



Members of the Cabinet  
(Councillors A H Trollope-Bellew (Leader), M J Chilcott (Deputy  
Leader), M O A Dewdney, A Hadley, C Morgan, S J Pugsley,  
K H Turner and D J Westcott)

Our Ref DS/KK  
Your Ref

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Extension 01984 635307  
Date 21 November 2017

**THE PRESS AND PUBLIC ARE WELCOME TO ATTEND THE MEETING  
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OR IN OTHER LANGUAGES ON REQUEST**

Dear Councillor

I hereby give you notice to attend the following meeting:

**SPECIAL CABINET**

**Date: Thursday 30 November 2017**  
**Time: 4.30 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.

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Yours sincerely

A handwritten signature in black ink, appearing to read "Bruce Lang".

**BRUCE LANG**  
Proper Officer



## SPECIAL CABINET

**Meeting to be held on Wednesday 30 November 2017 at 4.30 pm**

**Council Chamber, Williton**

### AGENDA

1. **Apologies for Absence**

2. **Declarations of Interest**

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

3. **Public Participation**

The Leader to advise the Cabinet 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.

4. **Somerset Waste Partnership Draft Business Plan 2018-2023**

To consider Report No. WSC127/17, to be presented by Councillor M Dewdney, Lead Member for Environment – **SEE ATTACHED**.

The purpose of this report is to seek approval of the Somerset Waste Partnership's Draft Business Plan 2018-2023.

5. **Hinkley Tourism Strategy Phase 3 Delivery Plan 2018-19**

To consider Report No. WSC 128/17, to be presented by Councillor A Hadley, Lead Member for Regeneration and Economic Development – **SEE ATTACHED**.

The purpose of the report is to Council on what has been achieved in the first three years of delivering the Hinkley Tourism Strategy 2015-20 under Phase 1 and 2 Action Plans; to consult with Council on the details of a refreshed strategy, and proposals for a new Phase 3 Action Plan for 2018 and 2019; and to request the drawdown of £258,000 from Hinkley Point C Section 106 allocations available for tourism, to deliver the Phase 3 Action Plan.

**6. Budget Setting Progress 2018/19**

To consider Report No. WSC 129/17, to be presented by Councillor M Chilcott, Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of the report is to provide Cabinet with an update on budget estimates for 2018/19 and Medium Term Financial Plan (MTFP) forecasts.

**7. Fees and Charges 2018/19**

To consider Report No. WSC 130/17, to be presented by Councillor M Chilcott, Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of the report is to set out the proposed fees and charges for next financial year, 2018-2019.

**8. Earmarked Reserves Review**

To consider Report No. WSC 131/17, to be presented by Councillor A Trollope-Bellew, Leader of Council – **SEE ATTACHED.**

The purpose of the report is to provide information on the Earmarked Reserves Review for 2017-2018.

**9. Business Rates Pool and 100% Business Rates Retention Pilot**

To consider Report No. WSC 132/17, to be presented by Councillor A Trollope-Bellew, Leader of Council – **SEE ATTACHED.**

Following a recent meeting with Group Leaders, we submitted a bid to DCLG to become a pilot for 100% Business Rates Retention in 2018/19 with our county-wide district and County neighbours. The purpose of this report is to provide Councillors with the rationale and detail behind the bid.

**COUNCILLORS ARE REMINDED TO CHECK THEIR POST TRAYS**

WSC 127/17

## **West Somerset Council**

### **Cabinet – 30<sup>th</sup> November 2017**

#### **Somerset Waste Partnership Draft Business Plan 2018-2023**

##### **Report of the Assistant Director Operational Delivery – Chris Hall and Somerset Waste Partnership’s (SWP) Managing Director – Mickey Green**

(This matter is the responsibility of Lead Member, Councillor Martin Dewdney)

#### **1. Executive Summary**

This report seeks approval of the Somerset Waste Partnership’s Draft Business Plan 2018-2023.

The actions in the draft business plan sets out the most significant set of changes to Somerset’s waste services since SWPs inception in 2007. Co-ordinated for maximum impact and value the changes span all three major contracts for waste collection, treatment, disposal and infrastructure (including vehicles). It also develops SWPs capability, in some instances working in partnership with others, to support Somerset residents in wasting less and recycling more, with residual waste becoming a fuel stock to generate energy.

Following all partners’ approval to implement Recycle More, the original delivery plan was to negotiate this with our current collection contractor (Kier). As it was not possible to reach agreement with Kier in a way which delivered the benefits that partners required, SWB have, by mutual consent with Kier, agreed to bring forward the expiry date of our current collection contract from September 2021 to 27 March 2020. SWB has undertaken a major review of the commissioning options and proposes to undertake a competitive dialogue procurement to secure a new collection contractor following the expiry of the contract with Kier.

Despite early expiry there are no changes to the charging process for 2018/19 and as such the budget is to be set in accordance with the usual contractual criteria. The cost increase for 2018 /19 when compared with 2017/18 is £70,000. The budget for 2018/19 had a contract increase in mind, however the increase actual increase is greater than this creating a small additional impact of £15k on the MTFP.

#### **2. Recommendations**

Cabinet are recommended to:

- i) Approve the Somerset Waste Partnership’s Draft Business Plan 2018-23, in particular the proposed approach to the procurement of a new collection contract.
- ii) Note that, in line with their delegated authority and in order to implement Recycle More as requested by partners, Somerset Waste Board have agreed with Kier to

bring forward the expiry date of the current collection contract from September 2021 to 27 March 2020.

- iii) Approve the projected budget for 2018/19 subject to the finalisation of the figures.

### 3. Risk Assessment

Project risks are set out in more detail in appendix 2.

#### Risk Matrix

Description	Likelihood	Impact	Overall
Household growth increases the cost of the contract	Possible (3)	Major (4)	Medium (12)
<i>Household numbers are increasing and impacting the contract costs, Recycle More will limit cost increases.</i>	Unlikely (2)	Major (4)	Medium (8)
Inflation and operating costs continue to rise making the service unaffordable	Possible (3)	Moderate (3)	Medium (9)
<i>Costs are increasing and the new service model will assist in making savings and limiting cost increases in the short to medium term</i>	Possible (3)	Minor (2)	Low (6)

### 4. Purpose of the Business Plan

- 4.1 The Somerset Waste Partnership (SWP) is responsible for providing waste and recycling services on behalf of all six local authorities in Somerset. The partnership is governed through a Joint Committee known as the Somerset Waste Board. The SWB Constitution requires the preparation of a Business Plan on an annual basis. The plan has a five year horizon with particular focus on the next 12 months, and it provides a framework within which the board can make decisions and steer the delivery of waste partnership services. The Board has delegated authority for decision making across all services and therefore must make proposals to the partners on how savings can be made, taking into account any requirements to make savings and proposals on how this can be achieved.
- 4.2 The Board's business planning cycle usually requires a draft report to be approved by the Board in December and circulated to partners for comment prior to the adoption of the Board's Annual Budget the following February. Further to decisions taken by the Board in September 2017 the timetable for approving this plan will change for one year only, with the Draft Business plan presented for Board Approval in November 2017, scrutinised by partner authorities in November and early December and presented for final approval at the December Board meeting. Once approved or noted by all partners, the plan will be formally adopted by the Board to provide a framework within which the Board can make decisions and steer the delivery of Waste Partnership services.

- 4.3 The Draft Business Plan and associated Action Plan, attached as appendix 1, are the means by which the partnership describes its business, evaluates changes to the operating environment, identifies strategic risks and sets out its priorities. The plan has a five year horizon with particular focus on the next 12 months. It is the primary means to seek approval for and to secure the necessary resources to implement its proposals from the partner authorities.
- 4.4 The plan also sets out the draft Annual Budget for the Waste Partnership for 2018/19, which for WSC represents an increase of £70,000.

## **5. Responsibility for the Business Plan**

- 5.1 The Board has delegated authority for decision making across all services and therefore must make proposals to the partners on how savings can be made, taking into account any requirements to make savings and proposals on how this can be achieved. Under the terms of the Inter Authority Agreement, the Board cannot make a decision that has an adverse financial implication on any partner without the consent of that partner. The Board cannot refuse to accept savings targets handed down – but it does have discretion on how those savings can be implemented, provided all partners sign up through approval of the draft plan.

## **6. Draft Business Plan 2018-2023**

- 6.1 WSC Members, along with other partners in the Somerset Waste Partnership, are being consulted on the draft plan prior to the final decision on the being taken by the Somerset Waste Board at their December meeting. The timetable for this consultation has been brought forward, for one year only, to ensure that Members are provided with a timely update on the implementation of Recycle More, and to seek their approval to the approach proposed to be taken to securing a new collection contractor.
- 6.2 All partner authorities have previously endorsed the implementation of Recycle More and delegated their waste collection functions to Somerset Waste Board. Whilst the original delivery plan was to implement Recycle More with Kier, despite considerable efforts it was not possible to reach acceptable terms with them. Recycle More depends upon having a new fleet of vehicles in place with the correct containment for the new material. Due to the importance of aligning the procurement of a new fleet with the implementation of Recycle More and due to the need to have sufficient time to undertake a robust procurement process SWB have, by mutual consent with Kier, agreed to bring forward the expiry date of our current collection contract from September 2021 to 27 March 2020.
- 6.3 The actions in the draft business plan sets out the most significant set of changes to Somerset's waste services since SWPs inception in 2007. Co-ordinated for maximum impact and value the changes span all three major contracts for waste collection, treatment, disposal and infrastructure (including vehicles). It also develops SWPs capability, in some instances working in partnership with others, to support Somerset residents in wasting less and recycling more, with residual waste becoming a fuel stock to generate energy. The business plan sets out three related areas of activity which together will enable us to realise SWP's vision:

### 6.3.1 Building capability

Actions in this area aim to ensure that SWP works intelligently to enable it to realise the Board's vision, including through improving how the partnership uses data, developing and implementing a technology roadmap and doing more to understand people's behaviour. SWP is working closely with all partners to implement a new website, a new customer service system and a mobile app in order to improve the way we support customers.

### 6.3.2 Action on waste prevention, reuse, recycling and recovery

These actions aim to improve Somerset's recycling rate from 52% towards 60% and potentially beyond, lead to a reduction in residual waste generated per household, and generate energy from materials that cannot be recycled ending the county's long reliance on landfill. Whilst the single most significant driver for these changes will be the implementation of Recycle More, an expanded focus on waste prevention and behavioural change is also a key driver. A pilot reintroduction of working with schools to promote the 'reduce, reuse, recycle' message to children and their parents (funded by Viridor) is a key element of this work in 2018/19. Close working with all partners will be necessary to maximise the impact of our work to change people's behaviours, focussing on reducing the 50% of recyclable waste that is still in our residual waste.

### 6.3.3 Maintaining services and operational effectiveness

These activities ensure the day to day functions of the SWP are delivered effectively and safely. SWP must give focus to maintaining the quality of services, predicting risks and preventing issues arising. It includes a review of SWP's core services contract with Viridor ahead of its expiry in 2022, focussing on whether there is value for money in extending this agreement.

## 7. **Key Actions for 2018 - 23**

7.1 SWP's key aims and priorities are identified within the Draft Business Plan under three key headings:

- Building Capacity
- Action on waste prevention, reuse, recycling and recovery
- Maintaining services and operational effectiveness

7.2 The Draft Plan has been brought together against the background of the continuing difficult economic situation but with a continuing desire from partners to deliver the following key priority areas:

- Waste minimisation, high diversion and high capture
- Improved services for customers;
- Contract monitoring and review;
- Alternatives to landfill and optimising material processing;
- Investigating Recycling Centre options;
- Investigating collection service options;
- Organisational efficiency.



## **8. Routemap to Recycle More**

- 8.1 Recycle More was approved by SWB in February 2017 following consultation with all partner authorities. Recycle More involves:
- An enhanced recycling collections including; food and beverage cartons, plastic tubs and trays (including black plastic), small items of waste electric and electronic equipment (SWEEE) and domestic batteries.
  - 3 weekly refuse collections
  - Additional capacity for properties with children in nappies or for adult absorbent hygiene products (AAHP).
- 8.2 The Board can, by a majority vote, amend the Business Plan in order to accommodate any unforeseen circumstances and to assist the Board to achieve the Aims and Objectives. Any partner council can request such an amendment at any time.

## **9. Consultation**

- 9.1 Individual partners were previously asked to give an indication of any savings targets so that options to achieve these and associated risks could be assessed by the SWP in consultation with the Strategic Management Group. All partners have a need to control costs in this area and a number of initiatives have been underway to evaluate the opportunities and impacts of future cost management choices.
- 9.2 Specifically trials were undertaken in Taunton Deane which have, and will continue, to inform the nature of the service going forward for the entire partnership. These trials made temporary alterations to the material types that were collect at the kerbside and the frequency of collections.
- 9.3 Recycle More was approved by WSC on 14<sup>th</sup> November 2016 the budget presented in the appended business case for 2018/19 contains no savings or costs associated with this new operating model during the roll out phase.

## **10. Early expiry of the current contract**

- 10.1 The most significant element of the business plan relates to Recycle More. The significant work undertaken to review future service models has demonstrated that Recycle More is lower cost than our current collection operations, as well as delivering environmental benefits. The scale of these savings will inevitably be subject to the tendering process and what the market will offer in terms of contract price, on the efficiencies which a new contractor will bring (the potential for which SWP believe to be significant) and on the actual tonnages of new material that can be diverted. SWP's aim is to continue to meet with the Partner authority's approval in terms of cost reduction.
- 10.2 A robust procurement process will be essential to drive the former, and strong communications with residents will be essential for the latter. The savings delivered

will also depend to some extent on the agreement reached with the incoming contractor on dry recyclate and materials volumes. It is proposed that the project will be managed with existing resources from SWP and the administering authority (SCC – in particular procurement and legal support) with external support on key commercial and technical matters. It is proposed that the costs associated with the project will be funded from the accrued income generated from the hire of refuse collection vehicles to Kier since 2015. This fund (£421k) was previously identified as providing support for overall roll-out costs for Recycle More.

- 10.3 A lengthy period of negotiations was undertaken with Kier in order to implement Recycle More through a variation to the existing contract. Despite considerable efforts, it was not possible to secure an agreement which either delivered the financial benefits required by partners or that offered the full range of materials that we wanted to see collected each week (in particular black plastic and food and beverage cartons – e.g. Tetrapaks).
- 10.4 Were we to carry on with our current collection contract with Kier to its planned expiry date of September 2021 then we would need to procure a new fleet of recycling and refuse vehicles ahead of that. However, to procure those vehicles without having procured a new contractor to deliver our collection services would be a major risk – we may end up with a fleet of vehicles which did not match how a contractor delivered services. Given that a new fleet of vehicles will cost in excess of £15m this would have been a major risk to all partners. It would also have meant that the implementation of Recycle More would be delayed to at least September 2021.
- 10.5 Updates to the Somerset Waste Board in June and September 2017 identified a significant change in the risk profile of the planned implementation and recommended negotiating with Kier to agree early expiry on mutually acceptable terms. This opened up an opportunity to align major or improvements in collection services, disposal processes and waste infrastructure to create a fresh, new start for Somerset's waste services from 2020. This opportunity will bring together enhanced recycling collections; the end of landfill and start of energy-from-waste for rubbish, and a new fleet of collections vehicles operating out of refreshed depots.
- 10.6 To enable this SWP have agreed to bring forward the expiry date of our current collection contract with Kier to 27 March 2020. The decision was reached by mutual consent with Kier. Whilst most of our contract with Kier will remain unchanged (in particular the service standards to which they must deliver) to enable this to happen a number of changes to our contract have been agreed through a Deed of Variation, the key elements of which are:
- The contractual obligation for Kier to only use vehicles less than seven years old has been removed and it enables them to utilise non-branded vehicles (for example those from North Somerset and Bridgend i.e. vehicles appropriate to our service model) but does not relax in any way their service or safety requirements.
  - Leases for depots will be transferred at no cost and SWP will purchase the plant and equipment at the depots.

## 11. Options following expiry of the current contract

11.1 Following a major review of the commissioning options open to SWP, the SWB has agreed to undertake a competitive dialogue procurement to secure a new collection contractor following the expiry of the contract with Kier. The other options considered in detail were:

- a) providing the services “in house” (DLO)
- b) forming a Local Authority Company (LAC)
- c) out-sourcing the services through a procurement process (and which procurement process was most suitable).
- d) continuing with the current contract until its expiry in September 2021

11.2 The outcome of this research was presented to SWB at an informal workshop on 15 September and at the Board meeting on 29 September 2017. A summary of the reasons for rejecting alternative options is provided below:

- In-house/DLO: This option was discounted at an early stage because of the additional pension costs of the transferred staff being eligible to join the LGPS. It is estimated that this would add around £1.8M pa to the cost of the services. This makes the DLO option unattractive when compared to a LAC which could exclude membership of LGPS.
- Local Authority Company: Whilst cost modelling indicated that the LAC and out-sourced options were very similar, the risk profile of the LAC was significantly higher. For example District Council partners would be exposed to 100% budgetary risk on the fluctuation of materials values, fuel price rises, costs of severe weather, materials values, and workforce issues. These and other risks (e.g. expertise acquisition, focus on strategic priorities, and likelihood in securing the efficiencies which will be crucial to a cost-effective service) meant that the board did not consider an LAC its preferred option. It did recognise that an LAC may be an appropriate contingency plan, and that this should be considered at key milestones during the project.
- Other procurement options were discounted because a competitive dialogue procurement procedure would give bidders the opportunity to develop and refine their proposals, drive efficiencies and mitigate risks. It was recognised that this is time consuming but it was preferred for complex procurements where innovation and flexibility were required.
- Procuring an outsourced service to coincide with the expiry of the existing contract has the disadvantages that any service improvements and savings related to Recycle More would be delayed and the procurement of a new fleet and the procurement of a new contractor would be misaligned, leading to:
  - Complex buy-back arrangements (depending on who purchased the vehicles) with the out-going contractor

- Limiting the choice of the incoming contractor to use their preferred manufacturer and specification of vehicles. This is likely to be reflected in their pricing.

## **12. Approach to procurement**

- 12.1 A robust procurement process will be necessary to optimise the likelihood of optimising the level of financial savings to partners and to improve our environmental performance by reducing residual waste and increase our recycling rate. The critical success factors for this project are:
- Achieving best value for SWP member authorities (including any partners that borrow to purchase vehicles/assets) through the procurement and cost sharing;
  - Securing a provider who shares SWP's values and vision;
  - Attracting and sustaining the interest of credible bidders before and during the procurement process;
  - Managing the procurement to ensure compliance with procurement legislation and governance procedures, and to ensure that we progress through the phases of the procurement in a timely and effective way;
  - Managing the interdependencies with other key elements of SWP's business plan, in particular:
    - SWP's wider communications and engagement strategy (in particular how we will engage with partners and the public to improve recycling capture ahead of the move to recycle more);
    - ICT strategy (including how we improve the way we manage customer and performance data in order to enable us to improve our customer service, help target and drive behaviour change, and more effectively predict and manage service issues);
    - Day to day collection contract service/performance management (especially given we are entering the final years of our current contract with Kier).
- 12.2 The overall timetable and phasing have been informed by discussion with the commercial and procurement team at SCC and with Eunomia. Whilst it is manageable the pace at which we will be required to work in order to make this timetable work should not be underestimated.

Phase	Time	Comments
Soft market engagement	Nov 2017 – Feb 2018	To ensure SWP maximises market interest, to help shape our approach
Pre-qualification	Mar 2018 – May 2018	Mandatory phase
<i>Outline Solutions</i>	-	<i>Phase removed as not considered sufficiently beneficial</i>
Dialogue on proposed solutions	May 2018 – Dec 2018	Focussed conversations on key issues (e.g. assets, risk, efficiency and consideration of possible variants)
Final tenders	Jan 2019 – April 2019	Includes, evaluation, governance (ahead of pre-election period for DC elections in 2019) and standstill period.
Mobilisation	May 2019 – end March 2020	New provider gearing up to commence service. Note that a phased transition to Recycle More will be required from April 2020 onwards.

12.3 It is proposed that the project will be managed with existing resources from SWP and the administering authority (SCC – in particular procurement and legal support) with external support on key commercial and technical matters. It is proposed that the costs associated with the project will be funded from the accrued income generated from the hire of refuse collection vehicles to Kier since 2015. This fund (£421k) was previously identified as providing support for overall roll-out costs for Recycle More. Actual and forecast expenditure is shown below:

Item	£
<b>Recycle More ear-marked reserve funding</b>	<b>421,824</b>
Commissioning options appraisal	14,942
Develop Procurement Strategy (forecast)	7,700
Support for depot optimisation and service modelling	20,000
Commercial and technical support during procurement (forecast based on initial advice and benchmarking similar processes)	250,000
Purchase of baling plant and equipment (committed subject to early expiry)	110,000
<b>Residual Balance</b>	<b>19,182</b>

12.4 In addition to these costs there will be further costs associated with the rollout of Recycle More (in particular from additional recycling containers, communications, operational support during a phased transition). These will be more fully explored throughout the procurement process as the scale and timing of these costs will depend upon the precise scope of the services we procure (i.e. what the contractor does and what SWP has to do), how the contractor proposes to phase and manage the transition, and how these costs are spread over the life of the contract. The SWB has previously agreed that savings will not be realised until the costs of implementation are covered.

- 12.5 The project will be managed in line with the administering authorities (SCC) project management procedure and Contract Standing Orders. Key roles and responsibilities in the project structure are shown in Table 3.

#### Key roles and responsibilities

<b>Role</b>	<b>Who</b>	<b>Responsibility</b>
New Service Task & Finish Group	Members from each partner authority	Political steer ahead of key decision points and holding the project true to the SWB's vision.
Senior Responsible Owner	Mickey Green (SWP)	Ownership of the project. Responsible for direction and ensuring that member task and finish group are consulted appropriately
Project Manager	Bruce Carpenter (SWP)	To plan, budget, oversee and document all aspects of the project to ensure that the project delivers its aims on time and on budget
Project Board	SMG (senior officers from each partner)	To support the SRO in providing overall direction and management for the project by bringing together a range of expertise

### 13. Finance / Resource implications

- 13.1 The Board is almost exclusively funded from contributions from partners and, apart from one-off funding bids, has no automatic block grant from Central Government. It is therefore dependent on agreement between partners on the level of funding provided by each of them in line with the cost sharing formula. Business planning and budget setting are therefore usually part of the same process but, due to the revised timetable, this year the Business Plan will be approved in December 2017 and the Budget finalised in February 2018 as is normal practice. The budget presented in this report will remain draft until February and is for one year only.
- 13.2 Section 7 of the Business Plan shows the projected year budget for Somerset Waste Partnership. A draft Annual Budget for the forthcoming year will be brought to the December meeting of the Somerset Waste Board. While the figures shown are subject to refinement, historically projections at the stage have been very close to the final budget due in February 2018, with only minor variations for final customer numbers. It is therefore considered a very low risk to approve the Business Plan ahead of the final Annual Budget for 2018/2019.
- 13.3 The current estimate for collection partners is between a 4.1% and 5.3% budget uplift from the 2017/18 budget. Each collection partner's contribution varies, primarily according to household growth and garden waste customer growth. All recycle more one-off costs are excluded from these figures (these are set out later in the report). The key drivers for the variance are:
- Collection inflation – estimate 2.66% (mostly fixed). The key drivers for this are CPI and fuel increases.
  - Household growth estimated average 0.95% (final figures will be available on 1st December).
  - Garden customers growth estimated at 3% (although this provides a corresponding income to each partner).

- Recycling credits – whilst no growth is assumed, a 3% price increase is reflected current assumptions.

13.4 Cabinet will have the option not to approve the Business Plan as they do in any other year, this course of action would be unheard of in the history of the Waste Partnership and would lead to significant risks in terms of service delivery to our communities. If the Somerset Waste Partnership are unable to agree the Business Plan and possibly the budget, it would lead to considerable negative financial and reputational implications for all partners.

13.5 The Annual Budget, once finally approved, will become the new measure for the financial performance of the Waste Partnership for 2018/19. SWP will continue to share the costs among partners in the approved format

13.6 The cost increase for 2018 /19 when compared with 2017/18 is £70,000. The budget for 2018/19 was set with a contract increase in mind, however the increase actual increase is greater than this creating a small additional impact of £15k on the MTFP.

#### **14.1 Legal Implications**

14.1 The waste collection contract is one of the Authority's largest contracts. The Waste Partnership fulfils the Authority's statutory responsibilities in regard to waste collection.

#### **15. Links to corporate Aims / Priorities**

15.1 SWP is one of the Authority's key partnerships and takes client and operational responsibilities for the delivery of our recycling and waste priorities.

#### **16. Environmental Implications**

16.1 The role of SWP has a direct impact on the environment and all actions within the plan are considered against their environmental benefits.

#### **17. Asset Management Implications**

17.1 There are no implications as a result of the report

#### **18. Equalities Impact**

18.1 Equalities Impact Assessments will be carried out as appropriate with the development of each Business Plan activity prior to proceeding with that activity. In most cases the decision to proceed based on the outcome of the impact assessment will be delegated to the Managing Director and Senior Management Team of SWP. Where significant issues are identified through the assessment process that would have implications for major projects or programmes the decision to proceed will return to the Board prior to commencing development

## 19. Risk Management

19.1 The SWP risk register is reviewed annually and taken to the Somerset Waste Board for approval. The Project risk register is attached at Appendix 2.

## 20. Partnership Implications

20.1 The Somerset Waste Partnership is one of the Council's key partnerships. The Partnership undertakes the client and operational responsibilities for the delivery of our waste collection obligations and our recycling and waste reduction priorities.

## 21. Scrutiny Committee Comments

21.1 As this report was published prior to the Scrutiny Committee having taken place a verbal update on the discussion and support will be provided for Cabinet during the meeting.

### Appendices:

- 1 – SWP Business Plan 2018/23
- 2 – Project Risk Register

### Democratic Path:

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

### Reporting Frequency: Annually

### Contact Officer

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### Background papers

*Somerset Waste Board Constitution and Inter-Authority Agreement*  
<http://www1.somerset.gov.uk/council/boards.asp?boardnum=32>





# **SWP Business Plan 2018 – 2023**

*Draft for Approval for Partner Authority Consultation*

<b>Table of Contents</b>	
Page 3	About Somerset Waste Partnership; Key Stakeholders; SWP Vision
Page 4	Key Issues and Challenges
Page 6	Key Aims and Priorities
Page 7	Action Table
Page 10	Draft Budget Table 2018/19

<b>Change History</b>	
25/10/2017	Draft for Approval for Partner Consultation

## 1. About Somerset Waste Partnership

### 1.1 10<sup>th</sup> Anniversary

October 2017 saw the 10<sup>th</sup> anniversary of the formalisation of the Somerset Waste Partnership (SWP) and the signing of the inter-authority agreement between the six partner authorities. The authorities had been working together for ten years prior to that, but the formalisation cemented the relationship, enabling service developments that have saved millions of pounds in avoided costs for Somerset.

Somerset still has the first and only county-wide waste partnership, including all collection and disposal authorities, in the country. Since working together Somerset has increased its recycling rate three-fold, putting the county at or near the top of the national rankings for several years running.

### 1.2 Background to SWP

Somerset Waste Partnership (SWP) was established in 2007 to manage waste services on behalf of Mendip, Sedgemoor, South Somerset and West Somerset District Councils, Taunton Deane Borough Council and Somerset County Council. This made it the first county-wide waste partnership in the country.

SWP has delegated authority to deliver household waste and recycling services throughout Somerset, including management of kerbside collections, recycling sites and disposal sites. These duties are in turn contracted to Kier (collection services) and Viridor Plc (recycling sites, landfill sites and recycling or disposal of food waste, garden waste and residual waste).

SWP is accountable to the Somerset Waste Board (SWB), which consists of two members from each of the partner authorities.

For further information about Somerset Waste Partnership and the Somerset Waste Board please visit [www.somersetwaste.gov.uk](http://www.somersetwaste.gov.uk)

## 2. Key Stakeholders

- Residents of Somerset
- Members and officers of partner authorities
- Kier MG CIC
- Viridor Plc

## 3. The SWP Vision

We will:

- Drive material up the waste hierarchy and, where sustainable markets exist, into the circular economy\*.
- Avoid landfill and encourage high participation in waste avoidance, reuse, recycling and food waste collection schemes.

- Engage with local people, support economic wellbeing and use efficient, sustainable and affordable solutions at every stage of the process.
- Encourage and facilitate innovation, joined up strategy, policy and operations across the county

\*A circular economy is one where resources once used are not disposed of, but become feedstock materials or energy for making new products, thus reducing reliance on raw materials and waste disposal. A “closed loop process” is a variation of this where recovered materials are recycled into the same product. The benefits of a circular economy include reduced energy consumption, resource security and lower environmental impacts. A circular economy works most effectively where there are clear incentives for all persons on the loop (manufacturers, retailers, consumers, local authorities, reprocessors) to move the material around the loop.

#### 4. Key Issues and Challenges

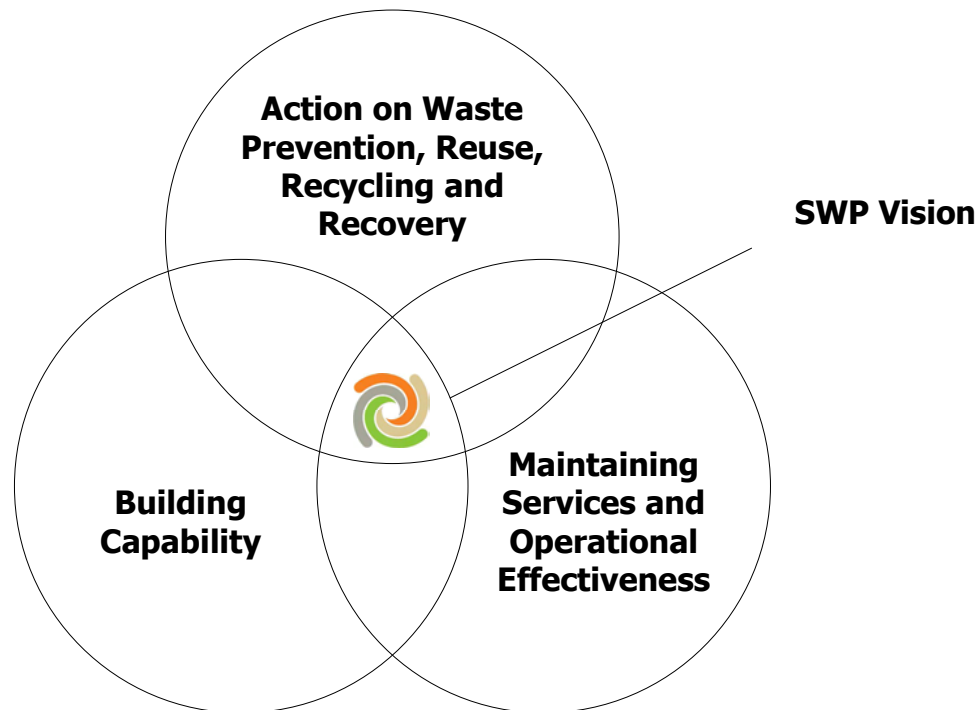
Issue	Impact	Proposed Response
Legislative impact of withdrawal from the EU	The Great Repeal Bill will see all EU legislation not already enshrined in domestic law transferred to UK statute. This is likely to include the Circular Economy Roadmap, which will be passed into EU law before Britain exits.	No early changes to legislative framework identified. SWP will continue to monitor.
DCLG and non-household waste charging	The Department of Communities and Local Government continue to indicate they intend to stop Local Authorities charging for DiY waste, currently classified as “Industrial”. This intent has been reinforced in the 2017 Anti Littering Strategy, which included the statement “Stopping councils from charging householders for disposal of DIY household waste at civic amenity sites (rubbish dumps) – legally, household waste is supposed to be free to dispose of at such sites.”	SWB may decide to put the case to the DCLG for retaining current arrangements, or accept the financial gap (estimated at up to £600k p/a) with subsequent decisions to be made on how that will be managed. This risk will be addressed as part of the scheduled review of the Core Services contract scheduled in this Business Plan. SWP and the SWB will continue to monitor communications from the DCLG on the matter and engage where appropriate.
Community Recycling Site Charges	In 2015 DCLG brought in an order to prevent local authorities from designating some sites (known in	SWB must consider the impact of this change and how it will affect the network of recycling sites.

	<p>Somerset as “Community Recycling Sites (CRSs)”) as provided under discretionary “wellbeing” powers within the Local Government Act 2003. This removed the option to introduce charges for entry to sites (even where this option was promoted by the community as an alternative to closure). The effect of this is that the charging at Dulverton and Crewkerne CRSs will not be permitted after April 1<sup>st</sup> 2020</p>	<p>This will be done as part of a wider review of the Core Services contract.</p>
WRAP Consistency Framework	<p>The framework, which strives to increase consistency in collection services across the country, continues to be a topic for discussion at governmental level.</p>	<p>SWP to monitor and adopt appropriate recommendations with implementation of service changes.</p>
Deposit/Return Schemes	<p>“Deposit/Return” schemes for items such as glass and plastic bottles are being considered for England by the government following announcement of a scheme to be adopted in Scotland. This initiative could affect the requirements for kerbside services with, if implemented, a potential drop in material volumes.</p>	<p>While supportive of the need to explore these options SWP’s considerations will be highlighted in a response to the “call for evidence” issued by Defra. SWP to monitor developments and consider impact on service design as part of any future procurement strategy for future collection service arrangements.</p>
Financial Pressure	<p>Ongoing financial constraints continue to impact all partner authorities.</p>	<p>SWP will continue to consider cost as a priority issue in all decisions.</p>
Somerset Demographic changes	<p>Somerset’s population is growing and, combined with longer life expectancies and an increased emphasis on community based care, there will be pressure on waste services. Some of the pressures will be on specific services, such as clinical waste (including an increase in adult hygiene</p>	<p>SWP will consider strategic impacts of demographic changes on waste services as part of the procurement process for future service arrangements.</p>

	waste) and assisted collections.	
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## 5. Key Aims and Priorities for 2018/19

The action table sets out the most significant set of changes to Somerset's waste services since SWPs inception in 2007. Co-ordinated for maximum impact and value the changes span all three major contracts for waste collection, treatment, disposal and infrastructure (including vehicles). It also develops SWPs capability, in some instances working in partnership with others, to support Somerset residents in wasting less and recycling more, with residual waste becoming a fuel stock to generate energy.



