5,118,111
SRA Contribution	24,394	0	0	0	0	0
Earmarked Reserves	215,718	861,600	0	0	0	0
General Reserves	30,700	0	0	0	0	0
Net Expenditure	4,834,573	5,596,711	4,671,195	4,801,980	4,956,228	5,118,111
Retained Business Rates	-1,145,115	-2,647,765	-1,939,940	-1,963,278	-1,986,790	-2,010,498
Business Rates prior year surplus/deficit	-480,635	0	0	0	0	0
Revenue Support Grant	-316,885	-170,193	-6,340	0	0	0
Rural Services Delivery Grant	-171,530	-131,946	-171,530	-171,530	-171,530	-171,530
New Homes Bonus	-545,411	-368,652	-268,052	-152,287	-111,325	-106,976
Council Tax–WSC	-2,086,823	-2,147,553	-2,203,488	-2,260,866	-2,319,705	-2,380,028
Council Tax–SRA	-24,394	0	0	0	0	0
Council Tax prior year surplus/deficit	-63,780	0	0	0	0	0
Net Funding	-4,834,573	-5,466,109	-4,589,350	-4,547,961	-4,589,350	-4,669,032
Budget Gap	0	130,602	81,845	254,019	366,878	449,079
Budget Gap Increase / Decrease	0	130,602	-48,757	172,174	112,859	82,201



Key Expenditure and Income Assumptions

5.5 The MTFP is based on reasonable estimates of costs and income over the period of the plan. These include:

Service Costs and Income Assumptions

- Staff pay cost inflation is estimated at 2% annually – note Government has indicated its intention to limit civil service pay to 1% annually throughout the current Parliament.
- Inflation increases incorporated for main contractual arrangements: Somerset Waste Partnership, Street Cleaning, plus utilities and insurances.
- General price increases are projected to be absorbed within existing budgets.
- Employers pension contributions based on 15.4% of pay, based on the latest 2016 actuarial valuation.
- Pension Fund deficit recovery lump sum costs rising from £503k in 2017/18 to £583k in 2022/23, based on the latest 2016 actuarial valuation.
- Waste service costs estimated at £1,180k in 2017/18, and reducing by more than £60k per year by 2020/21 through the implementation of “recycle more” business case.
- Housing Benefit and Council Tax Support Admin Grant reduces by 10% per year in 2018/19 and 2019/20.
- Transformation savings delivered of £229k by 2018/19 rising to £441k per year by 2021/22.
- Minimum Revenue Provision (MRP) funded by capital receipts in 2017/18 (last year of 3-year funding plan), then reverts to £143,100 charge to Revenue Budget from 2018/19 onwards (note Council agreed in principle to extend use of capital receipts by further year in February 2017, however it is proposed to review in light of Revised Budget position).

- Revenue Contribution to Capital (RCCO) of £39,000 included in annual budget estimates from 2017/18 onwards – to be allocated through the Capital Programme funding plans (note Council agreed in principle to remove from the MTFP in February 2017, however it is proposed to review in light of Revised Budget position).

Funding Assumptions

- Business Rates Retention (BRR) will be set in line with rating income forecasts, projected to grow in line with inflation, with reasonable standard estimate for a 5% reduction for successful appeals.
- Neutral impact on funding / costs through the implementation of 100% BRR, projected to be implemented by 2019/20 (subject to confirmation by new Government post-2017 General Election).
- General Government Grant – Revenue Support Grant and Rural Services Delivery Grant – remains in line with the four year settlement agreed with Government in 2016.
- NHB Grant based on method announced by Government with the 2017/18 Finance Settlement with number of years rewarded reducing from 6 to 4 by 2018/19 plus no grant awarded for the first 0.4% of housing growth each year.
- Council tax is forecast based on an assumed 1.99% increase per year. Government has indicated all shire districts will have the option to increase Band D tax by £5 per year in 2018/19 and 2019/20 (subject to annual announcement by the Secretary of State).

Approach to Closing the Budget Gap

- 5.6 It is important that the Council adopts a robust and sustainable strategy to ensure the underlying financial position is preserved and investment in priority services remains affordable. As the Council has jointly applied the Secretary of State to create a new Council covering Taunton Deane and West Somerset areas it is proposed to consider the budget approach in this context, focussing on the 2018/19 Budget on the assumption that longer term decisions will need to be made by the new council and any interim 'skeleton' governance arrangements.
- 5.7 The recommended overarching approach to closing the gap in the short term will be considered and reported to Members in the near future.
- 5.8 It is worth reminding Members of the current agreed approaches which, it is anticipated, will underpin the overall budget strategy for 2018/19:
- Transforming services – with ongoing savings of £1.49m already factored into the General Fund MTFP forecasts (plus and a further £0.74m savings within the Housing Revenue Account).
 - New Council – both Taunton Deane and West Somerset councils have also submitted a proposal replace the two with a new single council covering both areas, which would jointly provide further savings estimated at £0.55m. This is not reflected within the MTFP forecasts currently.

- Optimising opportunities from the Hinkley C investment.
- Accommodation – the council is investing in modernising and reconfiguring its office accommodation, both to provide fit for purpose space for staff, Members and visitors, and also to secure additional income through letting to other public and/or private sector tenants.
- Fees and charges – will be reviewed and updated to ensure full cost recovery wherever possible, and consider premium pricing for a premium service. Additional fees may be introduced for discretionary services.
- Income generation – within the Transformation Business Case the Council recognises that generating additional income through commercial activities / investments can provide essential funding needed for local service delivery.
- Treasury management – it is proposed to explore opportunities to increase interest earned on investments, whilst maintaining a prudent treasury strategy.
- Savings Options – The council will also consider options for further savings within services in line with Members’ priorities, to be considered through the budget setting process.
- Base budget review – Undertake a robust review of the base budget estimates and assumptions, particularly focussing on areas where larger variances have been reported in 2016/17.