5.1 Building Capability	Outcome	Timing, Resources
<ul style="list-style-type: none"> <li>• Improving Intelligence                             <ul style="list-style-type: none"> <li>○ Review performance data procedures</li> <li>○ Improve integrity of service data</li> </ul> </li> <li>• Developing systems: -                             <ul style="list-style-type: none"> <li>○ Develop ICT strategy</li> <li>○ New Customer Service systems (ITouch)</li> <li>○ Website Upgrades (e.g. self service)</li> <li>○ Develop and Launch Mobile App</li> <li>○ Round Management and performance software</li> </ul> </li> <li>• Understanding behaviour                             <ul style="list-style-type: none"> <li>○ Waste Composition Analysis (rolling three year cycle to commence with Waste Transfer Stations)</li> </ul> </li> <li>• Internal Review                             <ul style="list-style-type: none"> <li>○ Review SWP staffing structures</li> <li>○ Manage SWP Office move</li> </ul> </li> </ul>	<p>SWP is an organisation that is able to work intelligently to improve delivery of the financial, social and environmental benefits of an effective resource management service.</p>	<p>These activities will run through the financial year. In the main costs will come from existing budgets.</p> <p>Items that fall outside of existing budgets are: -</p> <ul style="list-style-type: none"> <li>- New Customer Service System. This will result in a circa £24,000 annual increase in overall budget but should deliver significant efficiencies in terms of customer request handling, and will provide a means which we can build a mobile App to support delivery of future service changes.</li> <li>- Round management and Performance Software. Because of the potentially significant and direct contribution to the delivery of the new service arrangements, the costs will initially be drawn from the Recycle More Earmarked Reserve (as described in previous Board papers) and estimated at £20,000.</li> </ul>



<p><b>5.2 Action on Waste Prevention, Reuse, Recycling and Recovery</b></p>		
<ul style="list-style-type: none"> <li>• Implementing future collection arrangements (Recycle More model)             <ul style="list-style-type: none"> <li>○ Should the Board decide to tender the opportunity, procure provider for collection services (including appropriate risk management and mitigation arrangements)</li> <li>○ Explore early introduction of household battery collections and trialling ways to increase capture of small waste electricals</li> <li>○ Initiate vehicle procurement</li> </ul> </li> <li>• Reducing cost and impact of waste             <ul style="list-style-type: none"> <li>○ Targeted waste prevention and minimisation activities (including tested approach of Food waste stickers on bins)</li> <li>○ Pilot SWP Education Service</li> <li>○ Continue to explore effective media for communicating messages (including insert in Council Tax mailings)</li> <li>○ Refresh SWP Waste Prevention Strategy, to focus on systemic implementation of activities with a significant measurable benefit over the full five year period of this plan</li> <li>○ Develop SWP Communications Strategy</li> </ul> </li> <li>• Infrastructure</li> </ul>	<p>Somerset’s recycling rate improves from 52% towards 60% and potentially beyond; residual waste per household reduces, and energy is recovered from materials that cannot be recycled ending the county’s long reliance on landfill.</p>	<p>These activities will be funded either from existing budgets or from the Recycle More Earmarked Reserve, with the exception of the trial reintroduction of education services, which will be funded via the Community Sector Integration Plan fund provided through the Viridor contract.</p>

<ul style="list-style-type: none"> <li>○ Oversee development of infrastructure required to deliver new residual waste treatment.</li> </ul>		
<p><b>5.3 Maintaining Services and Operational Effectiveness</b></p>		
<ul style="list-style-type: none"> <li>• Viridor Core Services Contract Review             <ul style="list-style-type: none"> <li>○ This contract, which includes management of the Recycling Centre network, ends in 2022 and SWP has the opportunity to extend it to 2031, should we choose to do so.</li> </ul> </li> <li>• Active management of collection service contract (monitoring performance to ensure no degradation in tail end of contract)</li> <li>• Review waste service Fees and Charges structures and implications of varying charges (including inclusion of administration costs)</li> <li>• Recycling Site Maintenance</li> <li>• Assess impact of changes to legislative framework, including removal of powers to designate Community Recycling Sites and to charge for non-household waste at Recycling Sites.</li> <li>• Plan for Broadpath Landfill Site closure</li> </ul>	<p>These activities ensure the day to day functions of the SWP are delivered effectively and safely. SWP must give focus to maintaining the quality of services, predicting risks and preventing issues arising.</p>	<p>These items are funded through existing budgets.</p>

<ul style="list-style-type: none"><li>• Plan for Dimmer transition (from landfill to Waste Transfer Station – scheduled Feb 2019)</li></ul>		
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## **7. SWP Budget 2018 - 19**

The following table shows the projected year budget for Somerset Waste Partnership. A draft Annual Budget for the forthcoming year will be brought to the December meeting of the Somerset Waste Board. While the figures shown here are subject to refinement, historically projections at the stage have been very close to the final budget due in February 2018, particularly for collection partners, with only minor variations for final customer numbers. It is therefore considered a very low risk to approve the Business Plan ahead of the final Annual Budget for 2018/2019.

### **7.1 Revenue Not Included**

Control of income from residents for waste related services is retained by the collection authorities and is therefore not shown in this paper. The most significant portion of this is annual Garden Waste subscriptions, which will generate income for the district council of around £55.40 for each wheeled bin subscription in 2018/23. This is a significant offset of the cost of providing the service. Other income streams are Bulky Waste collection fees and sale of Garden Waste sacks.

7.2 Full Draft Budget Summary 2018/19

Summary Annual Budgets 2018/2019								
	Rounded £000s	Total	SCC	MDC	SDC	SSDC	TDBC	WSC
Expenditure			£000	£000	£000	£000	£000	£000
Salaries & On-Costs	972		481	110	111	155	108	7
Other Head Office Costs	275		126	30	32	45	31	11
Support Services	125		54	14	15	22	15	5
Disposal - Landfill	11541		11541					
Disposal - HWRCs	9484		9484					
Disposal - Food waste	1481		1481					
Disposal - Hazardous waste	225		225					
Composting	1811		1811					
Kerbside Recycling	9162			187	189			
Green Waste Collections	2579			8	3	2812	1848	731
Household Refuse	6155			500	619	691	640	129
Clinical Waste	119			126	126			
Bulky Waste Collection	84			4	9	1880	1265	477
Container Maintenance & Delivery	228			24	26	36	25	8
Container Supply	447			19	16	24	18	7
Pension Costs	69			51	42	72	51	12
Depot Costs	186			98	90	144	96	19
Village Halls	6			2	2	62	2	1
Transfer Station Avoided Costs	321		321					
Recycling Credits	2460		2460					
Capital Financing Costs	231			52	41	78	39	21
<b>Total Direct Expenditure</b>	<b>47961</b>		<b>27984</b>	<b>408</b>	<b>420</b>	<b>6077</b>	<b>4177</b>	<b>144</b>
<b>Income</b>			<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Sort It Plus Discounts	-80			-16	-17	-24	-17	-6
Transfer Station Avoided Costs	-321			-65	-69	-97	-67	-23
May Gurney Secondment Saving	-44		-20	-5	-5	-7	-5	-2
Recycling Credits	-2432			-520	-487	-757	-494	-174
<b>Total Income</b>	<b>-2877</b>		<b>-20</b>	<b>-606</b>	<b>-578</b>	<b>-885</b>	<b>-583</b>	<b>-205</b>
			£000	£000	£000	£000	£000	£000

Business Plan 2018-23

<b>Total Net Expenditure</b>	45084	27964	347 4	362 4	5192	3594	123 6
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## Appendix 2 Project Risk register

<i>Risk</i>	<i>Mitigation</i>
Kier continue to change their stance on matters that were considered agreed – this places the deed of variation at significant risk and prevents SWP progressing the approval with partners to procure a new provider, and prevents early market engagement taking place eating further into the timeline.	Kier and SWP have agreed that 13 <sup>th</sup> November will be the day that the deed is sealed. This is an operational decision to achieving Recycle More which was approved by each partner. Having the final deed signed preventing further changes on their part and allowing SWP to gain the partner approval required to procure a new service model.
We fail to have a competitive procurement process and achieve our objectives due to a lack of interest from one or more of the limited set of contractors who have significant experience in delivering comparable kerbside sort recycling collections (and in particular three weekly refuse collections).	We need to attract and maintain interest from the market in order to maximise competition, and this is being reflected in the procurement strategy, in particular in the way we will approach soft market engagement stage and the competitive dialogue stage, and how we reflect the procurement pipeline for similar services from other local authorities. An LAC remains our contingency plan.
We fail to achieve the project objectives (economic, efficiency and environmental/social) through the procurement	The competitive dialogue approach is designed to maximise the likelihood of us securing our aims by ensuring that we can explore key elements of the contract (including around efficiency, materials and yield) to ensure that we maximise our chances of securing our objectives. An LAC remains our contingency plan.
Due to the time it takes to procure Recycle More member authorities decide to no longer support recycle more.	Member task and finish group close involvement in the process helps ensure that our approach reflects the collective desires of partners.
Depot configuration and optimisation required for most efficient delivery of RM doesn't align with current sites and we are unable to secure suitable alternatives within time and/or budget	Depot optimisation strategy being developed as part of initial phase of procurement, and to be reflected in dialogue stage of procurement.
Administering authority contract standing orders are not appropriate to the specific circumstances of this procurement (in particular a 70:30 price : quality split)	Close working with SCC's commercial and procurement team as we develop the detailed procurement strategy, informed by expert commercial advice and soft market testing.
The costs of procurement exceed those currently forecast.	Careful ongoing management of expenditure and close review through project board and member task and finish group.





Report Number: WSC 128/17

## West Somerset Council

### Cabinet – 30 November 2017

#### Hinkley Tourism Strategy Phase 3 Delivery Plan 2018-19

This matter is the responsibility of Cabinet Member Cllr Andrew Hadley, Lead Member for Economic Regeneration & Tourism

Report Author: Robert Downes, Senior Tourism Officer

#### 1 Executive Summary / Purpose of the Report

- 1.1 To report to Council on what has been achieved in the first three years of delivering the Hinkley Tourism Strategy 2015-20 under Phase 1 and 2 Action Plans (see 4.2).
- 1.2 To consult with Council on the details of a refreshed strategy, and proposals for a new Phase 3 Action Plan for 2018 and 2019 (see 4.3 and 4.4, plus Appendices A and B).
- 1.3 To request the drawdown of £258,000 from Hinkley Point C Section 106 allocations available for tourism, to deliver the Phase 3 Action Plan (see section 5).

#### 2 Recommendations

- 2.1 That Council approves the refreshed Hinkley Tourism Strategy 2015-20 and Phase 3 Action Plan for delivery between January 2018 and September 2019.
- 2.2 That Council approves the request for drawing down £258,000 of Hinkley Point C Section 106 allocations available for tourism to deliver the Phase 3 plan.

#### 3 Risk Assessment

##### Risk Matrix

Description	Likelihood	Impact	Overall
<b>Effectively mitigating HPC impacts:</b> The Action Plan sets out plans for mitigating impacts and maximising opportunities for the tourism industry from the development of HPC. Not delivering on these actions will mean that West Somerset is unprepared for what might happen, and will not be able to work towards developing tourism in the district, nor support businesses to become more resilient.	5	4	20

<p><b>Damage to industry and partner relationships:</b> The strategy and plan have been developed within a public/private partnership following wider industry consultation. Not delivering the strategy and actions to mitigate impacts runs the risk of alienating partners and tourism activity not being co-ordinated and integrated. Individual organisations could return to focusing on their own goals, which would not help West Somerset in attracting more visitors and spreading the benefits of tourism.</p>	3	4	12
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### Risk Scoring Matrix

<b>Likelihood</b>	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
			<b>Impact</b>				

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 The Hinkley Tourism Action Partnership

- 4.1.1 Section 106 agreements with EDF Energy for the development of Hinkley Point C (HPC) included the condition that a partnership was formed to develop plans for managing impacts and maximising opportunities for tourism. West Somerset Council formed the

Hinkley Tourism Action Partnership (HTAP) in 2014, and have since then led the development of activity.

- 4.1.2 The partnership also includes representatives from Sedgemoor District Council, Somerset County Council, Exmoor National Park Authority, EDF Energy, Visit Somerset and Visit Exmoor. Activity is supported and largely delivered by officers from the three local authorities, which amounts to two full time equivalent roles.
- 4.1.3 In 2014, HTAP carried out consultation with the tourism industry in order to establish a view on priorities, approach and ideas for achieving success. The six year Hinkley Tourism Strategy 2015-20 was launched and approved by Council in February 2015.
- 4.1.4 The strategy was accompanied by a Phase 1 Action Plan. A Phase 2 Plan was approved by Council in July 2016 to take things through to December 2017, which completes the first three years of the strategy. These first two plans utilised the £320,000 (plus an additional £22,311 of indexation) available under the Site Preparation Section 106 agreement with EDF Energy for HPC.

#### 4.2 Achievements in 2015-17

- 4.2.1 At the time of developing the strategy in 2015, the official government decision to build HPC was expected imminently. However, it did not occur until September 2016. Some marketing activity was put on hold until 2017, but by and large the delay gave HTAP an opportunity to put in place key plans, contracts, processes, and relationships.
- 4.2.2 The table below provides details of what has been achieved under the Phase 1 and Phase 2 plans in 2015-17. In addition to what is shown, £75k of match funding was secured to enhance planned activity.

Priority Detail	Target	Achieved
1. PR campaigns to <b>generate positive perceptions.</b>	<b>50</b> pieces of media coverage	<b>64 pieces of media coverage achieved</b> regionally and nationally via the 'Secret Somerset and Exmoor' PR campaign to inspire journalists and visitors.
2. Planning and action to <b>improve visitor experience.</b>	<b>15</b> initiatives to aid visitors	<b>19 achieved</b> , including: travel plans, business FAQ's, TIC service level agreements, Welcome International training, itineraries, guided walks, videos, photography, e-newsletters and new social media channels.
3. <b>Visitor monitoring</b> of motivations and satisfaction.	Over <b>70%</b> of visitors actively recommend the area to others	<b>72% achieved</b> in net promoter score question from 1,750 surveys conducted over 2 years (score represents the % of visitors that are very happy and that would then tell others about their trip).

4. Development of <b>new tools, products and partnerships.</b>	<b>10</b> new tools and products	<b>14 achieved</b> , including: Somerset e-book, HPC workers site, new campaign web content, COOL experiences brochures, support for Watchet CCT, Enterprising Minehead, Cheddar & Dunster Tourism Forums, Steam Coast Trail, Brean Down Way and England Coast Path partnership with Natural England.
5. <b>Growing the customer base</b> through Somerset & Exmoor advertising campaigns.	<b>100,000</b> new visitors to digital platforms	<b>138k achieved.</b> 58,000 visitors generated via Secrets campaign aimed at family and couples markets, and 80,000 via Wild West digital advertising campaign aimed at family and active markets.
6. <b>Building industry capacity</b> of Visit Somerset & Visit Exmoor.	<b>10%</b> combined average growth in members and digital	<b>17% combined average growth.</b> VS and VE each grew membership by 9%. Facebook average growth was 30%, twitter 14%, and website visits 15%.
7. <b>Improve digital and quality skills</b> of businesses.	<b>150</b> employees supported	<b>210 employees</b> and business supported through digital and management training sessions, and workshops to encourage quality and apply for regional awards.
8. <b>Monitor industry performance</b> and issues.	<b>40%</b> of businesses confident about next 12 months.	<b>42% indicated confidence</b> in surveys conducted quarterly in 2017. 450 surveys completed by 100-150 businesses.

#### 4.3 The Refreshed Hinkley Tourism Strategy 2015-20 (Appendix A)

4.3.1 The decision to refresh the strategy has been taken for a number of reasons. The planned mid-term review of the strategy has coincided with significant increases in activity in and around the HPC site. Construction is now well under way with some 500 lorry movements per day. This has been matched with further EDF roadwork improvements in Bridgwater, and non-related projects being delivered by England and Somerset Highways Teams on the M5 and A39. Challenges have begun to emerge in the local accommodation sector for the 2,000 or so workers there are in the area.

4.3.2 Three years has also proved to be a short time in terms of issues and trends. The decision to leave the EU and rise in use by the public of online travel agents, such as Air bnb, are set to present new challenges. There has been enormous growth in companies using digital advertising channels to target customers, at the expense of traditional methods. This was predicted in the original strategy, which led to the development of the 'Secrets' and 'Wild West' digital campaigns, both of which have been very successful. Yet trends in the digital world are constantly evolving with newer more cost effective advertising channels and inspiring new offers making things ever more competitive. These changes all place added pressure on the area's industry bodies (Visit Somerset and Visit Exmoor), and individual businesses to grow and remain resilient to change.

- 4.3.3 A key change HTAP partners wanted to see **was a shift in emphasis away from awareness raising advertising campaigns to more of a focus on developing new products, match funding, and supporting the industry.** The key argument being that opportunities to raise awareness of the area before the HPC development got underway have been achieved. Now is the time to focus on developing the legacy and creating more industry resilience. This is underlined in the budget proposal for Phase 3, which when compared to Phase 1 and 2, shows a drop of 13% in spending (down from 40%) on PR and advertising campaigns, while funds set aside for new products and match funding will double to 26%, and support for industry growth will increase by 7% to 27%.
- 4.3.4 Therefore, the strategy is now structured around four (not three) strategic aims: **Perception, Welcome, New Products, and Industry Growth.** Underpinning these aims are eight priorities each with a measurable target. Please see Appendix A.

Strategic Aim	Priorities	Targets for the six years strategy from 2015-2020
1. Generating Positive Perceptions	Promoting a positive image	100 pieces of media coverage
	Growing the customer base	200,000 new customers attracted from digital campaigns
2. Delivering an Exceptional Welcome	Enhancing the welcome	Over 70% of visitors actively recommend area to others
	Understanding the customer	Business confidence to remain above 40%
3. Developing new experiences	Destination competitiveness	Interest in new tools and products developed up by 10%
	Maximising the Legacy	£200k of match funding secured
4. Supporting Industry Growth	Industry capacity building	Visit Somerset and Visit Exmoor to grow performance by 15%
	Encouraging quality growth	400 tourism employees supported through training

#### 4.4 **Phase 3 Action Plan 2018-19** (Appendix B)

- 4.4.1 The six year tourism strategy is being delivered through four phased action plans. The phase 1 and 2 plans, which utilised the £342,911 of allocations available under the Section 106 Site Preparations, will come to an end in December 2017. Phase 3 (please see Appendix B) will run from January 2018 until approximately August/September 2019.
- 4.4.2 The Phase 3 Plan is proposing to utilise £258,000.56 of the currently available £433,129.91 Section 106 allocations. The reasons for requesting a larger share of what is currently available in Phase 3 is due to the need to:

- a) Cover two years of marketing campaign activity in Spring / Summer 2018 and 2019 (Phase 4 will require allocation for just one year – 2020); and;

- b) Contribute to two years of funding for the England Coast Path and Dark Skies Tourism Project at £20k per year. There is unlikely to be any funding required in Phase 4; and;
- c) Support the delivery of a brand new website for Visit Somerset in 2018, a significant one-off project.

4.4.3 The following table summarises spend against activity in the Phase 3 Plan. Full details of the plan are provided in Appendix B.

<b>Strategic Aim</b>	<b>Activity</b>	<b>Proposed Budget</b>
<b>1. Generating Positive Perceptions</b>	Procuring specialist PR expertise, including delivering 'Secrets' social media campaign and writing new content for websites in 2018 and 2019.	£20,000
	Delivery of the 'Welcome to the Wild West – Somerset and Exmoor' digital advertising campaign in Spring/Summer 2018 and 2019.	£50,000
<b>2. Delivering an Exceptional Welcome</b>	Creation of a plan to counteract travel and other HPC issues, working with local community groups and information centres, to improve the visitor experience. This will include the development of information tools and training (e.g. literature, videos, guided walks, customer service training).	£30,000.56
	Development of a new shorter visitor survey in 2018 and 2019 to measure travel and accommodation issues, and key visitor experience measures.	£20,000
<b>3. Developing new experiences</b>	Funding to support two existing match funding product development opportunities. £20k of match will bring in £80k from Natural England to promote the England Coast Path. A further £20k of funding will bring in £100k of EU Interreg funding to develop the Exmoor National Park Dark Skies Tourism Project in 2018 and 2019.	£40,000
	HTAP partners want to explore the potential for either creating or joining a new match funding partner project. Funding is sought to support project scoping and/or provide the first year's contribution. Current thinking is looking at a Food & Drink bid to LEADER, and looking at the possibility of joining a Discover England Bid with partners from around the country. Food & drink, quality, skills and local distinctiveness are all key themes being considered.	£20,000

<b>4. Supporting Industry Growth</b>	Support for Visit Somerset in procuring and developing a brand new website to promote Somerset. This will include content development to ensure that the website really makes an impact. Sedgemoor District Council will lead procurement, while a service level agreement will be in place with West Somerset Council.	£30,000
	Support for Visit Exmoor, via a service level agreement with West Somerset Council over 18 months, to grow membership, re-design the website, evolve the Eat Exmoor project and deliver social media activity to promote Exmoor.	£25,000
	Work is required to better understand the capacity of the tourism industry in Somerset. Currently data is hugely out of date, which leads to inaccurate volume and value figures. Now that issues are beginning to arise with Hinkley workers utilising local accommodation, it is imperative to understand the occupancy and value of the industry. Work will be carried out to improve the base data, and then options explored for procuring better data.	£15,000
	Funds are required to continue to invest in improving quality and raising the game of businesses. This includes running training sessions and supporting businesses through the regional Bristol, Bath and Somerset awards scheme (which leads to the South West and National Tourism Awards). This funding will be used to match fund other training initiatives being delivered under the England Coast Path and Dark Skies projects.	£8,000
<b>TOTAL</b>		<b>£258,000.56</b>

## 5 Links to Corporate Aims / Priorities

- 5.1 The Council's second key theme around Business & Enterprise aims to 'Support and promote West Somerset's vital tourism and agricultural sectors', as well as 'Maximise the local economic benefits from Hinkley Point C'.
- 5.2 The third key theme around Our Place & Infrastructure also aims to 'Mitigate negative impacts on the community from the construction phase of Hinkley Point C'.

## 6 Finance / Resource Implications

- 6.1 To date £342,911 out of a total £342,911.56 (including £22,911.56 added for indexation) of Site Preparation Section 106 allocations available for tourism marketing and promotion have been allocated by Council to the Phase 1 and Phase 2 Action Plans. Approximately 95% of these allocations will have been spent by the end of December 2017, with the rest earmarked for activity like the Business Survey in 2018.
- 6.2 In 2016 and 2017, West Somerset Council were paid the first two of four instalments of the Development Consent Order (DCO) Section 106 allocations for Tourism, which amount to £433,129.35. This figure includes £33,129.35 of indexation. The final two payments will be paid in May 2018 and May 2019, and will total about £435,000.
- 6.3 The Phase 3 Action Plan proposes the use of £258,000.56. This includes the remaining £0.56 from the Site Preparation Section 106 allocations, and £258,000 from the DCO Section 106 agreement. This will leave approximately £610,000 for future tourism marketing and development activity.
- 6.4 The funding proposal is requested in four budget areas:

<b>Phase 3 Action Plan Budgets</b>	<b>Sub-Totals</b>
PR & Marketing	£70,000.00
Visitor Experience	£50,000.56
Product Development	£60,000.00
Industry Support	£78,000.00
<b>GRAND TOTAL</b>	<b>£258,000.56</b>

## 7 Legal Implications (if any)

- 7.1 Not applicable

## 8 Environmental Impact Implications (if any)

- 8.1 Promotional activity set out in the strategy and plans focus on using digital channels to target and provide information to customers. Visitor and business surveys are also carried out using digital and online methods. This is offset against the movements of over 95% of visitors that use their car to visit the area, due to a lack of public transport options available. Work with local community groups to improve visitor experiences, aims to keep visitors in the local area when they arrive. Overall, all strategic tourism planning activity follows the principles of sustainable tourism as a matter of course. Developments supported, like the Steam Coast Trail and Brean Down Way (new cycling routes) typically have their own principles embedded in sustainable tourism principles, and campaigns, like 'Secret Somerset and Exmoor', actively sought to encourage visitors to explore the area and spread their benefits.



## **9 Safeguarding and/or Community Safety Implications (if any)**

9.1 Not applicable

## **10 Equality and Diversity Implications (if any)**

10.1 Where relevant all steps are taken to ensure equality and diversity. Suppliers bidding for contracts are required to meet West Somerset Council standards. Where situations occur with businesses, the appropriate steps and advice are provided.

## **11 Social Value Implications (if any)**

11.1 The proposal does involve procuring services. Relevant local companies are given opportunities to bid for contracts. No specific mention is made to social value in the strategy, but much of the planned activity brings many benefits to other businesses, residents and community group ambitions. For example, the Secrets PR campaign celebrated 50 secrets/hidden gems of Somerset and Exmoor. Visitors were encouraged to explore the area, and in the process discover local shops, tea-rooms and pubs (e.g. Washford, Doniford, and Exford). The campaign actively sought to help spread the benefits of tourism, a key principle of sustainable tourism.

## **12 Partnership Implications (if any)**

12.1 The Strategy and Plan have been created by the Hinkley Tourism Action Partnership, which includes 7 partners (including West Somerset Council). The plan has been established in the context of the HPC development, and so West Somerset is central to managing any opportunities and challenges. However, visitors do not recognise boundaries, and for many years marketing of the area has been done working in partnership with stakeholders involved in promoting Somerset and Exmoor. The aim being to maximise potential for bringing in visitors to the area. Partners have invested time and energy in the previous plans and will be doing so again in the new one. If the strategy and plan did not go ahead, relationships with partners could be damaged and the impacts of HPC would not be managed in a co-ordinated way.

## **13 Health and Wellbeing Implications (if any)**

13.1 In 2016, HTAP developed a Marketing Strategy to help guide direction. In particular, the strategy sets out how the Family and Active markets will be targeted through campaigns. Somerset and Exmoor's biggest joint strength is its natural landscape. The area benefits from a variety of landscapes, most of which is protected. Therefore marketing campaigns have sought to encourage visitors to explore the area by positioning it as a great natural playground. This approach has important benefits for local residents, who can also discover the area and utilise new attractions like the Steam Coast Trail and Brean Down Way, two projects supported by HTAP.

**14 Asset Management Implications** (if any)

14.1 Not applicable

**15 Consultation Implications** (if any)

15.1 In 2014, consultation was carried out with businesses and stakeholders in the tourism industry in order to understand the view on Hinkley Point C, and how it may affect the industry. The information and ideas gleaned from this exercise led to the development of the six-year strategy. In particular the development of the priorities and principles of the marketing strategy that was developed later in 2016.

**16 Scrutiny Comments / Recommendation(s)** (if any)

16.1 Not applicable.

**Democratic Path:**

- **Scrutiny / Corporate Governance or Audit Committees – Yes / No** (delete as appropriate)
- **Cabinet/Executive – Yes / No** (delete as appropriate)
- **Full Council – Yes / No** (delete as appropriate)

**Reporting Frequency:**    **Once only**    **Ad-hoc**    **Quarterly**  
     **Twice-yearly**    **Annually**

**List of Appendices (delete if not applicable)**

Appendix A	Hinkley Tourism Strategy 2015-20 (refreshed for 2018-20)
Appendix B	Hinkley Tourism Phase 3 Action Plan for 2018-19

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# Hinkley Tourism Strategy 2015-20



‘Successfully maximising the opportunities and managing the challenges during the development of Hinkley Point C for tourism in Somerset and Exmoor’

Hinkley Tourism  
Action Partnership



## Executive Summary

This document sets out the strategy for tourism activity across Somerset and Exmoor by the **Hinkley Tourism Action Partnership (HTAP)** aimed at maximising opportunities and managing potential challenges that arise from the construction of the **Hinkley Point C (HPC)** nuclear power station.

The overarching vision is that Somerset and Exmoor will have a strong tourism industry that has successfully capitalised on opportunities from the HPC development, leaving a legacy as one of the best managed visitor experiences in the country where businesses are dynamic, resilient and working in partnership to compete at the highest level.

The Hinkley Tourism Strategy 2015-20 was developed following consultation with the tourism industry in 2014. A mid-term review has led to some revisions of the strategy for the final three years, which takes into account the current health of the industry, evolving trends and issues, and the progress of the HPC development.

A number of opportunities are highlighted, including raising the profile of the area, the development of new products and the potential for match funding bids. At the same time the strategy refers to potential challenges around negative perceptions, increased traffic levels, worker accommodation, and factors such as the decision to leave the EU.

Four phased action plans are being used to deliver the strategy over six years. This includes recommended actions to utilise about 60% of the £1.12m allocations available under Section 106 legal agreements for HPC.

Four strategic aims provide the focus of strategic activity. These are underpinned by eight cross cutting priorities and measured by eight key targets.

1. **‘Generating positive perceptions’** – Attracting new customers by targeting key markets with innovative PR and digital marketing campaigns that showcase to visitors the variety and sophistication of things to do in Somerset and Exmoor.
2. **‘Delivering an exceptional welcome’** – Building an in-depth understanding of visitors’ requirements and behaviour in order to develop information tools and service that help businesses, communities and Information Centres deliver excellent visitor experiences.
3. **‘Developing quality experiences’** – Creating and enhancing distinctive visitor experiences through match funding opportunities that contribute to sustainable growth, destination competitiveness, and improved perceptions of the area.
4. **‘Supporting industry growth’** – Fostering business resilience, confidence and higher value growth by focussing on quality and skills; and building the capacity of Visit Somerset and Visit Exmoor to champion the area and benefit businesses.

## Introduction

**Hinkley Point C (HPC)** is being built next to the existing power station over ten years at a cost of some £19.6 billion. It will provide more than 25,000 employment opportunities and eventually power five million homes.

As part of this development two Section 106 planning agreements for Site Preparation and the Development Consent Order are in place. These agreements include schedules for tourism that set out the conditions and allocations made available by EDF Energy to assist in maximising opportunities and mitigating potential challenges for the industry from the development.

**The Hinkley Tourism Action Partnership (HTAP)** was set up in accordance with the Site Preparation agreement. Its members are: West Somerset Council, Sedgemoor District Council, Somerset County Council, EDF Energy, Exmoor National Park Authority, Visit Somerset and Visit Exmoor.

Together the two planning agreements outline £2.1m of allocations for tourism payable in six instalments. With indexation added £1.2m is available for tourism marketing and development purposes. Separate allocations exist for tourism information centres and officer resource.

Launched in 2015 by HTAP, the Hinkley Tourism Strategy and Action Plans were formulated while site preparation was underway. At the time, a final go ahead from the Government was expected imminently but was in fact delayed until September 2016. Some major roadworks associated with the project did take place before the go ahead, but generally the delay gave the partnership further time to prepare for anticipated impacts and take up opportunities to develop tourism.

This document will set out the context in which the strategy will operate, following a review of the initial strategy which was developed in 2014. The priorities and strategic ambitions have been revised to reflect the evolving situation with the HPC and trends within the industry. A number of key documents have been used in the development of this document, which include:

- Exmoor Strategic Action Plan for Sustainable Tourism 2013-18
- Somerset Destination Management Plan
- Visit England Strategic Framework for Tourism in England 2010-2020
- Somerset Volume and Value Data 2015 (Cambridge Model)
- Greater Exmoor Value of Tourism Report 2016 (Steam Model)
- Hinkley Tourism Action Partnership Somerset Visitor Survey 2015-17
- Exmoor Visitor Survey 2016
- Somerset Growth Plan 2014-20
- Visit England Domestic Leisure Tourism Trends for the next Decade
- [www.visitbritain.org/insightsandstatistics](http://www.visitbritain.org/insightsandstatistics)
- Ofcom Communications Market Reports 2016 and 2017
- Internet Advertising Bureau 2016 Digital Ad Spend Report
- UK Inbound Brexit Principles
- Tourism Alliance After Brexit Report 2017



## The Value of Tourism

Tourism is a key sector in Somerset's economy generating £1.3bn turnover, 2.7m staying visitors, 23m day visitors and employing 9% of the workforce.

Around the immediate area of Hinkley Point in West Somerset and Sedgemoor, tourism activity is particularly significant, accounting for 52% of all staying visits and some £475m of visitor spend. In West Somerset 30% of the workforce is engaged in Tourism, although in places like Minehead and Brean this figure rises to over 50%.

The landscape of Somerset & Exmoor is the area's biggest strength in terms of attracting visitors and in defining what it is they can see and do. It is characterised by its dramatic coastal scenery, areas of protected countryside, seaside resorts, rural charm, historic towns and villages, festival culture, wildlife habitats, and food and drink.

This view is backed up in visitor surveys, whereby visitors cite the 'beautiful unspoilt scenery, tranquillity, heritage and opportunities for outdoor recreation' as being the most important factors when choosing to visit the area.

Many of the best examples are iconic, such as Glastonbury Tor, Cheddar Gorge, Exmoor National Park, Wells Cathedral, Glastonbury Festival, the Somerset Levels and Moors, South West Coast Path, Cheddar Cheese and Cider.

Leisure and visiting friends and family are the two most important types of visits made, with a limited amount of business tourism being restricted to key towns. HTAP visitor surveys demonstrate that Somerset's visitors either tend to be older in the post-family life stage, or are families with younger pre-school age children. A high proportion of visitors are from higher socio-economic grades.

The vast majority of visitors are from the UK from within a three or four hour drive (e.g. West Midlands, South West, London and South

East). Typically UK visitors visit on short breaks and stay 3 to 4 nights on average. Overseas visitors, particularly German, Dutch and French markets, account for between 8% (Somerset) and 12% (Exmoor) of all visits across the area and tend to stay for about 7 nights on average.

Group visits are an important sector for some businesses, although limited research exists to indicate its wider value. Some 1300 coaches pass through Cartgate Services on the A303 on annual basis, and key attractions and places like West Somerset Railway and Burnham-on-Sea spend considerable time and effort in targeting groups specifically.

The make-up of accommodation across the area varies markedly. West Somerset has 27% more bed spaces in small serviced hotels and B&B's and self-catering cottages than in Sedgemoor. While Sedgemoor has 47% more bed spaces, pitches and units in camping, static and touring caravans and holiday centres. Taken together the caravan parks at Berrow and Brean and Butlins in Minehead account for about a third of all visits to Somerset.

In recent years, a reduction in public sector funding has led to a fundamental change in how local authorities support tourism. Funds for activity are typically sourced from external funding bodies and industry advertising contributions, and are delivered through local authority officer time in partnership with industry bodies and community groups.

A good example of this was the COOL Tourism Project in 2012-15, which involved the four local authorities in HTAP working with partners in France and South West England to successfully secure EU Interreg funding. The project aimed to develop new rural visitor experiences, and delivered new marketing tools, training programmes and products. The project served to provide a good template for HTAP in terms of strategic partnership working and maximising funding potential.

This has been carried forward in work undertaken to develop the England Coast Path, the newest National Trail running between Brean Down and Minehead. Local authority partners in HTAP have developed a relationship with, and secured funding from, Natural England in order to carry out PR and marketing and business engagement activities.

Information centres in the area have also been affected by cuts to public funding, with many centres closing in recent years. Some public funding is available via Section 106 agreements with EDF Energy for some centres in the area, but by and large centres are having to re-evaluate their business models and generate more of their own income. Most rely on volunteers and operate limited opening hours.

Supporting the industry are two tourism industry bodies. The Somerset Tourism Association, now trading as Visit Somerset, has some 360 members and takes the lead in marketing and championing the county nationally. Its social media channels have a 7m reach, while its website attracts just under 1m visits per year.

43 The Exmoor Tourist Association, now trading as Visit Exmoor, has been in existence since 1981 and has 130 members. It leads the marketing of the Greater Exmoor area (National park, West Somerset and Quantock Hills) utilising the Exmoor: Dream, Discover, Explore brand, and has a website, which attracts nearly 200k visitors annually, and social media channels.