5.9 Proposals and realistic options for the 2018/19 Budget will be presented for Members for consideration as part of the budget process, with the budget due to be approved in February 2018.

6 Risks, Uncertainties and Sensitivity Analysis

6.1 A number of risks and uncertainties have been identified within this MTFP document. The financial projections include known information and a range of assumptions in order to prepare reasonable estimates.

6.2 The following table provides some examples of sensitivity and risk around key financial headings and assumptions (increased income / savings shown as negative figures).

Sensitivity Analysis

	2018/19 Budget £k	Factor	Indicative Range	Impact £k
Funding:				
New Homes Bonus	-545	Housing growth is below 0.4% for the 2018/19 grant settlement.		+31
Council Tax Base	-2,148	Tax base estimation error	0.5% - 1.5%	+/- 10-32

	2018/19 Budget £k	Factor	Indicative Range	Impact £k
Council Tax Rate	-2,148	Members decision on increase differs to MTFP assumption	0% - 3.44%	-42 if 0%, +30 if 3.44%
Business Rates	-2,648	Volatility in estimates e.g. impact of growth/decline, appeals, refunds, reliefs, collection rates	+/- 10%	+/- 265
Business Rates	-2,648	Indicative total of reduction in BRR income before Safety Net is triggered		18/19 = £1.49m 19/20 = £775k
Services:				
Planning Fee Income	-161	Demand fluctuation	+/- 10%	+/- 16
Parking Income	-603	Usage / demand fluctuation	+/- 5%	+/- 30
Garden waste income	-115	Usage / demand fluctuation	+/- 5%	+/- 6
Financing:				
Interest Income	-41	Estimation error, e.g. interest rates change	+/- 10%	+/- 4

6.3 Other significant risks and uncertainties currently faced in our financial planning include:

- Current and future business rates appeals outcomes
- Finalising Business Rates Tariff adjustments for the 2017 business rates revaluation
- Future impact and risks under the move to 100% Business Rates Retention
- Further changes to New Homes Bonus funding regime
- Achieving necessary level of savings through transformation
- Delivery of other savings targets
- Asset management and compliance costs
- Timing and values of capital receipts
- Waste partnership contract renewal (2020)
- Future changes in Government policy

7 Links to Corporate Aims / Priorities

7.1 It is important that Councillors recognise the financial position, challenges and risks faced by the Council and fully engage in the corporate and financial planning processes in order to determine an affordable and sustainable set of corporate aims and priorities. This should lead to the Council approving a sustainable final

budget and MTFS in February 2017.

8 Finance / Resource Implications

8.1 The Council's financial position is set out above within the body of this report.

8.2 Councillors will continue to face some tough decisions around priorities in order for our services to be affordable. It is clear we cannot afford to deliver services in the same way and/or at the same level as now. Despite managing to address the significant changes to funding since 2010 and balance the budget each year up to 2017/18, and the revised BRR funding estimates, the future longer term financial position remains extremely challenging for the Authority. The long standing priority of achieving financial sustainability remains key, and this will be harder to achieve as funding continues to fall and pressure on service costs increases.

9 Legal Implications

9.1 The Council is required by law to set a balanced budget and failure to do so would result in serious financial and service implications and lead to Government intervention.

10 Environmental Impact Implications

10.1 None for the purposes of this report.

11 Safeguarding and/or Community Safety Implications

11.1 None for the purposes of this report.

12 Equality and Diversity Implications

12.1 None for the purposes of this report. The specific proposals that develop through the budgeting and service planning processes will require equalities impact assessments to be completed and, where relevant, action plans to understand impacts and mitigations for the protected characteristic groups.

13 Social Value Implications

13.1 None for the purposes of this report.

14 Partnership Implications

14.1 None for the purposes of this report. The Council budget incorporates costs and income related to the various partnership arrangements, and any changes in relevant forecasts and proposals will be reported for consideration as these emerge.

15 Health and Wellbeing Implications

15.1 None for the purposes of this report. Any relevant information and decisions with regard to health and wellbeing will be reported as these emerge through the financial planning process.

16 Asset Management Implications

16.1 None directly for the purposes of this report. The financial implications associated with asset management will be reflected within the Council's corporate and financial planning arrangements.

17 Consultation Implications

17.1 None for the purposes of this report.

18 Scrutiny Comments / Recommendation(s)

18.1 Scrutiny comments are invited at this meeting, for consideration by Cabinet and in forming recommendations to Members to address the ongoing financial sustainability of the Council.

Democratic Path:

- **Scrutiny Committee – Yes**
- **Cabinet/Executive – Yes**
- **Full Council – Yes**

Reporting Frequency: Annually for initial MTFP – supplemented with reports through the budget process

Contact Officers

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Scrutiny Committee – Work Programme 2017/18

June	August	October	December	February	TBC
Notes of any Key Cabinet Decisions / Action Points.	Notes of any Key Cabinet Decisions / Action Points.	Notes of any Key Cabinet Decisions / Action Points.	Notes of any Key Cabinet Decisions / Action Points.	Notes of any Key Cabinet Decisions / Action Points.	West Somerset Opportunity Area Draft Plan – C. Matthews
Q4 Performance Report – R. Doyle	Somerset Partnership NHS Trust – N. Broughton/ A. Heron.	Review of the Council Tax Rebate Scheme for 18/19 – H. Tiso		Parking Strategy Overview – C. Hall	Homelessness Reduction Act – S. Lewis
Outturn Report – J. Nacey	Asset Strategy Report – T. May	Steam Coast Trail Project Review – B. Turner			Somerset Waste Joint Scrutiny Feedback –
MTFP Report – J. Nacey					