In terms of the wider strategic picture, ambitions for tourism are cited in a variety of regional economic documents. The Exmoor Sustainable Tourism Strategic Action Plan, sets out a plan for 2013-18 to increase the value of visitors and develop sustainable tourism. Visit Somerset's destination management plan includes ambitions for increasing market share and developing rural tourism.

At a national level Visit England's The Strategic Framework for Tourism in England 2010 – 2020 sets out ambitions to increase global market share, deliver compelling destinations of distinction, champion a thriving industry and improve engagement with visitors. This is supported by Visit England's Domestic Leisure Tourism Trends document, which helps to set the context of the needs of future visitors.

## Tourism during HPC construction

### Opportunities

The Section 106 tourism allocations constitute a significant increase on previous levels of funding for developing tourism. It paves the way for a wide ranging and co-ordinated strategic approach to tackling industry issues.

This includes utilising allocations for match funding bids, which in itself opens up opportunities to develop new strategic partnerships. Allocations will also enable the six named information centres in Section 106 agreements to improve visitor services, and evolve more sustainable business models.

During the development of HPC 25,000 jobs will be created, with 6,000 people employed during the peak of activity. Many of these

workers will originate from outside of the area and therefore caravan parks, B&B's and hotels will all benefit from increased business.

Local shops and services, which support indirectly related tourism jobs, will also benefit from the worker presence. For the wider industry the opportunity exists to target workers and their families directly with holiday and days out visitor offers.

The influx of workers should help to address some of the traditional seasonality issues that the industry faces. Visit England report that 70% of day visits to the countryside take place in spring and summer. A more even spread of visitors across the year could lead to an

increase in sales, more permanent jobs and improved winter opening hours.

The increase in Section 106 funded officer team will enable greater financial and advisory support to local community and business groups, in both developing local marketing activity and/or the planning of new tourism infrastructure projects.

During this six year strategy a variety of projects will have been supported, including: a new EDF Energy Visitor Centre at the HPC site, the Steam Coast Trail and Brean Down Way, Watchet Boat Museum and Visitor Centre, Bridgwater Docks Interpretation Trail, Exmoor Astro Tourism Project and England Coast Path.

For perhaps the first time, funding will enable HTAP to deliver more targeted marketing activity, which is fundamentally underpinned by visitor research and that better reflects the constantly evolving needs of customers.

For instance, Visit England indicates that families (a key market for the area) are 'changing in size, shape and composition'. Families are often smaller with single parents and fewer siblings, and have a greater range of disability and language needs. Although society is ageing, people are utilising holidays to fulfil health and well-being needs. With greater time and disposable income, grandparents are more involved in childcare and family holidays.

Short breaks by domestic markets - or the 'staycation' - have grown in popularity. This is in part due to fluctuations in the economy, including recession, a restriction in wage growth and more recently the devalued pound, which can be attributed to the impact of Brexit.

The devalued pound is one of the reasons given by Visit Britain to explain increases in

44

overseas visits; although they have also carried out significant marketing activity in this area in recent years. None the less an opportunity exists for businesses to adapt their marketing messages to new types of customers.

Evidence suggests that leisure spending is being prioritised over other luxuries, particular by younger generations. The rise in short breaks has seen less emphasis placed on choosing a destination to visit, and more demand for themed or experiential breaks that help fulfil needs in busy lives. It is predicted that the health, active and skills tourism markets are set to grow, which should play into the hands of strong 'landscape' based destinations like Somerset and Exmoor.

Although people are recognised as being 'time poor', they still desire choice. The internet has been crucial in satisfying this trend and making things simple for all ages. In 2017, Ofcom reported that 99% of 16-24 year olds and 53% of over 74's had a home broadband connection, while 76% of adults now have a smartphone. Online shopping accounts for 69% of activity, social networking 57%, and 66% of teenagers use YouTube to watch TV. People have become used to searching for deals, and buying holidays online.

This use of technology has led to an enormous shift by companies in targeting customers. Advertising on digital channels was up 17% in 2016 to £10.3bn. While traditional TV and print advertising growth slows and declines, spend on mobile advertising was up 51% in 2016 to £3.9bn. Paid for search advertising (e.g. google) is now worth £5bn, and 2016 saw huge increases in online display (e.g. banner ads), video pre and post roll and social media advertising. The opportunity exists to promote Somerset and Exmoor via new channels that have not been tried before.

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## Challenges

During consultation, one of the key concerns expressed by tourism businesses centred around the perception of the area, particularly in regards to the use of the name 'Somerset'

alongside HPC, but also in relation to the sheer scale and potential impact of one of Europe's largest construction sites on the wider Somerset and Exmoor area.

44



This concern stems from previous experiences with the Foot & Mouth crisis of 2001, and flooding of parts of the Levels and Moors in 2014. For instance, although just 2% of the land was flooded, the perception was that the County was a 'no go' area. This led to a drop in visitor numbers and bookings; as much as 40% in some cases. There are valuable lessons to be learnt in terms of media coverage, managing perception and building business resilience.

Traffic congestion is another concern. The development of HPC will see on average 500 lorry movements per day, and at peak, an additional 6,000 workers in the area. Plans are being carried out by EDF Energy and Somerset Highways to manage lorry flows and create park and ride systems, but this traffic will add pressure to an already challenged and limited road system.

More than 90% of visitors travel to Somerset and Exmoor by road, as public transport is very limited, and even without the development of HPC, it can take over an hour to travel 25 miles from the M5 to Minehead. Monitoring will be required, particularly at key pinch points and at certain times of the week (e.g. change over days for big operators like Butlins).

Significant roadworks have already been undertaken in the period 2015 to 2017, including the Bridgwater Junction 24 Improvements, Washford Cross and Quantock Road roundabouts. HTAP developed a detailed travel plan working with partners to help visitors and businesses, but further work is required to understand movements as activity on the site increases.

Many Hinkley workers will make use of local accommodation. Away from Bridgwater and Minehead, the area round HPC is rural and includes limited numbers of accommodation businesses. It will be important to monitor occupancy issues and put in place appropriate policies to enforce caravan park licensing arrangements and manage new planning applications; in order to protect the environment and ensure that visitors can still find accommodation at peak times.

It is vitally important that Somerset and Exmoor can continue to compete with other destinations. Particularly in terms of raising quality and developing new visitor offers. For instance the area lacks a good spread of medium sized accommodation, which limits group tours, and although the situation is constantly improving, it is hard for visitors to consistently find good quality places to eat.

The industry has been described by some, such as in the Somerset Growth Plan (2014) as being characterised by '...too little high value activity'. A reference to the often seasonal, part time and low paid employment that is available. With the potential for some people to earn more from better paid roles at HPC, it is important that HTAP can support businesses in addressing quality and skills needs.

Other major challenges exist: such as the rise in popularity of online travel agencies (such as booking.com), which require businesses to pay high commission rates; and the need to support Visit Somerset and Visit Exmoor is growing their income streams in order that they can continue to lead the industry once public funding disappears.

Perhaps the biggest unknown yet is the impact of the decision to leave the EU. Like the rest of the country, local tourism businesses have relied upon Eastern European labour. With the potential for better paid roles at HPC attracting many UK nationals, the tourism industry could be faced with a significant staffing challenge. One potential solution will be that businesses consider how to engage an active and very experienced older generation; making them feel welcome and able to contribute.

Nationally, UK Inbound have asked the government to consider five key areas following Brexit: welcome and perception; workforce issues; aviation challenges; the customs union; and Visa-free travel. The Tourism Alliance 'After Brexit' Report discusses the challenges and opportunities around five key areas: the structure of the industry, skills, deregulation, transport and the welcome.

## The Strategic Vision

### Overarching Approach

The review of tourism, set against the backdrop of the HPC development, reveals a complex picture. Consultation revealed a number of concerns around areas such as visitor travel, perception, accommodation shortages due to Hinkley workers, and employee migration to better paid jobs at HPC. These concerns are further exacerbated by already existing issues such as a restricted road network, inconsistent levels of quality, a challenging economic picture and a mix of external threats.

On the positive side the tourism industry can now benefit from consistent levels of funding over an 8-10 year period. This has allowed for the development of a truly industry wide and strategic approach to managing issues and promoting what's already on offer, as well as supporting the development of new products; all of which will lead to a more competitive and resilient industry. The resulting strategy needs to sensitively handle challenges from HPC, while being bold in delivering on opportunities. However, and in a similar way to how National Park Authorities operate, if a clash between the two strands of thinking occurs, priority always needs to be given to protecting the industry and the environment it operates within.

The concerns, issues and opportunities raised throughout the consultation process and situational analysis can be distilled into eight key priorities. These can be split between the four strategic aims; although in reality they are eight cross cutting and inter related priority themes. Achieving one usually requires the delivery of at least two or three others.

- **Promoting a positive image:** Protecting and enhancing the reputation of the area by raising awareness of what there is to do.
- **Destination competitiveness:** Supporting the development of new experiential products based on local distinctiveness.
- **Growing the customer base:** Using innovative campaigns to attract new customers from existing and new markets.
- **Maximising the Legacy:** Make the most of Section 106 allocations by working with partners to deliver match funding bids.
- **Enhancing the welcome:** Working closely with information centres and local networks to counteract travel and visitor experience issues.
- **Industry capacity building:** Support Visit Somerset and Visit Exmoor to grow, improve member benefits and champion the industry.
- **Understanding the customer:** Monitoring visitors to better understand behaviour, motivations, and issues in order to improve marketing activity.
- **Encouraging quality growth:** Support businesses in growing quality and skills; to improve the bottom line, increase wages, and reduce seasonality issue

### Structure and Delivery

The strategy is structured around a vision and four strategic aims, underpinned by eight priorities and eight key targets. Action plans delivered in four phases will support deliver of these strategic ambitions: Phases 1 and 2 in 2015-17; and Phases 3 and 4 in 2018-20. Delivery will largely be carried out by four officers in two full time equivalent roles, with support by individuals from all key seven partners in HTAP throughout. Reporting against targets and activity will made quarterly in line with meetings of the Hinkley Tourism Action Partnership (HTAP) and the Hinkley Socio-economic Advisory Group (also known as SEAG).

## Vision

Somerset and Exmoor will have a strong tourism industry that has successfully capitalised on opportunities from the development of Hinkley Point C, leaving a legacy of one of the best managed visitor experiences in the country and with businesses that are dynamic, resilient and working in partnership to compete at the highest level.

### Strategic Aim 1

#### **'Generating positive perceptions'**

Attracting more customers by targeting key markets with innovative PR and digital marketing campaigns that showcase to visitors the variety and sophistication of things to do in Somerset and Exmoor.

### Strategic Aim 2

#### **'Delivering an exceptional welcome'**

Building an in-depth understanding of visitors' requirements and behaviour in order to develop information tools and service that help businesses, communities and information centres deliver excellent visitor experiences.

## Priorities

Promoting a positive image  
 Growing the customer base  
 Enhancing the welcome  
 Understanding the customer  
 Destination competitiveness  
 Maximising the Legacy  
 Industry capacity Building  
 Encouraging quality growth

### Strategic Aim 3

#### **'Developing new experiences'**

'Creating and enhancing distinctive visitor experiences through match funding opportunities that contribute to sustainable growth, destination competitiveness, improved perceptions of the area'.

### Strategic Aim 4

#### **'Supporting industry growth'**

'Fostering business resilience, confidence and higher value growth by focussing on quality and skills; and building the capacity of Visit Somerset and Visit Exmoor to champion the area and benefit businesses'.

Success measured against 8 Targets (see page 15)

## Strategic Aim 1

### 'Generating positive perceptions'

#### Promoting a positive image

During the construction of HPC, the perception of the area as a place to visit is likely to be influenced by press coverage. The media has a tendency to focus on the negative so it must be expected that there will be stories about congestion, upheaval and disruption to normal life, issues of managing nuclear waste, and links made to other nuclear energy stories around the world. Even if this is not the case, the constant reference to 'construction of a nuclear power station in Somerset' will have connotations for some that the area is a place to avoid. As witnessed when only 2% of the Levels and Moors were flooded, businesses across the County suffered from a decline in bookings, so the strategy must consider the impact on the whole destination, not just around the HPC site.

The approach to counteracting negative stories will seek to build on the success achieved in 2015-17, which saw the procurement of specialist PR expertise to develop bold, innovative and above all inspiring PR campaigns. Utilising the '**Secrets Campaign**' the principal aim will be to target journalists in both print, but increasingly on digital media and through social media. The slant will be on celebrating what is new, unique and quirky about the visitor experience. Driving things via social media will help to generate new reach and engagement with visitors, the media, local businesses and residents, who in turn will act

as champions for the area. The key communications tools used will be traditional PR activities like press trips and weekly updates, together with new social media platforms, competitions, itineraries and new creative web content. PR work will be underpinned by the HTAP Communications Strategy that sets out key messages and protocols for handling media scenarios.

HTAP will continue to bring benefits to the whole area through its approach to PR. This includes promoting the areas two key destination brands: Somerset and Exmoor. The two destinations do represent different things to different visitors, but by and large the 'landscape' based strengths of both provide an opportunity to showcase a more diverse, varied and fascinating visitor experience. Although visitors do not typically appreciate boundaries, this joint working may help to subtly re-educate visitors that wrongly perceive Exmoor to be in Devon. At times it will be important to use the strength of one area. For instance the stars of any family seaside offer should make use of Somerset's strong established reputation, while the reputation of the Exmoor brand will be crucial in attracting walkers. Promoting two brands does present practical problems such as the development of content on two different sets of digital platforms, but with the reduction in public funding for tourism, more and more destinations are seeking to work in partnership to achieve their goals.

#### Growing the customer base

As set out in the HTAP Marketing Strategy, the ambition is to grow the customer base by increasing visits from existing key markets, and new markets with the potential to blossom. This requires a much more targeted approach to marketing than has been possible in the past, due to limited finances. It is an approach that moves away from the traditional 'attract and disperse' approach to destination

marketing, whereby major icons are used to initially attract customers before selling other strengths. This approach can still work in certain group and overseas markets, but even there, tour guides and individuals are looking for new inspiration. Increasing competition and busy lives have led people in search of multiple annual holiday experiences to serve a particular need at a certain time, as opposed to say a need to visit a specific destination.

In many ways people have created more reasons to have holidays, whether it is in pursuit of a hobby, celebrating family occasions, attending to personal well-being, achieving ambitions or simply to show off to friends. For Somerset and Exmoor it provides an exciting opportunity to help visitors 'get under the skin' of what can be done locally. The HTAP marketing strategy assessed a number of potential markets, from which five target markets emerged. The traditionally strong '**Seaside Family Fun**' market, is complemented with '**Discovery Families**', who are seeking more interesting and educational based time together. Another traditionally strong market are the over 55 empty nester couples market, often called '**Grey Escapes**'. The ambition is to try to extend the approach taken with this market to reach out to younger professional couples with or without children – people that want to relax and recharge from busy lives while grandparents look after the kids - '**R&R Professionals**'. The area's dramatic and varied landscape is a perfect fit for '**Active**

**Couples and Friends**', whether it's for trail walking, road cycling, kayaking, climbing or group activities.

The approach will be to build on the success of the '**Welcome to the Wild West - Somerset and Exmoor Campaign**', devised in 2017 by a specialist creative advertising agency procured by HTAP'. The campaign will continue to target the family and active markets, majoring on the area's key landscape strength as a great environment for play and exploration. In line with trends the campaign will seek to target customers through a co-ordinated use of digital advertising channels, such as video pre and post roll adverts, paid search, facebook carousel and canvas adverts and online banner displays. In order to convert customers, new inspiring content will be developed to underpin the campaign, which will require working closely with Visit Somerset, Visit Exmoor and businesses to ensure that the customer journey is complete.

## Strategic Aim 2

### 'Delivering an exceptional welcome'

#### Enhancing the welcome

The issues and concerns surrounding the impact of HPC on travel into and around the area have provided the starting point for the concept of the 'welcome experience'. In this scenario it can be defined as what visitors encounter when they reach, and travel about, the destination. This includes interactions with information centre staff, businesses and literature available to read. To date the main travel challenges faced have been in relation to roadwork improvements made to accommodate forthcoming HPC traffic. Going forward the challenges will change to include 500 HGV lorry movements to and from the site each day, and thousands of additional travel journeys by Hinkley workers across the area. The impacts on visitors, particular at certain times of the week (e.g. on a Friday and Monday when thousands of visitors travel to and from Butlins along the A39), will increase.

EDF Energy and Somerset Highways have been planning for these outcomes for some time, and have implemented a number of measures. This includes the crucial development of a 'Travel Somerset' website and twitter account to keep people up to date on the road situation. Over the past three years HTAP has worked closely with these two organisations, taking up the role of communicating with the industry and exploring ways to improve the visitor experience. This has included the development of new circular routes, itineraries, guided walks, as well as regular industry e-newsletters, presentations at key meetings and frequently asked travel question sheets for businesses. This approach is set to continue, but with things taken to a new level.

HTAP will work with Somerset Highways in targeting the large tourism operators in the



area, to better understand their needs. It will also aim to work closely with local community groups, businesses and the information centres, to develop locally distinctive visitor experiences that serve the wider purposes of making things easier for customers. This will include customer service training, new videos, maps, guided walks, itineraries, interpretation and joint promotional literature. At the same time, support will continue with information centres to develop new income streams and improve their viability; to prepare for the day when there won't be any more Section 106 funding. Related to this, considerable work is required internally at West Somerset and Sedgemoor to define policies in relation to Hinkley worker accommodation: both caravan

park licenses and planning applications for extensions and new sites. Whilst it is important for businesses to benefit from the new custom that Hinkley workers bring, it is imperative that traditional holiday makers are able to continue finding accommodation during peak periods, and that the environment is protected in the long term. Aligned to this will be the continuation of business surveys that began in 2017 and will continue into 2018. The aim with this research has been to understand business views on occupancy, turnover, future bookings, issues and training needs. In particular the surveys seeks to assess the state of the industry and business confidence for the next twelve months.

## Understanding the customer

Being able to understand the customer is vital in developing a welcoming experience and in delivering effective marketing campaigns. As part of the tourism schedules under Section 106 agreements, local authorities and EDF Energy agreed on the delivery of surveys to monitor potential impacts on the visitor experience. An accredited research company was procured to devise and develop the research methodology and implement questionnaires on the ground using professional researchers. The survey was developed in line with the 2009/10 Somerset Visitor Survey in order to measure changes over a longer period of time, but was then complemented with new experiential and Hinkley related questions. Nearly 1800 surveys were carried out with visitors in four waves over two years in 25 locations across Somerset. Each survey included about 30 questions and took about 30 minutes to complete.

The process has provided invaluable information on visitor profiles, motivations, decision making and satisfaction with the experience; all of which is now being used to support the timing and type of marketing campaigns being delivered under strategic aim 1. Some of the highlights from the research show that Somerset receives a high proportion of repeat visitors who have a propensity to

recommend the area to others; although this is set against the fact that only 1 in 7 visitors are visiting for the first time. People regard the beautiful scenery, tranquillity and wildlife and outdoor activities as key motivators and some of the best experiences in Somerset. On the flip side the area could do better with wifi/mobile phone coverage, places to eat and drink and general welcome. 36% of people booked accommodation online, 64% made the decision to stay 1-3 months out, 62% of visitors were post family while 30% had children under 16 with them.

Going forward the intention is to carry out more surveys, but this time focus on key satisfaction and experience questions, particularly in relation to travel movements and Hinkley impacts. A much shorter survey will be carried out with more visitors in key locations and at peak times of the year. In addition to this, work will be undertaken to assess the experience visitors have in using the Visit Somerset and Visit Exmoor websites: understanding what people think and feel about the content, and how they navigate to information around the site. This will prove vital in helping to understand online behaviour and in re-developing the websites in the coming months. Furthermore, information centres will be tasked with collating the qualitative views and opinions of visitors.

## 'Developing new experiences'

### Destination Competitiveness

It could be suggested that domestic UK markets, which account for about 90% of visitors to Somerset and Exmoor, have been maturing for some time. Visitors have become less motivated by the idea of a destination and more interested in consuming 'experiential' short breaks to suit a specific need and time. This list of themed breaks is long, and includes wildlife, spa, history, events, cycling, food, glamping, photography, music and fashion. All round customers are seeking new depth and sophistication to their experiences, and as the competition improves, expectations of quality rise. Perhaps subconsciously, many visitors are seeking unique experiences, as a way of displaying how varied and interesting their lives are to friends and family. People lead busy lives and want simplicity in terms of being able to find information, and so developing well-packaged breaks is a challenge.

The key for destinations in developing new product experiences is: (a) to utilise local distinctiveness in order to shape the design of new products, which will serve the need for unique experiences; and; (b) focus efforts on developing a few products (with supporting information) very well, which in turn will address the busy life problem. Current trends around a need for active, healthy lifestyles and learning new skills play to the area's main strength - its natural landscape – and which is regarded by visitors as the single most motivating factor for visiting the area.

However, while Somerset & Exmoor have significant protected natural landscapes, they don't have sufficient supporting infrastructure to really make some of the potential product areas work yet. Cycling is a good example, where both Devon and Cornwall have a number of well-developed trails. In the past couple of years with the development of the Brean Down Way and the start of the Steam Coast Trail this is starting to change this picture.

Not all product development requires the need to evolve new expensive infrastructure however. In some cases it is about an integrated approach working with businesses to better package up and sell existing experiences. Overall, the importance of keeping on top of customer needs and developing new experiences cannot be understated. Well planned developments are key drivers in attracting new types of customers throughout the year, and in helping businesses to expand. Therefore, HTAP is determined to influence change in this area, and it will take the approach of aligning its approach to target markets with the development of relevant products and experiences. This will include a focus on new products under the key themes of wildlife, coastal heritage, walking, cycling and activities, as well as local food and drink. The approach will include engagement with local businesses and networks to refine the experience, in order that the best possible legacy can be developed.

### Maximising the Legacy

In recent times local authorities in Somerset have focused efforts on developing new strategic partnerships and securing match funding bids to deliver tourism regeneration. Among the successful bids made, was the £2.2m EU Interreg funded project: COOL Tourism, which involved six partners in Eastern England and Northern France and aimed to address key common issues of seasonality in

rural tourism. £100k of funding from the local authority partners involved in HTAP was matched with £135k of EU funding. Sometimes opportunities arise to get involved with, or provide support to other key projects. This has been the case with the HPC Community Impact Mitigation bids to re-develop the Watchet Boat Museum, Brean Down Way and Steam Coast Trail, as well as a contribution from HTAP towards the £1m Minehead regeneration

programme, which is just starting to be delivered.

HTAP will take an even more proactive approach in the next three years to securing match funding bids. Other opportunities exist around funding programmes such as LEADER EU Interreg, Discover England and Coastal Communities. It is understood for example that Burnham-On-Sea will shortly be making a bid to the Coastal Communities Fund. All opportunities will be considered in terms of the approach to developing new experiences and the identified target markets previously mentioned. To this end the strategic plan will begin with allocating finances and resources to both the England Coast Path project and Exmoor National Park Authority led EU funded Astro Tourism project. HTAP partners began working with Natural England in 2016/17 to engage with businesses and raise awareness of the new national trail footpath. A £52k match funded project with £39k coming from Natural England is set to be replicated in 2017/18 and 2018/19. HTAP will also support the £2m million pound project working with partners across Europe to develop Dark Skies Tourism. This will include opportunities to support many

52

Somerset and Exmoor businesses. A £20k contribution will go towards £40k of local match, which will secure an additional £110k of EU funding for the area.

Two other major opportunities exist. Food and drink is an integral part of the Somerset landscape and tourism offer. Ambitions exist to support the sector in raising quality and the awareness of what is available. Both Visit Somerset and Visit Exmoor have developed successful food projects in the past twelve months and funding pots like LEADER and Discover England have a particular focus on this theme. Efforts will be made to develop a project that benefits businesses in the County. As part of the HPC construction, EDF Energy are planning to build a new 'state of the art' visitor centre, which will provide new jobs and attract thousands of visitors annually. The Centre will focus on all types of energy creation from nuclear to green fuels, as well as promoting the local area. It will provide a unique all year round visitor attraction unlike any other in England, and will open up opportunities to attract new types of visitors including educational related groups and more from overseas.

#### Strategic Aim 4

### 'Supporting industry growth'

#### **Industry capacity building**

With local authority funding reductions and an ambition that the industry take a bigger lead in delivering its own future, recent years have seen renewed help for the two main industry bodies: Visit Somerset and Visit Exmoor. Both operate as commercial entities with a core purpose of improving benefits for their tourism business members. This is achieved by promoting the area in order to increase visits and bookings, provide a voice at the national table on key issues, and support businesses in growing their offers. Each industry body faces slightly different challenges. Visit Somerset has greater membership numbers and a turnover that allows it to deliver many activities with a small staff resource. It has however required

local authority officer support to deliver marketing activity and additional finances to develop new tools like the Somerset e-book. Due to its rural location Visit Exmoor, which promotes tourism across the National Park and West Somerset, has a smaller membership base. It does rely on public sector support, both financially and in assisting the staff it employs to deliver activity, but this reliance is decreasing as income grows.

For Visit Somerset and Visit Exmoor, the quality of their digital tools is fundamental to a successful existence, in terms of driving bookings for members and selling Somerset. It is in this digital arena that both bodies have achieved huge success, and in particular

52



bought private sector skills in marketing and commercialism to bear. The growth in reach and engagement of social media sites, and rapidly growing visitor numbers to the websites highlight this. However, to remain competitive, it is crucial that investment in their digital platforms continues. In the next three years HTAP will invest in supporting Visit Somerset to re-develop its website. The site has been sitting on an expensive platform designed in 2006, and has not been redesigned in over three years. Customer needs change far quicker than this, so a new fit-for-purpose modern website is essential. For Visit Exmoor there is a need for some finances to refresh the design of the current website, but by and large support is going to be aimed at activity to grow membership.

It is important to recognise that competition comes from a variety of different sources nowadays. A number of destination management organisations around the country have benefited from significant public sector support over the years, and have a far greater number of businesses to work with. This has given many destinations an advantage. More and more though competition is coming from new areas, some of which have only become significant in the last three years. This includes the growth of use by customers in booking with online travel agents like air bnb, as well as booking.com, who charge businesses high commission rates. The success of websites such as Secret Escapes, Sawdays, Hoseasons and Sun Holidays show how innovative and varied the competition can be.

### Encouraging quality growth

The strategic focus must be one of achieving growth by focusing on quality. Typically the tourism sector is characterised by what is termed as 'low value activity'. This refers to the often seasonal, low paid and part-time nature of work that is found in the industry.

Compared to other destinations, there are also relatively few large operators and many small and micro businesses that operate within tight margins. When it is considered that the HPC development will generate new better paid jobs and all year round work, the industry does face a challenge. Economic uncertainty, including decisions around Brexit, could lead to challenges in terms of the availability of Eastern European labour, but also in terms of maximising opportunities that present themselves. For instance the devaluation of the pound could lead to an increase in overseas visitors. Considering the focus of marketing activity has been on targeting the 98% of domestic visitors in the past, the industry will need to adapt fast.

HTAP will focus efforts on supporting businesses to make the most of new attractions and experiences such as the England Coast Path, Dark Skies and food and drink tourism. This will include utilising tools

such as the COOL Tourism Toolkit: a directory of advice and help for businesses in improving a range of operational areas, such as marketing, PR, using local distinctiveness and business planning. It will also support businesses in delivering service excellence through training and in sponsoring involvement in key regional award schemes. In particular the Bristol, Bath and Somerset Awards, which feed into regional and national schemes overseen by Visit England. In 2016 some 35 awards were given to Somerset business, while in 2017 this figure rose to 51. This approach will help to raise the profile of the area, encourage other businesses, and ultimately help to tackle some of the traditional employment issues.

Underpinning this is a need to better understand the make-up of the industry. For many years Somerset has paid for tourism volume and value data to help in understanding the scale of the industry and spot any trends. However, the data by which this research is based on has not been updated in years, and, there are now other potentially better methodologies in existence. HTAP will therefore explore the options available, and seek to get a better grip on the size and scale of the industry. This work will complement the business surveys mentioned in priority 4.

## Strategy Targets 2015 to 2020

100 pieces of media coverage

200,000 new customers attracted from digital campaigns

Over 70% of visitors actively recommend area to others

Business confidence to remain above 40%

Interest in new tools and products developed up by 10%

£200k of match funding secured

Visit Somerset and Visit Exmoor to grow performance by average of 15%

400 tourism employees supported through training

## 2015-2017 Achievements in Numbers

 **19** INITIATIVES TO AID VISITORS

**64** PIECES OF MEDIA COVERAGE



**14** NEW PRODUCTS



**125K+**

ONLINE VISITS TO SUPPORTED SITES

 **17%** GROWTH IN ONLINE PRESENCE FOR DMOs

**£74K+**

OF MATCH FUNDING FOR NEW PRODUCTS



 **72%** NET PROMOTER SCORE

**44%** OF BUSINESSES EXPRESSING CONFIDENCE



 **210** INDUSTRY INDIVIDUALS SUPPORTED

# Hinkley Tourism Strategy 2015-20 - Top Level Action Plan for Phase 3<sup>55</sup>

Produced by the Hinkley Tourism Action Partnership

Jan 2018 to Sep 2019

Phase 4 planned for Sep 19 to Dec 20 (Phases 1 &amp; 2 2015-17)

See commentary overleaf

Ambitions			Actions						Achievements (from 2015 to 2020)		
Aims	Priorities	Phase 3 Budget	No.	Detail	Lead	Support	Quarter Start	Quarter Finish	Targets	To date	Success in Phase 3 (2018-19)
1. Positive Perceptions	1. Promoting a positive image	£ 70,000	1	Review the success of the current 2017-18 PR contract and 'Secrets' campaign before procuring new services for 2019.	SD	WS, VS, VE, SOM,	4	5	100 pieces of media coverage	64	
	2. Growing the customer base		2	Continue to utilise the 'Wild West' digital campaign to raise awareness and attract target markets in line with strategy.	WS	VS, VE, SD, SOM	2&3	5&6			
			3	Evolve plans for raising awareness of the area as a holiday destination among Hinkley workers and their families.	VS	ALL	2	7			
			4	Devise and deliver a plan for the curation of original content to support campaigns and new website developments.	WS	VS, VE, SD, SOM	1	5			
2. An Exceptional Welcome	3. Enhancing the welcome	£ 50,000	5	Develop and consult on a plan to enhance the local visitor experience, working with businesses, TIC's, and developing new tools.	WS	SD	2	6	Over 70% of visitors to recommend area to others	72%	
	4. Understanding customers		6	Monitor travel, accommodation and job migration impacts and work with partners to develop policies and deliver plans.	WS, SD, SOM	ALL	1	4			
			7	Procure a supplier to deliver a new shorter visitor survey that focuses on travel and accommodation issues and visitor satisfaction.	SOM	ALL	1	7			
			8	Continue with the contract to deliver the Hinkley Tourism Business Survey in 2018; and analyse findings in 2019.	SOM	WS, SD, VS	4	5			
3. New Experiences	5. Destination competitiveness	£ 60,000	9	Deliver a programme of work to promote the England Coast Path, in line with funding secured from Natural England in 2018 and 2019.	WS	SD, SO	1 to 2	4 to 6	Interest in new tools and products up by 10%	NEW	
			10	Contribute to the development of the National Park Authority's joint EU Interreg bid to develop Astro / Dark Skies Tourism.	ENP	VE	1	7			
			11	Continue to provide advice, guidance and letters of support to groups bringing forward significant tourism projects.	WS, SD	ALL	1	7			
			12	Explore potential for major match funding bids with local and national partners: particularly in food & drink, skills and visitor experience.	WS, SO	ALL	2	7			
4. Industry Growth	7. Industry capacity Building	£ 78,000	13	Work with partners to procure suppliers to re-develop the Visit Somerset (VS) website and plan/create new content.	VS	WS, SD, SO	1	5	VS & VE to grow performance by 15%	17%	
			14	Support Visit Exmoor (VE) in growing membership benefits, income streams and marketing of the Greater Exmoor area.	VE	WS, ENP	1	6			
			15	Investigate the options and put in place a new improved mechanism to improve understanding of industry capacity and economic value.	SOM	WS, VS	1	3			
			16	Devise a programme of training that focuses on 'raising quality' and ties in with continued sponsorship of regional Tourism Awards.	WS, SD	VS, VE, SOM	1 to 2	4 to 5			
	8. Encouraging quality growth							400 tourism employees supported via training	210		

Updated: (each quarter)

## Sorting the Spreadsheet

The middle set of Actions can be sorted by highlighting cells E5 to J22, and then selecting the relevant column.

Quarter start actions highlighted in a darker colour indicate priority areas of work.

Funding		
Section 106 Allocations	Phase 3 total request - 2018/19	£ 258,000
	Remaining for Phase 4 - 2019/20	£ 175,129
	TOTAL (currently available)	£ 433,129
	Approximate DCO funding still to be paid to WSC for use beyond 2020	£ 440,000
	Total Site Prep Section 106 funding spent in Strategy Phases 1 & 2	£ 342,311

## Overview

This plan has been developed by the Hinkley Tourism Action Partnership (HTAP) in order to achieve the ambitions of the Hinkley Tourism Strategy 2015-20. It is a top level plan for the Phase 3 period between Jan 2018 and Jul 2019. Achievements are updated every quarter in line with HTAP meetings.

The plan outlines key pieces of work only; separate officer task plans are used to breakdown actions into detail. Many of the actions in the plan represent mini projects in their own right (e.g. procurement processes or development of specific plans). All allocations for Phase 3 have come from the DCO Section 106 agreement between EDF Energy and local authorities. Phase 1 and 2 was funded under the Site Prep Section 106 agreements.

The Hinkley Tourism Action Partnership (HTAP) includes seven partners: West Somerset Council, Sedgemoor District Council, Somerset County Council, EDF Energy, Visit Somerset, Visit Exmoor and Exmoor National Park Authority.

## Lead Key

WS	West Somerset Council
SD	Sedgemoor District Council
SOM	Somerset County Council
VS	Visit Somerset
VE	Visit Exmoor
ENP	Exmoor National Park Authority
ALL	All partners in HTAP

## Quarter Key

Q1 = Jan-Mar 2018
Q2 = Apr-Jun 2018
Q3 = Jul-Sep 2018
Q4 = Oct-Dec 2018
Q5 = Jan-Mar 2019
Q6 = Apr-Jun 2019
Q7 = Jul-Sep 2019

Report Number: WSC 129/17

## West Somerset Council

### Cabinet – 30 November 2017

#### Budget Setting Progress 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 provide Cabinet with an update on budget estimates for 2018/19 and Medium Term Financial Plan (MTFP) forecasts.

#### 2 Recommendations

- 2.1 Cabinet notes the latest budget estimates, and comments on the budget adjustments being considered for the 2018/19 budget.

#### 3 Risk Assessment

##### Risk Matrix

Description	Likelihood	Impact	Overall
Risk - West Somerset Council is unable to balance the budget	Likely (4)	Catastrophic (5)	Very High (20)
<i>Members approve options to balance the budget</i>	<i>Rare(1)</i>	<i>Catastrophic (5)</i>	<i>Low (5)</i>

##### 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
			<b>Impact</b>				

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 Information

- 4.1 Members have previously considered a range of important reports that provide background on the Council's financial position and the budget strategy for 2018/19. These include:
- Cabinet 21 July 2017: Financial Outturn 2016/17
  - Cabinet 21 July 2017: Initial Draft Medium Term Financial Plan
- 4.2 Through this process a number of adjustments have been fed directly into the MTFP to realign the budget requirement to reflect the underlying costs and income in various services.
- 4.3 Overall, progress to addressing the gap and providing options via fees and charges and a Council Tax increase have been positive. However, there is still a likelihood that Transformation savings will be delayed and we await the provisional Settlement from Central Government which may bring further pressures, particularly if the allocation of New Homes Bonus is revised.

#### 5 Budget Gap 2018/19

- 5.1 The previous estimated Budget Gap for 2018/19, as reported to Cabinet in July, was £130,602. This estimate has been updated for a number of items which result in an updated Budget Gap of £15,000 (rounded to nearest thousand) for next year. The table below provides a reconciliation of the Gap and is followed by a brief explanation of the larger changes.

5.2 **Table 1 – Draft Budget Gap 2018/19 Reconciliation**

	£k	£k
Budget Gap as reported to Cabinet 21 July 2017		131
Revised calculation of BRR Tariff Adjustments based on final 16/17 NNDR3	48	
Council Tax Collection - Additional Court Fees	-30	
Building control contract saving	-23	
Waste Partnership budget pressure	18	
Additional income from Roughmoor Enterprise Centre	-3	
HR budgets unused under joint mgt arrangements	-6	
PSAA audit fees reduction	-21	
Telephones - reduction re WSC - Old Minehead Office link	-10	
Parking - additional income	-20	
Reduction in SHAPE contract fee	-41	
Council Tax £5 increase	-28	
BRR baseline adjustment for Sept RPI at 3.9%	-79	
Transfer to Business Rates Smoothing Res re initial Estimate (CPI)	79	
Council tax base growth (£16k)	?	
Finalising detailed service cost estimates	?	
Fees and charges (£1k)	?	
<i>Delay in Transformation Savings?</i>	?	
<i>Business Rates Volatility?</i>	?	
<i>Asset Management – cost pressure?</i>	?	
<i>Provisional Settlement Impact?</i>	?	
<b>Latest Budget Gap Estimate</b>		<b>15</b>

## 5.3 A brief explanation of some of these changes:

- **BRR Tariff adjustments** based on the final figures for 2016/17 added a pressure of £48k.
- Although it is proposed in the Fees and Charges Report for 2018/19 to reduce the base **Court Fee**, the volume of cases warrants an increase in the base budget following our review of the 2016/17 Outturn figures.
- **The SHAPE legal services** contract contribution has remained unchanged since its start in 2015/16. Following the reassessment of the volume of work put through SHAPE over the last year we now expect that a decrease in the charge is due. The re-assessed charge is still subject to agreement by officers and will not be applied until 2018/19.

## 5.4 Taking into account the above changes within the forecast Medium Term Financial Plan, the Budget Gap of £15,000 in 2018/19 is projected to grow to £189,000 by 2022/23.



**Table 2 – Budget Gap Estimates**

	2018/19 £k	2019/20 £k	2020/21 £k	2021/22 £k	2022/23 £k
Annual Budget Gap Increase	15	-111	176	40	69
Annual Budget Gap Total	15	-96	80	120	189

## 6 Fees and Charges

- 6.1 A separate report is included on the agenda for this Committee. This contains proposals in respect of Fees and Charges for 2018/19 that, if approved, would add approximately £1k to General Fund income budget estimates for 2018/19.

## 7 Council Tax

- 7.1 Information provided with the four year funding settlement indicates that, as a shire district, West Somerset will have the option to increase the Band D by a maximum of £5 each year in 2018/19 and 2019/20, if Members are minded. This will be confirmed each year by the Secretary of State.
- 7.2 If confirmed by the Secretary of State, an increase of £5 on a Band D property would raise a further £27,970 compared to the 1.99% increase assumed in the MTFP, based on the current Taxbase estimate. The Tax Base is currently being calculated.

Table 5 – Council Tax Increase Scenarios for 2018/19

*Assumes Tax Base of 13,985.11 per Indicative MTFP Estimate*

Council Tax Increase	Band D Tax Per Year £	Band D Increase Per Year £	Basic Council Tax Income £	Additional Income £
0.00%	150.56	0.00	2,105,600	0
1.00%	152.07	1.51	2,126,720	21,120
1.99%	153.56	3.00	2,147,550	41,950
3.32% (MTFP assumption)	155.56	5.00	2,175,520	69,920

## 8 Areas Still to be Completed

- 8.1 The **Business Rates Retention** provisional estimates will be completed in the coming days. This is a complex calculation and subject to change following the Provisional Local Government Finance Settlement.
- 8.2 The **Council Tax base** provisional estimates will be completed shortly and these will be added to the forecast as soon as they can be verified.
- 8.3 Budgetholders have been asked to put forward their **Capital Bids** for 2018/19. These will be presented to Cabinet at the next meeting. We are mindful that



although Capital in nature many schemes have revenue implications which may add to the Budget Gap.

## 9 Other Factors

- 9.1 **Business Rates 100% Retention Pilot** – The Somerset county area has presented a business case to DCLG to create a new Somerset Pool for business rates comprising the County and all five districts, and apply for Pilot status with the potential rewards that firstly pooling and then growth retention may produce. We believe we have a robust business case and believe that by pooling with our district partners and the County Council we can achieve significant increases in retained business rates. We are one of a number of bids and we expect to hear whether we have been successful when we receive the Provisional Settlement in December. We will revisit our forecasts at this time.

## 10 Risk, Opportunities and Uncertainty

- 10.1 Ongoing risks and uncertainty for the budget at this stage include:

- **Local Government Finance Settlement (LGFS)** – following the Autumn Statement on 22 November, we await the Provisional Settlement in December. Whilst the multi-year settlement has been confirmed there may be other details released with the Provisional LGFS that we will need to reflect in our forecasts.
- **New Homes Bonus (NHB)** – The calculation of NHB was changed in the 2017/18 Finance Settlement and a “top-slice” of 0.4% of growth was introduced alongside the reduction from 6 years to 5 years. We anticipate a further reduction to 4 years for 2018/19 but there may be further nuances which will impact our NHB funding.
- **Fees & Charges** – Currently going through the committee process and therefore not yet been approved. The Report is included alongside this budget report.
- **Capital Programme** – options for a Draft Capital Programme are being compiled – any spending proposals could contain further revenue budget implications e.g. RCCO or borrowing costs.
- **Transformation Savings** – We are unclear at this stage of the timing of the delivery of savings which are included in the MTFP estimates for 2018/19, as the detailed planning is underway and not yet concluded. If there is a delay, then this will affect the budget gap and other funding sources will need to be found (ie other savings/reserves etc.) until the savings crystallise.

## 11 Environmental Impact Implications

- 11.1 None for the purposes of this report.

## 12 Safeguarding and/or Community Safety Implications

- 12.1 None for the purposes of this report.

### **13 Equality and Diversity Implications**

13.1 None for the purposes of this report.

### **14 Social Value Implications**

14.1 None for the purposes of this report.

### **15 Partnership Implications**

15.1 The Council's budget includes significant expenditure on services provided under shared services with Taunton Deane Borough Council as well as by other key partners such as Somerset Waste Partnership, SHAPE and Somerset Building Control Partnership.

### **16 Health and Wellbeing Implications**

16.1 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.

### **17 Asset Management Implications**

17.1 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.

### **18 Consultation Implications**

18.1 None for the purposes of this report.

### **19 Scrutiny Comments**

19.1 Due to the timing of meetings, the Scrutiny comments will be provided separately at the Cabinet meeting.

#### **Democratic Path:**

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

**Reporting Frequency: Adhoc through the budget process**

**Contact Officers**

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## West Somerset Council (WSC 130/17)

### Cabinet – 23 November 2017

#### Fees and Charges 2018/19

#### Report of the Financial Services Manager

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

#### 1. Executive Summary

- 1.1 This report sets out the proposed fees and charges for next financial year, 2018/19.

#### 2. Recommendations

- 2.1 Cabinet recommends that Council approves the Fees and Charges proposals to be added to the 2018/19 budget, with the new charges for Environmental Health to come into effect from 1 January 2018.

#### 3. Risk Assessment

##### Risk Matrix

Description	Likelihood	Impact	Overall
Fees and Charges are not set at an appropriate level	3	4	12
<i>Fees and Charges are reviewed annually to ensure they are compliant with regulation and the Council's policies.</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
<b>Impact</b>				

<b>Likelihood of risk occurring</b>	<b>Indicator</b>	<b>Description (chance of occurrence)</b>
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. Proposed Fees and Charges for 2018/19**

4.1 The Council receives general funding for services from a variety sources including Government grant, council tax, business rates and other grants and contributions such as S106 funding from developers. The Council also provides a number of services where customers / users pay directly as they are provided.

4.2 The services that WSC charge for and are covered by this report are:

- Garden Waste Collection and Recycling
- Land Charges
- Environmental Health
- Licensing
- Planning
- Harbours and Mooring
- Court Fees
- Off-Street Parking

4.3 Included within the appendices in this report are the detailed proposed charges for each of the above services. These include the legislation that allows West Somerset Council to charge for the service in question, confirms if the charges can only be what it costs to provide the service or can be another charge, or if the charge is set by Central Government. This will give Councillors reassurance that the charges being proposed are legally set.

#### **5. Proposed Increases for 2018/19**

5.1 Those services proposing an increase to charges for 2018/19 include:

- Garden Waste Collection and Recycling (Appendix A)
- Environmental Health (Appendix B)
- Licensing (Appendix C)
- Land Charges (Appendix D)
- Harbours (Appendix F)

5.2 Due to a rebasing of the associated costs, Court Fees are proposed to be reduced for 2018/19 (Appendix E).

- 5.3 Parking Permit Fees have also been reviewed and these are proposed to be reduced in some areas. (Appendix H)

## **6 Proposed New Charges for 2018/19**

- 6.1 The Environmental Health Manager proposes to introduce a cost recovery fee for the provision of food hygiene advice to food businesses in Taunton Deane and West Somerset from 1<sup>st</sup> January 2018. This includes a charge for food safety advisory visits, a printed copy of a guidance booklet and a Food Hygiene Rating Scheme request for a re-inspection visit. See Appendix B2.
- 6.2 The Environmental Health Team do not currently charge for food safety advisory visits and this would allow for specialist advice to be provided to the business owner at a calculated fee of £130 based on a 1 hour visit. The Food Standards Agency (FSA) has reviewed its guidance on charging a fee for requested re-inspection visits to re-assess a business's Food Hygiene Rating Scheme (FHRS) score, in consideration of the general power under the Localism Act (2011). The Agency considers that providing a re-inspection upon request by a food business operator, in circumstances where there is no statutory requirement to provide that re-inspection, falls within the general power that allows for the recovery of costs. It is proposed that a fee of £122.50 is introduced for a FHRS re-inspection visit and a charge of £30 for a printed guidance pack from 1<sup>st</sup> January 2018.
- 6.3 Based on figures for 2016/17 this will bring in additional income of £612 for West Somerset Council. This is likely to increase if the mandatory display of food hygiene stickers is introduced.

## **7. Detailed Proposals**

- 7.1 Appended to this report are the detailed proposed charges for each service as outlined below:

Waste Services	Appendix A
Environmental Health	Appendix B1
Environmental Health (New Charge)	Appendix B2
Licensing	Appendix C
Land Charges	Appendix D
Court Fees	Appendix E
Harbours	Appendix F
Freedom of Information	Appendix G
Parking	Appendix H
Planning	Appendix I

## 5. Links to Corporate Aims / Priorities

- 5.1 The Council must formally approve fees and charges, and ensure these comply with relevant powers and duties. The approach continues to seek, wherever possible, that fees and charges will cover the costs of the services to which they relate. The resulting income forecasts will subsequently be reflected in the budget estimates for next financial year.

## 6. Finance / Resource Implications

- 6.1 Fees and charges income contributes to the overall costs of running the organisation. The level of fees and charges impact directly on the Council's budget, and detailed analysis is required to understand the impact of price increases and decreases on service budgets as a whole. It is important that fee levels comply with statutory requirements and where there are no statutory levels in place, that they are reasonable, affordable and proportionate to the service costs.
- 6.2 In order to set appropriate fees, services analyse trends and seek to understand how fee levels influence their customers. An understanding of risks associated with the fee levels is important, including how this may affect customers or the services provided, and how robust are the related financial forecasts that feed into estimates for budget setting purposes. If the estimates are not reliable – particularly where demand can be volatile – this could lead to a shortfall in funding which may impact in service delivery and/or require prompt mitigation. In addition, proposals are equally important in meeting non-financial priorities and strategies for particular service areas.
- 6.3 The projected impact on budget estimates of the various proposals are summarised below. This shows that the changes to Fees & Charges should only contribute an additional £1,000 in income, whilst and in other areas help cover increased costs.

Service Area	Appendix	Additional Income £
Garden Waste Collection and Recycling	A	0
Environmental Health	B1	0
Environmental Health (New Charge)	B2	612
Licensing	C	0
Land Charges	D	0
Court Fees	E	0
Harbours	F	3,000
Parking	H	(2,560)
<b>TOTAL</b>		<b>1,052</b>

- 6.4 The following comments summarise the proposals in respect of each service area, with further detail included in the appendices.



### **Garden Waste Collection and Recycling**

- 6.5 The increases proposed are based on the inflationary rate set within the collection contract with Kier, for 2018/19 this is expected to be 3.5%. As such, the increase will be cost neutral.(Appendix A)

### **Harbours and Mooring**

- 6.6 The proposed increases in fees are made in order to provide additional resources needed to assist the Council in meeting essential operating costs. (Appendix F)

## **7. Legal Implications**

- 7.1 The legislation that allows West Somerset Council to charge are included within the appendices.

## **8. Environmental Impact Implications**

- 8.1 None for the purpose of this report.

## **9. Safeguarding and/or Community Safety Implications**

- 9.1 None for the purpose of this report.

## **10. Equality and Diversity Implications**

- 10.1 Equalities impact assessments have been completed where appropriate and are included within the appendices for this report.

## **11. Social Value Implications**

- 11.1 None for the purpose of this report.

## **12. Partnership Implications**

- 12.1 None for the purpose of this report.

## **13. Health and Wellbeing Implications**

- 13.1 None for the purpose of this report.

## **14. Asset Management Implications**

- 14.1 None for the purpose of this report.

## **15. Consultation Implications**

- 15.1 None for the purpose of this report.

## 16. Scrutiny Comments

16.1 Due to the timing of meetings, the Scrutiny comments will be provided separately at the Cabinet meeting.

### Democratic Path:

- **Scrutiny – Yes**
- **Cabinet – Yes**
- **Full Council – Yes**

**Reporting Frequency: Annual**

### List of Appendices

Appendix A	Waste Services
Appendix B	Environmental Health
Appendix C	Licensing
Appendix D	Land Charges
Appendix E	Court Fees
Appendix F	Harbours and Mooring
Appendix G	Freedom of Information
Appendix H	Off-Street Parking
Appendix I	Planning

### Contact Officers

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## Appendix A

### West Somerset Council - Fees and Charges 2018/19

#### Waste Services – Somerset Waste Partnership

This paper relates to the optional elements of the waste service provided by West Somerset Council through the Somerset Waste Partnership.

Traditionally all partners try and set their fees in a universal fashion, the Senior Management Group of Somerset Waste Partnership and the Partnership Board have considered the cost increases proposed and believe that this still represents a good value for money service for those that chose to use it. Customers continue to have a choice over who supplies these waste removal services as there is no requirement on them to purchase this from SWP.

The increases proposed are based on the inflationary rate set within the collection contract with Kier, for 2018/19 this is expected to be 3.5%.

Extra consideration was given to those customers who cannot store a green bin, they are already paying more by volume for the waste due to the price and capacity of the bags. Customers that use bags are also disadvantaged due to the taxation rules.

#### Legal Authority

- These are discretionary services leaving customers with choice.
- The charge for this service is set locally by each of the partners.
- There is no requirement for this to be a 'cost recovery only' and a 'reasonable charge can be made' however the proposal continues to have an element of subsidy in the admin and bin costs.

#### Charges

- Green waste bins and bulky items are classified as non-business for VAT purposes and as such no vat is payable on these services. The green waste sacks are standard rated (currently 20%) which is included in the price shown below.
- The table below is consistent with the other Somerset districts proposed pricing.

	Current £ (2017/18)	Proposed £
Green Waste Bins	53.50	55.40
Green Waste Sacks x10	26.50	27.40

3 x bulky items	41.50	43.00
Subsequent items	11.50	11.90
Bin replacements	25.00	25.90

### **Discounts**

There are no discounts provided through this service but there remains a subsidy to the public for the elements of administration and provision of bins (for green waste only).

### **Budget Impacts**

Any price increase has the potential to have an effect on the number of users of the service, however this is an area that has been expanding in its user numbers over the years. Increased customer numbers coupled with a cost neutral pricing strategy have meant that the subsidy provided by the council is relatively small.

It is not considered good practice to charge of the green waste bin as this may detract from the use of the service with customers placing this waste in the residual bin increasing the overall costs of the collection contract.

The price increases will allow for the service to continue on cost neutral basis in terms of the contract price paid to Kier, there remains a service subsidy in the bin costs, administration and postage associated with the respective services.

The proposed increase will not alter the net position on green waste services as the increased charges are matched by the increasing costs of provision.

### **Equality Impact Assessment**

Please see attached Equality Impact Assessment form.

### **Recommendation**

Corporate Scrutiny is invited to make comments upon the proposed fees and charges for inclusion in the report to Executive.

**END**

**Chris Hall**

**Assistant Director – Operational Delivery**

## **Appendix B1**

### **West Somerset Council**

#### **Fees and Charges Report 2018/19 Environmental Health**

The following services in Environmental Health incur charges:

1. Environmental Permits - businesses carrying out activities that could potentially cause emissions to air, land or water may need to hold an Environment Permit under the Environmental Permitting (England and Wales) Regulations 2010. Fees are applicable and conditions will be attached to any permit. There may also be a charge to vary, transfer or surrender an existing permit. Annual subsistence fees are payable each year. Fees are set by DEFRA and can be found on the DEFRA website.
2. Private Water Supplies – the council has a general duty under the Water Industry Act 1991 to take all steps appropriate for keeping itself informed about the wholesomeness and sufficiency of drinking waters in the district, including any private water supply. A private water supply is any water supply which is not provided by the local water undertaker or company and which is not a "mains" supply. It includes water intended for human consumption, used for domestic purposes, such as for drinking, washing, in food preparation, heating and also for sanitary purposes.

The Private Water Supplies Regulations 2016 came into force in June 2016, at the time we took the opportunity to review charges for TDBC and WSC to ensure they reflect the costs of providing the service including officer time, mileage and laboratory charges.

3. Pest Control Service – a report providing a review of pest control charges is attached below. In summary the small increase in charges, based on inflation of 2.5%, aims to ensure that the service remains sustainable and that these charges reflect the true cost of providing the service.

## **Private Water Supply Service Charges Review 2018/19**

The Private Water Supply Service provides the following in both Taunton Deane and West Somerset; the monitoring and risk assessment of drinking water from private water supplies located across both authority areas.

Taunton Deane Borough Council and West Somerset Council has a general duty under the Water Industry Act 1991 to take all steps appropriate for keeping itself informed about the wholesomeness and sufficiency of drinking water supplies in the district, including any private water supply.

A private water supply is any water supply which is not provided by the local water undertaker or company and which is not a "mains" supply. It includes water intended for human consumption, used for domestic purposes, such as for drinking, washing, in food preparation, heating and also for sanitary purposes.

The Regulations or "The Private Water Supplies Regulations 2016" updated previous provisions and came into force on 27th June 2016. They place a requirement on the local authority to risk assess and carry out water quality inspections to all supplies except those to single domestic dwellings.

Whilst there is no requirement on the Council to monitor single domestic private water supplies, they can be monitored by request. The standards still apply but local authorities are not required to pro-actively monitor these supplies.

Both regulations 9 and 10 specify certain parameters which must be analysed, but with the addition of any others based on risk. For example, we analyse for arsenic as an additional parameter, as it is found naturally around the Quantocks and occasionally elsewhere. There is also a relatively new requirement to commence monitoring for radioactive substances, including Radon, this will be carried out on a risk basis, in partnership with our colleagues at Somerset Scientific Services and at the request of the relevant person having control over the supply.

Taunton Deane and West Somerset Council have a total of 962 regulated private water supplies, we have two full time officers that spend a large proportion of their time dealing with the monitoring and risk assessment of private water supplies across the district. They also carry out other tasks such as the investigation of environmental protection complaints such as noise, odour and drainage, requests for environmental information, contaminated land and air quality. These officers are both Environmental Control Officers. The hourly rate for an environmental control officer 2017/18 is £45.00 including recharges.

The following table details the charges to be introduced from 1<sup>st</sup> April 2018. These charges also reflect the changes in fees introduced by Somerset Scientific Services (SSS), the laboratory currently used by both councils for analysis work associated with private water supplies. The rise in fees will result in increased income and also improve cost recovery for each council in this area of work.

**Fees and Charges for Private Water Supply Work from 1<sup>st</sup> April 2018 for Taunton Deane Borough Council and West Somerset Council**

	<b>Service</b>	<b>Maximum fee under the Regulations</b>	<b>TDBC &amp; WSC Fee</b>	<b>Notes</b>
1.	Risk Assessment	£500	Charges at hourly rate £50, typical risk assessment at 2 hr will total £100.  Plus analysis costs	Time taken to inspect a supply inc.background research, travel time + admin.  Average time 2 hours (£100)
2.	Sampling visit	£100	£50 (half an hour for each, sampling visit and report) plus analysis costs	Charge for a visit and to take a sample.
3.	Investigation	£100	Hourly rate (£50) + any analysis costs	Carried out by the Council in the event of the failure of a supply to meet the required standard.
4.	Authorisation	£100	Hourly rate x time	Application by the owner of a supply for permission from the Council to continue supplying water of a lower quality temporarily whilst remedial work is carried out on the supply.
5.	Sample analysis for small/domestic supplies	£25	£22.10	Where a supply provides <10m <sup>3</sup> /day or, <50 people and is used for domestic purposes.
6.	Large/Commercial supplies - Check Monitoring Reg 9	£100	£39.80 per supply  Plus additional parameters based on risk and size of supply	Check monitoring is carried out to ensure that water complies with the standards. Where possible it should be carried out at the same time as any requirement for audit monitoring, to keep cost down.
7.	Audit Monitoring		£29.75	Fee set by SSS
8.	Advisory Visits		Charged at £50 per hour	

9.	Requests for Environmental Information		Charged at £65 per request	Requests for environmental information, including requests from solicitors, searches for contaminated land.
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- (1) Hourly Officer rate £50
- (2) Sampling cost not applied to risk assessment

Please note that the actual costs will vary depending on the type of supply, the frequency of testing and the outcome of a Risk Assessment.

### **1. Risk Assessment**

The average risk assessment takes 2 hours including preparation, travel time and the time for the inspection, sampling and report writing, therefore the average cost is likely to be £100. The customer would also be required to pay for the analysis fees set by SSS on top of this, the amount will depend on the suites of analysis chosen by the officer and depend on the size, location and nature of the supply.

### **2. Sampling Visit**

Water quality inspections (such as sampling visits) are carried out regularly at many supplies in the intervening years between the mandatory risk assessments. These water quality checks are used to help inform and complete the risk assessment. The minimum time to carry these out is around 30 minutes for time on site plus travelling, and the time required to report results back to relevant persons. Therefore the cost is likely to be in region of £25, where advice is provided or the visit takes longer, this will be charged at the officer hourly rate. Analysis fees are added to this charge depending the number of tests required as determined by the risk assessment.

### **3. Investigation**

These are carried out by the council in the event of the failure of a supply to meet the required standard and charged at the hourly rate.

### **4. Authorisation**

These are carried out at the request of the owner of a supply for permission from the Council to continue supplying water of a lower quality temporarily whilst remedial work is carried out on the supply and also charged at the hourly rate.

### **5. Sample analysis for small/domestic supplies**

The cost of this is determined by Somerset Scientific Services who carry out the analysis for both council's.

### **6. Large/Commercial supplies – Check Monitoring Reg 9**

This cost is set by SSS.

### **7. Audit Monitoring**



## **8. Advisory Visits or Requests for Advice under Regulation 10**

The average advisory visit takes approximately 1 hour including travelling time and preparation work and is currently charged at £50 per hour, the average cost to the customer would be £50. Analyses are charged in addition to officer time

## **9. Requests for Environmental Information**

Requests for environmental information, including requests from solicitors, searches for contaminated land to be charged at a flat rate of £65 in line with the current charge at TDBC. Requests which do not take significant time e.g. requests which confirm that the council hold no information or requests for copies of certificates of water quality are not charged for.

## **Pest Control<sup>78</sup> Service Charges Review 2018/19**

The Pest Control Service provides treatment of rats, mice and wasps along with domestic and commercial pest control contracts in the Taunton Deane and West Somerset areas.

In 2016/17 the Pest Control Service cost £80,061.00 to deliver and brought in an income of £38,567.00 giving an overall cost of £41,494.00 to the council. The overall cost of the service is higher than previous year's mainly due to increased internal recharges.

When considering the pest control charges it is important to first establish the true cost of delivering the service. We can then consider areas of potential growth and areas which are subsidised.

The Pest Control Officer's hourly rate for 2017/18 is £83.14 including all recharges for senior staff, salaries, stationary, transport etc. If you exclude recharges the hourly rate reduces to £33.05. These charges are important to consider as they will be incurred by the cost centre whether or not any additional paid work is undertaken and should be considered in this context.

### **Rat & Mice Treatments**

It takes 60 minutes for a 1<sup>st</sup> call rats/mice visit and 45 minutes for a revisit. The average service request take a 1<sup>st</sup> visit and 2 subsequent visits, this includes officer's travelling time. A rat/mouse treatment takes 2 ½ hours at a true cost of £207.85 (or £82.63 at the lower hourly rate). The proposed charges for 2018/19 are £67 for rats and mice and £33.50 at the subsidised rate.

If charges were increased to £207.85 to cover the full cost of the service for rats and mice, this would have a detrimental impact on the service.

### **Wasp Nest Treatments**

A wasp's nest treatment takes 45 minutes and only requires 1 visit. The true cost of this service is £62.36 (or £24.77 at the lower hourly rate). The current charges for 2017/18 are £55 for wasps.

At the proposed rate of £56 for 18/19 this part of the service would make a small income of £17.13 per treatment.

### **Advice/Call Out Visits**

The average advice/call out takes 40 minutes and is currently charged at £32.50. If the call out charge was increased to £33.50 this would reflect the proposed increases in the treatments and generate a further increase in income.

Commercial treatments including contracts are charged at an hourly rate plus, materials and VAT. These charges presently make a small profit above the hourly officer rate (excluding recharges) so a 2.5% increase in charges should be considered. Material costs are charged at cost price. The service currently has 11 commercial contracts in place.

**Domestic Pest Control Contracts**

The current charge for Domestic Pest Control Contracts is £110 per year, the contracts are for 3 visits plus 2 additional call out visits. The call out visits are rarely used by customers. The average visit takes 1 hour, so the cost of providing the contract is £249.42 (or £99.09 at the lower hourly rate). We currently have 26 Domestic Pest Control contracts.

I propose an increase to the cost of the Domestic Pest Control Contracts to £112.75 per year.

**West Somerset**

The service was extended into West Somerset in 2016/17. This service has the potential to grow and service requests for 2017/18 have increased from last year. During 2017/18 the number of treatments provided is 25 for rats, 8 for Mice and 25 for wasps. Service requests from the WSC area will continue to be monitored throughout 2018/19.

Appendix A is the proposed charging sheet.

# Pest Control Charges from 1<sup>st</sup> April 2018 for TDBC and WSC

## Domestic Properties

**Visits for Rats and Mice**                      **£67.00 full charge**  
**£33.50 subsidised charge\***

**Visits for Wasps**                                **£56.00 full charge**

Where two or more nests are found an additional nest charge of 20% per nest (£11.00) is payable for **each** additional nest before treatment can commence.

**Visits to give Advice only**                      **£33.50**

This will not include any treatment, if this is requested at the time of the advice visit the difference must be paid before treatment can commence. If treatment is requested and a new appointment is needed, this must be paid in full.

**We only provide treatment for fleas in void council properties, or DH**

**Drainage Camera Survey**                      **£77 + VAT**

**\*Subsidised charges will only apply if the main householder or their partner is in receipt of, and can provide proof of:-**

- Income Support
- Income Based Jobseekers Allowance
- Employment and Support Allowance Income Based (ESA)
- Working Tax Credit
- Child Tax Credit
- Housing Benefit
- Council Tax Reduction Scheme.
- Pension Credit Guarantee Credit
- Pension Credit Savings Credit

## Commercial Properties

**Rats and Mice**                                      **£77.00 per hour + materials + VAT**

**Wasps**    **£60.00 + VAT**

**Advice visits**                                      **£36.00 + VAT for wasps**

## Contracts

**Domestic**                      Contracts are for rats and mice only and are priced at £112.75 a year.

**Commercial**                      Contracts shall be priced on an individual basis using an hourly rate of £55.70 plus materials cost. Payable annually in advance.

Food Hygiene Rescore calculation

	Process - FHRs Rescore Inspection	Estimated time (mins) used in Wales	Officer responsible from calculations used in Wales	Indicate TIME estimates in minutes used for your local authority	Indicate OFFICER responsible for each process in your local authority	Cost estimated for you local authority
a	Initial Enquiry and supply of forms/advice	15	Business Support Officer	15	Business Support	£7.50
b	Receipt of fee and checking of applications.	10	Business Support Officer	10	Business Support	£5.00
c	Enter onto LA database	5	Business Support Officer	10	Business Support	£5.00
d	Pre-inspection file checks	20	Environmental Health Officer	10	Officer	£7.50
e	Travel to and from business (average)	45	Environmental Health Officer	45	Officer	£33.75
f	Rescore visit (full inspection)	150	Environmental Health Officer	60	Officer	£45.00
g	Completion of inspection report and sticker	60	Environmental Health Officer	15	Officer	£11.25
h	Input onto LA database	5	Business Support Officer	15	Business Support	£7.50
	<b>TOTAL (a - h)</b>	<b>310</b>		<b>180</b>		<b>£122.50</b>
<b>Additional costs (insert any additional processes/costs identified not included in a - i above)</b>						
	Process			Indicate TIME estimates in minutes used for your local authority	Indicate OFFICER responsible for each process in your local authority	Cost estimated for you local authority
j						
k						
l						
m						
n						
o						
	<b>TOTAL (j - o) - do not enter details as this will automatically calculate</b>			0		£0.00
p	<b>GRAND TOTAL (a - o) - do not enter details as this will automatically calculate</b>			180		£122.50
<b>Costs used</b>						
q	Environmental Health Officer (hourly rate)	£45.00		<b>TD/WSC Hourly Rates</b>		
r	Business Support Officer (hourly rate)	£30.00		Business Support		£30 (£29.99)
s				Food Safety Officer		£40 (£39.42)
t				Env Health Officer		£50 (49.87) (ave £45)
u						

	Process - Advisory Visits	Officer responsible	Indicate TIME estimates in minutes used for your local authority	Cost estimated for you local authority
a	Initial Enquiry	Business Support Officer	5	£2.50
b	Receipt of fee	Business Support Officer	10	£5.00
c	Enter onto LA database	Business Support Officer	10	£5.00
d	Pre-visit file checks & research	Environmental Health Officer	30	£22.50
e	Travel to and from business (average)	Environmental Health Officer	45	£33.75
f	Advisory visit 1 hr	Environmental Health Officer	60	£45.00
g	Completion of advisory forms on site or advisory letter	Environmental Health Officer	15	£11.25
h	Input onto LA database	Business Support Officer	10	£5.00
	<b>TOTAL (a - h)</b>		185	£130.00
<b>Additional costs (insert any additional processes/costs identified not included in a - i above)</b>				
	Process		Indicate TIME estimates in minutes used for your local authority	Cost estimated for you local authority
j	Additional hour of advice of part thereof		60	£45.00
k				
l				
m				
n				
o				
	<b>TOTAL (j - o) - do not enter details as this will automatically calculate</b>		60	£45.00
p	<b>GRAND TOTAL (a - o) - do not enter details as this will automatically calculate</b>		245	£175.00
<b>TD/WSC Hourly Rates</b>				
	Business Support		£30 (£29.99)	
	Food Safety Officer		£40 (£39.42)	
	Env Health Officer		£50 (49.87) (ave £45)	

	Process - SFBB pack	Officer responsible	estimates in minutes used for	for you local authority						
a	<b>Initial enquiry &amp; receipt of Fee</b>	Business Support Officer	5	£2.50						
b	<b>Printing</b>	Printing Services		£25.96						
c	<b>Postage and envelope</b>	Business Support Officer		£1.10						
d	<b>Input onto LA database</b>	Business Support Officer								
	<b>TOTAL (a - d)</b>		5	£29.56						
	<b>Details of costs from other printers</b>									
	Safe Methods (87 pages) Colour, double-sided, bound with cover			Diary Sheets/4-weekly review for 1 year (66 pages) Colour, double-sided, bound with cover			Diary Sheets/4-weekly review for 1 year (66 pages) B&W, double-sided, bound with cover			
Number ordered	1	50	100	1	50	100	1	50	100	
<b>Zeralynx</b>	19.05	5.8	4.64	15.7	4.72	3.68	5.25	2.98	2.39	
<b>Colourtone</b>	30.15	8.05	7.75	25.15	6.35	6.1	20.15	3.05	2.55	
<b>Rockwell Printers</b>	19.1	17.66	14.14							
<b>TDBC</b>	7.22	5.25	4.61	5.88	4.46	3.87	5.87	3.36	2.99	
TDBC Printers: cost for SFBB and Diary Sheets £25.96 plus business support time to process enquiry and fee										
Proposal to introduce a charge of £20 for the Safe Methods only, £17.50 for the Diary and £30 if both are ordered at the same time (saving £7.50)										
Childminders Pack is half the pages £15										





## APPENDIX C

### West Somerset District Council Fees and Charges 2018/19

#### Licensing

##### **Background**

The Licensing Service offers advice, processes applications, monitors compliance and undertakes enforcement action across a number of different regimes;

- Animal Welfare (animal boarding, dog breeding, dangerous wild animals, pet shops and riding establishments)
- Caravan Sites
- Charitable Collections (street & house to house Collections)
- Gambling Act 2005
- Licensing Act 2003
- Highways Act 1980 (s115E permissions)
- Scrap Metal Dealers Act 2013
- Sex Establishments (shops, cinemas and sexual entertainment venues)
- Skin Piercing
- Street Parties
- Street Trading
- Taxis (vehicles, drivers & operators)

Where legislation allows for cost recovery, fees are levied against the administration of the regime and the supervision of licences issued.

These fees are calculated from a combination of four elements.

Application Processing	Time taken to process application from initial enquiry to issue of the decision
Consumables	The cost of specialist materials specific to the licence type
Administration	Time allocated to maintenance of the regime
Monitoring Compliance	Time allocated to supervision of the regime

Each element is split down into a series of activities against which a time allocation is given and the appropriate proportion of an hourly rate (constructed from salary costs and non salary on costs for all officers involved in the process) is then applied and totalled to give an overall cost.

In accordance with case law and the Provision of Services Regulations no fee is levied in respect of enforcement action against unauthorised activities.

## **Legal Authority**

Powers to levy fees and limitations on the extent of activities that can be charged for are provided through the following statutes and case law.

### Animal Licensing

Animal Boarding Establishments Act 1963

s.1 (2) "and on payment of such fee as may be determined by the local authority"

Breeding of Dogs Act 1973

s3A

(2)A local authority may charge fees—

(a)in respect of applications for the grant of licences under this Act; and  
(b)in respect of inspections of premises under section 1(2A) of this Act.

(3)A local authority may set the level of fees to be charged by virtue of subsection (2) of this section—

(a)with a view to recovering the reasonable costs incurred by them in connection with the administration and enforcement of this Act and the Breeding of Dogs Act 1991; and

(b)so that different fees are payable in different circumstances.

Pet Animals Act 1951

s1(2) "and on payment of such fee as may be determined by the local authority"

Riding Establishment Act 1964

s1(2) "and on payment of such fee as may be determined by the local authority"

Dangerous Wild Animals Act 1976

s1(2)(e) is accompanied by such fee as the authority may stipulate (being a fee which is in the authority's opinion sufficient to meet the direct and indirect costs which it may incur as a result of the application

Zoo Licensing Act 1981

"s15

(1)Subject to this section, the local authority may charge such reasonable fees as they may determine in respect of —

(a)applications for the grant, renewal or transfer of licences;

(b)the grant, renewal, alteration or transfer of licences;

(2)Any fee charged under paragraph (a) of subsection (1) in respect of an application shall be treated as paid on account of the fee charged under paragraph (b) on the grant, renewal or transfer applied for.

(2A)Subject to this section, the authority may charge to the operator of the zoo such sums as they may determine in respect of reasonable expenses incurred by them—

(a)in connection with inspections in accordance with section 9A and under sections 10 to 12;

- (b) in connection with the exercise of their powers to make directions under this Act;
- (c) in the exercise of their function under section 16E(4) of supervising the implementation of plans prepared under section 16E(2); and
- (d) in connection with the exercise of their function under section 16E(7) or (8).
- (2B) The authority's charge under subsection (2A)(d) shall take into account any sums that have been, or will fall to be, deducted by them from a payment under section 16F(7) in respect of their costs.
- (3) In respect of any fee or other sum charged under this section, the local authority may, if so requested by the operator, accept payment by instalments.
- (4) Any fee or other charge payable under this section by any person shall be recoverable by the local authority as a debt due from him to them.
- (5) The local authority shall secure that the amount of all the fees and other sums charged by them under this section in a year is sufficient to cover the reasonable expenditure incurred by the authority in the year by virtue of this Act.

### Caravan Sites

Power to levy a fee - coming into force April 2014

Caravan Sites & Control of Development Act 1960 as amended by the Mobile Homes Act 2013 s1

s.3(2A) A local authority in England may require a relevant protected site application in respect of land in their area to be accompanied by a fee fixed by the authority

s3 (5A) (1) A local authority in England who have issued a site licence in respect of a relevant protected site in their area may require the licence holder to pay an annual fee fixed by the local authority

### Charitable Collections

There is no power to levy a fee for a charitable collection

### Gambling Act 2005

Gambling Act 2005

Various Regulations

Maximum fees are set centrally by the Government. Local discretion can be exercised over fees or levels of cost recovery up to the maximum permitted fee.

### Licensing Act 2003

Licensing Act 2003 s55, 92, 100(7)(b), 110(3), 133(2) and 178(1)(b)

SI 2005 No79 The Licensing Act 2003 (Fees Regulations) 2005

Fees are set centrally by the Government and currently there is no local discretion over fees or levels of cost recovery.

### Scrap Metal Dealers

Scrap Metal Dealers Act 2013 Schedule 1 s6

(1) An application must be accompanied by a fee set by the authority.

(2) In setting a fee under this paragraph, the authority must have regard to any guidance issued from time to time by the Secretary of State with the approval of the Treasury.

#### s115E Licensing Fee Construction Overview

Highways Act 1980

s115F

3(c) "in any other case, such charges as will reimburse the council their reasonable expenses in connection with granting the permission."

#### Sex Establishments

Adoption of Schedule 3 under Part II of the Local Government (Miscellaneous Provisions) Act (LG(MPA)) 1982

Schedule 3

s19 An applicant for the grant, renewal or transfer of a licence under this Schedule shall pay a reasonable fee determined by the appropriate authority.

#### Skin Piercing

Adoption of Part VIII of the LG(MPA) 1982

Acupuncture – LG(MPA) 1982 s14(6)

"A local authority may charge such reasonable fees as they may determine for registration under this section."

Tattooing, ear-piercing and electrolysis – LG(MPA) 1982 s15(6)

"A local authority may charge such reasonable fees as they may determine for registration under this section."

#### Street Parties

No Power to levy a fee

There is no power to levy a fee for a road closure made under s21 of the Town Police Causes Act 1847

#### Street Trading Consents

Adoption of Schedule 4 the LG(MPA)1982

S.9(1) A district council may charge such fees as they consider reasonable for the grant or renewal of a street trading licence or a street trading consent.

s.9(2) A council may determine different fees for different types of licence or consent and, in particular, but without prejudice to the generality of this sub paragraph, may determine fees differing according -

(a) to the duration of the licence or consent:

(b) to the street in which it authorises trading; and

(c) to the descriptions of articles in which the holder is authorised to trade.

#### Taxis

Drivers Licence Fees – LG(MPA) 1976 s53(2)

"Notwithstanding the provisions of the Act of 1847, a district council may demand and recover for the grant to any person of a licence to drive a hackney carriage, or a private hire vehicle, as the case may be, such a fee as they consider reasonable with a view to recovering the costs of issue and

administration and may remit the whole or part of the fee in respect of a private hire vehicle in any case in which they think it appropriate to do so.”

Vehicles & operators' licences – LG(MPA)1976 s70(1)

Subject to the provisions of subsection (2) of this section, a district council may charge such fees for the grant of vehicle and operators' licences as may be resolved by them from time to time and as may be sufficient in the aggregate to cover in whole or in part—

(a) the reasonable cost of the carrying out by or on behalf of the district council of inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed;

(b) the reasonable cost of providing hackney carriage stands; and

(c) any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.

#### All fees

R v Manchester City Council, ex p King (1991) –

The cost of the licence has to be related to the cost of the licensing scheme itself.

#### All Fees with the exception of Taxis

Provision of Services Regulations 2009 s18(4) - Any charges provided for by a competent authority which applicants may incur under an authorisation scheme must be reasonable and proportionate to the cost of the procedures and formalities under the scheme and must not exceed the cost of those procedures and formalities

R(Hemming and others) v Westminster Council

103. It is clear and undisputed that costs incurred in investigating the suitability of an applicant for a licence can be reflected in the fee. In the case of an application to renew a licence, I consider that the costs of monitoring the applicant's continued suitability can include the costs of monitoring compliance with the terms of their licences in the past. Once the Council knows what those costs are in broad terms, as it does by reference to what has happened in the past, it is, in my judgment, entitled to include them in the calculation for the next year's licence. There may be a formulaic element to this calculation. But the example of European Commission v Spain is a strong indication that using a formula that proceeds on the basis of the cost of the actual authorisation process is justified.

#### **Charges**

Set out in Appendix A

#### **Discounts**

The fee has been calculated on the basis of full recovery of costs allocated directly to the service and it is not proposed to offer any discounts in respect of any of the fees levied. An exception exists with those fee levied under the Gambling Act where the Council charges eighty five percent (85%) of the

maximum fee permitted, as the original fee levels set by government included an element for enforcement against unlicensed operators and the Provision of Services Regulations 2009 removed the ability to charge for such activities.

### **Budget Impacts**

Surplus and deficit should be dealt with across a rolling three years such that the balance is zero on those fees which are set locally. This should be reflected in the fee.

It is recommended to maintain fees at their current level for the coming financial year. It is anticipated that this will meet the Council's aim of full cost recovery for locally set fees.

### **Equality Impact Assessment**

There are no proposed changes to the charging policy, therefore No Equality Impact Assessment is required.

### **Recommendation**

Fees for applications under the Licensing Act 2003 and Gambling Act 2005 are set by statute so increases under local arrangements are not possible. For those fees where local discretion exists they cannot exceed the parameters set out within the appropriate statutes.

Guided by case law the suggested fee levels are set to achieve, as far as possible, full recovery for the projected costs to the Council of unfettered administration and supervision of the various licensing regimes.

It would be unlawful for the Council to deliberately set fees to make a profit and any over (or under) recovery will need to be redressed in future fee levels.

In order to ensure fees levied are reasonable and lawful, consideration can only be given to setting fees at the level suggested or at a level lower than those set out within the report thereby subsidising those businesses regulated by the Council's Licensing Service.

Fee proposals 2014 - 2015

Application Type	Application Type 2017 - 18	APPENDIX C1		
		Fees set by statute	Current Fees 2017 -2018	Proposed Fees 2018 -2019
<b>Animal Licensing</b> (Vet fees are not included and must be borne by the applicant)				
Animal Boarding	Animal Boarding - Further Licence		£113.50	£191.00
Dangerous Wild Animals	Dangerous Wild Animals - Further Licence		£173.00	£173.00
Dog Breeding	Dog Breeding - Further Licence		£113.50	£191.00
Home Boarding Licence	Home Boarding - Further Licence		£113.50	£173.00
Pet Shop Licence	Pet Shop - Further Licence		£113.50	£206.00
Riding Establishments	Riding Establishments			£188.00
Up to 10 horses			£106.00	£201.00
10 - 25 horses			£132.00	
26+ horses			£165.00	
Zoos*	Riding Establishments - Further Licence			£183.00
Zoos - Transfer	Zoos - Further Licence*		£408.00	£205.00
*Applicant to meet Defra inspection costs			£141.50	£105.00
<b>Caravan Sites</b> (ability to charge came into force 01 April 2014)				
	Caravan Site Licence - Grant			£152.00
	Caravan Site Licence - Transfer			£28.00
<b>Gambling Act 2005</b>				
New Regional Casino				
New Application		£15,000.00		£12,750.00
New Application – with Provisional Statement		£8,000.00		£6,800.00
Provisional Statement		£15,000.00		£12,750.00
Transfer		£6,500.00		£5,525.00
Re-instatement		£6,500.00		£5,525.00
Variation		£7,500.00		£6,375.00
Annual Fees		£15,000.00		£12,750.00
New Large Casino				
New Application		£10,000.00		£8,500.00
New Application – with Provisional Statement		£5,000.00		£4,250.00
Provisional Statement		£10,000.00		£8,500.00
Transfer		£2,150.00		£1,830.00
Re-instatement		£2,150.00		£1,830.00
Variation		£5,000.00		£4,250.00
Annual Fees		£10,000.00		£8,500.00

Fee proposals 2014 - 2015

Application Type	Application Type 2017 - 18	Fees set by statute	Current Fees 2017 -2018	Proposed Fees 2018 -2019
New Small Casino				
New Application		£8,000.00		£6,800.00
New Application – with Provisional Statement		£3,000.00		£2,550.00
Provisional Statement		£8,000.00		£6,800.00
Transfer		£1,800.00		£1,530.00
Re-instatement		£1,800.00		£1,530.00
Variation		£4,000.00		£3,400.00
Annual Fees		£5,000.00		£4,250.00
Bingo				
New Application		£3,500.00	£3,049.00	£2,975.00
New Application – with Provisional Statement		£1,200.00	£523.00	£510.00
Provisional Statement		£3,500.00	£3,049.00	£2,975.00
Transfer		£1,200.00	£1,045.50	£1,020.00
Re-instatement		£1,200.00	£1,045.50	£1,020.00
Variation		£1,750.00	£1,537.50	£1,500.00
Minor Variation				
Annual Fees		£1,000.00	£871.50	£850.00
Betting – not on course				
New Application		£3,000.00	£2,614.00	£2,550.00
New Application – with Provisional Statement		£1,200.00	£523.00	£510.00
Provisional Statement		£3,000.00	£2,614.00	£2,550.00
Transfer		£1,200.00	£1,045.50	£1,020.00
Re-instatement		£1,200.00	£1,045.50	£1,020.00
Variation		£1,500.00	£1,307.00	£1,275.00
Annual Fees		£600.00	£523.00	£510.00
Track Betting (on course)				
New Application		£2,500.00	£2,178.00	£2,125.00
New Application – with Provisional Statement		£950.00	£410.00	£400.00
Provisional Statement		£2,500.00	£2,178.00	£2,125.00
Transfer		£950.00	£820.00	£800.00
Re-instatement		£950.00	£820.00	£800.00
Variation		£1,250.00	£1,127.50	£1,100.00
Annual Fees		£1,000.00	£871.00	£850.00
Adult Gaming Centre				
New Application		£2,000.00	£1,742.50	£1,700.00
New Application – with Provisional Statement		£1,200.00	£523.00	£510.00
Provisional Statement		£2,000.00	£1,742.50	£1,700.00
Transfer		£1,200.00	£1,045.50	£1,020.00
Re-instatement		£1,200.00	£1,045.50	£1,020.00
Variation		£1,000.00	£871.00	£850.00
Annual Fees		£1,000.00	£871.00	£850.00



Fee proposals 2014 - 2015

Application Type	Application Type 2017 - 18	Fees set by statute	Current Fees 2017 -2018	Proposed Fees 2018 -2019
Family Entertainment Centre				
New Application		£2,000.00	£1,742.50	£1,700.00
New Application – with Provisional Statement		£950.00	£410.00	£400.00
Provisional Statement		£2,000.00	£1,742.50	£1,700.00
Transfer		£950.00	£820.00	£800.00
Re-instatement		£950.00	£820.00	£800.00
Variation		£1,000.00	£871.00	£850.00
Annual Fees		£750.00	£666.50	£650.00
Family Entertainment Centre Gaming Machine Permits				
New application		£300.00	£300.00	£300.00
Renewal		£300.00	£300.00	£300.00
Change of name		£25.00	£25.00	£25.00
Copy of permit		£15.00	£15.00	£15.00
Licensed Premises Gaming Machine Permit				
New Application		£150.00	£150.00	£150.00
Variation		£100.00	£100.00	£100.00
Transfer		£25.00	£25.00	£25.00
Change of Name		£25.00	£25.00	£25.00
Copy of permit		£15.00	£15.00	£15.00
Annual Fee		£50.00	£50.00	£50.00
Notification of 2 or less Gaming Machines				
Notification		£50.00	£50.00	£50.00
Prize Gaming Permit				
New Application		£300.00	£300.00	£300.00
Renewal		£300.00	£300.00	£300.00
Change of name		£25.00	£25.00	£25.00
Copy of permit		£15.00	£15.00	£15.00
Club Gaming & Club Machine Permit				
New Application		£200.00	£200.00	£200.00
Variation		£100.00	£100.00	£100.00
Copy Permit		£15.00	£15.00	£15.00
Renewal		£200.00	£200.00	£200.00
Annual Fee		£50.00	£50.00	£50.00
Lotteries				
New		£40.00	£40.00	£40.00
Renewal		£20.00	£20.00	£20.00
Temporary Use Notice				
New		£500.00	£45.00	£40.00
Replacement		£25.00	£25.00	£20.00

Fee proposals 2014 - 2015

Application Type	Application Type 2017 - 18	Fees set by statute	Current Fees 2017 -2018	Proposed Fees 2018 -2019
Occasional Use Notice		£0.00	£0.00	£0.00
<b>Licensing Act 2003</b>				
Premises Licence/Club Premises Certificate Grant				
Band A		£100.00	£100.00	£100.00
Band B		£190.00	£190.00	£190.00
Band C		£315.00	£315.00	£315.00
Band D		£450.00	£450.00	£450.00
Band D*		£900.00	£900.00	£900.00
Band E		£635.00	£635.00	£635.00
Band E*		£1,905.00	£1,905.00	£1,905.00
Premises Licence/Club Premises Certificate Variation				
Band A		£100.00	£100.00	£100.00
Band B		£190.00	£190.00	£190.00
Band C		£315.00	£315.00	£315.00
Band D		£450.00	£450.00	£450.00
Band D*		£900.00	£900.00	£900.00
Band E		£635.00	£635.00	£635.00
Band E*		£1,905.00	£1,905.00	£1,905.00
Annual Fee				
Band A		£70.00	£70.00	£70.00
Band B		£180.00	£180.00	£180.00
Band C		£295.00	£295.00	£295.00
Band D		£320.00	£320.00	£320.00
Band D*		£640.00	£640.00	£640.00
Band E		£350.00	£350.00	£350.00
Band E*		£1,050.00	£1,050.00	£1,050.00
Personal Licence - Grant		£37.00	£37.00	£37.00
Personal Licence Renewal		£37.00	£37.00	£37.00
Temporary Event Notice (TEN)		£21.00	£21.00	£21.00
Replacement Premises Licence		£10.50	£10.50	£10.50
Provisional Statement		£315.00	£315.00	£315.00
Change of name and/or address		£10.50	£10.50	£10.50
Variation of DPS		£23.00	£23.00	£23.00
Dissapplication of DPS			£23.00	£23.00
Transfer of Premises Licence		£23.00	£23.00	£23.00
Interim Authority Notice		£23.00	£23.00	£23.00
Change of Club name or rules		£10.50	£10.50	£10.50
Change of Club address		£10.50	£10.50	£10.50
Replacement TEN		£10.50	£10.50	£10.50
Replacement Personal Licence		£10.50	£10.50	£10.50
Name/address change (Pers. Lic)		£10.50	£10.50	£10.50
Right of freeholder to be notified of licensing matters		£21.00	£21.00	£21.00
Minor Variation		£89.00	£89.00	£89.00

Fee proposals 2014 - 2015

Application Type	Application Type 2017 - 18	Fees set by statute	Current Fees 2017 -2018	Proposed Fees 2018 -2019
<b>Scrap Metal Dealers Act</b>				
SMD Licence - Grant	(3 year duration)		£755.00	£755.00
SMD Licence - Renew	(3 year duration)		£744.00	£744.00
SMD Licence - Variation			£50.00	£50.00
<b>Sex Establishments</b>				
Grant			£3,270.00	£687.00
Licence renewal			£2,946.00	£630.00
Licence variation			£0.00	£90.00
Licence transfer			£0.00	£90.00
<b>Skin Piercing</b>				
Premises			£100.00	£50.00
Individual at premises			£50.00	£50.00
<b>Street Trading</b>				
A' Roads - Annual	Street Trading Consent - Grant, 1 year		£884.00	£454.00
A' Roads - 6 months	Street Trading Consent - Grant, 1 month		£458.00	£55.00
A' Roads - 3 months	Street Trading Consent - Grant, 1 week		£230.00	£39.00
Other Areas - Annual 0800 - 2000 hours			£455.00	
Other Areas - Annual 0800 - 2330 hours			£911.00	
Other Areas - 6 months 0800 - 2000 hours			£247.50	
Other Areas - 6 months 0800 - 2330 hours			£495.00	
Other Areas - 3 months (minimum) 0800 - 2000 hours			£124.00	
Other Areas - 3 months (minimum) 0800 - 2330 hours			£247.50	
Daily rates for one-off events (all areas) - Stalls 0900 - 2000				
Up to 5m2 (50% reduction for charitable organisations)	Street Trading Consent - Grant, 1 day		£16.50	£35.00
Up to 7m2 (50% reduction for charitable organisations)			£22.50	
Replacement/Additional Assistant Badge Fee			£10.00	
Temporary Street Trading/Markets				
Charitable Events (75% of proceeds allotted to charity/cause)			£10.00	
Commercial Event 5 -24 stalls/vehicles			£25.00	
Commercial Event 25 -49 stalls/vehicles			£50.00	
Commercial Event 50 or more stalls/vehicles			£100.00	
	Street Trading Consent - renewal			£439.00
<b>Taxi Licensing</b>				
(MOT, Plate Test & DVLA fees are not included and must be borne by the applicant)				
Hackney Carriage/Private Hire Vehicle Licence			£168.50	£101.00
Hackney Carriage/Private Hire Vehicle Licence - Renewal			£168.50	£100.00
Transfer of interest for vehicle			£40.00	£34.00
Trailer Plate			£15.00	£25.00
Replacement vehicle plate			£15.00	£25.00
	Internal identification sticker			£16.00

**Fee proposals 2014 - 2015**

Application Type	Fees set by statute	Current Fees	Proposed Fees
		2017 -2018	2018 -2019
Private Hire Operator Licence 1 year		£70.00	£126.00
Private Hire Operator Licence 3years		£150.00	£210.00
	Private Hire Operator Licence - Renewal		£91.00
	Private Hire Operator Licence - Renewal 3 years		£176.00
Application for new drivers licence	* DBS fee separate in 2014 -15 but included within 2015 - 16 fees	80*	£141.00
Application for a new 3 year driver's licence		170*	£225.00
	Driver licence renewal – 1 year		£89.00
	Driver licence renewal – 3 years		£211.00
Replacement Badge		£15.00	£17.00
	Advertising on vehicles		£35.00
	Medical		£18.00

## Appendix D West Somerset Council Fees and Charges 2018/19

### Local Land Charges

#### Background

Local Land Charges is a fee earning, self-financing service that operates on a rolling three-year cost recovery basis.

Under the Local Land Charges Act 1975 ('the Act'), each registering authority is responsible for keeping a register of local land charges for its area and an index in which the entries can be readily traced. In addition, also hold other information on a number of matters of importance to purchasers of property: eg road schemes; the property's planning history; Tree Preservation Orders; Compulsory Purchase Orders; and various notices which affect the property.

#### Legal Authority

The Local Authorities (England) (Charges for Property Searches) Regulations 2008 make provision authorising local authorities in England and Wales to set their own charges in a scheme, based on full cost recovery, for carrying out their main Local Land Search functions. The principles of the charges regulations require authorities to ensure that the price charged is an accurate reflection of the costs of carrying out the Local Land Charge function and not for creating surplus.

Regulations 4, 5 and 7 allow a local authority to make a charge for granting access to property records or answering enquiries about a property; or if it makes or proposes an internal recharge. Exceptions apply where it may or must impose a charge apart from these regulations or in respect of access to free statutory information (eg public registers; Environmental Information Regulations).

Regulation 6 explains how the charges must be calculated. These must be no more than the cost to the local authority of granting access to the records and must be calculated by dividing a reasonable estimate of the total costs by a reasonable estimate of the number of request for access likely to be received. A local authority must take all reasonable steps to ensure that over the period of any three consecutive financial years the total income...does not exceed the total costs for granting access to property records. Where...a local authority makes an overestimate or underestimate of the unit charge for the financial year, it must take this into account in determining the unit charge for the following financial year.

Regulation 9 relates to transparency in setting of charges and stipulates that during each financial year, a local authority must publish a statement setting out the estimates the local authority has made (estimates of total costs and estimates of numbers of requests) in respect of the unit charge for the following financial year; the basis for these estimates and the amount of the unit charge.

*These are set out below under charges.*

## **Charges**

Land charge fees were changed in July 2016 due to changes in national regulations and changes in the fee charged by the County Council and Building Control. This had the effect of reducing the fee for a full search from £99 to £79.

Since then, a full costs exercise has been undertaken to underpin the fee setting process and to comply with legislation. It is proposed to reduce the full search fee by £6 to £76. This will have the effect of a decrease of £46 of income based on the estimated number of searches set out below. It is proposed to maintain the LLC1 fee at £9. There are a very small number of these in a year (approximately 30).

Estimated total costs of service - £69,960 (base budget 2016/17)

Estimated number of requests – 948

- Based on average number of searches received across three years
- 2014/15 – 832
- 2015/16 – 954
- 2016/17 - 1059

Therefore estimate is  $832+954+1059 = 2845$  divided by 3 = 948

The unit charge is comprised of the cost of administering the service, plus the cost of paying Somerset County Council for their elements, plus additional costs such as software.

Estimated total income is £69,680 giving a small under recovery of £280. Due to the Council's financial position, it is appropriate to aim for full cost recovery in the coming financial year. If the Council over recovers against costs, this must be reflected in the unit costs for a future financial year.

The Council is not allowed to charge for personal searches or Environmental Information Regulation requests. Accordingly, the service does not spend any time in assisting the public with these requests, which are accessible in person. There will however be some cost to the Council associated with time spent by reception staff. As this is not chargeable, it is not quantified here.

## **Local Land Charge Searches and Enquiries**

Full search	£76
Statutory search fee on form LLC1	£9
Highway authority charge (SCC)	£15.81 *
*charged as inclusive within full search fee	
Personal search fee	No charge

Environmental Information Regulations No charge

### **Discounts**

No discounts are available for this service.

### **Budget impacts**

Estimated total costs of service - £69,960 (base budget 2016/17)

Estimated number of requests – 948

- Based on average number of searches received across three years
- 2014/15 – 832
- 2015/16 – 954
- 2016/17 - 1059

The full basis of the estimate of costs is held with the Land Charges Manager and is available on request.

Estimated total income is £69,680 giving a small under recovery of £280.

### **Equality Impact Assessment**

There are no changes to the charging policy which remains based on full cost recovery and therefore no Equality Impact Assessment is required.





## Appendix E

### West Somerset Council - Fees and Charges 2018/19 Court Fees

#### Background

Council Tax is a charge to owners and occupiers of domestic dwellings and Business Rates, sometimes known as non-domestic rates, is a charge on the occupation of a non-domestic property. The Revenue Service bills those liable of the charges and collects the monies due.

Should the bills not be paid in accordance with the instalments on the bill a reminder is sent. A second reminder and a final notice are also issued should the payments not be made. Sometimes, despite these reminders, the bill is not paid. In these cases the Revenues Service will issue a Summons and apply to the Magistrate's Court for a Liability Order.

The costs of issuing the Summons is charged to the taxpayer.

#### Legal Authority

The Council Tax (Administration and Enforcement) Regulations (1992) and The Non-Domestic Rating (Collection and Enforcement) (Miscellaneous Provisions) Regulations 1990 are the 2 pieces of legislation surrounding the charging of costs incurred by the authority for the issue of a Summons.

#### Charges

Following a High Court Case (Nicolson v Tottenham & London Borough of Haringey) there is a requirement to evidence a detailed breakdown of how the costs are calculated. Whilst a charge for Summons and Liability is allowed it has been our decision to agree a single cost added upon the issue of a summons. As soon as the proposed costs are agreed by members this will take effect from the next court hearing.

	Current £ (2017/18)	Proposed £ (from next hearing)
Court Costs	62.00	61.00

#### Discounts

Discounts are not provided as we charge what it costs to issue a summons from Final Notice Stage up to the point of the court hearing. We do however withdraw costs in some cases on customer's willingness to pay the arrears in full.

**Budget Impacts**

Council Tax Court Costs Recovered in 2018/2019 using the current fee structure of £62.00 per case the forecast would increase to £93,000 owing to additional court cases for the year. However with reference to the following case (Nicolson v Tottenham & London Borough of Haringey) the proposed fee structure of £61.00 should be applied which would yield income of £91,500, showing a reduction of £1,500.

The impact on NNDR Court Cost Recovered would be nominal showing a reduction of £85.

**Equality Impact Assessment**

There has been no material change to the policy of charging for summons and or liability orders and the charge has decreased, therefore no Equality Impact Assessment is required.

## Appendix F

### West Somerset Council - Fees and Charges 2018/19

#### Watchet and Minehead Harbours

Both Harbours struggle to maintain their statutory compliance with the level of funding brought in through the Harbour operation alone.

In recent years WSC have invested further financial support in to the Harbours at an increase cost to the tax payer, or by drawing in resources from other services. The ultimate goal should be for the Harbours to be self-financing, however a jump to the level required to achieve this would be unsustainable.

The table below identifies the current and proposed charging schedule:

Slipway Fees at Watchet and Minehead	Current approve for 2017/18 £	Proposed 18/19 £
Annual	85.00	150.00
Weekly	31.00	40.00
Daily	14.50	12.00
Daily Kayak launch		£4.50
Sea Scouts group permit (Watchet only)		£100.00
Leisure mooring fees per metre or part metre		
Annual (permanent mooring only)	42.00	45.00
Weekly	10.00	15.00
Daily	3.00	Remove
Flat fee half day		£10
Flat full day		£15
Commercial mooring fees per metre or part metre		
Annual (permanent mooring only)	65.00	70.00
Flat administration fee for transfer between moorings	46.00	60.00
Harbour dues per metre or part metre for vessels under 400 gross registered tonnes		
Annual	225.00	250.00
Six monthly		175.00
Weekly	50.00	65.00
Daily	15.00	20.00
Vessels over 400 gross registered tonnes (excluding hobbling duties) per visit	400.00	400.00
Vessels over 400 gross registered tonnes (excluding hobbling duties) per cancelled visit	200.00	200.00

Non-standard shared use of the harbour		
Annual	0.00	500.00
Weekly	0.00	150.00
Daily	0.00	50.00
Minehead and Watchet advertising board annual fee		125.00
Fishing permits Minehead and Watchet in advance		
Weekly		10.00
Monthly		20.00
Annual		50.00
Fishing permits Minehead and Watchet on the spot		
Weekly		15.00
Monthly		25.00
Annual		50.00

All fees include VAT.

A number of new fees have been created to close gaps in the fees structure or to make a charge for functions that required a greater level of control.

The annual slipway charges represent a considerable discount over the daily or weekly charges, it is felt that the level of discount applied here is disproportionate, and the proposed charges make a move towards closing this gap.

An annual charge is being proposed to give unlimited access to the Sea Scouts, this charge will contribute to the administration process that is required to manage their use. The permit will include parking for up to 2 trailers when they are in use for loading and unloading, it is not offered to be used as a storage facility.

The daily slipway fee is currently the only mechanism in place for charging Kayak users, as a result they tend to find other places to launch. Our proposal is to put in place a new more reasonable charge for their use of the slipway, this provides a safer entry and exit for the users and encourages greater use of the Harbour area in general.

The leisure mooring fee is considered to be quite high for daily visitors, an area where we want to increase user numbers, previously we have charged based on the size of the vessel, with a limited number of day visitor spaces any vessel takes up the available space and therefore the size has less of an impact here than in the rest of the harbour. It is therefore proposed to set a flat rate for a half day until 13:30 and full day until 09:00 the following day.

A new charge for non-standard use of the Harbour is also proposed, this covers activities that may be undertaken within the harbour that would interrupt with the normal operation in some way, no matter how limited.

Last year we introduced a charge for large vessels over 400 gross registered tonnes, we have made the decision not to increase this charge in a bid to retain the visits from the Balmorel and the associated benefits for the wider community.

Advertising board space, this is a new offering for the Harbours in Minehead and Watchet, it should prevent some of the fly posting that goes on currently as well as providing an opportunity for commercial operators within the harbour to advertise their trips and contact details. The charge is for the space only, the cost of the signs are not included. WSC will maintain control over the size and design of the signs to provide some consistence. This item is subject to discussion with MTC and WTC to ensure the correct approach to marketing for these areas.

A new permit is being proposed for the provision of a safe position to fish from the harbour wall in Minehead and Watchet, by purchasing a permit users will agree to the rules which will limit the negative impact and unsafe practice that can occasionally be identified.

Anecdotal evidence suggests that WSC fees are lower than other ports, each port's method of charging is different so being able to identify a meaning full comparison is complex. This proposed fee structure does not seek to resolve that situation and further work on comparisons will be undertake in the coming years alongside the ultimate aim of self-financing.

The increase in fees will bring new income for the authority, whilst this income should be ring-fenced for the operation of the Harbour it does reduce the general fund contribution made and therefore an improvement in the councils MTFP should be the result.

Whilst there are new fees proposed and increases in some existing fees the user numbers in the harbour are not significant, therefore the overall benefit to the MTFP is considered to be £3,000.

**END**

**Chris Hall**  
**Assistant Director – Operational Delivery**



## Appendix G

### West Somerset Council Fees and Charges 2018/19

#### Data Protection Act – Freedom of Information Act

##### Background

This report seeks to formalise the charges the Council can make in relation to Freedom of Information Requests and Data Protection Act Subject Access Requests.

##### Legal Authority

The method of calculating charges within this report is in accordance with the Freedom of Information and Data Protection (appropriate limits and fees) Regulations 2004.

Disbursements are set locally and should be reasonable and not designed to generate a surplus.

The £10 for DPA subject access requests is a maximum and is discretionary but is helpful in limiting frivolous requests.

##### Charges

Estimating the costs of processing FOI requests; (section 4(3) of the FOI regulations)

When estimating the cost of complying with a written request for Information, the Council will take into account the staff time involved in the following activities:

- Determining whether the information is held.
- Locating the information or a document that may contain the information.
- Retrieving and extracting the information, or a document that may contain the Information.

The cost of the above activities will be calculated by applying an hourly rate of £25 per person, (section 4(4) of the FOI regulations.)

When calculating the costs to process requests, the Council cannot take account of the time taken to consider whether information is exempt under the Act or the time involve in redacting any information which is not to be disclosed.

Where the cost to process a request is **below** £450

Where the cost of complying with a written request for information is estimated to be below £450, there will be no charge unless the disbursement costs (printing copying and postage) exceed £10. Where disbursement costs exceed £10, the applicant will

be issued with a fees notice and must pay the costs within a period of three months before the Council can comply with the request.

Disbursements costs applied by the Council are shown later.

#### Where the cost to process a FOI request exceeds £450

In accordance with the Freedom of Information and Data Protection (appropriate Limits and Fees) Regulations 2004, the Council is not obliged to respond to a written request for information, where it estimates that the cost of complying with the request would be in excess of £450 (which equates to 18 hours of work at £25 per hour).

If the cost exceeds £450 we will charge for all the hours at a rate of £25 per hour or decline the request - alternatively, we will assist the requester in refining the request to within 18 hours to ensure no charge (other than possible disbursements) will be incurred.

Staff costs will be calculated as follows:

- Staff costs (£25 per hour) involved in determining whether the Council holds the information.
- Staff costs (£25 per hour) of locating, retrieving and extracting the information.
- Disbursement and staff costs (£25 per hour) incurred in informing the applicant that the information is held.
- Disbursement and staff costs (£25 per hour) incurred in communicating the information to the applicant.

#### Campaign requests

If the Council receives two or more related requests within a period of 60 consecutive working days, from a person or different persons who appear to be acting in concert or in pursuance of a campaign, the costs of complying with the individual requests will be aggregated.

#### Priced publications

These will be charged at cover price plus postage where relevant.

#### Disbursements

Photocopies: A4 Black & White 20p per sheet, A3 Black & White 30p per sheet, A4 Colour £1.00 per sheet, A3 Colour £1.50 per sheet

Prints from a PC: Black & White 20p per page (additional cost for producing A3), Colour £1.00 per page (additional cost for producing A3), Photo quality paper prints £1.50 per page

Any other sizes or finishes by agreement in advance.

By default we will print/copy in black and white/greyscale on white A4 paper using both sides.



Postage costs : Default postage will be by 2<sup>nd</sup> class Royal Mail. Prices for alternative postage methods will be at the prevailing rates.

#### Other Charges

CD Rom/DVD                      £1.00 per Disc

#### Data Protection Act 1998

Under the Data Protection Act 1998, the Council will charge an individual the sum of £10 for requesting personal information held by the Council about the individual. These requests for information are referred to as subject access requests. The Council will not process the subject access request until the £10 fee has been received.

#### **Discounts**

None, although no charge for disbursements will be made where the aggregate cost is below £10.

#### **Budget Impacts**

There will be no impact on the 2018/19 Budget.

#### **Equality Impact Assessment**

In order not to disadvantage customers with disabilities the Council will not charge for providing information in an alternative format, if the Disability Discrimination Act (DDA) covers the person requesting it, unless the original document was a priced publication. In this case, the charge for the alternative format will not exceed the cost of the original publication. The Council's current policies in relation to translation of documents into languages other than English will apply.



## Appendix H

### West Somerset Council – Fees and Charges 2018/19

#### Parking Charges

This report sets out the changes to the charging process that supports traffic management of tourist industry by seeking to influence driver behaviour with the following outcomes:

- Incentive for commuters to use car parks away from the main tourist sites, freeing up space for tourist and visitors to the area.
- Continue investment in parking assets.
- Provide support to residents and businesses by encouraging the use of the permits that offer a considerable discount over pay by the meter pricing.

It seeks approval for reductions to a number of the permits offered by WSC, but no changes to pay and display or pay by phone.

The table below identifies the current and proposed charging schedule:

	2017/18 £	Proposed 18/19 £
<b>Shopper Permits</b>		
Annual	40.00	40.00
<b>Named Car Park Permits</b>		
Six monthly*	160.00	150.00
Annual*	210.00	195.00
<b>Business Permits</b>		
Six monthly	220.00	210.00
Annual	400.00	385.00
<b>District Permits</b>		
Before 10:00am (12 months)	25.00	25.00
Weekly	25.00	25.00
Six monthly	180.00	170.00
Annual	310.00	300.00
<b>Parson Street</b>		
Annual	150.00	150.00

\*Dulverton permits have a different timeline for permit changes based on the Full Council approval on 20<sup>th</sup> September 2017.

Named permits for Dulverton car parks will be £150 from 1<sup>st</sup> October 2017 moving to the new district wide cost on 1<sup>st</sup> May 2018.

These reductions will impact the budget by £2,560 if user numbers stay the same.

There are **no** proposed changes to the pay and display or pay by phone tariffs, the current pricing is shown in the table below.

Summer Tariff	Current Winter Tariff				Current Summer Tariff			
	Up to 1hr	Up to 2hrs	Up to 4hrs	All day	Up to 1hr	Up to 2hrs	Up to 4hrs	All day
<b>MINEHEAD</b>								
Quay West	£1.50	£2.60	£4.20	£5.70	£1.50	£3.00	£4.50	£6.00
Warren Rd Upper	£1.50	£2.60	£4.20	£5.70	£1.50	£3.00	£4.50	£6.00
Clanville		£1.60		£4.20		£2.50		£5.00
Alexandra Road	80p	£1.50	£2.50	£4.70	£1.00	£2.50	£3.00	£5.00
Summerland		£1.00				£1.00		
North Road	£1.40	£2.00	£2.80	£4.70	£1.00	£2.50	£3.00	£5.00
<b>PORLOCK</b>								
Porlock Central	80p	£1.50	£2.50	£4.70	£1.00	£2.00	£3.00	£5.00
Doverhay	80p	£1.50			£1.00	£2.00		
<b>DUNSTER</b>								
Dunster Steep		£1.50	£2.50	£4.70		£2.00	£3.00	£5.00
Park Street	80p	£1.50	£2.50	£4.70	£1.00	£2.00	£3.00	£5.00
<b>WILLITON</b>								
Central	80p	£1.50	£2.50	£4.70	£1.00	£2.00	£3.00	£5.00
<b>WATCHET</b>								
Anchor Street	80p	£1.50	£2.50	£4.70	£1.00	£2.00	£3.00	£5.00
Market Street	80p	£1.50	£2.50	£4.70	£1.00	£2.00	£3.00	£5.00
Swain Street	80p	£1.50	£2.50	£4.70	£1.00	£2.00	£3.00	£5.00
Harbour Road	80p	£1.50	£2.50	£4.70	£1.00	£2.00	£3.00	£5.00
West Pier	80p	£1.50	£2.50	£4.70	£1.00	£2.00	£3.00	£5.00
<b>DULVERTON</b>	Up to 1hr	Up to 2hrs	Up to 3hrs	All day	Up to 1hr	Up to 2hrs	Up to 3hrs	All day
Lion Stables	£0.70	£1.50	£2.00	£4.50	£0.70	£1.50	£2.00	£4.50
Guildhall	£0.70	£1.50	£2.00	£4.50	£0.70	£1.50	£2.00	£4.50
Exmoor House	£0.70	£1.50	£2.00	£4.50	£0.70	£1.50	£2.00	£4.50

**END**

**Chris Hall**  
Assistant Director – Operational Delivery

## **Appendix I**

### **West Somerset District Council Charges 2018/19**

### **Planning and Environment**

#### **1. Background**

Planning and Environment have the facility to provide Customers with advice and information when they are considering a development proposal; welcoming and encouraging discussions before applications are submitted.

There is a two-tier service; the first involves a meeting with the LPA; the second, written response to proposals sent for comment. It is an opportunity to better understand the way in which an application will be judged against the policies in the development plan and other material considerations.

As a result of the time and resources involved in giving pre-application advice, we operate pre-application charges based on the type of proposal. This means that the service does not fall as a general cost to the council tax payer.

##### **1.1 How the Scheme Works**

Requests for pre application advice, including a request for a meeting, need to be in writing and be accompanied by the appropriate fee. Meetings will be attended by an appropriate professional officer from the Council. These will be either in the Council offices or, if considered more appropriate, on site. Information about the site and details about the scheme need to be provided. This will normally include:

- a) Application Form available from the websites;
- b) a description and summary of your proposals, and preferably sketch plans;
- c) if possible, photographs of the site;
- d) a site location plan.

#### **2. Legal Authority**

Fees for planning applications are set nationally. However, charges for pre-application discussion are discretionary. The majority of authorities now charge for this service, with the income being reinvested in the service. In setting the charges there needs to be a balance set between recouping the full cost of the service provided and encouraging developers to engage with the Council as early as possible.

Taunton Deane charges have traditionally been and will continue to be set at a figure that will not generally discourage developers from contacting the Council, taking into

account the undoubted benefit gained from obtaining greater certainty of the likely outcome. The charges continue to represent a tiny fraction of the cost of carrying out any form of development.

In 2016 it was reported that due to the pre-application planning advice service for both Taunton Deane Borough Council and West Somerset Council being provided by the one team and there can therefore be no reasoned justification for continuing with two sets of charges. However a decision was made that West Somerset wished to retain the higher level of fees set for Level 3a and 3b Major Development Pre Applications, see attached appendix.

### **3. Charges – as of April 2018 (to remain unchanged)**

The schedule of charges incorporates fees which are dependent on the nature and scale of the proposal. The charge is per request.

Please see attached Appendix regarding level of fees for Taunton Deane BC from April 2018 and West Somerset DC from April 18.

For major developments (level 3a and 3b) pre-application fees are negotiable through the applicant and Council entering into a Planning Performance Agreement (PPA).

There is no charge for advice on revised proposals following a refusal of planning permission or the withdrawal of an application (this exemption is restricted to one letter or meeting only).

We have looked at other Pre Application changes but feel the potential impact on take up of services taking into account this year's current income and fees being set for cost recovery only prevent any further rise in fees.

Planning Policy advice that is directly related to the preparation of a Local Development Document (LDD) will be exempt from these charges.

For major developments (level 3a and 3b) pre-application fees are negotiable based upon level of engagement through the applicant and Council entering into a Planning Performance Agreement (PPA).

There is no charge for advice on revised proposals following a refusal of planning permission or the withdrawal of an application (this exemption is restricted to one letter or meeting only).

Planning Policy advice that is directly related to the preparation of a Local Development Document (LDD) will be exempt from these charges

An additional charge has been added this year for general enquiries from Solicitors for additional information and documents which are beyond those which are normally provided via the websites.

#### 4. Discounts

This scheme does not include any discounts.

#### 5. Budget Impacts

These charges have been taken into account in developing budget saving proposals for 2018/19.

#### 6. Equality Impact Assessment

What are you completing this impact assessment for? E.g. policy, service area	<b>PLANNING ADVICE CHARGES 2018/19</b>
<b>Section One – Aims and objectives of the policy /service</b>	
<p><b>PLANNING AND ENVIRONMENT</b></p> <p>To provide a proactive planning service from pre-application to delivery and monitoring</p> <ul style="list-style-type: none"> <li>• Responsible for overseeing building development in Taunton Deane</li> <li>• Co-ordinating the way our surroundings develop</li> <li>• Preventing developments which are not appropriate</li> <li>• Investigate breaches of planning regulations</li> </ul>	
<b>Section two – Groups that the policy or service is targeted at</b>	
<p>All Groups have the potential to be affected; however the perspective is that the only significant increases in charges are for major developments whereby the pre application charge is an insignificant part of total development costs.</p>	
<b>Section three – Groups that the policy or service is delivered by</b>	
<p>The Development Management staff and Business support staff will administer and provided the pre applications advice – as per current procedures.</p>	
<b>Section four – Evidence and Data used for assessment</b>	

Approximately 35-40 major planning applications are received per year (2% of all application). Pre-applications advice, which is encouraged with such application, will attract the higher fee. As previously stated the pre application charge is an insignificant part of total development costs.

**Section Five - Conclusions drawn about the impact of service/policy/function on different groups highlighting negative impact or unequal outcomes**

The impact of this planning advice charges will be equal for all groups.

**Section six – Examples of best practise**

Officers work across the Council and community with specific groups e.g. Gypsy Forum

**7. Recommendation**

That fees remain unchanged for 2018/2019





## Appendix I continued

### PLANNING FEES AND CHARGES WEST SOMERSET DISTRICT COUNCIL 01 APRIL 2018

	FEE
Do I need Planning Permission	<b>£52.80 (£44.00 plus VAT)</b>

### PRE APPLICATION ADVICE SCALE OF FEES WEST SOMERSET DC

LEVEL	TYPE	FEE
Level 1 - Householder, Advertisement and Landscape advice. Tree Preservation Orders	Written Response with site visit/meeting	<b>£116.16</b> (£96.80 + VAT)  Further Advice following response £30 plus VAT per hour  Planning Management Team Involvement £50 plus VAT per hour
Level 2a - Minor developments (e.g. less than 5 dwellings, 500 sq m industrial):	Written Response with Site Visit/Meeting	<b>£290.40</b> (£242.00 + VAT)  Further Advice following response £40 plus VAT per hour  Planning Management Team Involvement £80 plus VAT per hour
Level 2b – Larger scale minor developments (e.g. between 5 and 10 dwellings, 500 and 1000 sq m industrial):	Written Response with Site Visit/Meeting	<b>£435.60</b> (£363.00 + VAT)  Further Advice following response £40 plus VAT per hour  Planning Management Team Involvement £80 plus VAT per hour

LEVEL	TYPE	FEE
Level 3a - Major Developments (e.g. more than 10 dwellings, 1,000 sq m industrial):	Written response with site visit/meeting	<b>£1440.00</b> (£1200.00 + VAT)  Further Advice following response £50 plus VAT per hour  Planning Management Team Involvement £100 plus VAT per hour
Level 3b – Large Scale Major Developments (e.g. more than 50)	Written response with site visit/meeting	<b>£2400.00</b> (£2000.00 + VAT)  Further Advice following response £50 plus VAT per hour

dwelling, 5,000 sq m industrial):		Planning Management Team Involvement £100 plus VAT per hour
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\*Where both Development Management and Planning Policy officers need to attend the meeting there will be an additional cost as shown below:

- Level 2b additional £121.00 + vat @ 20% = £145.20
- Level 3a additional £181.50 + vat @ 20% = £217.80
- Level 3b additional £242.00 + vat @ 20% = £290.40

For major developments (level 3a and 3b) pre-application fees are negotiable through the applicant and Council entering into a Planning Performance Agreement (PPA).

There is no charge for advice on revised proposals following a refusal of planning permission or the withdrawal of an application (this exemption is restricted to one letter or meeting only).

## **AONB CHARGES**

Householders	Written Advice	78.00 (2hrs)
	Meeting with note	88.00 (2hrs + £10 travel)
Level 2a - Minor developments (e.g. less than 5 dwellings, 500 sq. m industrial):	Written Advice	146.50 (3.5hrs + £10 travel)
	Meeting with note	224.50 (5.5hrs + £10 travel)
Level 2b – Larger scale minor developments (e.g. between 5 and 10 dwellings, 500 and 1000 sq. m industrial):	Written Advice	205.00 (5hrs + £10 travel)
	Meeting with note	283.00 (7hrs + £10 travel)
Level 3a - Major Developments (e.g. more than 10 dwellings, 1,000 sq. m industrial):	Written Advice	410.00 (10hrs + £10 travel)
	Meeting with note	566.00 (14hrs + £10 travel)
Level 3b – Large Scale Major Developments (e.g. more than 50 dwellings, 5,000 sq. m industrial):	Written Advice or Meeting with note	This level by negotiation on case by case basis: unlikely to be within the AONB.

## **LISTED BUILDING ADVICE**

Listed Building Pre Application Advice	Meeting with Note.	<b>£290.40</b> (£242 = VAT)  Further Advice Following response £40 plus VAT per Hour  Planning Management Team Involvement £80 plus VAT per hour
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**ENQUIRIES**

119

Pre 74 Planning History Search	£40.00 + vat @ 20% = £48.00	Work undertaken beyond first hour, £30 plus VAT per hour
Solicitor Enquiries and Supply of Extra Information and Documents	£40.00 + vat @ 20% = £48.00	Work undertaken beyond first hour, £30 plus VAT per hour

119



### Impact Assessment form and action table

What service is impacted and why complete this assessment?	<b>Price increases for the sale of non-statutory waste stream collection.</b>																			
<b>Section One – Aims and objectives of the policy /service</b>																				
<p><b>To increase the costs, reducing the subsidy of additional waste streams as set out in the table.</b></p>																				
<p>Each year it is necessary to consider an increase in the waste various waste streams as currently this remains a subsidised service.</p>																				
<table border="1"> <thead> <tr> <th></th> <th data-bbox="593 705 976 757"><b>Current £ (2017/18)</b></th> <th data-bbox="983 705 1369 757"><b>Proposed £ (2018/19)</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="178 757 587 790">Green Waste Bins</td> <td data-bbox="593 757 976 790">53.50</td> <td data-bbox="983 757 1369 790">55.40</td> </tr> <tr> <td data-bbox="178 790 587 824">Green Waste Sacks x10</td> <td data-bbox="593 790 976 824">26.50</td> <td data-bbox="983 790 1369 824">27.40</td> </tr> <tr> <td data-bbox="178 824 587 857">3 x bulky items</td> <td data-bbox="593 824 976 857">41.50</td> <td data-bbox="983 824 1369 857">43.00</td> </tr> <tr> <td data-bbox="178 857 587 891">Subsequent items</td> <td data-bbox="593 857 976 891">11.50</td> <td data-bbox="983 857 1369 891">11.90</td> </tr> <tr> <td data-bbox="178 891 587 929">Bin replacements</td> <td data-bbox="593 891 976 929">25.00</td> <td data-bbox="983 891 1369 929">25.90</td> </tr> </tbody> </table>		<b>Current £ (2017/18)</b>	<b>Proposed £ (2018/19)</b>	Green Waste Bins	53.50	55.40	Green Waste Sacks x10	26.50	27.40	3 x bulky items	41.50	43.00	Subsequent items	11.50	11.90	Bin replacements	25.00	25.90		
	<b>Current £ (2017/18)</b>	<b>Proposed £ (2018/19)</b>																		
Green Waste Bins	53.50	55.40																		
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3 x bulky items	41.50	43.00																		
Subsequent items	11.50	11.90																		
Bin replacements	25.00	25.90																		
<p>The aim of the proposed increase is maintain the current cost neutral service. An increase in charges of less that the contractual inflation rise of 3.5% would see the council having to subsidise the collection service.</p>																				
<b>Section two – Groups that the policy or service is targeted at</b>																				
<p>This will impact on all of the current users of the scheme and any new customers. Consideration was given to those who use green bags rather than green bins.</p>																				
<b>Section three – Groups that the policy or service is delivered by</b>																				
<p>This service is delivered on behalf of Taunton Deane Borough Council through the Somerset Waste Partnership. Traditionally each partner tries to set is fees consistently but there is an opportunity for TDBC to set their differently to the other partners.</p>																				
<b>Section four – Evidence and Data used for assessment</b>																				
<p>A discussion of the SWP Strategic Management Group jointly agreed the proposals, this is attended by Assistant Director for Operational Delivery on behalf of TDBC &amp; WSC.</p>																				
<b>Section Five - Conclusions drawn about the impact of service/policy/function on different group highlighting negative impact or unequal outcomes.</b>																				
<p>There are not thought to be any unequal outcomes from this proposal and in fact it reduces the subsidy divide for those using bags (lower subsidy) compared with those using bins.</p>																				

There remains no requirement for users to buy this service from SWP and there are no contractual tie-ins enforcing the new increased prices.

**Section six – Examples of best practise**

Best practice is not identified in this report as there are a number of schemes used by different authorities around the country. It is not considered to be beneficial to charge the customer for the initial green waste bin as this reduces the likely uptake for customers and may see this waste placed into the residual waste stream.

Signed: Person/Manager completed by		Signed: Group Manager/Director	
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<b>Impact Assessment Issues and Actions table</b>						
Service area					Date	
<b>Identified issue drawn from your conclusions</b>	<b>Groups affected</b>	<b>Actions needed – how will your service or policy be amended</b>	<b>Who is responsible</b>	<b>By when</b>	<b>Is a monitoring system required</b>	<b>Expected outcomes from carrying out actions</b>
<b>Knowing our Communities, engagement and satisfaction</b>						
Potential negative impact from price increase	All customer equally	Review numbers of new customers throughout the year to assess any negative impact	Chris Hall	As part of the budget setting process for 19/20	Budget monitoring is in place.	Unknown
<b>Responsive services and customer care</b>						
<b>Place shaping, leadership and partnerships</b>						
<b>A modern and diverse workforce</b>						





## Appendix B1 Impact Assessment

<b>Responsible person</b>	Erica Lake	<b>Job Title:</b> Environmental Health Manager
<b>Why are you completing the Equality Impact Assessment? (Please mark as appropriate)</b>	Proposed new policy or service	
	Change to Policy or Service	
	<b>Budget/Financial decision – MTFP</b>	Yes
	Part of timetable	
<b>What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)</b>	Private Water Supplies Fees and Pest Control Fees and Charges	
<b>Section One – Scope of the assessment</b>		
What are the main purposes/aims of the policy?	<p>Proposal to increase the fees and charges from April 2018 for the pest control service as detailed in the attached reports. Fees and charges for private water supply service to remain the same as 17/18.</p> <p>The proposed increase to fees and charges will ensure sufficient financial resources are in place to deliver the services.</p>	
Which protected groups are targeted by the policy?	All protected groups are affected equally by the changes.	
What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used The information can be found on....	Historic evidence has been gathered regarding people that access these services including property and land owners and tenants. Information is available on those people who are entitled to the subsidies applied to the pest control fees. This information is available via the business support team and officers within Environmental Health team.	
<b>Section two – Conclusion drawn</b> about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality.		
<b>I have concluded that there should be:</b>		
The proposed fees and charges increases will apply to all services users and as such no potential discrimination amongst the protected groups has been identified.		

To help support service users on low incomes a subsidised rate will continue to be available for those in receipt of income-related benefit. This subsidised rate will apply to public health nuisance pests such as rats and mice only.

<b>No major change - no adverse equality impact identified</b>	Yes
Adjust the policy	
Continue with the policy	
Stop and remove the policy	

Reasons and documentation to support conclusions: Historic data and knowledge of the service gained through a number of years of administering discounts for those that have hardship issues lend itself to continuing to make discretionary relief available for public health nuisance pests (rats and mice only).

#### **Section four – Implementation – timescale for implementation**

April 2018

#### **Section Five – Sign off**

Responsible officer: Erica Lake  
Date: 10<sup>th</sup> October 2017

Management Team: Scott Weetch  
Date: 10<sup>th</sup> October 2017

#### **Section six – Publication and monitoring**

Published on

Next review date

Date logged on Covalent

**Action Planning**

The table should be completed with all actions identified to mitigate the effects concluded.

<b>Service area</b>	<b>Environmental Health</b>		<b>Date</b>	<b>10<sup>th</sup> October 2017</b>		
<b>Identified issue drawn from your conclusions</b>	<b>Actions needed</b>	<b>Who is responsible?</b>	<b>By when?</b>	<b>How will this be monitored?</b>	<b>Expected outcomes from carrying out actions</b>	
N/A						

## Appendix B2 Equality Impact Assessment

<b>Responsible person</b>	Erica Lake	<b>Job Title:</b> Environmental Health Manager
<b>Why are you completing the Equality Impact Assessment? (Please mark as appropriate)</b>	Proposed new policy or service	
	Change to Policy or Service	
	<b>Budget/Financial decision – MTFP</b>	Yes
	Part of timetable	
<b>What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)</b>	Private Water Supplies Fees and Pest Control Fees and Charges	
<b>Section One – Scope of the assessment</b>		
What are the main purposes/aims of the policy?	<p>Proposal to increase the fees and charges from April 2018 for the pest control service as detailed in the attached reports. Fees and charges for private water supply service to remain the same as 17/18.</p> <p>The proposed increase to fees and charges will ensure sufficient financial resources are in place to deliver the services.</p>	
Which protected groups are targeted by the policy?	All protected groups are affected equally by the changes.	
What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used The information can be found on....	Historic evidence has been gathered regarding people that access these services including property and land owners and tenants. Information is available on those people who are entitled to the subsidies applied to the pest control fees. This information is available via the business support team and officers within Environmental Health team.	
<b>Section two – Conclusion drawn</b> about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality.		
<b>I have concluded that there should be:</b>		
The proposed fees and charges increases will apply to all services users and as such no potential discrimination amongst the protected groups has been identified.		

To help support service users on low incomes a subsidised rate will continue to be available for those in receipt of income-related benefit. This subsidised rate will apply to public health nuisance pests such as rats and mice only.

<b>No major change - no adverse equality impact identified</b>	Yes
Adjust the policy	
Continue with the policy	
Stop and remove the policy	

Reasons and documentation to support conclusions: Historic data and knowledge of the service gained through a number of years of administering discounts for those that have hardship issues lend itself to continuing to make discretionary relief available for public health nuisance pests (rats and mice only).

#### **Section four – Implementation – timescale for implementation**

April 2018

#### **Section Five – Sign off**

Responsible officer: Erica Lake  
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<b>Service area</b>	<b>Environmental Health</b>		<b>Date</b>	<b>10<sup>th</sup> October 2017</b>		
<b>Identified issue drawn from your conclusions</b>	<b>Actions needed</b>	<b>Who is responsible?</b>	<b>By when?</b>	<b>How will this be monitored?</b>	<b>Expected outcomes from carrying out actions</b>	
N/A						

## EIA Appendix F – Harbours

### Impact Assessment form and action table - Harbour Operations

What service is impacted and why complete this assessment?	<b>Price increases for the sale of non-statutory waste stream collection.</b>
<b>Section One – Aims and objectives of the policy /service</b>	
<p><b>To increase the costs, reducing the subsidy of the harbour operation.</b></p> <p>Each year it is necessary to consider an increase in chargeable services of the harbour in order to reduce the subsidy from the general fund.</p> <p>This report also introduces new charges for services not previously offered and give businesses operating from the harbour enhanced opportunities to market their offering to customers.</p>	
<b>Section two – Groups that the policy or service is targeted at</b>	
<p>This will impact on all of the current users of the scheme and any new customers who wish to make use of the facilities at Minehead or Watchet. Consideration was given to the Sea Scouts and although a new fee has been introduced this is to support the administration of their use only.</p>	
<b>Section three – Groups that the policy or service is delivered by</b>	
<p>This is an in house service for the harbour at Minehead and the outer harbour at Watchet. The Marina is a private entity and the council have no influence over their charges.</p>	
<b>Section four – Evidence and Data used for assessment</b>	
<p>These charges have been considered in association with the Lead Member, they will also be discussed at Harbour Board and Watchet Harbour Advisory Committee.</p>	
<b>Section Five - Conclusions drawn about the impact of service/policy/function on different group highlighting negative impact or unequal outcomes.</b>	
<p>There are not thought to be any unequal outcomes from this proposal</p> <p>There remains no requirement for users to use this service, but as the Harbour Authority West Somerset Council cannot refuse access to the harbour upon payment of the appropriate dues.</p>	
<b>Section six – Examples of best practise</b>	

Best practice is not identified in this report as there are a number of charging models used by different authorities around the country.

Signed: Person/Manager completed by		Signed: Group Manager/Director	
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<b>Impact Assessment Issues and Actions table</b>						
Service area					Date	
<b>Identified issue drawn from your conclusions</b>	<b>Groups affected</b>	<b>Actions needed – how will your service or policy be amended</b>	<b>Who is responsible</b>	<b>By when</b>	<b>Is a monitoring system required</b>	<b>Expected outcomes from carrying out actions</b>
<b>Knowing our Communities, engagement and satisfaction</b>						
Potential negative impact from price increase	All customer equally	Review numbers of users and waiting list throughout the year to assess any negative impact	Chris Hall	As part of the budget setting process for 19/20	Budget monitoring is in place.	Unknown
<b>Responsive services and customer care</b>						
<b>Place shaping, leadership and partnerships</b>						
<b>A modern and diverse workforce</b>						



WSC 131/17

## **West Somerset Council**

### **Cabinet – 30 November 2017**

#### **Earmarked Reserves Review**

##### **Report of the Financial Services Manager**

(This matter is the responsibility of Cabinet Councillor Trollope-Bellew, Leader of the Council)

#### **1 Executive Summary**

- 1.1 This report provides information on our Earmarked Reserves Review for 2017/18.
- 1.2 During the Review, £79,086 of earmarked reserves were deemed to be no longer required to be held and it is recommended that these are transferred to the General Fund Reserve.

#### **2. Recommendations**

- 2.1 Cabinet is requested to recommend to Council to approve the proposals in this report.

#### **3. Earmarked Reserves Review 2017/18**

- 3.1 As at 31<sup>st</sup> March 2017, the total General Fund Earmarked Revenue Reserves was £2.883m. This is equivalent to 93.8% of the Council's Net Revenue Budget of £3.075m (2016/17).
- 3.2 A fundamental review has been undertaken of all General Fund Revenue Earmarked Reserves, with a view to all balances being returned to the General Fund unless:
  - A clear commitment/obligation exists to spend the money within a defined time period
- 3.3 To identify which General Fund Earmarked Reserves balances could be returned to the General Fund Reserve, each Reserve holder was contacted and asked to provide evidence of how the Reserve balance was planned to be used.
- 3.4 These discussions identified that, of the balance held currently (£2.883m), all but £79k of the General Fund Earmarked Reserves is committed or has conditions upon it.

3.5 The £2.804m committed balance includes the following large balances and a full list of balances is included in Appendix A to this report:

- £756k – Transformation and creating a new council;
- £576k – Affordable Housing funding from DCLG;
- £305k– BR Smoothing Reserve; to address volatility in Business Rates income and appeals.
- £247k – Service Carryforwards.
- £214k – Asset Management and Compliance;
- £195k – Planning Policy Reserve to support costs associated with the Local Plan;

3.6 It has been agreed with Reserve holders that £79k will be returned to General Reserves immediately following Council's approval. This figure includes the following reserves:

- £38k – Revs and Bens originally for software upgrade etc. Surplus to requirements.
- £12k – Dulverton Mill Leat, not committed at this time.
- £7k – Watchet Harbour dredging, not committed at this time.
- £6k – Morrison's footpath now adopted by County.
- £6k – Minehead Harbour Dredging, not required at this time.
- £5k – Community Right to Challenge, no longer committed.
- £5k – Assets of Community value. Only half of this reserve required.

#### **4. Finance Comments**

4.1 Earmarked reserves should only be held where there is a clear purpose and commitment to use the funds within a planned timeframe. The Council is facing potentially significant transformation costs, and it is therefore prudent to release surplus earmarked balances to general balances, and provide greater funding flexibility in the short term. A full review is completed annually and hence the balances available to be returned to General Reserves are again quite low.

#### **5. Legal Comments**

5.1 The legal implications have been considered and there are not expected to be any specific implications relating to this report.

#### **6. Links to Corporate Aims**

6.1 Achieving financial sustainability: Looking at new ways of balancing the budget to address our financial challenges.

#### **7. Environmental and Community Safety Implications**

7.1 The environmental and community safety implications have been considered and there are not expected to be any specific implications relating to this report.

**8. Equalities Impact**

- 8.1 Equalities impact have been considered in respect of this report and no specific impacts have been identified.

**9. Risk Management**

- 9.1 Risk management implications have been considered and there are not expected to be any specific implications relating to this report.

**10. Partnership Implications**

- 10.1 The partnership implications have been considered and there are not expected to be any specific implications relating to this report.

**11. Scrutiny Comments**

- 11.1 Due to the timing of meetings, the Scrutiny comments will be provided separately at the Cabinet meeting.

**Contact:** Jo Nacey  
Financial Services Manager  
Taunton Deane Borough Council and West Somerset Council  
Tel: 01823 219490  
Email: [j.nacey@tauntondeane.gov.uk](mailto:j.nacey@tauntondeane.gov.uk)



## SUMMARY OF PROPOSED EARMARKED RESERVES AS AT 31 MARCH 2017

Budget Holder	Earmarked Reserve Heading	Balance at 1 April 2016	Transfers In 2016/17	Transfers Out 2016/17	Balance at 31 March 2017	Committed Expenditure	Available to be Returned	Purpose of Reserve
		£	£	£	£	£	£	
Kim Batchelor	Transformation and Creating a New Council	0	762,000	-5,287	756,713	756,713	0	Funding required primarily to implement the approved Transformation Business Case and also to create a new council replacing West Somerset and Taunton Deane councils.
Kim Batchelor	JMASS Reserve	302,324	270,406	-533,260	39,470	39,470	0	Funding to support transformation costs under JMASS.
Jo Humble	Strategic Housing Market Area Assessment	1,000	574,760		575,760	575,760	0	DCLG funding for community land fund to support bringing forward affordable housing within West Somerset. The bulk of the funds anticipated to be spent in 2017/18 and 2018/19 as projects progress.
Jo Nacey	Business Rates Retention Smoothing Account	3,388,863	139,882	-3,223,601	305,144	305,144	0	This is a volatile area and we are committed to mitigating the risk of Business Rates retention by setting aside an appropriate level of funds in this reserve
Tim Child	Asset Management and Compliance	148,436	85,780	-20,700	213,516	213,516	0	Asset maintenance compliance works to be completed.
Nick Bryant	Planning Policy Reserve	20,925	223,222	-48,940	195,207	195,207	0	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.
Paul Fitzgerald	Sustainability Fund	67,698		-26,998	40,700	40,700	0	Earmarked for initiatives such as "invest to save" plans that have a positive impact upon the underlying financial sustainability of the Council's budget.
Jo Nacey	Budget Carry Forwards For Specific Services	41,690	247,189	-41,690	247,189	247,189	0	Budgets carried forward to reflect timing of planned spend across financial years and support ongoing service delivery requirements.
Paul Fitzgerald	Contingency to underwrite delivery of 2017/18 savings	0	48,000		48,000	48,000	0	Funding to underwrite the 2017/18 savings and mitigate any adverse impact on the General Reserve balance
Scott Weetch	Community Safety	15,260	10,000	-11,727	13,533	13,533	0	External funding specifically earmarked for community safety initiatives.
Elisa Day	District Election	0	8,550	0	8,550	8,550	0	Funds to meet the costs of Elections

Budget Holder	Earmarked Reserve Heading	Balance at 1 April 2016	Transfers In 2016/17	Transfers Out 2016/17	Balance at 31 March 2017	Committed Expenditure	Available to be Returned	Purpose of Reserve
		£	£	£	£	£	£	
Elisa Day	Other Election Reserve	19,436		-5,900	13,536	13,536	0	Funds to meet the additional costs of Individual Electoral Registration.
Heather Tiso	Revenues and Benefits Reserve	89,565	12,749	-29,565	72,749	35,024	37,725	Monies set aside to provide service resilience and to fund planned software upgrade needed for CTS Scheme developments.
Jo Nacey	Finance Reserve	24,000	20,840		44,840	44,840	0	These monies fund additional staff to deal with BAU during transformation.
Chris Hall	SWP Vehicles	0	33,617		33,617	33,617	0	To help fund our contribution to the new operating model.
Brendan Cleere	WS Employment Hub	0	21,293		21,293	21,293	0	Transferred to Community Outreach Fund
Shirlene Adam	Agile Working	0	20,000		20,000	20,000	0	Investment in technology to implement transformation changes and better enabling of agile working
Shirlene Adam	Members' Technology	0	20,000		20,000	20,000	0	Funding to invest in updating members technology that complements the implementation of transformation of ways of working
Nick Bryant	Planning Reserve	20,000			20,000	20,000	0	Monies set aside to fund specialist technical advice for major planning applications. E.g. Landscape visual impact assessments, retail studies etc.
Angela Summers	Cuckoo Meadow Reserve	10,010	16,820	-10,010	16,820	16,820	0	Lottery monies earmarked to be used in future years. Used for play equipment
Ian Timms	Steam Coast Trail Reserve	23,218	8,505		31,723	31,723	0	WSC is working in continued partnership with Friends of the Steam Coast Trail and Sustrans. These monies will support the delivery of Phase 2 of the Steam Coast Trail - the creation of a traffic free route between Old Cleeve and Washford by the end of 2018. A key part of the Steam Coast Trail vision for safe cycling between Minehead and Williton.
Heather Stewart	Housing Options	46,660		-3,040	43,620	43,620	0	Balance of Homeless Prevention funding plus remainder of Mortgage Rescue Grant.
Fiona Wills	Training Reserve	14,560		-4,560	10,000	10,000	0	Monies set aside to meet future training needs across the organisation.
Chris Hall	Morrison's Footpath	6,000			6,000	0	6,000	Earmarked to part-fund the footpath upgrade but path now adopted by County Council.
Simon Lewis	Community Right to Challenge	5,000			5,000	0	5,000	No longer committed



Budget Holder	Earmarked Reserve Heading	Balance at 1 April 2016	Transfers In 2016/17	Transfers Out 2016/17	Balance at 31 March 2017	Committed Expenditure	Available to be Returned	Purpose of Reserve
		£	£	£	£	£	£	
Angela Summers	Assets of Community Value	10,000			10,000	5,000	5,000	Government Grant set aside to support the administration of applications under regulations. Reduction appropriate.
Richard Wiseman	Minehead Harbour Dredging Reserve	5,500			5,500	0	5,500	Monies set aside to fund works in future years.
Heather Tiso	Online DHP Reserve	5,375			5,375	5,375	0	Online Software Requirement for Revenues and Benefits.
Richard Wiseman	Dulverton Mill Leat	0	12,195		12,195	0	12,195	Not required.
Scott Weetch	Licensing Staff Reserve	8,091	4,700		12,791	12,791	0	Monies set aside to fund extra resource within West Somerset Council.
Tracey-Ann Biss	Car Parking Reserve	10,000			10,000	10,000	0	Monies set aside in respect of maintenance and signage.
Chris Hall	Watchet Harbour Dredging	7,000			7,000	0	7,000	Used to fund additional dredging. Not yet committed but is needed.
Scott Weetch	Environmental Health Reserve	4,081			4,081	4,081	0	Destitute Burial Reserve.
Ian Timms	Business Development Reserve	14,287		-8,610	5,677	5,677	0	Funding for initiatives to support small businesses.
Mark Hill	Inspire	3,391			3,391	3,391	0	Earmarked for costs under the Inspire Directive. Supports the relevant databases.
Scott Weetch	CCTV	1,565			1,565	1,565	0	Monies set aside to fund the repair of CCTV cameras.
Chris Hall	Water Bathing Signs	1,266			1,266	1,266	0	Environmental grant specifically earmarked.
Angela Hill	Customer Service Equipment Reserve	666			666	0	666	Specialised Chair Required (Health and Safety). This was funded from other resources.
Ian Timms	Minehead Events	396			396	396	0	Mary Portas grant – specifically earmarked. To be transferred to the fund for the Minehead Strategic Economic Plan.
Nikki Maclean	Minehead Town Centre Signage	115			115	115	0	Contribution from Minehead Chamber of Trade and Morrison s106 to fund the signs.
	<b>Totals</b>	<b>4,316,378</b>	<b>2,540,508</b>	<b>-3,973,888</b>	<b>2,882,998</b>	<b>2,803,912</b>	<b>79,086</b>	



## **West Somerset Council** (WSC 132/17)

### **Cabinet - Business Rates Pool and 100% Business Rates Retention Pilot**

**This matter is the responsibility of Cabinet Councillor Trollope-Bellew, Leader of the Council**

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

#### **1 Executive Summary / Purpose of the Report**

- 1.1 Following a recent meeting with Group Leaders, we submitted a bid to DCLG to become a pilot for 100% Business Rates Retention in 2018/19 with our county-wide district and County neighbours. The purpose of this report is to provide Councillors with the rationale and detail behind the bid. It is important to be clear that 100% BRR does not mean all of the business rates collected will be kept in the area, but the councils would keep 100% of the business rate growth above our funding baseline.

#### **2 Recommendations**

- 2.1 The Committee recommends to Full Council to:
- a) Endorse the urgent decision made by the Leader of the Council and S151 Officer that the Council participates in the pooling arrangement together with other Somerset authorities (Somerset County Council, Mendip District Council, Sedgemoor District Council, South Somerset District Council, West Somerset Council) under the 50% Business Rates Retention scheme for 2018/19.
  - b) Endorse the urgent decision to apply to Government for the Somerset Business Rates Pool comprising the county and five districts to become a pilot area for 100% Business Rates Retention in 2018/19 financial year.
  - c) Approve delegated authority to the S151 Officer, in consultation with the Leader, to decide whether to remain in the Pool and, if approved by Government, the 100% BRR Pilot scheme when the Government's Provisional Settlement details are announced in December 2017.

### 3 Risk Assessment

#### Risk Matrix

Description	Likelihood	Impact	Overall
The Council fails in its bid to become a Pilot authority with its district and County neighbours	Possible 3	Minor 2	Medium 6
<i>The Council's MTFP assumptions are set without the assumption that the Council will be successful in the joint bid</i>	Low 1	Minor 2	Low 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
			<b>Impact</b>				

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

#### The Pooling System

- 4.1 The current 50% Business Rates Retention system was introduced in 2013/14 financial year as part of a wider suite of changes implemented following the Local Government Finance Review. This system has therefore formed a key part of the annual budget setting and reporting for several years.
- 4.2 **A New BRR Pool for 2018/19 and 100% BRR Pilot Scheme**
- 4.3 On 1 September DCLG issued an invitation to local authorities to pilot 100% business rates retention in 2018/19 – for one year only – and to pioneer new pooling and tier-split models. The prospectus and supporting information is available on the Government's website:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/654936/Pilots\\_1819\\_Prospectus.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/654936/Pilots_1819_Prospectus.pdf)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/643595/Supplementary\\_information\\_pooling.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/643595/Supplementary_information_pooling.pdf)

- 4.4 The first set of pilots for 100% BRR were launched in 2017/18. The Government has indicated it would like to see other authorities form pools and apply for pilot status. In assessing applications the Government has set out criteria. This includes aspects that would suggest (but of course not guarantee) the potential for a successful Somerset bid, such as:
- proposed pooling arrangements operate across a functional economic area i.e. the county council(s) and all relevant district councils
  - the Government is particularly interested in piloting in two-tier areas
  - Government intends to focus on rural areas
  - there is a variation in the types of business rates base represented
- 4.5 The pilot areas will retain 100% of business rates growth above the baseline. Under the 50% system, half of this growth is paid over to Government. This provides an opportunity therefore to keep more funding locally, and the Government has indicated it is looking for authorities to show how the additional retained resources would be of benefit locally:
- the proposals would promote the financial sustainability of the authorities involved
  - there is evidence of how pooled income from growth will be used across the pilot area
- 4.6 Following the publication of the prospectus the S151 Officers within the six local authorities in Somerset sought to assess the potential gains from establishing a wider Pool and applying to be a pilot for 100% BRR. We engaged LG Futures, as specialist advisors, to undertake an initial assessment and having considered the analysis, advantages and disadvantages, the S151 Officers believe the case for a countywide pool and becoming a pilot is overwhelming. We therefore considered it was worth investing in further analysis and preparing an application to become a pilot for 100% BRR in 2018/19. We engaged LG Futures on a 'no win no fee' arrangement whereby we will only pay them if our application to become a pilot area is successful.
- 4.7 Ongoing discussions have taken place between S151 Officers and internally at officer and member level within individual local authorities. The S151 Officers do not believe there are any wider impacts either on local businesses or partners requiring consultation.

- 4.9 It is expected DCLG will announce successful applications for new pools and pilot areas through the provisional Local Government Finance Settlement in December 2017. This will set the starting point for the new business rates pool and will confirm the tariffs, top up and levy rates for each council, together with their spending baselines and should confirm the benefits arising through this pooling arrangement.
- 5.0 Councils have the opportunity, during the 30-day financial settlement consultation period, to decide to withdraw from a pooling arrangement if they decide that it does not offer the benefits they had thought. Through the application to become a 100% BRR pilot we have had to indicate what, if any, pooling arrangement we prefer and at this stage we have indicated that we wish to establish a new Somerset-wide pool even if the pilot bid is unsuccessful.
- 5.1 If following the provisional Local Government Finance Settlement the benefits and risks are no longer favourable the pool application could be withdrawn with no pool in place for 2018/19. In this scenario it is anticipated authorities would have the opportunity to apply to form a new pool in the following or later years if they wish. It is not known whether pilots for 100% BRR will be extended beyond 2018/19, or whether new applications to be a pilot will be invited in later years.

## **6 Financial Implications**

- 6.1 It is important to highlight that the financial implications are based on indicative estimates of future business rates income, which can be affected by a variety of variable factors. The actual financial gains of pooling will not be confirmed until the end of the financial year in question. However the modelling suggests the potential financial benefits are considerable, albeit not without risk.
- 6.2 The principle put forward by the authorities within the pool is that each council should be no worse off than if it were to remain outside the pool. This means that the pool shares the risk of maintaining the safety net position for each individual council as a 'first call' on pooling gains. Each council is exposed to risk of volatility in its business rates income, most notably in respect of appeals. Each Council has made financial provisions in respect of any remaining outstanding appeals on the 2010 Valuation List in 2016/17, and will assess the appropriate level of provision required for outstanding appeals prior to the pool coming into existence.
- 6.3 The funding baseline, tariffs and top ups for individual authorities and the pool will be confirmed as part of the Provisional Settlement in December, and business rates budgets will be set in January 2017 using up to date information to support the estimates used. This will confirm the expected benefits of pooling and of being a pilot for 100% BRR. The prospectus indicated that the Safety Net for a 50% pool will remain at 92.5% of Baseline, and that under a 100% Pilot the Safety Net would rise to 97% of Baseline – reducing the risk of losses.

- 6.4 The Government have recently confirmed that any new 100% BRR pilots for 2018/19 will benefit from a 'no detriment' clause within the funding agreement (as with the five pilots agreed in 2017/18), which will remove the risk of volatility in respect of 100% BRR gains in 2018/19. The fine detail of the 'no detriment' clause will be clarified in practice if the application is successful.
- 6.5 The analysis undertaken to assess the potential financial benefits, and potential benefit sharing arrangements, has indicated that a Somerset Pool would benefit by an estimated £4.4m (compared to acting as individual authorities) and a further £10.3m if the bid to be a pilot area for 100% BRR is successful. This is summarised in the table below, with WSC potentially gaining by approximately £1.3m if projected income estimates prove to be accurate.

	<b>Projected Potential Gain in 50% BRR Pool £m</b>	<b>Projected Additional Gain under 100% BRR Pilot £m</b>	<b>Total Projected Gain if 100% BRR Pilot £m</b>
<b>Mendip</b>	0.8	0.9	1.7
<b>Sedgemoor</b>	1.0	1.1	2.2
<b>South Somerset</b>	0.5	0.5	1.0
<b>Taunton Deane</b>	0.2	0.5	0.7
<b>West Somerset</b>	0.6	0.7	1.3
<b>Somerset County</b>	1.2	6.6	7.8
<b>TOTALS</b>	4.4	10.3	14.7

- 6.6 The proposed priority areas for allocating the additional resources are set out in the submission. It is anticipated that the Councils will have some flexibility on specific use, and will demonstrate the benefits to DCLG as part of the learning under the pilot scheme.

## **7 Legal Implications**

- 7.1 None for the purposes of this report.

## **8 Environmental Impact Implications**

- 8.1 None for the purposes of this report.

## **9 Safeguarding and/or Community Safety Implications**

- 9.1 None for the purposes of this report.

## **10 Equality and Diversity Implications**

- 10.1 None for the purposes of this report.

## 11 Social Value Implications

11.1 None for the purposes of this report.

## 12 Partnership Implications

12.1 The creation of a Pool across the county will require joint governance and collaborative working.

## 13 Health and Wellbeing Implications

13.1 None for the purposes of this report.

## 14 Asset Management Implications

14.1 None for the purposes of this report.

## 15 Consultation Implications

15.1 None for the purposes of this report.

## 16 Corporate PAG Comments

16.1 The Group was unanimously in favour of the bid and this was instructed to be passed onto the Leader of the Council who would be signing off on the bid.

### Democratic Path:

- Corporate PAG - Yes
- Executive – Yes
- Full Council – Yes

Reporting Frequency: Adhoc

### Contact Officers

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Email	<a href="mailto:p.fitzgerald@tauntondeane.gov.uk">p.fitzgerald@tauntondeane.gov.uk</a>	Email	<a href="mailto:j.nacey@tauntondeane.gov.uk">j.nacey@tauntondeane.gov.uk</a>



# Somerset Business Rates Pilot Business Case

October 2017

## Contents

1. Membership Details/Housekeeping.....	1
2. Governance Arrangements .....	1
3. Additional Supporting Evidence .....	2

### Supporting Information:

- Appendix A – Proposed Pilot Area
- Appendix B – Signatures from the Somerset authorities
- Appendix C – Use of the additional resources
- Appendix D – Rurality
- Appendix E – Economic Activity
- Appendix F – Business Rates Base Profile

### As separate documents:

- Annex A – Governance Arrangements for a Somerset Pool
- Annex B – Governance Arrangements for a Somerset Pilot

## Introduction

The Somerset county area is pleased to present its business case for 100% business rates retention pilot status for 2018/19. Our business case follows the structure set out in DCLG's invitation of 1 September 2017.

### 1. Membership Details/Housekeeping

- (i) **Membership.** Our proposal is for a Somerset pilot consisting of Somerset County Council, Mendip DC, Sedgemoor DC, South Somerset DC, Taunton Deane BC and West Somerset Council, as shown in **Appendix A**. It is therefore representative of all authorities in the Somerset two tier county area, allowing the pilot to take advantage of existing working relationships between the authorities and act in the best economic and wider interests of the area as a whole.
- (ii) **Support.** **Appendix B** sets out the supporting signatures from each of the applicant authorities.
- (iii) **Alternative pooling arrangements.** If the application for a Somerset pilot was unsuccessful, a pool consisting of the same membership is requested to be put in place for 2018/19. This pool would use the pooling governance arrangements as set out in **Annex A**.
- (iv) **No detriment.** It is Somerset's understanding that all of the new pilots for 2018/19 will now receive this protection.
- (v) **Lead authority.** Mendip District Council would act as the lead authority.
- (vi) **Preceptors.** The Devon and Somerset Fire and Rescue Service would remain at a 1% local share and operate outside of the pilot.

### 2. Governance Arrangements

- (vii) **Governance agreement.** The key points from the proposed pilot governance arrangements (see **Annex B** for the full document) are set out below.
  - Districts will increase their share to 50% and the county will increase its share to 49%. This would allow existing budget commitments to be met, whilst providing additional resources for additional local priorities.
  - Providing that there are sufficient resources, no authority shall receive less than if it was operating under the current 50% scheme.
  - In the highly unlikely event that the pilot makes an overall net loss, or the pilot has outstanding liabilities, this will be pro rata'd across all authorities, taking into account resource levels, had the pilot not been in operation.
- (viii) **Longer term pool operation.** Within the current spending review period there are limitation as to what can be achieved in terms of pooling gains and losses, given authorities have budget plans in place. However, beyond this period, a single county business rates baseline, meaning risks and rewards would be shared across the county area would be possible. This type of approach would

reduce the volatility to individual authorities of business rates collected (e.g. due to appeals) and also events such as future resets (and the subjective way in which NNDR Baselines will need to be determined). Whilst all authorities would hope for a favourable revised baseline following a reset, in reality it is just as likely that they could receive a baseline that would not provide sufficient resources to reach their Baseline Need figure (under a full reset). Therefore, a single NNDR Baseline across the larger area would smooth potential winners and losers and provide a more stable funding system.

The creation of a Somerset Pilot would help begin the process towards this longer term view, by establishing the necessary working practices, such as consistent approaches to forecasting and appeals.

Whilst the guidance states that pilots would be for 2018/19 only, if permitted, Somerset would seek to continue the arrangements in 2019/20. This would allow the forecast benefits to continue for a further year, providing greater scope for improvement and investment locally and allowing further progress in a joined-up approach to the collection and use of business rates income.

- (ix) **Sharing additional growth.** Pilot status would be used to promote financial stability and sustainability, through: (i) providing resources for a local productivity and infrastructure fund, (ii) providing additional resources to invest in service areas to improve budget sustainability and reduce future years' budget pressures and (iii) increasing the resources available for investment in economic regeneration schemes.

Further details of how the additional resources are to be used is provided in **Appendix C**, these include:

- Using the Local productivity and Infrastructure Fund to finance strategic investment that supports economic growth and increased prosperity in Somerset;
- A range of projects to support further economic growth and prosperity across the districts areas;
- Supporting transformational activity to improve services to customers, modernise ways of working and providing cost efficiencies to support financial stability and sustainability

### 3. Additional Supporting Evidence

- (x) **Benefits to the area, wider national benefits and financial case.** As with all the existing pilot areas and those that will apply for 2018/19, local forecasts suggest that Somerset will benefit financially from becoming a pilot area. Latest business rates income projections suggest a Somerset Pilot in 2018/19 will provide at least an additional £10m for the area.

As set out above, it is expected that a Somerset pilot will bring a number of local benefits. A summary of the local benefits and wider benefits to DCLG and the Treasury are listed below:

### Increased economic prosperity in the area/nationally

- Reduced worklessness (and benefit payments)
- Increasing tax revenue (personal and corporation)
- Increased business rates revenues

### Learning points for the business rates retention scheme

- Trial of a 50% district and 49% county split of business rates revenues
- Identifying the potential to manage appeals' risk at a county-wide level, including determining appeals' provision and apportioning losses evenly
- The establishment of a technical working group to improve the administration of business rates locally
- Regular contact/meetings with DCLG by the working group to discuss identified local best practice, including learning points and how the pool is dealing with emerging issues relating to both the pilot and any national issues e.g. policy changes/appeal trends

### Additional resources for Somerset

- Higher levels of investment in economic regeneration, leading to future gains under the business rates retention scheme
- Greater financial stability and confidence, through shared working practices and increased local knowledge.

(xi) **Two-tier areas.** Somerset supports government in recognising the need for pools to act and be structured differently to how they largely operate at the moment. It also proposes to amend the local split to reduce gearing (i.e. the ratio of baseline need to NNDR baseline), in order to reduce windfall gains and the potential to hit the safety net.

However, a key aim of a Somerset pool would be to consider how to begin to share risks and rewards across all authorities, thereby making the level of business rates income between individual billing authorities and their preceptor of lesser importance.

Somerset therefore proposes a 50% district and 49% county split for the two-tier area. This approach therefore reflect the fact that the current system creates too highly geared district councils and does not provide sufficient growth to county councils, whilst recognising that in the short term, existing budget commitments need to be met.

(xii) **Somerset characteristics and business rates base.** The proposed pool is highly rural. West Somerset and Mendip are classified as 'mainly rural', South Somerset and Sedgemoor as 'largely rural', and Taunton Deane as 'urban with significant rural'. Further details are provided in **Appendix D**.

**Appendix E** sets out the economic profile of the area. It shows that Somerset is characterised by relatively sparse clusters of business activity. The areas of most dense employment correspond to the largest population settlements, notably the towns of Taunton, Yeovil and Bridgwater.

The proposed pool is a largely self-contained labour market, with 85% of employed

residents within the county also working within the county.

Some of the districts are reliant on other pool members as a key source of employment: for example, 18% of Sedgemoor's employed residents, and 16% of West Somerset's employed residents, commute to work in other authorities in the proposed pool. The main commuter destination for both these districts is Taunton Deane. In turn, 11% of employed residents in Taunton Deane commute to other pool authorities, the main destinations being Sedgemoor and South Somerset. Mendip's economic activity is also heavily interdependent with Bristol, Bath and Wiltshire, in addition to the rest of Somerset. This indicates the labour market extends beyond the administrative boundaries of these individual districts, and that there are interdependencies that would incentivise a joined-up approach to economic development. These incentives for coordinated development could be greatly reinforced by pooling.

**Appendix F** provides evidence of particular business rates taxbase characteristics for Somerset which includes:

### **Power station**

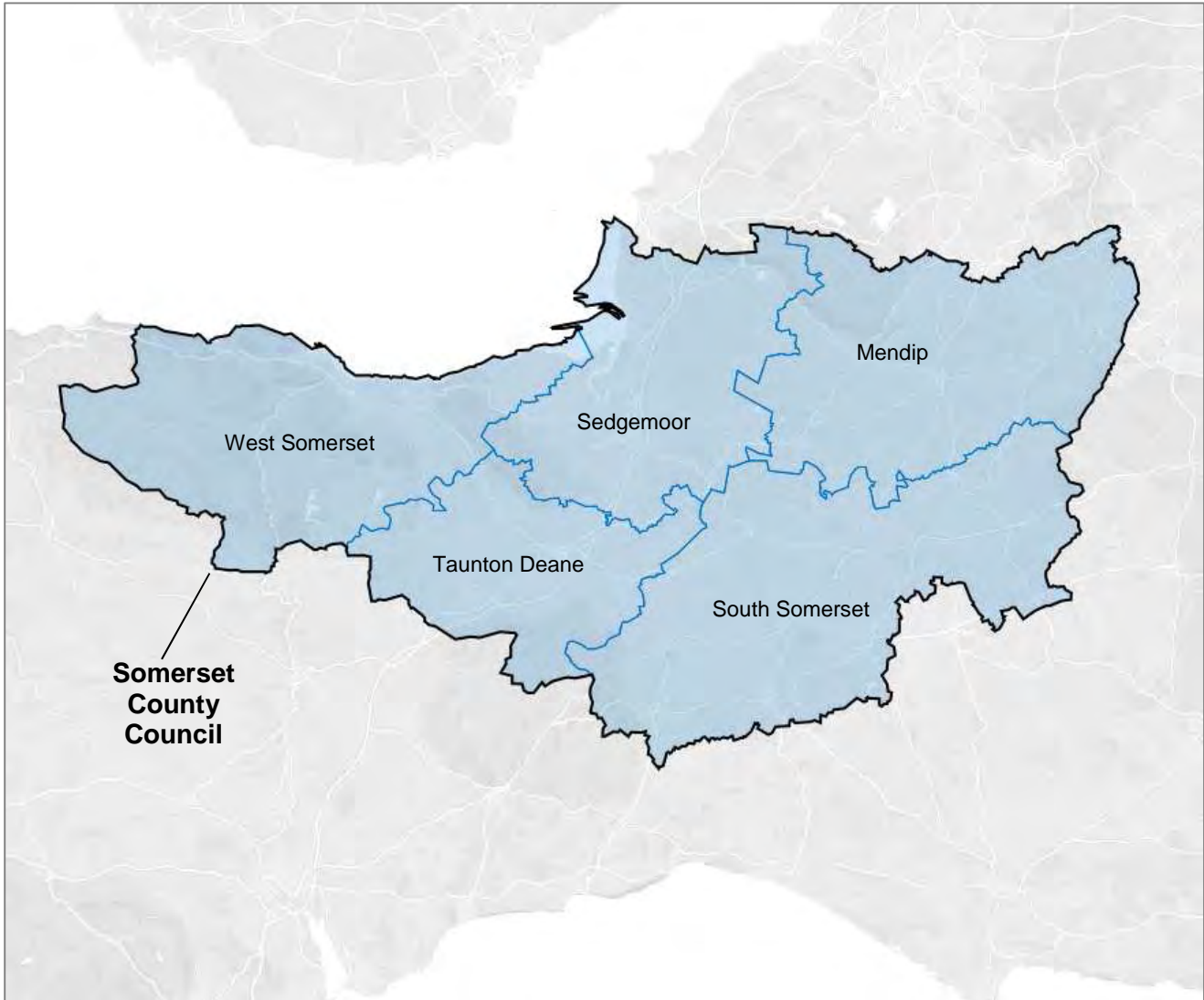
Somerset is home to three generations of nuclear power stations located in the district of West Somerset: Hinkley Point A (HPA), Hinkley Point B (HPB), and Hinkley Point (HPC). The decommissioning of HPA commenced in 2000. HPB is currently the only operating power station at Hinkley Point. Commissioned in 1976, it has a net electrical output of 0.87GW and is currently operating below maximum capacity. The station was due to be decommissioned in 2016, but its life has been extended until 2023. HPC will be the first new nuclear power station in the UK for a generation, capable of generating 7% of the UK's total energy requirement.

### **Enterprise Zone**

Sedgemoor is hosting a government supported Enterprise Zone based on Huntspill Energy Park. Expansion, infrastructure and development is required to deliver this site.

## Appendix A – Local Authority Pilot Membership

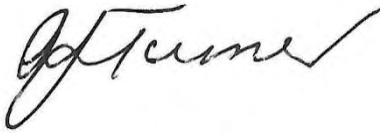
**Figure 1 – Map of proposed pilot area**



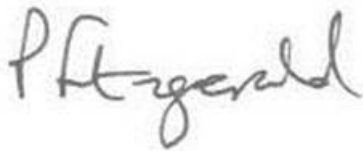


## Appendix B – Signatures

The relevant signatures from all of the Somerset authorities in support of this business case and a 2018/19 Somerset Business Rates Pilot are provided below.



Alison Turner  
Group Manager – Finance and s151 Officer  
Sedgemoor District Council



Paul Fitzgerald  
Assistant Director – Strategic Finance and S151  
Officer of Taunton Deane Borough Council and West  
Somerset Council and S151 Officer of South  
Somerset District Council

**Taunton Deane**  
BOROUGH COUNCIL



Paul Deal  
Corporate Financial Advisor (S151 Officer)  
Mendip District Council



Kevin Nacey  
Director of Finance and S151 Officer  
Somerset County Council





## Appendix C – Use of the additional resources

### Local Productivity and Infrastructure Fund

Of the additional 50% additional resources received under pilot status, it is proposed that a proportion of the resources will be used for a local productivity and infrastructure fund to finance strategic investment that supports economic growth and increased prosperity in Somerset.

A programme of investment via the fund would be commissioned with the overall aim of raising productivity in the Somerset economy in line with the objectives of the Heart of the South West Productivity Strategy and the Somerset Growth Plan.

This programme of investment will be aligned with the three thematic objectives from the Productivity Strategy:

- Leadership and knowledge (i.e. supporting business growth and innovation; improving management practices and performance across the economy);
- Connectivity and infrastructure (i.e. developing a more resilient and better connected infrastructure); and
- Working and learning (i.e. developing skills and employability across the workforce).

The six authorities will be able to identify individual schemes for the programme, with encouragement given to the promotion of schemes jointly by authorities in partnership. The Somerset Growth Board will act as a joint advisory body, recommending investment priorities arising from this in line with these three overall objectives from the Productivity Strategy.

The Somerset Growth Board's membership comprises representation from each of the six Somerset local authorities (cabinet member for ED typically), plus Exmoor National Park Authority, a FE sector representative and business representation (Somerset Chamber and FSB to represent small business and Leonardo and Yeo Valley to provide large business voices).

#### Alignment with Heart of the South West Joint Committee

Groupings of both the Somerset and the Devon local authorities are developing proposals for the second wave of business retention pilots and are considering alignment with our shared Productivity Strategy. In the limited time available for submissions there is realistically not the scope to establish a plan area approach to the allocation of part of retained sums to delivery of the Productivity Strategy. However once the proposed Joint Committee is established there may be scope to negotiate a common top slicing arrangement thus extending the local productivity and infrastructure fund across the Heart of the South West area.

We are really keen to work with colleagues in Devon in future years. There was insufficient time to co-ordinate a single bid but we want to convey to you our desire to work within the LEP boundaries as we see the need for increased collaboration in order to gain the maximum advantage. This is something into which Somerset is committed to invest resources and funding.

### Alignment with National Funds

The local productivity and infrastructure fund provides a mechanism for Somerset partners to leverage funds from the proposed UK Shared Prosperity Fund (Government's successor to EU Funds) and national programmes linked to the developing UK Industrial Strategy.

### **Local Authority Schemes**

In addition to the local fund, the Somerset authorities have also identified how they will use their own share of the gains from pilot status.

Authority	Scheme
Mendip	<p>Mendip District Council has undergone a strategic programme of transformation and renewal over past years, and is now seeking to drive further economic growth and prosperity across its key market towns including Frome, Glastonbury, Shepton Mallet, Street and the City of Wells. Planned growth across the district is equivalent to 9,400 jobs and 9,635 homes over the period 2006-2029.</p> <p>The local economy has significant self-employment and numbers of micro businesses, as well as key strengths in agri-food/tech and tourism, yet, it also home to the £1.7bn global company, Clarks International, Clarks Village (4.3m visitors in 2016) Mulberry, the iconic Glastonbury Festival and a growing cluster of creative, IT and high-tech companies.</p> <p>Increased economic funding would be targeted towards:</p> <ul style="list-style-type: none"> <li>• Unlocking and investing in key employment, mixed use and/or regeneration sites to accelerate growth and future investment (e.g. Bath &amp; West Food Enterprise Zone, Frome Saxonvale, and Shepton Mallet)</li> <li>• Supporting innovation, incubation and 'grow-on' workspace initiatives to drive leadership, growth and business investment</li> <li>• Investing further in digital and mobile infrastructure; developing digital and cyber skills, and supporting businesses exploring investment in automation and robotics to increase productivity.</li> </ul>
Sedgemoor	<p>Sedgemoor District Council will continue to encourage growth, which links clearly into the Corporate Strategy as well as the external strategies such as the Somerset Growth Plan and the LEP Productivity Plan. The 100% Business Rates Retention pilot offers opportunities to plan for the delivery of long term economic growth centred on our economic development strategy which seeks to drive up the value and productivity of our economic sectors and diversify into new sectors. In terms of delivering a medium term sustainable budget Sedgemoor is developing a Commercial Investment Strategy which will focus on generating additional income from new initiatives.</p>

Authority	Scheme
Sedgemoor (cont.)	<p>The new nuclear power station project (Hinkley C) has already created opportunities driven through our planning performance agreement and section 106 mitigation packages to transform the educational infrastructure in our locality and to focus on upskilling of individuals and businesses to participate in the supply chain. This aims to build potential for future business and avoid a construction boom and bust. We see opportunities into the future to support the wider regional economy in the Great West as well as in the Heart of the SW LEP area and see Sedgemoor being an important player in the delivery of the Productivity Plan / Industrial Strategy.</p> <p>We are part of the Hinkley Housing Zone along with Taunton Deane and West Somerset Councils but this has capacity pressures. Approved plans exceeding national OAN are in place with high delivery rates. However housing delivery will hit a barrier due to road and schools capacity. Sound infrastructure delivery plans are in place but current funding models often don't enable infrastructure delivery before housing occupation. Low land values cause viability &amp; cash-flow issues. HIF &amp; match funding will accelerate delivery of 17600 homes by forward funding essential highways, transport, schools &amp; flood infrastructure which will otherwise become a break on development enabling recycled funds for further delivery. Delivery mechanisms include direct delivery and a range of tenures e.g. custom-build, self-build and homes for rent.</p> <p>The Business Rates Retention Pilot will generate additional resources for delivering priorities which include;</p> <ul style="list-style-type: none"> <li>• The Parrett Barrier - funding contribution to match CIL receipts and EA FDG to deliver scheme in next 7 years - priority</li> <li>• Public realm and town centre regeneration initiatives such as the Celebration Mile, Bridgwater</li> <li>• Enhanced local accessibility e.g. rail station accessibility and walking and cycling 'gap' schemes to complete networks and routes to reduce base traffic off the network- Bridgwater</li> <li>• Dunball Roundabout improvements</li> <li>• Junction 24 improvements on the M5 to enable new a commercial area at Huntworth</li> <li>• Economic development incentives to accelerate growth and secure inward investment</li> <li>• M5 corridor improvements</li> <li>• Transport schemes, including schemes to East and West of Bridgwater to deliver planned growth on the A38 corridor / J 22 linked to the expansion and development of housing growth. Also our duty to cooperate with N Somerset and the expansion of Bristol airport, and transport investment in Cheddar to support housing</li> </ul>

Authority	Scheme
	<p style="text-align: center;">growth and minerals extraction. Review complete Summer 2018</p> <hr/> <p data-bbox="81 324 239 392">South Somerset</p> <p data-bbox="347 324 1415 481">The Council is implementing a significant transformation programme which is improving our services to customers, modernising how we work and providing cost efficiencies to support financial sustainability. We plan to use some of the pooling gain towards the funding of this programme.</p> <p data-bbox="347 515 1385 828">Yeovil is the principal growth point for South Somerset, serving around 165,000 people and providing a wide range of jobs and services . The council wish to encourage growth and diversification in the economy based upon the current strength in aerospace and advanced manufacturing. The adopted Local Plan and Economic Strategy promise District-wide growth of 11,249 jobs and 15,950 homes over the period 2006 -2028; around 5,513 of those jobs and 7,441 of those homes are to be provided in Yeovil. Projects that we are looking to support are:</p> <ul data-bbox="395 873 1409 1142" style="list-style-type: none"> <li>• Yeovil - Access improvements to the town centre to open up a number of brownfield regeneration sites for employment, mixed use and housing development.</li> <li>• Yeovil - Creation of a public service and business hub and associated mixed uses.</li> <li>• A 303 Corridor Wincanton and Ilminster - employment land - acquisition and development.</li> </ul>
Taunton Deane & West Somerset	<p data-bbox="347 1205 1409 1601">Taunton Deane Borough Council and West Somerset Council have ambitious plans for growth, productivity and prosperity. West Somerset is hosting the construction of the first new nuclear power station in a generation, at Hinkley Point, and has set a priority to maximise the economic legacy from the project, while managing the impacts of the construction on our communities. Taunton has recently been designated as a Garden Town, the first in the South West, in recognition of the Council's commitment to delivering transformational levels of housing and economic growth. The Hinkley Housing Zone covers both authority areas, as well as the neighbouring Sedgemoor district.</p> <p data-bbox="347 1635 1401 1792">Whilst both authorities are already investing significant available funding, including New Homes Bonus and use of borrowing powers, there remains a significant funding gap to achieve our growth ambitions and address community concerns.</p> <p data-bbox="347 1825 1417 1982">Becoming pilot areas for business rates retention would enable both authorities to accelerate delivery of a range of schemes, creating homes, jobs and prosperity. Examples of schemes that we envisage as benefitting from such funding include:</p>

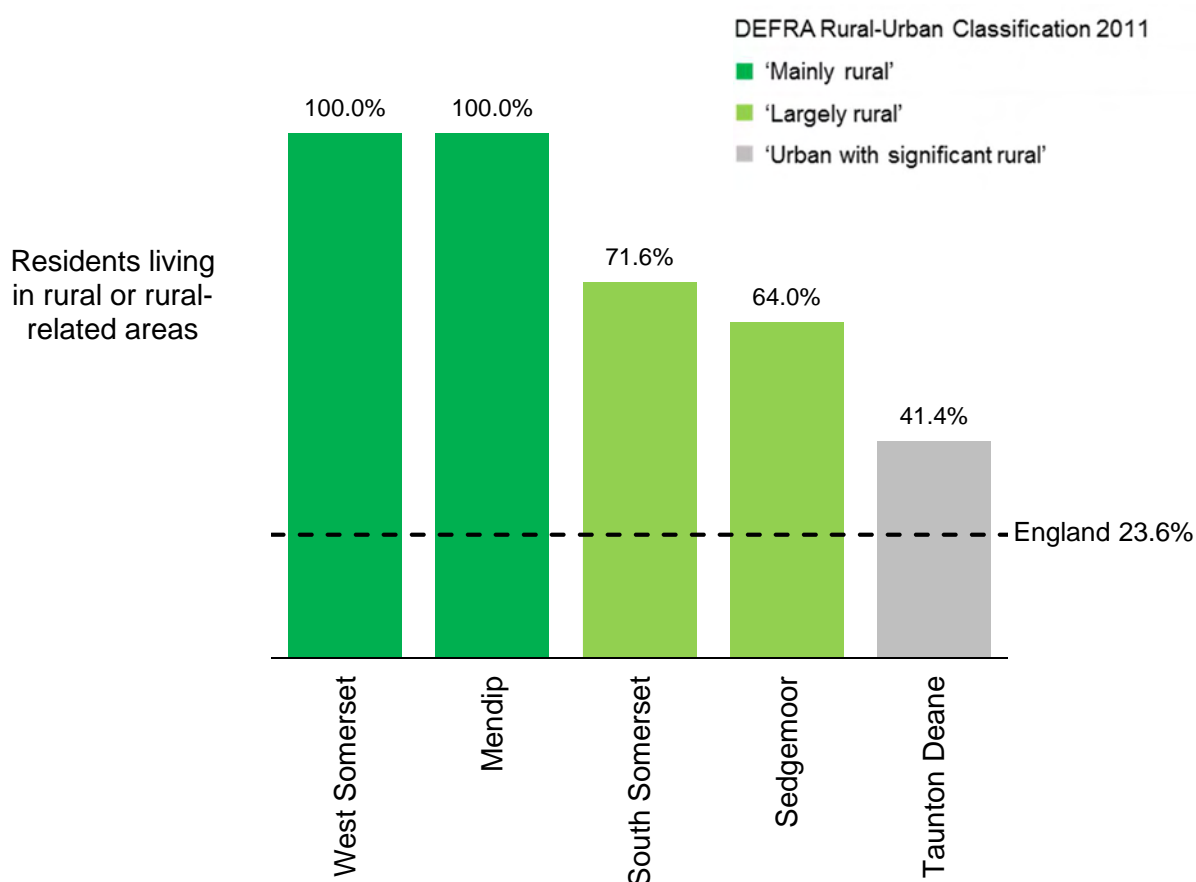
Authority	Scheme
Taunton Deane & West Somerset (cont.)	<ul style="list-style-type: none"> <li>• Essential transport and flood relief infrastructure to unlock key housing and employment sites.</li> <li>• New business incubation and innovation space and support for start-up businesses to locate, collaborate and grow.</li> <li>• Sustainable transport initiatives, supporting growth and introducing smart solutions to problems of congestion, air pollution and related health problems.</li> <li>• Transforming and regenerating our town centres.</li> <li>• Skills development initiatives to boost productivity, address social mobility issues and meet the needs of local businesses.</li> </ul>
Somerset County Council	<p>Somerset County Council faces two very specific budget pressures at present in Adult Social Care and in Children’s Social Care. Government funding permissions with regard to the ASC precept and the allocation of the improved Better Care Fund have addressed ASC pressures significantly. However, the improved Better Care Fund reduces in the years ahead and some of our pilot gain would be set aside to mitigate this for 2018/19. A proportion would also be allocated to Children’s Social Care placement budgets as we continue on our journey towards a Good Ofsted rating. There is an ever increasing need to secure additional foster carers and the pilot gain will again help to keep our service costs closer to the placement budget.</p>

## Appendix D – Rurality

The proposed pool is highly rural. West Somerset and Mendip are classified as ‘mainly rural’, South Somerset and Sedgemoor as ‘largely rural’, and Taunton Deane as ‘urban with significant rural’. These classifications, produced by Defra, are based on the population living in rural areas plus the rural-related population. The latter includes residents living in hub towns that can be centres of service provision for surrounding rural area (but excludes larger market towns).

The percentage of residents living in rural or rural-related areas is illustrated below. For West Somerset and Mendip, 100% of residents are classified as living in these areas, while for the most ‘urban’ authority, Taunton Deane, the percentage is 41%, which is still significantly higher than the England average.

**Figure 2 – Somerset authorities’ Rural–Urban classification**





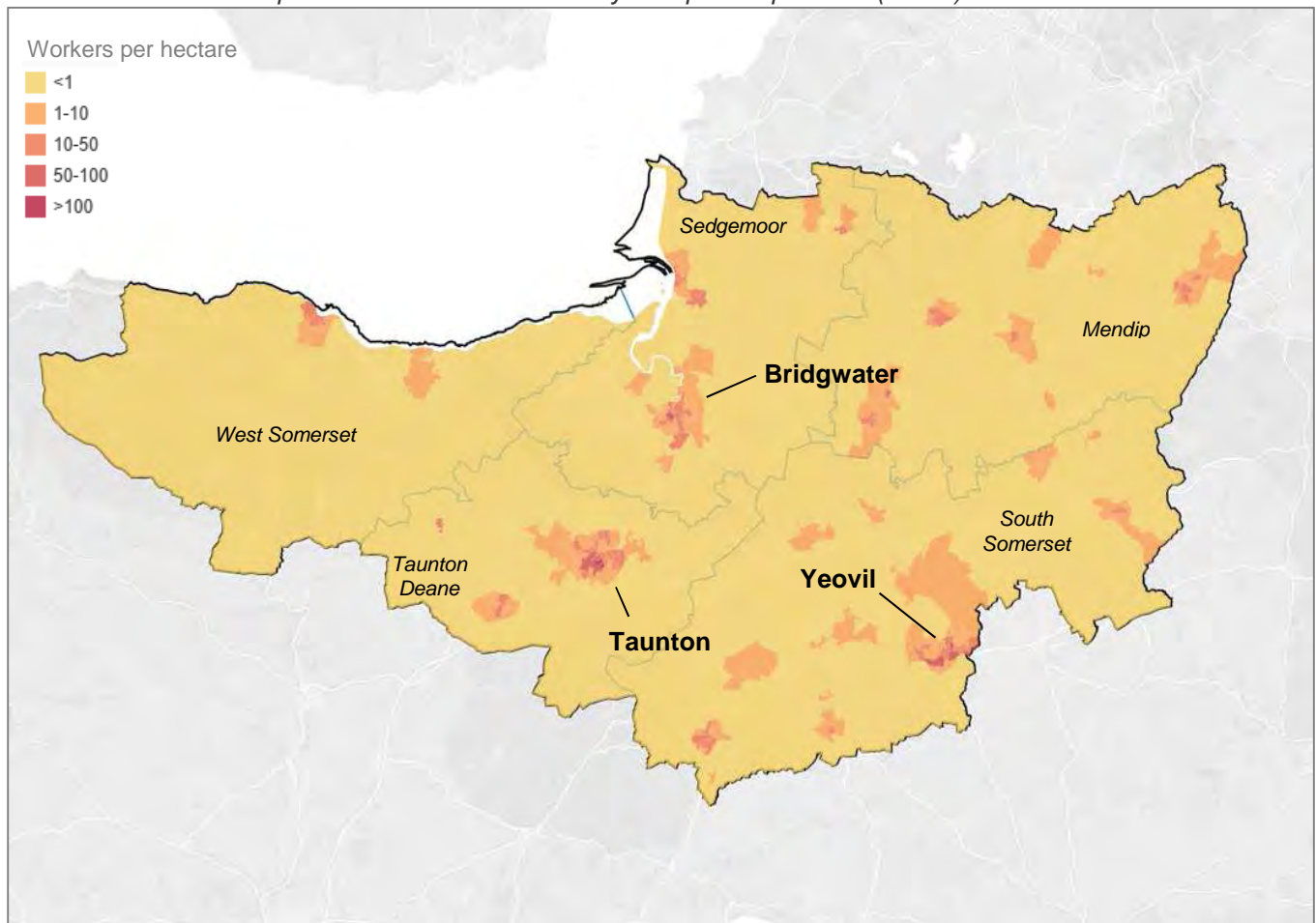
## Appendix E – Economic Activity

This appendix provides a brief overview of the economic geography of the proposed pool. Data on businesses' rateable value is not published below the local authority level, so workplace population (from the 2011 census) has been used a proxy for business activity at a more detailed geographic scale. This is illustrated below.

Based on this proxy measure, Somerset is characterised by relatively sparse clusters of business activity. The areas of most dense employment correspond to the largest population settlements, notably the towns of Taunton, Yeovil and Bridgwater. These three towns are the only built-up areas in the county that have more than 40,000 residents, as of the 2011 census (the remainder have 26,000 or residents or less). Given the size of these built-up areas, pooling could enable investment in economic development projects, at a minimally efficient scale, that was not otherwise available at the district level.

**Figure 3 - Map of workplace density**

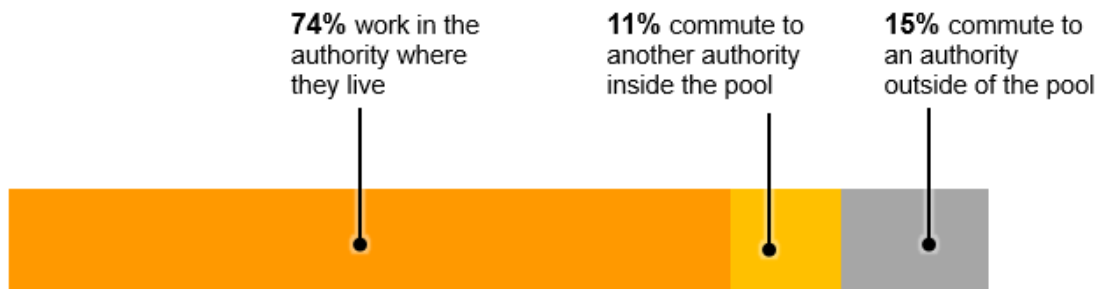
*The number of workers per hectare in each Lower Layer Super Output Area (LSOA). Source: 2011 census.*



The proposed pool is a largely self-contained labour market, with 85% of employed residents within the county also working within the county – in other words, only 15% of employed residents commuted outside the administrative boundaries of the pool (this analysis only includes residents with a fixed location of work). This is illustrated in the chart below.

**Figure 4 – Commuter patterns in the proposed Somerset pool**

*Excludes residents with 'no fixed location' of work. Source: 2011 census.*



Some of the districts are reliant on other pool members as a key source of employment: for example, 18% of Sedgemoor's employed residents, and 16% of West Somerset's employed residents, commute to work in other authorities in the proposed pool. The main commuter destination for both these districts is Taunton Deane. In turn, 11% of employed residents in Taunton Deane commute to other pool authorities, the main destinations being Sedgemoor and South Somerset. Mendip's economic activity is also heavily interdependent with Bristol, Bath and Wiltshire, in addition to the rest of Somerset. This indicates the labour market extends beyond the administrative boundaries of these individual districts, and that there are interdependencies that would incentivise a joined-up approach to economic development. These incentives for coordinated development could be greatly reinforced by pooling.



## Appendix F – Business Rates Base Profile

- Somerset is home to three generations of nuclear power stations located in the district of West Somerset: Hinkley Point A (HPA), Hinkley Point B (HPB), and Hinkley Point (HPC). The decommissioning of HPA commenced in 2000. HPB is currently the only operating power station at Hinkley Point. Commissioned in 1976, it has a net electrical output of 0.87GW and is currently operating below maximum capacity. The station was due to be decommissioned in 2016, but its life has been extended until 2023. HPC will be the first new nuclear power station in the UK for a generation, capable of generating 7% of the UK's total energy requirement.
- Sedgemoor is hosting a government supported Enterprise Zone based on Huntspill Energy Park. Expansion, infrastructure and development is required to deliver this site.



## **Annex A**

### **Somerset Councils Business Rates Pool Governance Agreement**

#### 1. Pool Membership

- Somerset County Council
- Sedgemoor District Council
- Mendip District Council
- South Somerset DC
- Taunton Deane BC
- West Somerset Council

#### 2. Introduction

This pooling proposal has been agreed by all pool members and signed by their Section 151 Officers.

The proposal sets out various key principles and addresses the key governance areas to ensure that a robust framework is in place for the effective management of the pool. Governance arrangements will stay in place until the pool is fully dissolved.

Each time a new member joins or an existing member leaves the Pool the governance arrangements will need to be reviewed, renewed and agreed with the Department for Communities and Local Government (DCLG) and its successors.

#### 3. Status of this Agreement

The Pool Members agree that this shall be a binding contractual relationship and mutual commitments between them created by this Agreement shall from the date hereof be construed accordingly.

#### 4. Key principles of the pool

- The aim will be to ensure that no participant receives less funding than if they had not pooled.
- Any dividend remaining or any shortfall will be calculated in accordance with the detailed clauses below.
- Outside of this agreement, individual authorities will retain their decision making powers and co-operate in good faith for the duration of this agreement to endeavour to procure the successful implementation of the Pool objectives.
- The Lead Authority is not left with any unforeseen costs or liabilities. Any such costs or liabilities will fall to individual authorities as set out in this agreement.

#### 5. Definition of Pooled Funds

Pooled funds will include monies involved in the Local Government Business Rates Retention Scheme (BRRS). Subject to the requirements of the 2012

Local Government Finance Act and its related regulations, which must take precedence, authorities involved will pool all the business rates collected by each authority **except** the rates yield or growth from any local Enterprise Zone, New Development Deal Area or from renewable energy schemes or similar exemptions, as set out in current or future legislation, where an individual authority is allowed to benefit directly without deductions for levies or others' shares.

## 6. Governance Structure

The key element in the governance structure will be the s.151 officers of the authorities that are in the pool. They will form a Governance Board and will be responsible for guiding and managing the operational day-to-day running of the pool. The officers will seek to find unanimous agreement on all issues involving the pool.

The Governance Board will meet quarterly, including an annual review meeting of the Pool arrangements and its performance to determine whether the Pool should be dissolved. For example, one or more members may wish to withdraw and the remaining members may wish to resubmit an amended pooling proposal.

If unanimity cannot be reached after a number of options have been considered, the circumstances and difficulties arising will be reported to and guidance sought from the Chief Executives of the councils that are in the Pool for a formal, binding decision to be agreed.

## 7. Duration of the pooling agreement

Membership of the Pool is voluntary and members will be able to leave the Pool in accordance with this agreement and the DCLG timescales that will be published from time to time (see clause 13).

## 8. Lead Authority

The Lead Authority for accounting purposes will be Mendip District Council

Responsibilities for the Lead Authority and individual Pool members are outlined in **Appendix 1**.

## 9. Management Charge

Pool set-up and administration costs incurred by the Lead Authority have been agreed at £15,000 per annum in the first year and thereafter will be uplifted in line with any Local Government pay award.

## 10. Pool Dividend

The Pool Dividend is defined as the amount remaining in the Pool after:

- The Management Charge has been deducted
- Any Tariff payment to Government

- Any Top Up payment from Government
- Any Levy payment to Government
- Any Safety Net payment from Government
- Payment to each participant of the amount they would have received should the Pool not have existed, including Tariff, Top Up, Safety Net and Levy payments and relevant s.31 grants
- Any interest payments or penalties to or from the Pool

The Pool will be based upon a “No Worse Off” or shared proceeds of net levy saved position. No Worse Off is determined to be that a member will be no worse off by being a member of the Pool than they would have been if they had not been a member of the Pool. Each member will retain the income they would have received under the BRRS if they were not a member of the Pool, as determined by Local Government Finance Settlement.

50% of rates collected are payable to Central Government (Central Share) and the remaining balance of the business rates will then be paid into the Pool on a net cash-flow basis. The Pool will effectively be responsible for the distribution of Tariffs/Top Ups.

#### 11. Allocating any Pool Dividend

The remaining balance of the Pool consists of the Levy payments that would have been paid to Government less the deduction of the Management Charge and any payments made under the No Worse Off principle.

Any Pool Dividend will be distributed on the following basis:

- 20% to Somerset County Council;
- 56% to the remaining Councils in proportion to their Levy saved;
- 24% to the remaining Councils in proportion to their funding targets.

The Pool will not retain a contingency reserve. Instead participants will maintain their own provision against future Pool Shortfalls.

#### 12. Pool Shortfall

If a Pool Member’s business rate income drops by more than the Government determined Safety Net trigger, then, under the No Worse Off principle, that member will be entitled to receive the equivalent of a Safety Net payment from the Pool calculated according to the methodology set out in clause 10. The Management Charge and Safety Net payments will be made as a first call on the Pool, before the Pool Dividend is allocated.

However, if there is a shortfall on the pool – i.e. there is insufficient funding to allow each authority to receive what it would have received outside the Pool - it shall be met as follows:

Stage 1:

- 20% from Somerset County Council;

- 49% from any of the remaining councils that failed to achieve their rates collection target. This shall be in proportion to the cash amount that it is, or they are, below the target (based on their 40% local share);
- 21% from the remaining councils in proportion to their funding targets.

No council shall receive less than its Safety Net level outside the Pool from this step.

#### Stage 2

- If any councils do fall below their Safety Net level outside the Pool in stage 1 then a further deduction will be made, to fund the amount(s) that those councils have fallen below, from all councils with income in excess of their Safety Net amount outside of the Pool, pro rata to the amounts that they are above the Safety Net.

#### Stage 3

- If any councils fall below their Safety Net level outside the Pool at stage 2 then a further deduction shall be made, to fund the amount(s) that those councils have fallen below, from all Pool Members, pro rata to each authority's funding target. This is the only step at which an authority may receive less than its Safety Net level outside the Pool.

If a Pool Shortfall seems likely to continue, consideration will be given to the future of the Pool, including dissolution.

### 13. Dissolution

The pooling arrangement will remain in place until any single authority or authorities say that they wish to leave the Pool. Pool members should consider the impact on the remaining members when making this decision.

Pool membership will be reviewed on an annual basis to determine whether a significant change in business rates is expected and consequently whether the Pool is still financially viable.

Authorities will be required to notify Pool members of their decision to leave the Pool in accordance with the notice period outlined below.

DCLG will be notified of any decision to dissolve the Pool in accordance with their published process and timetable.

Any subsequent decision to re-form a Pool, for example, if one member wishes to leave and the other authorities wish to continue in a new pool, will be made in a timely manner to ensure that a formal pooling proposal is submitted to the DCLG in line with their process and timetable.

### 14. Notice Period to Dissolve the Pool

Authorities will be required to advise the Pool of their intention to leave and consequently dissolve the Pool giving a **minimum of one month's notice** in advance of the DCLG deadline. This will allow remaining Pool members to consider whether they wish to submit a new pooling application.

Once the Pool has been finally designated by DCLG, the period of membership will be for a minimum of the forthcoming financial year. Should a member withdraw from the Pool during the settlement consultation period, the Pool will be dissolved in accordance with DCLG rules.

#### 15. Distribution of Pool Assets / Liabilities on Dissolution

Pool members will be jointly and severally liable for the assets and liabilities of the Pool. However this should not override any of the detail included in this agreement.

#### 16. Requests to join the Pool

If a new authority wishes to join the Pool it will be required to provide **three months' notice** prior to the DCLG deadline. This will allow time for existing Pool members to carry out due diligence and consider the relative merits of enlarged membership. Where a new member is admitted, the existing Pool is effectively dissolved and a new Pool formed.

#### 17. Payment schedules and cash-flow

Payment schedules will need to be agreed and payments made on time so that the Pool can meet the payments required by Central Government and to share business rates collected. Payments into the Pool will include various payments and these will all need payment schedules as announced by DCLG or as agreed locally.

Payments to the Lead Authority will be made by direct credit on the same day as the payment date to Central Government (the 'scheduled day').

The Pool shall charge interest at a rate of four percentage points above the prevailing Bank of England Base Rate on all payments from participants that are received after the scheduled day.

Safety Net payments are to be made in-year to provide some immediate protection to the authority involved. The Pool will attempt to replicate the timing and amount of any Safety Net payment that would have been due to its members if there was no Pool.

Levies are not finalised until after the year has ended. Thus any Pool Dividend or Shortfall cannot be finalised until after the year has ended. Forecasts of various elements, such as the likely Levy payments and Pool Dividend, will be needed so that authorities can make their decisions about whether to remain in the Pool.

Costs (or benefits) which may arise from the cash-flow into and out of the pooling fund will be offset against (or added to) the Pool Dividend.

Information, in the form of a monthly spreadsheet from the source business rates systems of the billing authority members of the Pool, will be provided to the Lead Authority who will provide at least quarterly monitoring reports to all Pool members of the resulting position.

#### 18. Accounting adjustments (Bad Debts and Appeals provision)

The Forecast and Actual Retained Amounts are the net amounts receivable by the authority from ratepayers after taking account of transitional adjustments, empty property, mandatory and discretionary reliefs and adjustments for provisions for bad and doubtful debts and for losses on appeals.

The provision for losses on appeal will be calculated by individual authorities using Valuation Office data and statistical information on a consistent basis to be agreed by designated officers from all billing authorities.

The provision for bad and doubtful debts will be calculated by each billing authority in accordance with proper practices and will be subject to external audit. If the auditor does not certify the provision on the grounds that the authority has not acted diligently, any such amounts will be funded in full by the respective authority and an adjustment will be made to the Pool Dividend or Shortfall calculations to reflect this.

#### 19. Treasury

The treasury function shall be provided by the Lead Authority. The Treasury Management Strategy of the Lead Authority (which will be at a minimum in accordance with the CIPFA Code of Practice) shall be followed in the operation of the Pool and the management of surplus balances. The funds shall be held in separately named account(s) from the remainder of the Lead Authority's business. All interest receivable is credited to the Pool at the actual rate achieved by the Treasury Management Team of the Lead Authority on an annual basis.

The Lead Authority will not be solely liable for any loss arising from invested sums provided it has operated within its Treasury Management policies. Any such loss will be borne by the Pool Dividend first, then in line with the Board's agreed policy for Pool Shortfall across the individual authorities.



## APPENDIX 1

### Roles and Responsibilities

The **Lead Authority** will be responsible for the following:

- All finances in relation to the Pool including payments to and from Central Government, the other members of the Pool and Preceptors.
- Calculating the funding position if all councils had not been part of the pooling arrangement and any Pool Dividend or Shortfall.
- Agreeing the various schedules of payment with other Pool members.
- All communications with Central Government, its agencies or other relevant third parties and completing all formal Pool returns to Central Government and DCLG on behalf of the Board including year-end reconciliations.
- All information and external reporting requirements for the Pool, details of which will be shared with all members of the Pool.
- The collation and submission of information required for planning and monitoring purposes by the governance structure, the DCLG or any other party.
- All audit requirements in relation to the Pool.
- Year-end positions for the Statements of Accounts for each member authority.
- The administration of the dissolution of the Pool.

To assist the Lead Authority in fulfilling its responsibilities **Pool members** (including the Lead Authority as appropriate) will be responsible for:

- The collection of relevant business rates to transfer to the Pool run by the Lead Authority.
- The implementation of their own Collection Funds.
- The submission of NNDR forms to DCLG.
- Providing accurate and timely information on the end of year financial performance of the business rates Collection Fund to enable the Lead Authority to calculate the end of year accounting entries needed.
- The provision of such information as the Board agree is reasonable and necessary to monitor and forecast the Pool's resources within the timescales agreed.
- Informing the Lead Authority, as soon as is practicable, of any intelligence that may impact on the resources of the Pool either in the current year or in future years.

## APPENDIX 2

### Glossary of Terms

“**Agreement**” means this Agreement comprising the terms and conditions together with its Appendices.

“**The Board**” means the Business Rates Pool Board whose functions are more particularly set out in section 6.

“**BRRS**” means the Business Rates Retention Scheme introduced by the Department for Communities and Local Government in April 2013.

“**Lead Authority**” means the authority taking on the responsibilities in Appendix 1.

“**Levy**” means a payment due to central government related to BRRS income above Baseline Funding levels, calculated using a nationally set formula.

“**Management Charge**” means the charge payable from the Pool to the Lead Authority in respect of the costs incurred by the Lead Authority in the performance of its obligations as Lead Authority, as more particularly described at section 8 and Appendix 1.

“**Pool**” means the Business Rates Pool containing the business rates collected from the Pool Members. A voluntary arrangement amongst a group of local authorities to pool the business rates generated locally in accordance with the BRRS pooling prospectus published by DCLG in July 2014.

“**Pool Dividend**” means the amount of Levy retained locally. This is calculated as the sum of levies to be paid by individual Pool members if the Pool did not exist, less any Safety Net funding that would have been due to individual Pool members if the Pool did not exist, less the administrative costs of the Pool.

“**Pool Shortfall**” means the Pool BRRS income is less than the sum of what Pool Members’ BRRS income would have been in the absence of a Pool because the payment of compensation under the no worse off principle exceeds the Levy gains made by other Pool Members.

“**Pool Members**” means Mendip District Council, Sedgemoor District Council, South Somerset District Council, Taunton Deane Borough Council, West Somerset Council and Somerset County Council.

“**Safety Net**” means a payment received by an authority from Central Government under the BRRS if BRRS income falls by more than a specified percentage below the Baseline Funding Level. It is calculated using a national formula.

## **Annex B**

### **Somerset Councils Business Rates Pool Governance Agreement, acting as a Business Rates Pilot**

#### 1. Pool Membership

- Somerset County Council
- Sedgemoor District Council
- Mendip District Council
- South Somerset DC
- Taunton Deane BC
- West Somerset Council

#### 2. Introduction

This pooling proposal has been agreed by all pool members and signed by their Section 151 Officers.

The proposal sets out various key principles and addresses the key governance areas to ensure that a robust framework is in place for the effective management of the pool. Governance arrangements will stay in place until the pool is fully dissolved.

Each time a new member joins or an existing member leaves the Pool the governance arrangements will need to be reviewed, renewed and agreed with the Department for Communities and Local Government (DCLG) and its successors.

#### 3. Status of this Agreement

The Pool Members agree that this shall be a binding contractual relationship and mutual commitments between them created by this Agreement shall from the date hereof be construed accordingly.

#### 4. Key principles of the pool

- The aim will be to ensure that no participant receives less funding than if they had not pooled.
- Any dividend remaining or any shortfall will be calculated in accordance with the detailed clauses below.
- Outside of this agreement, individual authorities will retain their decision making powers and co-operate in good faith for the duration of this agreement to endeavour to procure the successful implementation of the Pool objectives.
- The Lead Authority is not left with any unforeseen costs or liabilities. Any such costs or liabilities will fall to individual authorities as set out in this agreement.

#### 5. Definition of Pooled Funds

Pooled funds will include monies involved in the Local Government Business Rates Retention Scheme (BRRS). Subject to the requirements of the 2012 Local Government Finance Act and its related regulations, which must take precedence, authorities involved will pool all the business rates collected by each authority **except** the rates yield or growth from any local Enterprise Zone, New Development Deal Area or from renewable energy schemes or similar exemptions, as set out in current or future legislation, where an individual authority is allowed to benefit directly without deductions for levies or others' shares.

#### 6. Governance Structure

The key element in the governance structure will be the s.151 officers of the authorities that are in the pool. They will form a Governance Board and will be responsible for guiding and managing the operational day-to-day running of the pool. The officers will seek to find unanimous agreement on all issues involving the pool.

The Governance Board will meet quarterly, including an annual review meeting of the Pool arrangements and its performance to determine whether the Pool should be dissolved. For example, one or more members may wish to withdraw and the remaining members may wish to resubmit an amended pooling proposal.

If unanimity cannot be reached after a number of options have been considered, the circumstances and difficulties arising will be reported to and guidance sought from the Chief Executives of the councils that are in the Pool for a formal, binding decision to be agreed.

#### 7. Duration of the pooling agreement

Membership of the Pool is voluntary and members will be able to leave the Pool in accordance with this agreement and the DCLG timescales that will be published from time to time (see clause 13).

#### 8. Lead Authority

The Lead Authority for accounting purposes will be Mendip District Council.

Responsibilities for the Lead Authority and individual Pool members are outlined in **Appendix 1**.

#### 9. Management Charge

Pool set-up and administration costs incurred by the Lead Authority have been agreed at £15,000 per annum in the first year and thereafter will be uplifted in line with any Local Government pay award.

#### 10. Pool Dividend

The Pool Dividend is defined as the amount remaining in the Pool after:

- The Management Charge has been deducted
- Any Tariff payment to Government
- Any Top Up payment from Government
- Any Levy payment to Government
- Any Safety Net payment from Government
- Payment to each participant of the amount they would have received should the Pool not have existed, including Tariff, Top Up, Safety Net and Levy payments and relevant s.31 grants
- Any interest payments or penalties to or from the Pool

#### 11. Allocating Resources

Providing there pool has a pool dividend, growth should be apportioned as follows:

Districts retaining 50% of variance to Baseline

The County Council retaining 49% of each of the districts variance to Baseline

However, providing the pool dividend is sufficient, gains from acting as a pool (under 100% BRR) will be scaled back in order to ensure that: no member will be no worse off by being a member of the Pool than they would have been if they had not been a member of the Pool.

#### 12. Dissolution

The pooling arrangement will remain in place until any single authority or authorities say that they wish to leave the Pool. Pool members should consider the impact on the remaining members when making this decision.

Pool membership will be reviewed on an annual basis to determine whether a significant change in business rates is expected and consequently whether the Pool is still financially viable.

Authorities will be required to notify Pool members of their decision to leave the Pool in accordance with the notice period outlined below.

DCLG will be notified of any decision to dissolve the Pool in accordance with their published process and timetable.

Any subsequent decision to re-form a Pool, for example, if one member wishes to leave and the other authorities wish to continue in a new pool, will be made in a timely manner to ensure that a formal pooling proposal is submitted to the DCLG in line with their process and timetable.

#### 13. Notice Period to Dissolve the Pool

Authorities will be required to advise the Pool of their intention to leave and consequently dissolve the Pool giving **a minimum of one month's notice** in advance of the DCLG deadline. This will allow remaining Pool members to consider whether they wish to submit a new pooling application.

Once the Pool has been finally designated by DCLG, the period of membership will be for a minimum of the forthcoming financial year. Should a member withdraw from the Pool during the settlement consultation period, the Pool will be dissolved in accordance with DCLG rules.

#### 14. Distribution of Pool Assets / Liabilities on Dissolution

Pool members will be jointly and severally liable for the assets and liabilities of the Pool. However this should not override any of the detail included in this agreement.

#### 15. Requests to join the Pool

If a new authority wishes to join the Pool it will be required to provide **three months' notice** prior to the DCLG deadline. This will allow time for existing Pool members to carry out due diligence and consider the relative merits of enlarged membership. Where a new member is admitted, the existing Pool is effectively dissolved and a new Pool formed.

#### 16. Payment schedules and cash-flow

Payment schedules will need to be agreed and payments made on time so that the Pool can meet the payments required by Central Government and to share business rates collected. Payments into the Pool will include various payments and these will all need payment schedules as announced by DCLG or as agreed locally.

Payments to the Lead Authority will be made by direct credit on the same day as the payment date to Central Government (the 'scheduled day').

The Pool shall charge interest at a rate of four percentage points above the prevailing Bank of England Base Rate on all payments from participants that are received after the scheduled day.

Safety Net payments are to be made in-year to provide some immediate protection to the authority involved. The Pool will attempt to replicate the timing and amount of any Safety Net payment that would have been due to its members if there was no Pool.

Levies are not finalised until after the year has ended. Thus any Pool Dividend or Shortfall cannot be finalised until after the year has ended. Forecasts of various elements, such as the likely Levy payments and Pool Dividend, will be needed so that authorities can make their decisions about whether to remain in the Pool.

Costs (or benefits) which may arise from the cash-flow into and out of the pooling fund will be offset against (or added to) the Pool Dividend.

Information, in the form of a monthly spreadsheet from the source business rates systems of the billing authority members of the Pool, will be provided to

the Lead Authority who will provide at least quarterly monitoring reports to all Pool members of the resulting position.

#### 17. Accounting adjustments (Bad Debts and Appeals provision)

The Forecast and Actual Retained Amounts are the net amounts receivable by the authority from ratepayers after taking account of transitional adjustments, empty property, mandatory and discretionary reliefs and adjustments for provisions for bad and doubtful debts and for losses on appeals.

The provision for losses on appeal will be calculated by individual authorities using Valuation Office data and statistical information on a consistent basis to be agreed by designated officers from all billing authorities.

The provision for bad and doubtful debts will be calculated by each billing authority in accordance with proper practices and will be subject to external audit. If the auditor does not certify the provision on the grounds that the authority has not acted diligently, any such amounts will be funded in full by the respective authority and an adjustment will be made to the Pool Dividend or Shortfall calculations to reflect this.

#### 18. Treasury

The treasury function shall be provided by the Lead Authority. The Treasury Management Strategy of the Lead Authority (which will be at a minimum in accordance with the CIPFA Code of Practice) shall be followed in the operation of the Pool and the management of surplus balances. The funds shall be held in separately named account(s) from the remainder of the Lead Authority's business. All interest receivable is credited to the Pool at the actual rate achieved by the Treasury Management Team of the Lead Authority on an annual basis.

The Lead Authority will not be solely liable for any loss arising from invested sums provided it has operated within its Treasury Management policies. Any such loss will be borne by the Pool Dividend first, then in line with the Board's agreed policy for Pool Shortfall across the individual authorities.

## APPENDIX 1

### Roles and Responsibilities

The **Lead Authority** will be responsible for the following:

- All finances in relation to the Pool including payments to and from Central Government, the other members of the Pool and Preceptors.
- Calculating the funding position if all councils had not been part of the pooling arrangement and any Pool Dividend or Shortfall.
- Agreeing the various schedules of payment with other Pool members.
- All communications with Central Government, its agencies or other relevant third parties and completing all formal Pool returns to Central Government and DCLG on behalf of the Board including year-end reconciliations.
- All information and external reporting requirements for the Pool, details of which will be shared with all members of the Pool.
- The collation and submission of information required for planning and monitoring purposes by the governance structure, the DCLG or any other party.
- All audit requirements in relation to the Pool.
- Year-end positions for the Statements of Accounts for each member authority.
- The administration of the dissolution of the Pool.

To assist the Lead Authority in fulfilling its responsibilities **Pool members** (including the Lead Authority as appropriate) will be responsible for:

- The collection of relevant business rates to transfer to the Pool run by the Lead Authority.
- The implementation of their own Collection Funds.
- The submission of NNDR forms to DCLG.
- Providing accurate and timely information on the end of year financial performance of the business rates Collection Fund to enable the Lead Authority to calculate the end of year accounting entries needed.
- The provision of such information as the Board agree is reasonable and necessary to monitor and forecast the Pool's resources within the timescales agreed.
- Informing the Lead Authority, as soon as is practicable, of any intelligence that may impact on the resources of the Pool either in the current year or in future years.



## APPENDIX 2

### Glossary of Terms

“**Agreement**” means this Agreement comprising the terms and conditions together with its Appendices.

“**The Board**” means the Business Rates Pool Board whose functions are more particularly set out in section 6.

“**BRRS**” means the Business Rates Retention Scheme introduced by the Department for Communities and Local Government in April 2013.

“**Lead Authority**” means the authority taking on the responsibilities in Appendix 1.

“**Levy**” means a payment due to central government related to BRRS income above Baseline Funding levels, calculated using a nationally set formula.

“**Management Charge**” means the charge payable from the Pool to the Lead Authority in respect of the costs incurred by the Lead Authority in the performance of its obligations as Lead Authority, as more particularly described at section 8 and Appendix 1.

“**Pool**” means the Business Rates Pool containing the business rates collected from the Pool Members. A voluntary arrangement amongst a group of local authorities to pool the business rates generated locally in accordance with the BRRS pooling prospectus published by DCLG in July 2014.

“**Pool Dividend**” means the amount of Levy retained locally. This is calculated as the sum of levies to be paid by individual Pool members if the Pool did not exist, less any Safety Net funding that would have been due to individual Pool members if the Pool did not exist, less the administrative costs of the Pool.

“**Pool Members**” means Mendip District Council, Sedgemoor District Council, South Somerset District Council, Taunton Deane Borough Council, West Somerset Council and Somerset County Council.

“**Safety Net**” means a payment received by an authority from Central Government under the BRRS if BRRS income falls by more than a specified percentage below the Baseline Funding Level. It is calculated using a national formula.

